

Company Registration No: 06025920

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**  
**GROUP REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

MONDAY



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**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS**

J G Bateson  
S J Staton  
S J Roff  
M W Gerard

**COMPANY NUMBER**

06025920

**REGISTERED OFFICE**

Venson House  
1 AC Court  
High Street  
Thames Ditton  
Surrey  
KT7 0SR

**AUDITOR**

RSM UK Audit LLP  
*Chartered Accountants*  
Davidson House  
Forbury Square  
Reading  
RG1 3EU

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **STRATEGIC REPORT**

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The directors present their Strategic Report for Premier Fleet Management and Contract Hire Limited ('Premier') for the year ended 31 December 2018.

#### **Principal activity**

The principal activity of the group during the year was that of the provision of fleet management services, total outsourcing solutions and contract hire within the automotive industry. The principal activity of the company was that of a holding company.

#### **Review of the business**

The Directors are satisfied with the results of the group, which are disclosed in the consolidated *statement of comprehensive income on page 10 of the financial statements*.

The Directors are able to announce that the group hit its key financial target for 31 December 2018 with an EBITDA of £6,830,614 (2017: £6,935,654), against a turnover of £24,779,246 (2017: £25,644,255). The EBITDA is calculated taking into account the depreciation and interest highlighted in Notes 4 and 5. The group made a loss for the year of £1,120,000 (2017: loss of £1,200,523) and ended the year with £250,689 cash at bank (2017: £974,135).

The group has net liabilities of £802,992 (2017: net assets of £317,008).

Operationally the group's continued focus on "Customer First" resulted in 9 contract wins during 2018 with Venson Automotive Solutions Ltd (VAS) recording a customer retention of 95% (2017: 93%).

The public sector businesses in Hertfordshire and Nottinghamshire continue to contribute to the group's overall results with an EBITDA of £1,076,978 (2017: £1,275,865). The EBITDA from the public sector businesses and the capacity for expansion provide a platform to achieve strong and profitable growth in the future.

#### **Principal risks and uncertainties**

The nature of the group's principal business is to provide risk transfer fixed price rentals for vehicles to private and public sector customers. The principal risk associated with the business is in the repurchase valuations "residual values" set at the outset of each contract. Residual values are set using industry market tools and analysis of vehicle types within the market place. Constant review of the market, guide prices and current disposal performance allows the business to mitigate its risk.

#### **Financial instruments**

The group's operations expose it to a variety of financial risks including the effects of changing interest rates on debt, credit risk and liquidity risk. The group has no material exposure in the above areas.

The group's principal financial instruments comprise of sterling cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases. In addition, there are debtor and creditor balances that arise directly from trading operations.

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **STRATEGIC REPORT** (Continued)

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The main risks, arising from the group's financial instruments, can be analysed as follows:-

#### *Liquidity risk*

To ensure continuity of funding the group has always acquired an element of its fixed assets through finance leasing. Bank credit facilities, which give short-term flexibility, and medium-term loans fund acquisitions by the group.

#### *Cash flow interest rate risk*

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest payable on bank loans and overdrafts is at a variable market rate. It is the group's policy to ensure that significant movements in interest rates do not have a material impact on cash flow. The Directors monitor the overall level of borrowings and interest costs to ensure that there are no adverse effects on the financial performance of the group.

#### *Credit risk*

The group's principal financial assets are bank balances, cash and debtors, which represent the group's maximum exposure to credit risk.

### **Future developments**

The group continues to concentrate on its core business providing services both to blue chip clients and the public sector. Whilst the market is competitive the directors believe that the group's strengths in its core business afford it an advantage in securing and retaining such business, and thus expect to increase turnover the coming years.

### **Key performance indicators**

Premier Fleet Management and Contract Hire Limited;  
Gross margin 38.4% (2017: 35.4%).

Venson Automotive Solutions Limited;  
The company achieved 96% of the market value on vehicles disposed in the year (2017: 107%). This reflects changes in the market but continues to perform in line with industry expectations.

Venson Nottingham Limited;  
In the reporting year the company delivered a vehicle availability performance of 99.0% (2017: 99.0%).

In the year to 31 December 2018 the company achieved a loss on disposal of fixed assets £4,067 (2017: £60,895).

Venson Herts Limited;  
In the reporting period the company delivered a vehicle availability performance of 97.5% (2017: 97.1%).

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **STRATEGIC REPORT** (Continued)

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#### **Going concern**

Included within creditors due after one year is an amount of £8,599,776 (2017: £8,442,846) due to Bottin (International) Investments BV ("Bottin BV"), a company under common control. The directors have received confirmation that this funding will not be withdrawn within one year of the date of approval of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Premier and Bottin BV has agreed to provide financial support, should it be required, to enable the group to meet its external obligations for at least 12 months from the date of these financial statements.

As a result of the current trading result of the group, combined with the continued support of Bottin BV and Dermot Desmond, the directors are satisfied with the group's future trading position and consider it appropriate to prepare these accounts on a going concern basis.

#### **Interest Payable**

As per note 7 of the accounts, within the £1,389,225 (2017: £1,377,639) of interest payable, £756,930 (2017: £731,184) relates to group undertakings.

By order of the Board:



M Gerard  
Director

30 September 2019

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **DIRECTORS' REPORT**

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The directors submit their report and the financial statements of the group for the period ended 31 December 2018.

#### **Results and dividends**

An analysis of the group companies' performance and development is contained within the Strategic Report.

The group loss for the year after taxation was £1,120,000 (2017: loss £1,200,523).

The directors do not recommend payment of a dividend on the shares for the year and the loss has been taken to reserves.

#### **Directors**

The directors who served the Company during the period and up to the date of this report were as follows:

J G Bateson  
S J Staton  
S J Roff  
M W Gerard

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **DIRECTORS' REPORT** (Continued)

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The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement as to disclosure of information to auditor**

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **Matters of strategic importance**

Certain information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report on pages 2 to 4 in accordance with section 414C(11) of the Companies Act 2006 as the directors consider these matters to be of strategic importance to the group.

#### **Auditor**

RSM UK Audit LLP are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the Board:



M Gerard  
Director

30 September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **Opinion**

We have audited the financial statements of Premier Fleet Management and Contract Hire Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- . give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- . have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- . have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- . the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- . the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED** (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- . the information given in the strategic report and the directors' reports for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- . the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- . adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- . the parent company financial statements are not in agreement with the accounting records and returns; or
- . certain disclosures of directors' remuneration specified by law are not made; or
- . we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER FLEET MANAGEMENT  
AND CONTRACT HIRE LIMITED** (Continued)

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading, RG1 3EU

30 September 2019

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Notes	2018 £	2017 £
<b>Turnover</b>	4	24,779,246	25,644,255
Cost of sales		(15,276,351)	(16,578,754)
Gross profit		<u>9,502,895</u>	<u>9,065,501</u>
Other operating expenses	5	(6,977,544)	(6,392,846)
Depreciation and amortisation	5	(2,533,516)	(3,018,048)
Operating loss		<u>(8,165)</u>	<u>(345,393)</u>
Interest receivable and similar income	6	11,328	3,874
Interest payable and similar charges	7	(910,127)	(833,180)
Loss on ordinary activities before taxation	8	<u>(906,964)</u>	<u>(1,174,699)</u>
Taxation	10	(213,036)	(25,824)
Loss on ordinary activities after taxation		<u>(1,120,000)</u>	<u>(1,200,523)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>(1,120,000)</u></u>	<u><u>(1,200,523)</u></u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

(Company Registration Number: 06025920)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		5,501,592		6,189,292
Software	12		<u>107,252</u>		<u>135,644</u>
Intangible assets			5,608,844		6,324,936
Tangible assets	13		<u>19,448,156</u>		<u>19,753,257</u>
			25,057,000		26,078,193
<b>Current assets</b>					
Stocks	15	302,716		281,634	
Debtors due within one year	16	13,524,267		10,422,991	
Debtors due after more than one year	16	9,247,809		10,113,041	
Cash at bank and in hand		<u>250,689</u>		<u>974,135</u>	
		23,325,481		21,791,801	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	<u>(24,993,843)</u>		<u>(21,666,765)</u>	
<b>Net Current Assets/(Liabilities)</b>			(1,668,362)		125,036
<b>Total assets less current liabilities</b>			<u>23,388,638</u>		<u>26,203,229</u>
Creditors: amounts falling due after more than one year	19		(24,191,630)		(25,886,221)
<b>Net Assets/(Liabilities)</b>			<u>(802,992)</u>		<u>317,008</u>
<b>Capital and reserves</b>					
Called up share capital	23		10		10
Share premium account	23		3,999,992		3,999,992
Profit and loss account	23		(4,802,994)		(3,682,994)
<b>Total equity</b>			<u>(802,992)</u>		<u>317,008</u>

The financial statements on pages 10 to 39 were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:



M Gerard  
Director

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

(Company Registration Number: 06025920)

**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Investments	14		4,800,002		4,800,002
<b>Current assets</b>					
Debtors due after more than one year	16	7,732,629		7,806,285	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	<u>(6,000)</u>		<u>(21,000)</u>	
<b>Net current assets</b>			7,726,629		7,785,285
<b>Total assets less current liabilities</b>			<u>12,526,631</u>		<u>12,585,287</u>
Creditors: amounts falling due after more than one year	19		(8,599,776)		(8,442,846)
<b>Net Assets</b>			<u>3,926,855</u>		<u>4,142,441</u>
<b>Capital and reserves</b>					
Called up share capital	23		10		10
Share premium account	23		3,999,992		3,999,992
Profit and loss account	23		(73,147)		142,439
<b>Total equity</b>			<u>3,926,855</u>		<u>4,142,441</u>

The company's loss for the period and total comprehensive income for the period was £215,586 (2017: loss £179,262).

The financial statements on pages 10 to 39 were approved by the board of directors and authorised for issue on 30 September 2019 and are signed on its behalf by:



M Gerard  
Director

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Balance at 1 January 2017</b>	10	3,999,992	(2,482,471)	1,517,531
Loss for the year	-	-	(1,200,523)	(1,200,523)
<b>Balance at 31 December 2017</b>	10	3,999,992	(3,682,994)	317,008
Loss for the year	-	-	(1,120,000)	(1,120,000)
<b>Balance at 31 December 2018</b>	10	3,999,992	(4,802,994)	(802,992)

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Balance at 1 January 2017</b>	10	3,999,992	321,701	4,321,703
Loss for the year	-	-	(179,262)	(179,262)
<b>Balance at 31 December 2017</b>	<hr/> 10	<hr/> 3,999,992	<hr/> 142,439	<hr/> 4,142,441
Loss for the year	-	-	(215,586)	(215,586)
<b>Balance at 31 December 2018</b>	<hr/> <hr/> 10	<hr/> <hr/> 3,999,992	<hr/> <hr/> (73,147)	<hr/> <hr/> 3,926,855

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Operating activities</b>	24		
Cash generated from operations		5,424,905	6,594,753
Other interest paid		(872,836)	(830,880)
Interest paid on hire purchase contracts		(516,389)	(546,759)
Taxation		(213,036)	(310,030)
<b>Net cash from operating activities</b>		<b>3,822,644</b>	<b>4,907,084</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(9,716,768)	(8,038,352)
Purchase of intangible fixed assets		(13,125)	(6,399)
Proceeds on disposal of tangible fixed assets		5,995,942	3,485,004
Interest received		11,328	3,874
<b>Net cash used in investing activities</b>		<b>(3,722,623)</b>	<b>(4,555,873)</b>
<b>Financing activities</b>			
Proceeds from other borrowings		-	-
Repayment of other short term borrowings		1,081,000	(134,000)
Capital element of hire purchase contracts		(1,904,467)	(1,193,275)
<b>Net cash used in financing activities</b>		<b>(823,467)</b>	<b>(1,327,275)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(723,446)</b>	<b>(976,064)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>974,135</b>	<b>1,950,199</b>
<b>Cash and cash equivalents at end of year</b>		<b>250,689</b>	<b>974,135</b>
<b>Relating to:</b>			
Bank balances and short term deposits included in cash at bank and in hand		<b>250,689</b>	<b>974,135</b>



## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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## **1 Accounting policies**

### **General information**

Premier Fleet Management and Contract Hire Limited ("the Company") is a private limited company, limited by shares, domiciled and incorporated in England. The address of the company's registered office and principal place of business is Venson House, 1 A C Court, High Street, Thames Ditton, Surrey, KT7 0SR.

The group consists of Premier Fleet Management and Contract Hire Limited and all of its subsidiaries. The group's principal activities during the year was that of the provision of fleet management services, total outsourcing solutions and contract hire within the automotive industry.

### **1.1 Basis of accounting**

The Company and group financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include certain financial instruments at fair value. Monetary amounts in these financial statements are rounded to the nearest £ except where otherwise indicated.

### **1.2 Reduced disclosure**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- . Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- . Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- . Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- . Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated within these group financial statements, which are publicly available from the Companies House, Crown Way, Cardiff, CF14 3UZ.

### **1.3 Company statement of comprehensive income**

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss for the period and total comprehensive income for the period was £215,586 (2017: loss £179,262).

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**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1.4 Basis of consolidation**

The consolidated financial statements incorporate those of Premier Fleet Management and Contract Hire Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2018.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

**1.5 Going concern**

The group reported a loss after tax of for the year of £1,120,000 (2017: loss of £1,200,523) and at the year end reported net current liabilities of £1,668,362 (2017: assets of £125,036). Included within net assets/liabilities as stated above are debtors due after one year of £9,247,809 (2017: £10,113,041). Included within creditors due after one year is an amount of £8,599,776 (2017: £8,442,846) due to Bottin (International) Investments BV ("Bottin BV"), a company under common control. The directors have received confirmation that this funding will not be withdrawn within one year of the date of approval of these financial statements. In addition, Dermot Desmond, the ultimate controlling party of Premier and Bottin BV, has agreed to provide financial support, should it be required, to enable the group to meet its external obligations for at least 12 months from the date of these financial statements.

As a result of the current trading result of the group, combined with the continued support of Bottin BV and Dermot Desmond, the directors are satisfied with the group's future trading position and consider it appropriate to prepare these accounts on a going concern basis.

**1.6 Functional and presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the group and the company.

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1.7 Turnover**

Turnover represents the value, net of Value Added Tax, of fit-out fees, commission in respect of operating leases, vehicle rentals, maintenance income, sale of vehicles where the company bears the risks and enjoys the related rewards associated with that sale, reimbursed costs, management fees and income from ancillary services to external clients. Turnover is recognised at the point of delivery of services or when the right to receive commission arises.

Reimbursed costs represent fleet management costs rechargeable to clients.

##### *Agency Funding Revenue*

A substantial part of the group's fleet of vehicles are funded on agency terms under which the group acts as an agent for the funder in purchasing, delivering, collecting and selling the vehicle. Revenue in respect of agency contracts is recognised on a straight-line basis over the term of the contract.

##### *Residual values*

At the expiry of an agency contract the group is obliged to pay the funder a balloon payment equivalent to the estimated residual value of the vehicle. Following sale of the vehicle the group accounts for the net sale proceeds to the funder up to the level of the estimated residual value. Any excess remains with the group; should there be a shortfall the group is exposed to the loss on the residual values. The amount of the exposure is on a pre-agreed basis with the funder. The group has decided to show all of the residual value due as gross receivables in debtors and the corresponding amount due to funders as gross payables in creditors.

The residual values of the vehicles are monitored in accordance with the industry practice and projected losses to the group on end-of-life disposals provided for accordingly.

##### *Vehicle maintenance contracts*

During the term of the vehicle contract, the maintenance income element is recognised over the life of the contract in accordance with the industry practice and maintenance expenditure is recognised when incurred.

#### **1.8 Intangible fixed assets**

Goodwill is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Negative goodwill arises when the cost of a business combination is less than the fair value of the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit.

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their expected useful lives of 3 - 5 years.

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## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1.9 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	25 years
Plant, machinery, fixtures, fittings and equipment	10% - 33.3% per annum
Motor vehicles under non-HP agreements	25% - 40% per annum
Motor vehicles under HP agreements	see below

Motor vehicles under HP agreements incepting from 1 January 2015 are depreciated on a straight line basis down to their residual values over the term of the contract.

Motor vehicles under HP agreements incepting before 1 January 2015 continue to be depreciated on an actuarial basis. This is computed using an Internal Rate of Return as previously permitted under the SORP for the asset finance and leasing industry. This matches the depreciation charge with the income and interest generated from the vehicle, and gives a result for each HP contract that is not materially different to the outcome produced under the group's treatment of HP contracts from 1 January 2015. Consequently, the directors continue to believe that this gives a true and fair view of the consumption of economic benefits for these contracts.

The treatment of depreciation on contracts incepting before 1 January 2015 as outlined above departs from FRS102 which does not allow for depreciation on an actuarial basis. This departure from FRS102 is required in order to give a true and fair view of the group's income and expenditure deriving from assets on hire purchase.

If the accounting policy followed FRS102 then an increase in depreciation of Nil (2017 - Nil) would have been charged to the profit and loss account for the year.

The group's accounting treatment of depreciation, as outlined above, when read in conjunction with its accounting treatment of interest accruing on vehicles funded via leasing arrangement and hire purchase (Note 1.15), seeks to allocate the costs associated with funding a fixed term contract directly against the income derived from that contract. This treatment allocates profit evenly over the term of each fixed term contract. The directors consider that this represents a true and fair view of the derivation of the profit from that contract.

Vehicles held for hire are depreciated to estimated resale value at the end of the lease, based on industry data. Used vehicles acquired at the expiry of the funding agreement and held for hire are depreciated at various rates depending on the associated funding mechanism.

#### **1.10 Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **1.10 Impairment of fixed assets** (Continued)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

##### **1.11 Fixed asset investments**

In the separate financial statements of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

##### **1.12 Stocks**

Parts stock is valued at the lower of cost and net realisable value.

##### **1.13 Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1.13 Taxation** (Continued)

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.14 Leases**

Assets held for use under operating leases are included within fixed assets. Rental income under contract hire is recognised on a straight line basis over the life of the initial contract. On extension of the contract, income is recognised as earned.

Income and costs in respect of daily hire contracts are recognised gross as the group bears the risks and rewards associated with these sales.

**1.15 Leased assets and obligations**

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as obligations under lease and hire purchase contracts within creditors. Depreciation on the relevant assets is charged to the profit and loss account in accordance with Note 1.9.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the length of the lease and (i) in the case of leases incepting prior to 1 January 2015, represents a constant proportion of the remaining balance of capital repayments outstanding, or (ii) in the case of leases incepting from 1 January 2015, is charged to the profit and loss account on a straight line basis. The capital component of repayments reduces the amounts payable to the lessor.

The treatment of lease interest from 1 January 2015 as outlined above departs from FRS102 Section 11 which states that interest should be allocated so as to produce a constant periodic rate of charge on the outstanding obligation. This departure from FRS102 Section 11 is required in order to give a true and fair view of the group's income and expenditure deriving from assets on hire purchase.

## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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##### **1.15 Leased assets and obligations** (Continued)

If the accounting policy followed FRS102 Section 11 then an increase in interest of £38,766 (2017 - an increase of £59,347) would have been charged to the profit and loss account for the year.

The group's accounting treatment of lease interest, as outlined above, when read in conjunction with its accounting treatment of depreciation (Note 1.9), seeks to allocate the costs associated with funding a fixed term contract directly against the income derived from that contract. This treatment allocates profit evenly over the term of each fixed term contract. The directors consider that *this represents a true and fair view of the derivation of the profit from that contract.*

All other leases are treated as "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

##### **1.16 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

##### **1.17 Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **1.18 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### ***Financial assets***

###### *Debtors*

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1.18 Financial instruments** (Continued)

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

***Financial liabilities and equity***

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

***Equity instruments***

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

***Creditors***

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

***Borrowings***

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

***Derecognition of financial assets and liabilities***

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.



## **PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **1.19 Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **2 Goodwill - useful economic life**

The annual amortisation charge is based on the expected useful economic life of goodwill. The useful life of goodwill is estimated by the directors based on the period in which benefits to the group are expected to be generated. The directors also consider whether goodwill is impaired.

#### **3 Critical accounting estimates and areas of judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### ***Critical accounting estimates and assumptions***

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### ***Residual values***

At the expiry of an agency contract the group is obliged to pay the funder a balloon payment equivalent to the estimated residual value of the vehicle. The group uses external professional valuations as a basis for determining the directors' estimation of the fair value of the residual value of the vehicles. However, the valuation of the residual value is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

##### ***Deferred taxation***

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**4 Turnover**

An analysis of the group's turnover by class of business is as follows:

	2018	2017
	£	£
Management fees and ancillary	3,890,900	3,782,922
Reimbursed costs	1,523,751	1,480,086
Fit out	1,621,545	1,545,748
Lease management and ancillary services	13,477,752	13,718,006
Vehicle sales	4,265,298	5,117,493
	<u>24,779,246</u>	<u>25,644,255</u>

The total turnover of the group for the year has been derived from activities wholly undertaken in the United Kingdom.

**5 Other operating expenses**

	2018	2017
	£	£
Administrative expenses	6,977,544	6,392,846
Depreciation and amortisation	6,359,681	6,736,588
	<u>13,337,225</u>	<u>13,129,434</u>
Depreciation of motor vehicles under hire purchase agreements included in cost of sales	(3,826,165)	(3,718,540)
	<u>9,511,060</u>	<u>9,410,894</u>

**6 Interest receivable and similar income**

	2018	2017
	£	£
Interest on bank deposits	<u>11,328</u>	<u>3,874</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**7 Interest payable and similar charges**

	2018	2017
	£	£
Interest arising on:		
Bank loans and overdrafts	115,906	85,635
Interest payable to group undertakings	756,930	731,184
Hire purchase interest	516,389	560,820
	<u>1,389,225</u>	<u>1,377,639</u>
Included within cost of sales	(479,098)	(544,459)
	<u><u>910,127</u></u>	<u><u>833,180</u></u>

**8 Loss on ordinary activities before taxation**

	2018	2017
	£	£
The loss on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of goodwill	687,700	687,700
Depreciation of tangible assets		
Owned assets	1,780,103	2,262,396
Leased assets	3,850,361	3,746,384
Amortisation of intangible assets	41,517	40,108
Profit on disposal of fixed assets	(1,604,537)	(503,878)
Operating lease rentals	681,690	628,537
Stock – amounts expenses to cost of sales	<u>2,667,785</u>	<u>2,132,023</u>

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;

	2018	2017
	£	£
Auditor's remuneration:		
Statutory audit of parent company and consolidated accounts	56,623	66,576
All other non-audit services	<u>10,480</u>	<u>9,976</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9 Employees and directors**

	2018	2017
	No.	No.
The average monthly number of persons (including directors) employed by the group during the year was:		
Sales	8	6
Administration	80	79
Technical	29	29
	<u>117</u>	<u>114</u>

	2018	2017
	£	£
Staff costs for the above persons:		
Wages and salaries	4,164,002	4,008,003
Social security costs	433,976	442,755
Other pension costs	99,415	88,887
	<u>4,697,393</u>	<u>4,539,645</u>

**Directors**

	2018	2017
	£	£
In respect of the directors of Premier Fleet Management and Contract Hire Limited		
Emoluments	436,446	389,411
Company contributions to money purchase pension schemes	11,593	8,493
	<u>448,039</u>	<u>397,904</u>

Directors emoluments disclosed above include the following payments paid to the highest paid director

Remuneration	<u>182,490</u>	<u>178,697</u>
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The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2017: 3).

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10 Taxation**

	2018	2017
	£	£
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	(21,126)
Total current tax	<u>-</u>	<u>(21,126)</u>
Deferred tax:		
Current year	201,408	44,899
Adjustments for prior periods	12,982	2,051
Adjustments for change in deferred tax rate	(1,354)	-
Total deferred tax	<u>213,036</u>	<u>46,950</u>
Total tax on profit on ordinary activities	<u><u>213,036</u></u>	<u><u>25,824</u></u>

	2018	2017
	£	£
Factors affecting the tax charge for the year.		
Group loss on ordinary activities before tax	(906,964)	(1,174,699)
Group loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2017: 20.25%).	(180,919)	(231,537)
Effects of:		
Expenses not deductible for tax purposes	142,645	160,605
Depreciation in excess of capital allowances	6,115	-
Group Relief	-	(1,659)
Adjustments IRO previous periods - DT	8,234	2,052
Other timing differences	(1)	(2)
Deferred tax not recognised	233,577	111,930
Prior year adjustments	-	(21,126)
Change in tax rate	3,385	5,561
Tax expense	<u><u>213,036</u></u>	<u><u>25,824</u></u>

The group has estimated tax losses of £1,068,543 (2017: £81,672) available to carry forward against future trading profits.

No deferred tax asset has been recognised in respect of the tax losses carried forward due to the uncertainty of the group's ability to utilise these losses.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11 Goodwill**

Group	Negative goodwill £	Positive goodwill £	Total goodwill £
Cost:			
At 1 January 2018 and 31 December 2018	<u>(144,566)</u>	<u>13,638,868</u>	<u>13,494,302</u>
Amortisation:			
At 1 January 2018	(144,566)	7,449,576	7,305,010
Charge for the year	-	687,700	687,700
At 31 December 2018	<u>(144,566)</u>	<u>8,137,276</u>	<u>7,992,710</u>
Net book value:			
At 31 December 2018	<u>-</u>	<u>5,501,592</u>	<u>5,501,592</u>
At 31 December 2017	<u>-</u>	<u>6,189,292</u>	<u>6,189,292</u>

The amortisation charge for the year is recognised within administrative expenses.

**12 Intangibles - software**

Group	Total £
Cost:	
At 1 January 2018	197,894
Additions	13,125
At 31 December 2018	<u>211,019</u>
Amortisation:	
At 1 January 2018	62,250
Charge for the year	41,517
At 31 December 2018	<u>103,767</u>
Net book value:	
At 31 December 2018	<u>107,252</u>
At 31 December 2017	<u>135,644</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**13 Tangible fixed assets**

Group	Freehold land and buildings £	Plant, machinery, fixtures and equipment £	Motor vehicles £	Total £
Cost:				
At 1 January 2018	814,926	3,737,700	30,121,418	34,674,044
Additions	-	87,445	9,629,323	9,716,768
Disposals	-	-	(10,630,410)	(10,630,410)
At 31 December 2018	<u>814,926</u>	<u>3,825,145</u>	<u>29,120,331</u>	<u>33,760,402</u>
Depreciation:				
At 1 January 2018	307,150	2,652,901	11,960,736	14,920,787
Charge for the year	7,638	411,331	5,211,495	5,630,464
Disposals	-	-	(6,239,005)	(6,239,005)
At 31 December 2018	<u>314,788</u>	<u>3,064,232</u>	<u>10,933,226</u>	<u>14,312,246</u>
Net book value:				
At 31 December 2018	<u>500,138</u>	<u>760,913</u>	<u>18,187,105</u>	<u>19,448,156</u>
At 31 December 2017	<u>507,776</u>	<u>1,084,799</u>	<u>18,160,682</u>	<u>19,753,257</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Net book values:	Fixtures and fittings £	Motor vehicles £	Total £
31 December 2018	<u>6,531</u>	<u>12,647,004</u>	<u>12,653,535</u>
31 December 2017	<u>22,204</u>	<u>14,460,841</u>	<u>14,483,045</u>

Included in motor vehicles, above, are vehicles utilised by the group in operating lease contracts as follows:

Net book values:	Cost £	Accumulated depreciation £	Net book value £
31 December 2018	<u>28,201,549</u>	<u>(10,458,894)</u>	<u>17,742,655</u>
31 December 2017	<u>29,183,135</u>	<u>(11,521,153)</u>	<u>17,661,982</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**14 Fixed asset investments**

Company	Investment in subsidiary £
Cost and net book values: At 1 January 2018 and 31 December 2018	<u>4,800,002</u>

The company holds more than 20% of the ordinary share capital of the following companies:

Company	Country of registration or incorporation	% Ordinary shares held	Activities
Venson Automotive Solutions Ltd	United Kingdom	100%	Fleet management
Venson Nottingham Ltd	United Kingdom	100%	Fleet management
Venson Properties Ltd	United Kingdom	100%	Property management
Venson Herts Ltd	United Kingdom	100%	Fleet Management

All shareholdings listed are direct. The registered office for all of the companies listed above is Venson House, 1 AC Court, High Street, Thames Ditton, Surrey, KT7 0SR.

Subsidiary companies claiming the exemption from audit under section 479A of the Companies Act 2006 are:

Venson Properties Ltd Reg No.04190602

Venson Herts Ltd Reg No.06023480

Premier Fleet Management and Contract Hire Limited has therefore given a guarantee under section 479C of the Companies Act 2006 in respect of the above subsidiaries.

**15 Stocks**

Group	2018 £	2017 £
Parts stock	<u>302,716</u>	<u>281,634</u>

**16 Debtors**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
<i>Amounts falling due within one year:</i>				
Trade debtors	7,443,510	6,142,546	-	-
Net investment in vehicles let under finance leases	-	14,639	-	-
Vehicles subject to repurchase agreements	4,798,531	3,325,733	-	-
Other debtors	100,489	130,887	-	-
Prepayments and accrued income	1,181,737	809,186	-	-
	<u>13,524,267</u>	<u>10,422,991</u>	<u>-</u>	<u>-</u>



**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**16 Debtors** (Continued)

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<i>Amounts falling due after more than one year:</i>				
Net investment in vehicles let				
under finance leases	-	-	-	-
Vehicles subject to				
repurchase agreements	8,559,564	9,191,684	-	-
Amounts owed by group undertakings	-	-	7,732,629	7,806,285
Other debtors	688,245	921,357	-	-
	<u>9,247,809</u>	<u>10,113,041</u>	<u>7,732,629</u>	<u>7,806,285</u>

**17 Finance lease receivables**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Gross amounts received under finance leases:				
Within one year	-	15,036	-	-
In the second to fifth years inclusive	-	-	-	-
Gross investment	-	15,036	-	-
Less unearned finance income	-	(397)	-	-
Present value of minimum				
lease payments	<u>-</u>	<u>14,639</u>	<u>-</u>	<u>-</u>
Receivable:				
Within one year	-	14,639	-	-
In the second to fifth years inclusive	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The group enters into finance leasing arrangements for motor vehicles. The average term of finance leases entered into is 4 years.

Unguaranteed residual values accruing to the group are estimated at £Nil (2017: £66,331).

The group did not recognise any contingent rentals during the year (2017: £Nil).

The group has an accumulated allowance of £Nil (2017: £Nil) for uncollectable minimum lease payments receivable.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**18 Creditors: Amounts falling due within one year**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (note 21)	3,498,000	2,417,000	-	-
Vehicles subject to repurchase agreement (note 19)	4,798,531	3,325,733	-	-
Obligation under finance leases and hire purchase contracts (note 19)	4,549,943	5,235,009	-	-
Trade creditors	5,381,018	3,618,994	-	-
Corporation tax	-	-	-	-
Taxes and social security costs	746,265	319,545	-	-
Other creditors	2,704,821	3,339,367	-	-
Accruals and deferred income	3,315,265	3,411,117	6,000	21,000
	<u>24,993,843</u>	<u>21,666,765</u>	<u>6,000</u>	<u>21,000</u>

**19 Creditors: Amounts falling due after more than one year**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Group loans	8,599,776	8,442,846	8,599,776	8,442,846
Vehicles subject to repurchase agreement	8,559,564	9,191,684	-	-
Obligation under finance leases and hire purchase contracts	7,032,290	8,251,691	-	-
	<u>24,191,630</u>	<u>25,886,221</u>	<u>8,599,776</u>	<u>8,442,846</u>

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Vehicles subject to repurchase agreement:				
Repayable within one year	4,798,531	3,325,733	-	-
Repayable between one and two years	2,107,033	4,394,027	-	-
Repayable between two and five years	6,452,531	4,797,657	-	-
	<u>13,358,095</u>	<u>12,517,417</u>	<u>-</u>	<u>-</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**19 Creditors: Amounts falling due after more than one year** (Continued)

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Obligations under finance lease and hire purchase agreements:				
Repayable within one year	4,549,943	5,235,009	-	-
Repayable between one and two years	3,051,131	4,465,774	-	-
Repayable between two and five years	3,981,159	3,785,917	-	-
	<u>11,582,233</u>	<u>13,486,700</u>	<u>-</u>	<u>-</u>

Obligations under finance lease and hire purchase agreements are secured by related assets and bear finance charges at rates ranging from 0% to 7.3%.

**20 Financial instruments**

The carrying amount of the group's financial instruments at 31 December was:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<i>Debt instruments measured at amortised cost</i>				
Trade debtors	7,443,510	6,142,546	-	-
Net investment in vehicles let under finance leases	-	14,639	-	-
Vehicles subject to repurchase agreements	13,358,095	12,517,417	-	-
Other debtors	788,734	1,052,244	-	-
Accrued income	1,181,737	809,186	-	-
	<u>22,772,076</u>	<u>20,536,032</u>	<u>-</u>	<u>-</u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**20 Financial instruments** (Continued)

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<i>Financial liabilities measured at amortised cost</i>				
Bank loans and overdrafts	3,498,000	2,417,000	-	-
Group loans	8,599,776	8,442,846	8,599,776	8,442,846
Vehicles subject to repurchase agreement	13,358,095	12,517,417	-	-
Obligation under finance leases and hire purchase contracts	11,582,233	13,486,700	-	-
Trade creditors	5,381,018	3,618,994	-	-
Corporation tax	-	-	-	-
Taxes and social security costs	746,265	319,545	-	-
Other creditors	2,704,821	3,339,367	-	-
Accruals and deferred income	3,315,265	3,411,117	6,000	21,000
	<u>49,185,473</u>	<u>47,552,986</u>	<u>8,605,776</u>	<u>8,463,846</u>

**21 Borrowings**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<i>Creditors: amounts falling due within one year:</i>				
Bank loans	3,498,000	2,417,000	-	-
Finance lease liabilities	4,549,943	5,235,009	-	-
	<u>8,047,943</u>	<u>7,652,009</u>	-	-
<i>Creditors: amounts falling due after more than one year:</i>				
Finance lease liabilities	7,032,290	8,251,691	-	-
	<u>15,080,233</u>	<u>15,903,700</u>	-	-

Bank loans consists of a loan which is secured on the assets of the relevant subsidiary which is in receipt of the funding.

The balance on the loan at 31 December 2018 was £3,498,000 (2017: £2,417,000). The bank loan is secured on Venson Nottingham Ltd's assets, runs for a period of three years, and is refreshed every three months based on the value of the secured assets and as such has been classified as due within one year. Interest is effectively charged at 6.5% per annum.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**22 Deferred Tax**

	Deferred tax asset £
Group	
At 1 January 2018	926,538
Profit and loss account	(213,036)
Balance at 31 December 2018	<u>713,502</u>

The deferred tax asset is made up as follows:

	Group	
	2018	2017
	£	£
Accelerated capital allowances	<u>713,502</u>	<u>926,538</u>

Deferred tax has not been provided on tax losses not deemed recoverable as follows:

	Group	
	2018	2017
	£	£
Tax losses available at 19% (2017: 19%)	<u>203,023</u>	<u>15,518</u>

During the previous year, Finance Act 2015 was enacted and included legislation to reduce the main rate of corporation tax to 19% with effect from 1 April 2017, and by a further 1%, reaching 18% with effect from 1 April 2020. Where deferred tax is expected to unwind after 1 April 2017 or 1 April 2020, deferred tax has been calculated at the expected enacted rate of 19% or 18% respectively. All other deferred tax has been recognised at 20%.

**23 Share capital and reserves**

Company share capital	2018	2017
	£	£
Allotted, issued and fully paid:		
10 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

*Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**23 Share capital and reserves** (Continued)

Reserves

Reserves of the group and Company represent the following:

*Profit and loss account*

Cumulative profit and loss net of distributions to owners.

*Share premium*

Consideration received for shares issued above their nominal value net of transaction costs.

**24 Reconciliation of loss after tax to net cash generated from operating activities**

	2018	2017
	£	£
Loss after tax	(1,120,000)	(1,200,523)
Adjustments for:		
Depreciation of tangible fixed assets	5,630,464	6,008,780
Amortisation of goodwill	687,700	687,700
Amortisation of intangible assets	41,517	40,108
Profit on sale of fixed assets	(1,604,537)	(503,878)
Interest receivable	(11,328)	(3,874)
Interest payable	910,127	833,180
Hire purchase interest included in cost of sales	479,098	544,459
Taxation	213,036	25,824
Operating cash flows before movements in working capital	<u>5,226,077</u>	<u>6,431,776</u>
Decrease in stock	(21,082)	6,873
Decrease in debtors	(1,395,366)	546,493
Decrease in creditors	1,615,276	(390,389)
Cash generated from operations	<u><u>5,424,905</u></u>	<u><u>6,594,753</u></u>
Cash and cash equivalents	2018	2017
	£	£
Cash and cash equivalents represent:		
Cash at bank and in hand	<u><u>250,689</u></u>	<u><u>974,135</u></u>

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**25 Financial commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2018	2017
	£	£
Amounts due:		
Within one year	568,755	792,863
Between one and five years	2,558,226	1,611,596
After five years	285,452	202,747
	<u>3,412,433</u>	<u>2,607,206</u>

**26 Retirement benefits**

The group operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions payable by the group charged to profit or loss amounted to:

	2018	2017
	£	£
Contributions payable by the group for the year	<u>99,415</u>	<u>88,887</u>

There were £17,584 (2017: £11,000) unpaid pension contributions at the year end.

**27 Related party transactions**

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

At the period end Bottin (International) Investments BV ("Bottin BV") a company under common control, was owed £8,599,776 (2017: £8,442,846) by the company. Interest of £756,930 (2017: £731,184) has been accrued on this balance as at 31 December 2018, interest of £600,000 (2017: £600,000) was paid in the year.

**PREMIER FLEET MANAGEMENT AND CONTRACT HIRE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**27 Related party transactions** (Continued)

The directors have received confirmation that the funding received from Bottin BV will not be withdrawn within one year from the date of approval of these financial statements. Dermot Desmond has agreed to provide financial support, should it be required, to enable the group to meet its external obligations as and when they fall due.

Sales made to S Roff, a director of the group and company, during the year amounted to £4,201 (2017: £4,200). Outstanding at the end of the year was £6,380 (2017: £3,240).

The group is related to International Investment & Underwriting ("IIU") by virtue of a common director. During the year there were purchases of £3,267 (2017: £Nil) from IIU, and at 31 December there was an amount of £3,267 (2017: £Nil) outstanding in respect of these purchases.

**28 Remuneration of key management personnel**

The directors are considered to be the only key management personnel. Directors remuneration is disclosed in note 9. Employers national insurance contributions paid on behalf of these employees during the year amounted to £55,264 (2017: £55,825).

**29 Ultimate controlling party**

The group's immediate parent undertaking is The Bottin Limited Partnership, a company registered in Gibraltar. The group's ultimate parent undertaking is The Apple Limited Partnership.

Mr Dermot Desmond has the ability to exercise dominant influence over The Apple Limited Partnership.