

Please note that these accounts are a supporting document in relation to the Fleet Midco Limited (Company Number 10136400) filing

**Fleet Finco Limited**

**Annual report and financial statements**

**Year ended 30 June 2021**

Registered number: 10201446



**Fleet Finco Limited**  
**Annual report and financial statements**  
**Year ended 30 June 2021**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>7</b>
<b>Directors' responsibilities</b>	<b>11</b>
<b>Independent auditor's report to the members of Fleet Finco Limited</b>	<b>12</b>
<b>Consolidated statement of comprehensive income</b>	<b>21</b>
<b>Consolidated balance sheet</b>	<b>22</b>
<b>Parent company balance sheet</b>	<b>23</b>
<b>Consolidated statement of changes in equity</b>	<b>24</b>
<b>Parent company statement of changes in equity</b>	<b>25</b>
<b>Consolidated statement of cash flow</b>	<b>26</b>
<b>Notes to the financial statements</b>	<b>27</b>

# **Fleet Finco Limited**

## **Officers and professional advisers**

### **Directors**

S J Ashman  
M P Burkley

### **Secretary**

S J Ashman

### **Registered Office**

Lacon House  
84 Theobald's Road  
London  
WC1X 8NL

### **Bankers**

National Westminster Bank Plc  
Natwest Corporate Banking  
PO Box 959  
250 Bishopsgate  
London  
E1 6AJ

### **Solicitors**

MacFarlanes LLP  
20 Cursitor Street  
London  
EC4A 1LT

### **Auditor**

Deloitte LLP  
1 New Street Square  
London  
EC4A 3HQ  
United Kingdom

# Fleet Finco Limited

## Strategic report

### Introduction

The directors present the Company's strategic report for the year ended 30 June 2021. The Company was incorporated on 26 May 2016 and is registered in England and Wales with the registered number 10201446. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### Principal activities

The principal activities of the Company and its subsidiary undertakings (together "the Group" or "Argus") is publishing news, price information and analysis on a wide range of global energy and commodity markets. The Group also reports on transportation, hosts industry conferences and provides consulting studies.

### Guiding Principles - Section 172 statement

It is the Company's policy to abide by all laws and regulations in the markets where it does business and to manage its business to achieve superior returns for its shareholders; offer rewarding careers for its employees; build mutually beneficial relationships with its customers; and, hold constructive engagement in the communities where it operates. The Company has a comprehensive set of written policies to help ensure compliance with these standards as well as related internal audit functions. Further information on the Company's efforts on environmental, social, community and human right matters as well as our anti-bribery and anti-corruption controls are outlined in more detail in the Directors' report.

*The Board acts to promote the success of the Group for the benefit of its members as a whole. A summary of key aspects of the Board's engagement to achieve these ends is outlined below:*

Stakeholders	Board's engagement
Shareholders	Review and approval of strategy; annual budgets; five-year plans; major capital expenditures and investments; major acquisitions or divestitures; capital structure; and, oversight of actual operating and financial results
Employees	Oversight of management succession and development; diversity; employee morale; and, review and approval of employee compensation and incentive plans
Customers & Suppliers	Oversight of the performance of key products and markets; product quality; customer retention and new customer acquisition; and, compliance with industry standards
Environment & Community	Oversight of offices' local engagement; carbon footprint; and, review and approval of charitable contributions

The Board considers the outcomes of the above stakeholder engagement and makes decisions that are in the long term interests of its members. Examples of decisions made during the year are provided in further sections below in the Strategic Report. The Company is governed directly by its principal shareholders who are represented on the board of directors, which also includes independent non-executive directors. Employees and former employees who own interests in the Company have specified contract rights and a representative that must approve any alterations to such rights. The board reviews and approves the Company's policies and monitors compliance through periodic management reports and the internal audit functions. These activities are assisted by three board committees, all of which are chaired by independent non-executive directors: Audit and Risk Committee; People Committee; and, Global Compliance Committee.

# **Fleet Finco Limited**

## **Strategic report (continued)**

### **Activities this Year**

As described below, the Group performed well in its principal activities in 2021. The year was marked by the ongoing Covid-19 pandemic, the impact of which the Group continues to take steps to minimise.

Some of our customers were materially impacted by the Covid-19 pandemic and related economic slowdown. We worked cooperatively with them on subscription renewals to help meet their cost reduction objectives. Covid-19 particularly impacted the conferences business. Overall, this resulted in revenue growth that was lower than recent past. In response, we implemented a cost reduction program that effectively protected our margins, earnings growth and cash generation while maintaining the productivity and the long-term goodwill of our employees.

The Group purchased Agritel SAS ("Agritel") and invested in a start-up called Tallarium Limited ("Tallarium") in the year. Agritel is an expert provider of information, consulting and forecasting on agricultural and agro-industrial markets. The purchase of Agritel will allow the Group to complement existing offerings in adjacent sectors of fertilizer and biofuels. Tallarium is a UK-based start-up building web-based solutions for commodity traders.

The Company ran an employee engagement survey in October 2020. The results showed a significant increase in overall engagement compared to the last survey in 2018 and based on the insights provided, the Board and Management are developing specific action plans to further engage employees.

### **Business review and key performance indicators**

The key performance indicators for the Group are turnover and operating profit before depreciation, amortisation and exceptional items. Group turnover for the year was £228.7 million (2020: £226.2 million) and operating profit before depreciation amortisation and exceptional items was £93.1 million (2020: £81.5 million), giving an operating profit margin before depreciation, amortisation and exceptional items of 40.7% (2020: 36.0%). The increase in operating profit margin before depreciation, amortisation and exceptional items was driven by a reduction in costs and a net foreign exchange gain of £2.3 million (2020: loss of £19.7 million).

*Depreciation and amortisation for the year amounted to £26.0 million (2020: £25.1 million). Financing costs for the year amounted to £17.4 million (2020: £90.6 million). The decrease in financing costs was due to a foreign exchange gain on the translation of a bank loan, a gain made on an interest rate hedge and refinancing costs in the prior year. The profit before tax for the year was £49.5 million (2020: loss of £34.8 million).*

Cash generated from operating activities during the year amounted to £107.9 million (2020: £94.8 million). The Group ended the year with cash of £37.1 million (2020: £59.3 million).

The Covid-19 pandemic affected the business in its non-recurring revenue stream where revenues of £1.4m are below prior year revenues of £7.5m. The Group was able to limit the impact of this reduction in revenue through a number of cost saving measures, including utilising the governments Covid-19 job retention schemes in the UK and Singapore and a slowdown in hiring for new roles. Due to the restrictions on travel and gatherings, the Group also incurred less costs for travel and the organisation of events.

The Group has had the majority of its offices open with a limited capacity in line with local government guidelines. The Group has installed safety measures including lateral flow and PCR testing, temperature cameras, additional thorough cleaning and Covid rapid testing in its offices for those employees with permission to work from an office. Employees have not been forced or encouraged to work from the office at any point in the year, and have been able to continue working from home where necessary.

Fleet Finco Limited is committed to continuing to invest in the Argus business and during the period has increased expenditure on new technology, product innovation and global editorial and business development resources.

## **Fleet Finco Limited**

### **Strategic report (continued)**

#### **Business review and key performance indicators (continued)**

The Group's continuing success is based on its clients' need for proprietary commodity market prices, fundamentals data and high-quality market analysis that it publishes. Growth is driven by both improvements to existing publications, the launch of new products to meet its clients' changing requirements and business combinations with other entities where considered appropriate. Increasing usage by existing customers is a major source of growth and consequently we become increasingly embedded in our customers processes. The continuing diversification, including the growth of the natural gas, petrochemicals, fertilizers and metals sectors has seen Argus continue to grow revenues.

A large part of the Group's success is its global reach among "blue chip" clients operating across various industries, financial institutions and government agencies. Argus has over 6,000 clients in almost 140 countries, served by a global sales force and customer support function.

Argus provides products and services, which have long useful lives for many reasons. These reasons include the long term and essential nature of global commodity markets, the importance of industry-respected benchmarks, which are core to our customer's operations, and the high quality brand that Argus' professionalism has built up over many decades. The Argus business has existed for over 50 years and our top four products have an average life of over 30 years and our top ten products almost 25 years. Successful benchmarks are embedded in commodity price reporting with a long useful economic life. The Company considers that recognised goodwill and intangible assets have similar long lives of 10 to 25 years and beyond.

Argus' primary focus is the quality and consistency of its commodity market coverage. Argus has a continuing programme of developing its global compliance and controls systems with the objective of producing the most robust commodity market price assessments. Argus' policy framework in this regard includes its global compliance policy, editorial code of conduct, ethics policy, market reporting manual and business continuity plan that ensures the uninterrupted production of its reports even when major offices are shut.

Argus' compliance programme includes a rolling series of internal audits of price assessments to ensure compliance with published methodologies and policies. In line with IOSCO's Principles for Oil Price Reporting Agencies, Argus operates an annual external assurance review of all its commodity benchmarks to demonstrate that it is meeting its commitments. Argus has a formal complaints handling procedure to address any instances of dissatisfaction by customers. It also has a whistle-blower facility to ensure that all staff have the opportunity, anonymously, to alert the Group of any concerns and risks.

The Group's strategy is to invest in new technology and global editorial resources, in order to build a robust and efficient business that can deliver growth through the provision of innovative products and solutions for customers involved in the global commodities sector. As of 30 June 2021, the Group employs a workforce of 1,025 employees; this is an increase of 16 employees since 30 June 2020.

Around half of the Group's staff are journalists, who report on global commodity markets. Added to this number is a global network of local "stringers" who write for the group's various publications. Argus has an on-the-ground presence in 50 countries around the world, including 26 regional offices. Over the next year, Argus expects to continue to grow and add the necessary resources required to meet customer demands for its critical information.

# **Fleet Finco Limited**

## **Strategic report (continued)**

### **Principal risks and uncertainties**

The six main areas of business risk relate to copyright, currency, talent, geopolitics, regulation and pandemics.

The creation of proprietary information is at the heart of the Group's business, and management is focused on protecting the Group's intellectual property against infringement. The Group works with its clients to achieve the appropriate licensing of its intellectual property and our technology team continues to explore and implement content protection solutions.

The bulk of the Group's earnings are in US Dollars, British Pound Sterling, and Euros and this income split provides a diversity of currency exposure and a natural hedge to currency risk. Funds held in these currencies are required to meet the operational demands of the Group's business. In addition the Group uses financial instruments to hedge any additional currency risk.

The failure to attract, retain and develop staff, including adapting to new skill sets required to run the business, has been identified as a principal risk for the Group. The Group strives to provide a supportive environment that enables employees to work collaboratively. The Group also places great importance on developing its employees and their capabilities through mentoring and training programmes as well as through performance management processes.

Like all international businesses, the Group faces geopolitical risk. The Group has offices in many countries and also sells to countries where companies can have sanctions applied. Argus has well-resourced integral legal and compliance functions and also has know your customer and vendor monitoring and controls in place. In terms of office locations, management continues to monitor developments on the ground and ensure that the Group's contingency planning is reviewed on a regular basis, and that proper controls are in place.

The Group is well positioned to continue to prosper and considered resilient to the economic and political turmoil arising from the UK's withdrawal from the European Union ("EU"). The Group is a global organisation with decades of experience operating within and across many countries. The Group is also well positioned to leverage its international presence to drive future growth and mitigate any risks arising from the UK's withdrawal from the EU. So far the UK's withdrawal from the EU had minimal impact on the business.

The Group places great importance on its internal processes, procedures and quality standards and continues to add resources in the area of compliance. It has a rolling internal compliance programme to check that its editorial staff adhere to appropriate reporting methodologies and other internal and external codes of conduct. The Group has an active regulatory engagement programme in order to keep abreast of and help shape relevant public policy developments around the globe. The Group undertakes advocacy on public policy issues, principally to promote best practice in the reporting of wholesale commodity markets. The Group is committed to transparency in its own operations including through publishing its submissions and responses to public regulatory consultations. The Group believes that it has in place the appropriate level of procedures for the current environment.

As outlined above, the Covid-19 pandemic had a major impact on the operations of the business with offices around the world being shut and business travel coming to a halt. In response, the Group rolled out a robust work from home programme, moving as many of its activities as possible into a virtual environment, which has continued throughout the year. The group took advantage of governmental assistance provided to ensure the impact on our employees was as small as possible, details of which can be seen in note 13 to the financial statements.

### **Longer term viability statement**

As outlined in the Strategic Report and Section 172 Statement, the directors are focused on promoting the long term success of the Group for the benefit of its stakeholders as a whole. The Group's long term viability is assessed based on the Group's strategy, principal risks and uncertainties it faces, and the relevant risks in the markets the Group operates in. The directors have, therefore, assessed the prospects of the Group's viability over the five-year period from 1 July 2021. This period is consistent with the Group's established business planning and forecasting processes and cycle, which is subject to review and approval by the Board.

## **Fleet Finco Limited**

### **Strategic report (continued)**

#### **Longer term viability statement (continued)**

The five-year plan considers the Group's operating profit before depreciation and amortisation, capital expenditure, cash flows, funds from operations and net debt, and the key financial ratios of net debt to operating profit before depreciation and amortisation and funds from operations to net debt over the forecast years and incorporates stress tests to simulate the potential impacts of exposure to the Group's principal risks and uncertainties including the potential impacts of an economic downturn and the potential impacts of the Covid-19 pandemic.

These scenarios included:

- The effect of unfavourable changes to significant foreign exchange rates on the Group's operating profit before depreciation and amortisation as a result of its global operations;
- The impact of the Covid-19 pandemic on the Group's revenue;
- A decrease in revenues due to adverse geopolitical developments; and
- An increase in costs associated with regulatory compliance and adverse geopolitical developments.

The scenarios were assessed taking into account current risk appetite and any mitigating actions the Group could take, as required, in response to the potential realisation of any of the stressed scenarios.

In addition, while the Group is in a net liability position, its liabilities are the bank loans and liabilities against related parties including its shareholders. The shareholder loans will not be due in the five years from 30 June 2021 and they provide the Group with the option to defer payments, if necessary.

Based on the results of the related analysis, individually as well as combined, the Group remains viable. There is sufficient headroom in the financing facilities and the strong cash generation of the Group leads to a sufficient liquidity position at all times. Therefore, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of this assessment.


#### **Future developments**

The Group will continue to refine its business model and is increasing its market share in a competitive sector of the information industry. The Group had to rethink certain parts of its business and find new ways to deliver value to our customers following the Covid-19 pandemic. Nonetheless, the Group's revenue and operating profit have remained resilient and operating cash flows remain strong and predictable. The Group has an experienced management team, skilled staff and a robust capital structure. *The Group is positive about the year ahead and is confident that the increasing importance of its information for entities involved in the global commodities sector will help to generate significant opportunities for continued revenue and profit growth in the years ahead.*

The Group continues to strengthen the senior management team who will focus on capturing the significant opportunities that lie ahead. *The Group is also evaluating possible new office openings in countries where there is the potential to generate significant new business for the Group.*

#### **Approval**

This report was approved by the board of directors and signed on its behalf by:



S J Ashman

Director  
15 October 2021



# **Fleet Finco Limited**

## **Directors' report**

The directors present their financial report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 30 June 2021.

### **Dividends**

There were no dividends paid on the ordinary shares in the year (2020: Nil) and the directors did not propose the payment of a dividend for the year ended 30 June 2021 (2020: Nil).

### **Directors**

The current directors and the changes during the period to the date of signing are detailed below.

S J Ashman

M P Burkley

### **Directors' indemnity insurance**

The company provides, to the extent permitted by law, an indemnity to all directors and officers of the company and its subsidiaries in respect of claims against them arising in respect of the conduct of the business of the Group. The company has also purchased directors' and officers' insurance cover against certain legal liabilities and costs for claims in connection with any act or omission by such.

### **Donations**

During the year, the Group made charitable donations of £246,195 (2020: £204,944).

### **Going concern**

The Group has a robust capital structure, comprising ordinary and shareholder preference share capital, shareholder loan notes with a remaining term of 9 years and senior bank debt with a remaining term of six years. In addition, the Group has access to a revolving credit facility of up to £50m. The Group has a strong business model with the majority of its revenue being derived from subscriptions, with a historically high renewal rate. The Group continues to generate strong operating profit and strong positive operating cashflows. Covid-19 to date only had a very limited financial impact on the financial performance of the Group as outlined above in the Strategic Report. The directors have reviewed the budget for the year to 30 June 2022 and the forecast for the following four years thereafter, and have concluded that the Group can continue to generate operating profits and sustain appropriate liquidity even in the event of a significant downturn in trading. The shareholder loan notes and shareholder preference shares are held by the ordinary shareholders and the coupon is only payable in cash at the discretion of the Company. The directors have therefore concluded that it is appropriate to adopt the "going concern" basis when preparing the Company's and the Group's statutory accounts.

### **Environmental, employee, social, community and human right matters**

The Group has a policy of actively recycling as much material as possible and of using environmentally sustainable service providers. For example, in London, the Group employs cleaners who only use eco-friendly products and pay their staff a London Living Wage. All our main offices operate recycling schemes which comply with local requirements. The Group encourages cycling and in London it operates the Cycle to Work scheme. The Group also provides cycle storage facilities within its head office building.

The Group has a zero tolerance approach to acts of bribery and corruption. To manage bribery and corruption risks, the Group operates within a risk management framework which sets high-level policies and standards across all markets. These policies and standards apply to all Group directors and employees, regions, and operations, and it is the responsibility of local management to ensure that their business operates in line with them. The Group operates a risk-based training and awareness framework to ensure employees and others acting on the Group's behalf know what is expected of them and how they should manage bribery and corruption risks. To ensure that anti-bribery and anti-corruption controls are operating effectively we assess compliance oversight and annual attestation to compliance with the relevant regulations. At a Group level, the Global Compliance Officer provides the Board's Global Compliance Committee with regular reporting on financial crime matters, including the Group's anti-bribery and anti-corruption programme.

## **Fleet Finco Limited**

### **Directors' report (continued)**

#### **Environmental, employee, social, community and human right matters (continued)**

As a journalistic enterprise, the Group has a strong culture of openness, especially in internal communications. This is reflected through the frequent "town hall" business and operations updates from the CEO providing the latest information about performance including progress against the Group's financial targets. All staff take part in these "town hall" events. A staff newsletter, "Argus Offline", contains news and information provided by staff across the globe about matters affecting them. Staff are encouraged to get involved by submitting articles and ideas about what to include in the newsletter.

The Group strives to provide a supportive environment where managers and employees work collaboratively to meet deadlines and to serve its clients. In the United Kingdom, this is reflected through the company's continued accreditation under the "Investors in People" scheme, which recognises the use of good internal staff communication and training programmes to attain the Group's goals. The Group places great importance on developing its employees and their capabilities through mentoring and training programmes as well as through the annual appraisal process. The appraisal form includes a section asking employees for their suggestions on how to develop and improve the business. Staff are also consulted on an annual basis through a global staff engagement survey. The company also sponsors a number of work-social groups which run professional and welfare based events; Argus Connect (for younger professionals), Argus Parents, Argus WIN (Women's Initiative Network), Black Lives Matter and IDEA (Inclusion, Diversion, Equity and Awareness) in the Americas. During the financial year, the Group established a Global Diversity Committee to help coordinate and advance the goals of these groups.

The Group is an equal opportunities employer and recruits without reference to gender, age, ethnicity, disability, sexual orientation, religion or belief. The Group is proud that its workforce is so diverse and, without exception, it seeks to fulfil its obligations under all anti-discrimination laws. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Streamlined Energy Carbon Reporting (SECR)**

As of 2019-20, UK law requires the Group to report certain greenhouse gas (GHG) emissions from UK operations under the SECR (see table below).

The Group calculated GHG emissions through application of DEFRA's UK Government GHG Conversion Factors for Company Reporting (2020 and 2021) using the following reporting standards:

- The Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard (WBCSD & WRI, 2004)
- The Greenhouse Gas Protocol - Scope 2 guidance, amendment to the GHG Protocol Corporate Standard (WBCSD & WRI, 2015)
- The Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard (WBCSD & WRI, 2011)

# Fleet Finco Limited

## Directors' report (continued)

### Streamlined Energy Carbon Reporting (SECR) (continued)

GHG emissions and energy use data for the period from 1 July 2020 to 30 June 2021 and for the period 1 July 2019 to 30 June 2020

	2020/21 UK	2019/20 UK
Energy consumption used to calculate emissions (MWhs)	1,307	1,203
Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1)	211.59	158.69
Emissions from combustion of fuel for transport purposes tCO <sub>2</sub> e (Scope 1)	—	—
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel tCO <sub>2</sub> e (Scope 3)	—	—
Emissions from purchased electricity tCO <sub>2</sub> e (Scope 2, location-based)	—	79.37
Total gross CO <sub>2</sub> e based on above (tCO <sub>2</sub> e)	211.59	238.06
Intensity ratio: Total gross tCO <sub>2</sub> e /£m Annual turnover in the UK	2.13	2.57

Emissions from purchased electricity tCO<sub>2</sub>e (Scope 2, location-based) is reported as zero emissions as all electricity consumed within the period is 100% renewable and REGO backed (Renewable Energy Guaranteed of Origin).

At the same time, fewer staff attending the building means less computers and electrical equipment are running which increases the amount of heat added to the building generated from mains gas consumption.

More gas was used in the period from 1 July 2020 to 30 June 2021 than in the previous period as during the Covid-19 pandemic the heat wheel that takes heat from extract was shut off. The heat wheel is a possible source of contamination where extract air could otherwise be recirculated.

The overall result is an increase in consumption but a reduction in emissions.

### Financial risks and management

Principal financial risks and management are discussed in the Strategic Report on page 4 and other financial risks such as credit, interest and liquidity risk are discussed in note 34.

### Future developments and events after the balance sheet date

Future developments are discussed in the Strategic Report on page 6.

Events after the balance sheet date are disclosed in note 35 to the financial statements.

### Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.
- This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

---

**Fleet Finco Limited**  
**Directors' report (continued)**

**Approval**

This report was approved by the board of directors on its behalf by:

A handwritten signature in black ink, appearing to read 'S J Ashman', with a long horizontal flourish extending to the right.

S J Ashman

Director  
15 October 2021

## **Fleet Finco Limited**

### **Directors' responsibilities**

The directors are responsible for preparing the Annual 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 group financial statements in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

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

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report to the members of Fleet Finco Limited**

## **Report on the audit of the financial statements**

### **1. Opinion**

In our opinion:

- the financial statements of Fleet Finco Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- *the consolidated and parent company statements of changes in equity;*
- the consolidated cash flow statement; and
- the related notes 1 to 37.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

### **2. 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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

# Independent auditor's report to the members of Fleet Finco Limited (continued)

## 3. Summary of our audit approach

<b>Key audit matters</b>	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"><li>• the recoverability of the carrying value of goodwill and intangible assets; and</li><li>• going concern in light of significant value of debt finance held.</li></ul> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"><li>ⓘ Newly identified</li><li>⬆ Increased level of risk</li><li>⬅ Similar level of risk</li><li>⬇ Decreased level of risk</li></ul>
<b>Materiality</b>	The materiality that we used for the group financial statements was £3.5m, which was determined on the basis of 3.75% of operating profit before depreciation and amortisation.
<b>Scoping</b>	The two principle trading entities in the group were subject to a full scope audit and this provided coverage of 77% of group's revenue and 80% of the group's operating profit before depreciation and amortisation.
<b>Significant changes in our approach</b>	The recoverability of the carrying value of goodwill and intangible assets was a key audit matter in 2020, and continues to be a separate key audit matter in the current year. We have focused our key audit matter on the growth rates used in CIS due to the lower headroom in this CGU. For the year ended June 2020 we also focused on the Asian CGU, however due to the additional headroom this was not a key audit matter in the current year.

## 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.2. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent auditor's report to the members of Fleet Finco Limited (continued)

## 5.1. The recoverability of the carrying value of goodwill and intangible assets

<b>Key audit matter description</b>	<p>At the year end, the carrying values of goodwill and intangible assets were £666.1m (2020: £661.6m) and £326.2m (2020: £349.6m), respectively. Goodwill arose from acquisitions in the prior years and one acquisition in the current year and is allocated to the four cash generating units (CGUs) of the group. Intangible assets of the group predominantly relate to subscriber customer relationships and brand assets acquired as part of business combinations.</p> <p>In accordance with IAS 36, goodwill is required to be tested at least annually for impairment. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use (VIU) calculated as the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Management has used the VIU method to calculate the recoverable amount.</p> <p>Assessing the value in use of goodwill and intangibles assets requires an estimation of key assumptions such as long term growth rates, discount rates, and growth in short term cash flows. These are the key assumptions used by management in determining whether goodwill and intangible assets are impaired.</p> <p>Consistent with the previous year, we have focussed our key audit matter on growth rate assumptions in the CIS CGU due to lower level of headroom available in that CGU. We note, that the determination of a growth rate in CIS CGU requires judgement and a decrease in net earnings of 2.7% or an increase in the discount rate of 1.6% would result in an impairment.</p> <p>Further detail of goodwill and intangibles assets are disclosed in notes 15 and 16 in the financial statements. Notes 3 and 4 in the financial statements disclose the accounting policies and refer to carrying value of goodwill and intangibles having significant estimation uncertainty.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We challenged management's impairment review for goodwill and intangible assets using a range of audit procedures. The audit procedures performed included the following:</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of the basis of preparation of the forecasts and impairment review, and relevant controls within the impairment review process;</li> <li>• assessing the ongoing appropriateness of management's allocation of goodwill and intangible assets to the cash generating units identified;</li> <li>• assessing the appropriateness and challenging the reasonableness of the underlying business plans with regards to growth targets and assessing recent forecasting accuracy against actual performance;</li> <li>• assessing and challenging the cash flow forecasts used within the impairment model based on our understanding of the business, external industry information and through making enquiries of management</li> <li>• involving our internal valuation specialists in assessing whether the discount rates and long term growth rates are within a reasonable range;</li> <li>• developing an independent expectation of the recoverable amount of each cash generating unit; and</li> <li>• assessing the reasonableness of sensitivities applied by management and re-performing our sensitivity analysis.</li> </ul> <p>We have also assessed the mechanical accuracy of the impairment model calculations and management's disclosure of the reasonable possible changes in key assumptions used.</p>
<b>Key observations</b>	<p>We concur with management that the key assumptions applied in the impairment model were within the acceptable ranges. We further concluded that the carrying value of goodwill and intangible assets were appropriate.</p>



# Independent auditor's report to the members of Fleet Finco Limited (continued)

## 5.2. Going concern in light of significant value of debt finance held

<b>Key audit matter description</b>	<p>As at 30 June 2021 the group has total borrowings of £590m (2020: £689m), comprised of bank loans of £354.8m (2020: £458.1m) and shareholder loan notes of £235.5m (2020: £230.9m). The bank loans have one financial covenant associated with consolidated senior secured net leverage ratio (net debt/EBITDA). The shareholder loan notes accrue interest of 8% annually and are repayable on 30 September 2030.</p> <p>The ability of the group to repay the debt and pay the relevant interest charge is dependent on the current and future trading performance. A deterioration in performance would in turn affect the going concern basis of accounting under which the financial statements have been prepared.</p> <p>The directors have approved the cash flow projections and the covenant ratio prepared by management which involve significant judgement over key assumptions such as profit and revenue growth. The directors have also assessed the impact of Covid-19 and Brexit on the group's performance and concluded that there is no material impact on the going concern assessment.</p> <p>Further details are included within the strategic report, directors' report, note 3, and note 22 of these financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>We have evaluated the directors' assessment of the going concern basis of accounting and challenged the key assumptions by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• challenged underlying data and key assumptions contained in the forecast used for directors' going concern assessment by inspecting relevant supporting documentation, including the ongoing impact of Covid-19;</li> <li>• performed an evaluation of historical performance of the group against latest cash flow projections used by the directors for going concern review;</li> <li>• checked the consistency of projections against the Board approved forecast and the forecast used in assessing the recoverability of goodwill and intangible assets;</li> <li>• assessed and re-performed Management's calculation of the covenant compliance ratio;</li> <li>• assessed the latest post year-end performance of the group to compare actual trends against forecasts; and</li> <li>• tested the integrity of the cash flow projections model, and tested the accuracy and completeness of the underlying data and formulae used.</li> </ul> <p>We evaluated the appropriateness of disclosures made in these financial statements in respect of the group's ability to continue as a going concern.</p>
<b>Key observations</b>	<p>We are satisfied that the directors' view of preparing the financial statements on a going concern basis of accounting is appropriate and we are satisfied with the related disclosures in the financial statements.</p>

# Independent auditor's report to the members of Fleet Finco Limited (continued)

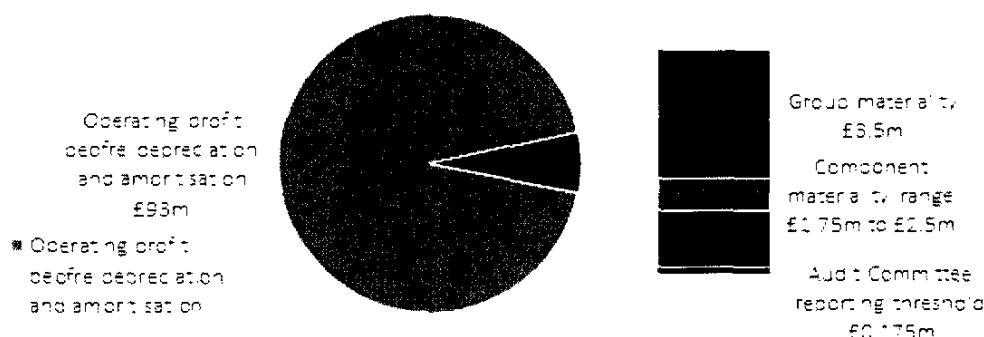
## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
<b>Materiality</b>	£3.5m (2020: £3.5m)	£1.75m (2020: £1.65m)
<b>Basis for determining materiality</b>	We have determined materiality to be £3.5m which represents 3.75% of operating profit before depreciation and amortisation. This benchmark is consistent with the prior year.	5% of expenses, capped at 50% of group materiality.  Our selection of the benchmark has remained consistent with prior year.
<b>Rationale for the benchmark applied</b>	Operating profit before depreciation and amortisation is the key measure used by management in monitoring the group's performance and in communication to its shareholders.	Our chosen benchmark reflects the nature of the entity as parent company does not trade and has large value of preference shares attracting significant interest costs. Thus, expenses are deemed to be a key performance indicator of entity's performance.



### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
<b>Performance materiality</b>	70% (2020: 70%) of group materiality	70% (2020: 70%) of parent company materiality
<b>Basis and rationale for determining performance materiality</b>	In determining performance materiality, we considered factors including our risk assessment, our assessment of the group's overall control environment, and our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.	

# **Independent auditor's report to the members of Fleet Finco Limited (continued)**

## **6.2. Error reporting threshold**

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £175,000 (2020: £175,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## **7. An overview of the scope of our audit**

There has been no significant change in the structure of the group in the current or prior year. Our group audit was scoped using our knowledge of the business, an understanding of its control environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

Based on our assessment, two trading entities were subject to a full scope audit, one intermediary holding entity was subject to the audit of specified balances while three entities were subject to analytical procedures at the group level. The audit work for the group was performed directly by the group engagement team and the audit of the entities subject to full scope audit was executed at a level of materiality which was lower than group materiality. The entities in full scope audit represent the principal business units and account for 77% (2020: 81%) of group's revenue and 80% (2020: 78%) of the group's operating profit before depreciation and amortisation for the year ended 30 June 2021.

Our audit work at components level in the group audit scope was executed at a lower component materiality ranging from £1.75m to £2.5m (2020: £1.4m to £2.5m).

We also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit.

## **8. 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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **9. Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 Fleet Finco Limited (continued)**

### **10. 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **11. Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### **11.1. Error reporting threshold**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the audit and risk committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team including relevant internal specialists, including tax, IT and valuations, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

*As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area:*

- Completeness and accuracy of subscription revenue due to the varying period in which subscription revenue is recognised.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, pensions and tax legislation.

*In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.*

# **Independent auditor's report to the members of Fleet Finco Limited (continued)**

## **11.2. Audit response to risks identified**

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess *compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements*;
- enquiring of management, the audit and risk committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance,
- performing substantive testing on subscription revenue by utilising an analytic based approach that enabled us to recalculate subscription revenue on a whole population basis with additional substantive testing of those contracts where a variance was identified.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

## **Report on other legal and regulatory requirements**

### **12. 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' report 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.

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.

### **13. Matters on which we are required to report by exception**

#### **13.1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

## **Independent auditor's report to the members of Fleet Finco Limited (continued)**

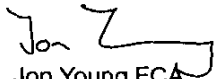
### **13.2. Directors' remuneration**

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

### **14. 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.



Jon Young FCA  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
15 October 2021

**Fleet Finco Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 30 June 2021**

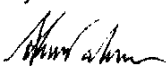
		<b>2021</b>	<b>2020</b>
		<b>£'000</b>	<b>(restated)</b>
	<b>Note</b>		<b>£'000</b>
<b>Continuing operations</b>			
Revenue	5	228,687	226,164
Cost of sales		<u>(88,023)</u>	<u>(94,979)</u>
<b>Gross profit</b>		140,664	131,185
Administrative expenses*		<u>(47,554)</u>	<u>(49,730)</u>
<b>Operating profit before amortisation, depreciation and exceptional items</b>		93,110	81,455
Amortisation	16	(18,266)	(18,078)
Depreciation	17	(7,741)	(7,057)
Restructuring costs	8	<u>(859)</u>	<u>(1,412)</u>
<b>Operating profit</b>		66,244	54,908
Finance income	11	154	334
Finance costs*	12	(17,441)	(90,573)
Other gains	13	<u>578</u>	<u>563</u>
<b>Profit/ (loss) before tax</b>		49,535	(34,768)
Tax charge	14	<u>(19,949)</u>	<u>(5,607)</u>
<b>Profit/ (loss) for the year from continuing operations</b>	7	29,586	(40,375)
<b>Items that may be reclassified to the income statement</b>			
Exchange differences on translation of foreign operations	29	<u>14,217</u>	<u>(4,425)</u>
<b>Total comprehensive profit/ (loss) for the year</b>		<u><u>43,804</u></u>	<u><u>(44,800)</u></u>

\*see note 3 for details

**Fleet Finco Limited**  
**Consolidated balance sheet**  
**As at 30 June 2021**

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Goodwill	15	664,121	661,612
Intangible assets	16	336,177	349,568
Property, plant and equipment	17	10,672	10,276
Right-of-use assets	18	16,193	19,405
Investments	19	2,746	31
Deferred tax asset	25	5,512	4,618
		<u>1,035,422</u>	<u>1,045,510</u>
<b>Current assets</b>			
Trade and other receivables	21	32,925	37,428
Cash and cash equivalents	30	37,099	59,260
Current tax assets	14	3,440	4,643
Derivative financial assets	23	2,901	216
		<u>76,364</u>	<u>101,547</u>
<b>Total assets</b>		<u>1,111,786</u>	<u>1,147,057</u>
<b>Current liabilities</b>			
Trade and other payables	26	381,189	351,183
Bank loans	22	3,609	8,903
Shareholder loan notes	22	4,580	—
Current tax liabilities	14	—	2,766
Lease liability	32	4,497	5,050
Deferred revenue	33	110,732	112,676
Derivative financial liabilities	23	6,782	12,522
		<u>511,390</u>	<u>493,100</u>
<b>Total assets less current liabilities</b>		<u>600,396</u>	<u>653,957</u>
<b>Non-current liabilities</b>			
Bank loans	22	350,975	449,190
Shareholder loan notes	22	230,893	230,893
Provisions	24	479	404
Deferred tax liabilities	25	78,574	74,445
Lease liability	32	16,097	19,298
Deferred revenue	33	334	486
		<u>677,352</u>	<u>774,716</u>
<b>Total liabilities</b>		<u>1,188,742</u>	<u>1,267,816</u>
<b>Net liabilities</b>		<u>(76,956)</u>	<u>(120,759)</u>
<b>Equity</b>			
Share capital	27	4,705	4,705
Share premium account	28	—	—
Translation reserve	29	5,498	(8,719)
Accumulated deficit		<u>(87,159)</u>	<u>(116,745)</u>
<b>Total Equity</b>		<u>(76,956)</u>	<u>(120,759)</u>

The financial statements of Fleet Finco Limited, a company registered in England and Wales (company number: 10201446), were approved by the board of directors on 15 October 2021 and signed on its behalf by:

  
S J Ashman  
Director



**Fleet Finco Limited**  
**Company balance sheet**  
**As at 30 June 2021**

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Investments	19	4,705	4,705
Amounts due from related party undertakings	21	619,320	706,310
		<u>624,025</u>	<u>711,014</u>
<b>Current assets</b>			
Trade and other receivables	21	764	67,992
Cash and cash equivalents	30	2	1
		<u>766</u>	<u>67,993</u>
<b>Total Assets</b>		<u>624,791</u>	<u>779,007</u>
<b>Current Liabilities</b>			
Trade and other payables	26	365,073	532,819
Shareholder loan notes	15	4,580	—
Current tax liabilities		3,473	—
		<u>373,126</u>	<u>532,819</u>
<b>Total assets less current liabilities</b>		<u>251,665</u>	<u>246,188</u>
<b>Non-current liabilities</b>			
Shareholder loan notes	22	230,893	230,893
<b>Total Liabilities</b>		<u>604,019</u>	<u>763,712</u>
<b>Net assets</b>		<u>20,772</u>	<u>15,295</u>
<b>Equity</b>			
Share capital	27	4,705	4,705
Share premium	28	—	—
Retained earnings		16,067	10,590
<b>Total Equity</b>		<u>20,772</u>	<u>15,295</u>

Amounts due from related party undertakings for the year ended 30 June 2020 have been reclassified from current to non-current assets. See note 21 for details.

As permitted by s408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company, Fleet Finco Limited. The profit after tax for the year was £5,477,163 (2020: £778,293).

The financial statements of Fleet Finco Limited, registered in England and Wales (company number: 10201446) were approved by the board of directors on 15 October 2021 and signed on behalf by:



S J Ashman  
 Director

**Fleet Finco Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

		Share capital	Share premium account	Translation reserve	Accumulated deficit	Total
	Notes	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2019		4,705	—	(4,294)	(76,370)	(75,959)
Loss for the year		—	—	—	(40,375)	(40,375)
Other comprehensive loss for the year	29	—	—	(4,425)	—	(4,425)
Total comprehensive loss for the year		—	—	(4,425)	(40,375)	(44,800)
Issue of share capital		—	—	—	—	—
<b>Balance at 30 June 2020</b>		<b>4,705</b>	<b>—</b>	<b>(8,719)</b>	<b>(116,745)</b>	<b>(120,759)</b>
Profit for the year		—	—	—	29,586	29,586
Other comprehensive profit for the year	29	—	—	14,217	—	14,217
Total comprehensive profit for the year		—	—	14,217	29,586	43,804
Issue of share capital		—	—	—	—	—
<b>Balance at 30 June 2021</b>		<b>4,705</b>	<b>—</b>	<b>5,498</b>	<b>(87,159)</b>	<b>(76,955)</b>

**Fleet Finco Limited**  
**Parent company statement of changes in equity**  
**For the year ended 30 June 2021**

	<b>Share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
Balance at 1 July 2019	4,705	9,812	14,517
Profit for the year	—	778	778
<b>Balance at 30 June 2020</b>	<b>4,705</b>	<b>10,590</b>	<b>15,295</b>
Profit for the year	—	5,477	5,477
<b>Balance at 30 June 2021</b>	<b>4,705</b>	<b>16,067</b>	<b>20,772</b>

**Fleet Finco Limited**  
**Consolidated statement of cash flow**  
**For the year ended 30 June 2021**

		2021	2020 (restated)
	Note	£'000	£'000
Cash generated by operations		107,888	94,837
Income taxes paid		(17,941)	(7,851)
<b>Net cash from operating activities</b>	30	<u>89,947</u>	<u>86,986</u>
<b>Investing activities</b>			
Interest received	11	154	334
Purchases of property, plant and equipment	17	(3,763)	(3,685)
Acquisition of subsidiaries	20	(7,433)	—
Investment paid		(2,712)	—
Net cash acquired on acquisitions	20	2,176	—
<b>Net cash outflow from investing activities</b>		<u>(11,578)</u>	<u>(3,351)</u>
<b>Financing activities</b>			
New bank loans raised		—	455,811
Repayment of bank loans		(53,704)	(273,929)
Shareholder loan repayments		—	(80,017)
Intercompany loan repayments		(7,141)	(93,143)
Interest paid		(36,118)	(48,675)
Deferred consideration paid		—	(300)
Lease liability payments		(5,635)	(5,553)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>(102,598)</u>	<u>(45,807)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(24,230)</u>	<u>37,828</u>
<b>Cash and cash equivalents at beginning of year</b>		59,260	29,424
Effect of foreign exchange rate changes		2,068	(7,991)
<b>Cash and cash equivalents at end of year</b>	30	<u><u>37,099</u></u>	<u><u>59,260</u></u>

# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **1. General information**

Fleet Finco Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England and Wales. The registered office address is given on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report on pages 2 to 6.

These financial statements are presented in British Pound Sterling and are rounded to the nearest thousand. Foreign operations are included in accordance with the policies set out in note 3.

#### **2. New standards and IFRIC interpretations not applied**

##### **Adoption of new and revised standards**

##### **Impact of the initial application of other new and amended IFRS Standards that are effective for the current year**

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

##### *Amendments to References to the Conceptual Framework in IFRS Standards*

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

##### *Amendments to IFRS 3 Definition of a business*

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**2. New standards and IFRIC interpretations not applied (continued)**

**Adoption of new and revised standards (continued)**

**Impact of the initial application of other new and amended IFRS Standards that are effective for the current year (continued)**

*Amendments to IAS 1 and IAS 8 Definition of material*

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

*Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16*

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9. The Group does not apply hedge accounting to its benchmark interest rate exposures.

*Amendments to IFRS 16 Covid-19 Rent Related Concessions*

In May 2020, the IASB issued an amendment to IFRS 16 exempting lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications. The amendment also allows lessees to account for such rent concessions as if they were not lease modifications. There was no effect on the Group from this amendment.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**2. New standards and IFRIC interpretations not applied (continued)**

**New and revised IFRS Standards in issue, but not yet effective**

The following IFRS and IFRIC interpretations, which may have an impact on the Group's financial information, have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee (IFRIC). The Company intends to adopt these standards and interpretations when they become effective:

<b>IAS/IFRS standards</b>	<b>Effective for accounting periods beginning on or after</b>
Amendment to IFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to IFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment Proceeds before Intended Use</i>	1 January 2022
Amendments to IAS 37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle <i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture</i>	1 January 2022
IFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to IAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to IFRS 4 <i>Extension of the Temporary Exemption from Applying IFRS 9</i>	1 January 2023
Amendments to IAS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement <i>Statement 2 Disclosure of accounting policies</i>	Not yet set
IFRS 10 and IAS 28 (amendments) <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Not yet set

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, although the full assessment is not complete.

# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **3. Significant accounting policies**

##### **Basis of accounting**

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the FRC. Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosures in respect of revenue from contracts with customers and certain related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost bases, except for the revaluation of certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are the same as those set out in this note to the consolidated financial statements except as noted below.

*Investments in subsidiaries, associates and joint ventures are stated at cost less, where appropriate, provisions for impairment.*

The Company receives income from its subsidiaries in the form of interest and dividends. Interest is charged on a monthly basis and consequently there is no difference between the timing of payment and the timing of revenue recognition.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The consolidated financial statements have also been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16.

The principal accounting policies are set out below.



# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **3. Significant accounting policies (continued)**

##### **Going concern**

The directors have, at the time of approving the financial statements and having reviewed the Company's forecasts and its cash holdings, a reasonable expectation that the Company and the Group have sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the accounts.

The Group has a robust capital structure, comprising ordinary and shareholder preference share capital, shareholder loan notes with a remaining term of 9 years and senior bank debt with a remaining term of five years. In addition, the Group has access to a revolving credit facility of up to £50m. The Group has a strong business model with the majority of its revenue being derived from subscriptions, with a historically high renewal rate. The Group continues to generate strong operating profit and strong positive operating cashflows. Covid-19 to date only had a very limited financial impact on the financial performance of the Group as outlined above in the Strategic Report. The directors have reviewed the budget for the year to 30 June 2022 and the forecast for the following four years thereafter, and have concluded that the Group can continue to generate operating profits and sustain appropriate liquidity even in the event of a significant downturn in trading, and will continue to comply with its loan covenants. The shareholder loan notes and shareholder preference shares are held by the ordinary shareholders and the coupon is only payable in cash at the discretion of the Company. The directors have therefore concluded that it is appropriate to adopt the "going concern" basis when preparing the Company's and the Group's statutory accounts.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **3. Significant accounting policies (continued)**

##### **Basis of consolidation (continued)**

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of the subsidiaries is attributed to the owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

##### **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, and the equity interests issued by the Group less liabilities acquired by the Group from the former owner of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with *IAS 12 Income Taxes* and *IAS 19 Employee Benefits* respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with *IFRS 5 Non-current Assets Held for Sale* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Goodwill**

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**Foreign currencies**

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which they operate (their functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in British Pound Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange gains and losses are recognised in profit or loss in the period in which they arise except for:

- exchange gains and losses on transactions entered into to hedge certain foreign currency risks (see below under financial instruments); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange gains and losses arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Recurring revenue from publications is recognised pro-rated in the profit and loss account in accordance with the subscription period to which it relates.

Non-recurring revenue from exchange licensing is recognised in accordance with the period to which the exchange licence agreement relates. In addition, any revenue related to exchange activity is recognised in the period it occurs. *Non-recurring revenue from exhibitions and conferences is recognised on the date of the event.* Revenue from consulting is recognised over time as the services are provided.

**Cost of sales**

Cost of sales comprises production costs associated with business development, conference, consulting, editorial, marketing, product development, sales and technology departments.

**Dividend and interest revenue**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Borrowing costs**

Borrowing costs are recognised initially at fair value, which is proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value being recognised on the income statement over the period of the borrowings using the effective interest method. Interest on borrowings is expensed in the consolidated statement of comprehensive income as incurred.

**Pensions**

The Group operates various defined contribution schemes for the benefit of certain directors and employees. Contributions are charged to the profit and loss account in the year they are payable.

**Government assistance**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the consolidated statements of comprehensive income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

**Taxation**

The income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable or receivable is based on the taxable profit or loss for the period. Taxable profit or loss differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**Current tax and deferred tax for the period**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following basis:

Leasehold improvements	10% per annum
Computer equipment	33% per annum
Fixture and fittings	20% per annum
Motor vehicles	20% per annum

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Property, plant and equipment (continued)**

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Leases (continued)**

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

**Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation on a straight-line basis and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

**Impairment of tangible and intangible assets excluding goodwill**

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **3. Significant accounting policies (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group accounts for such differences as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference is recognised as a gain or loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss such that it reaches a value of zero at the time when the entire contract can be valued using active market quotes or verifiable objective market information. Depending on the type of financial instrument, the Group can adopt one of the following policies for the amortisation of day 1 gain or loss:

- calibrate unobservable inputs to the transaction price and recognise the deferred gain or loss as the best estimates of those unobservable inputs change based on observable information; or
- release the day 1 gain or loss in a reasonable fashion based on the facts and circumstances (i.e. using either straight-line or non-linear amortisation).

##### **Financial assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), financial assets 'at fair value through OCI (FVTOCI) and financial assets 'at amortised costs'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss.

Transaction costs directly attributable to the acquisition of financial assets classified as at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets 'at amortised cost'. They are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

##### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.



**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**3. Significant accounting policies (continued)**

**Impairment of financial assets (continued)**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities and equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the value of the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Financial liabilities**

All financial liabilities are measured subsequently at FVTPL or at amortised cost using the effective interest method.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

**Financial liabilities measured subsequently at amortised cost**

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

# **Fleet Finco Limited**

## **Notes to the financial statements**

### **For the year ended 30 June 2021**

#### **3. Significant accounting policies (continued)**

##### **Derivative financial instruments**

The Group enters into a variety of derivative financial contracts to manage its exposure to interest rates, including interest rate swaps and interest rate caps. Further details of derivative financial instruments are disclosed in note 34.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Cash and cash equivalents**

Cash and cash equivalents as defined for the cash flow statement comprise cash in hand, cash held at bank with immediate access and bank deposits. All are carried on the balance sheet at cost.

##### **Exceptional items**

Items that are considered material and not related to the underlying performance of the business either because of their size or their nature, are shown as exceptional items to assist the understanding of the Group's underlying performance within their relevant consolidated income statement category and are explained in the notes to the financial statements.

##### **Restatement of prior year statement of comprehensive income**

The losses related to foreign exchange movements in the bank loan in the amount of £645k for the year ended 30 June 2020 have been reclassified due to a change in accounting policy from Administrative expenses into Finance costs to correctly classify these costs as these costs relate to financing arrangements.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**4. Critical accounting judgements and key sources of estimation uncertainty**

In applying the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical accounting judgements**

There were no critical accounting judgements during the year.

**Key sources of estimation uncertainty**

***Impairment of goodwill and intangible assets***

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The present value calculated is sensitive to the discount rate used as well as the expected future cash-inflows and the EBITDA growth rates used for extrapolation purposes, especially in the CIS region. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 15. The carrying amount of goodwill at the balance sheet date was £664.1m (2020: £661.6m) as set out in Note 15.

Determining whether intangible assets are fairly stated requires an estimation of customer attrition rates, royalty rates and useful economic lives, based primarily on historic information, together with an assessment of a suitable discount rate in order to calculate present value. The carrying value of other intangible assets at the balance sheet date was £336.2m (2020: £349.6m) as set out in Note 16.

**5. Revenue**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Recurring revenue derived from customer contracts	209,609	201,399
Non-recurring revenue derived from customer contracts	19,078	24,765
Total revenue	<u>228,687</u>	<u>226,164</u>
<b>Sales by origin</b>		
United Kingdom	99,408	90,434
Americas	75,474	81,366
Europe	1,689	2,181
Rest of the world	52,116	52,183
Total	<u>228,687</u>	<u>226,164</u>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**6. Segmental reporting**

The Group has four reportable segments that are defined by geographic area to reflect how the Group's operations are monitored and managed. The reportable segments presented reflect the Group's management and reporting structure as viewed by the Board of Directors, which is considered to be the Group's chief operating decision maker.

<b>2021</b>	<b>Total £'000</b>	<b>Europe £'000</b>	<b>Americas £'000</b>	<b>CIS £'000</b>	<b>Asia £'000</b>
Revenue	228,687	101,259	75,390	16,747	35,291
Operating profit before amortisation, depreciation and exceptional items	93,110	47,867	26,621	6,433	12,189
Amortisation	(18,266)	(18,266)	—	—	—
Depreciation	(7,741)	(5,170)	(891)	(377)	(1,303)
Exceptional items	(859)	(848)	10	(6)	(15)
Operating profit	66,244	23,583	25,740	6,050	10,871
Investment revenues	154				
Other gains	578				
Finance costs	(17,441)				
Profit before tax	49,535				
Tax charge	(19,949)				
Profit for the year from continuing operations	29,586				

<b>2020</b>	<b>Total £'000</b>	<b>Europe £'000</b>	<b>Americas £'000</b>	<b>CIS £'000</b>	<b>Asia £'000</b>
Revenue	226,164	81,347	88,518	17,987	38,313
Operating profit before amortisation, depreciation and exceptional items	80,810	30,484	30,354	11,420	8,552
Amortisation	(18,078)	(18,078)	—	—	—
Depreciation	(7,057)	(4,369)	(1,011)	(383)	(1,294)
Exceptional items	(1,412)	(782)	(613)	(6)	(12)
Operating profit	54,263	7,255	28,730	11,032	7,246
Investment revenues	334				
Other gains	563				
Finance costs	(89,928)				
Loss before tax	(34,768)				
Tax charge	(5,607)				
Loss for the year from continuing operations	(40,375)				

The Board does not review assets and liabilities by segment and consequently a balance sheet disclosure has not been included.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**7. Profit for the year**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>(restated)</b>
	<b>£'000</b>	<b>£'000</b>
Profit for the year has been arrived at after charging:		
Net foreign exchange (gains)/losses*	2,276	19,750
Depreciation of property, plant and equipment	3,374	2,627
Depreciation of Right-of-Use assets	4,367	4,438
Loss on disposal of property, plant and equipment	36	46
Short term/ low value lease charge	162	92
Loss allowance recognised on receivables	562	350
Amortisation	18,266	18,078
Staff costs (see note 10)	86,475	88,545
	<u>86,475</u>	<u>88,545</u>

\*see note 3 for details

**8. Exceptional items**

The following restructuring costs were charged to operating profit:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Restructuring costs related to the Covid-19 response	843	1,412
Restructuring costs	16	—
Total restructuring costs	<u>859</u>	<u>1,412</u>

**9. Auditor's remuneration**

The analysis of the auditor's remuneration is as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	90	72
Audit of the Company's subsidiaries	155	128
Total audit fees	<u>245</u>	<u>200</u>
- Covenant compliance	15	15
Total non-audit fees	<u>15</u>	<u>15</u>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**10. Staff costs**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	74,109	76,462
Social security costs	8,434	7,862
Other pension costs	3,932	4,221
	<u>86,475</u>	<u>88,545</u>

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
The average monthly number of employees (including executive directors)		
Editorial	563	565
Sales and marketing	178	197
Management, administration and technical	269	225
	<u>1,010</u>	<u>987</u>

**Key management personnel remuneration, including directors**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Key management personnel remuneration	1,071	1,170
Contributions to defined contribution scheme	10	20
	<u>1,081</u>	<u>1,190</u>

The highest paid director received remuneration of £769k (2020: £857k). This included a bonus payment of £346k (2020: £406k), £10k (2020: £41k) towards pensions as well as benefits in kind of £39k (2020: £1k).

Both directors are a member of the company's defined contribution pension plan.

**11. Finance income**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Total interest income for financial assets not designated at fair value through profit or loss	<u>154</u>	<u>334</u>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**12. Finance costs**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>(restated)</b>
		<b>£'000</b>
Interest on bank overdrafts and loans	17,681	18,662
Interest on shareholder loan notes	18,471	21,687
Interest on related party balances	30,049	31,502
Interest on lease liability	777	825
Exceptional costs related to the refinancing	178	5,840
(Gain)/loss on bank loan*	(44,964)	645
(Gain)/loss on interest hedge	(4,751)	11,412
Total interest expense	<u>17,441</u>	<u>90,573</u>

\*see note 3 for details

The interest on bank overdrafts and loans arises on the senior secured term loan from a consortium of banks and the revolving credit facility from the same consortium as described in more detail on note 22.

The interest on shareholder loan notes arises on the unsecured A loan notes held by the Group's major shareholders, General Atlantic and Hg Capital. The interest can be settled, at the discretion of the Group, in either cash or "Payment in Kind" ("PIK") notes.

The interest on related party balances arises on charges payable for the period from Fleet Topco Limited, the parent company.

The preference shares have been treated as debt in accordance with IAS 32 (see note 22). As a result, the fixed 8% coupon on the preference shares is recorded as part of finance costs.

The exceptional costs related to the refinancing includes fees incurred as part of the refinancing (see note 22).

**13. Other gains and losses**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Government assistance	614	609
Loss on disposal of fixed assets	(36)	(46)
Other gains	<u>578</u>	<u>563</u>

The Group has taken advantage of the UK furlough scheme and received funds from the job support scheme in Singapore.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**14. Tax**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the period	6,537	8
UK corporation tax adjustments in respect of previous periods	1,195	(680)
Overseas tax	10,227	9,017
Overseas tax adjustments in respect of previous periods	6	(233)
<b>Total current tax charge</b>	<b>17,964</b>	<b>8,112</b>
<b>Deferred tax</b>		
Adjustments to deferred tax in respect of previous periods	(1,431)	(85)
Origination and reversal of timing differences	(2,947)	(5,216)
Effect of changes in tax rates	6,362	2,802
Other adjustments	—	(6)
<b>Total deferred tax charge/(credit)</b>	<b>1,985</b>	<b>(2,506)</b>
<b>Tax charge on profit</b>	<b>19,949</b>	<b>5,607</b>

The tax assessed for the period is higher than the standard rate applying in the UK. The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) at the standard tax rate 19.00% (2020: 19.00%)	9,412	(6,755)
<b>Effects of:</b>		
Different tax rates of overseas jurisdictions	2,844	2,452
Expenses not deductible for tax purposes	2,423	3,567
Non taxable income	(1,225)	(719)
Change in rates	5,617	2,802
Deferred tax unrecognised	1,209	260
Adjustments to tax charge in respect of previous periods	(230)	(998)
Other tax reliefs claimed	(3,157)	—
Reactivation of disallowed interest under CIR	2,495	—
Group relief surrendered	—	5,004
Other adjustments	28	(6)
Items charged elsewhere (e.g. extraordinary, reserves)	533	—
<b>Total tax charge</b>	<b>19,949</b>	<b>5,607</b>

The standard rate of tax applied to reported profit is 19%.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Balance sheet disclosure</b>		
UK corporation tax recoverable/(payable)	8,015	4,644
Overseas tax recoverable/(payable)	(4,439)	(2,570)
Deferred tax liability	(78,574)	(74,445)
Deferred tax asset	5,512	4,618
<b>Total</b>	<b>(69,487)</b>	<b>(67,753)</b>



**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**15. Goodwill**

	<b>£'000</b>
Cost and carrying amount	
At 1 July 2019	661,612
Addition on acquisition of subsidiaries	—
At 30 June 2020	661,612
Addition on acquisition of subsidiaries (Note 20)	2,509
At 30 June 2021	<u>664,121</u>
<b>Cash generating units</b>	<b>Carrying value</b>
	<b>£'000</b>
Europe	252,069
America	268,456
CIS	52,354
Asia	91,242
Total	<u>664,121</u>

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit (CGU), including goodwill, with the recoverable amount. The recoverable amounts of the CGUs are determined from value-in-use calculations.

The value-in-use is the present value of the cash flows expected to be generated by the CGU over a projection period, together with a terminal value. The projection period is the time period over which future cash flows are predicted. The Company's methodology is to use a projection period of five years. For periods after this five-year period, the methodology applies a long-term growth rate of 2% to 4% to derive a terminal value. Cash flow expectations exclude any future cash flows that may arise from restructuring or other enhancements to the cash generating activities of the CGU and reflect management's expectations of the range of economic conditions that may exist over the projection period.

The key assumptions for the value-in-use calculations are as follows:

**Profit**

Based on the latest forecast for revenue and costs as approved by the Board and taking into consideration past experience and the current economic environment with regard to customer attrition rates and additions to the customer base.

**Growth rates**

The annual growth for the five year initial period calculated based on historical trading taking into account the current situation is between 10% and 11% for revenue and between 8% and 17% for expenses. The perpetuity growth factor is 2% for Europe, the Americas and Asia and 4% for CIS.

**Discount rates**

The post-tax discount rate used to discount the forecast cash flows are: 9.4% for Europe, 10.3% for the Americas, 10% for Asia and 14.6% for CIS. These rates are based on the risks specific to the relevant CGUs.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**15. Goodwill (continued)**

**Group**

The Group's cash generating units (CGUs) all have adequate headroom for their respective size of the business. Budgets comprise forecasts of gross profit, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board.

Management has undertaken a sensitivity analysis taking into consideration the impact on changes to key impairment assumptions arising from a range of possible future trading and economic scenarios. These have been applied across all CGUs. For the CIS CGU an increase in the discount rate of 1.6% or a decrease in net earnings of 2.7% would cause the carrying amount to exceed the value in use. For all other CGUs an increase in discount rate of between 4.6% and 5.5% or an underperformance of between 12.9% and 15.4% in net earnings would reduce the headroom to nil.

**16. Intangible assets**

	Subscriber customer relationships	Technology assets	Exchange customer relationships	Brand assets	Conference relationships	Total
<i>Useful economic life</i>	<i>25 years</i>	<i>10 years</i>	<i>25 years</i>	<i>25 years</i>	<i>10 years</i>	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 July 2019	238,819	18,711	18,465	134,948	5,545	416,488
Additions	—	—	—	—	—	—
At 30 June 2020	238,819	18,711	18,465	134,948	5,545	416,488
Additions (Note 20)	3,138	935	—	803	—	4,875
At 30 June 2021	<u>241,957</u>	<u>19,646</u>	<u>18,465</u>	<u>135,751</u>	<u>5,545</u>	<u>421,363</u>
<b>Amortisation</b>						
At 1 July 2019	(25,710)	(5,034)	(2,026)	(14,790)	(1,282)	(48,842)
Charge for the year	(9,552)	(1,877)	(741)	(5,423)	(486)	(18,078)
At 30 June 2020	(35,262)	(6,911)	(2,767)	(20,213)	(1,768)	(66,920)
Charge for the year	(9,664)	(1,960)	(738)	(5,439)	(465)	(18,266)
At 30 June 2021	<u>(44,926)</u>	<u>(8,871)</u>	<u>(3,505)</u>	<u>(25,652)</u>	<u>(2,233)</u>	<u>(85,186)</u>
<b>Carrying amount</b>						
At 1 July 2019	213,109	13,677	16,439	120,158	4,263	367,646
At 30 June 2020	<u>203,557</u>	<u>11,800</u>	<u>15,698</u>	<u>114,735</u>	<u>3,777</u>	<u>349,568</u>
At 30 June 2021	<u>197,031</u>	<u>10,775</u>	<u>14,960</u>	<u>110,099</u>	<u>3,312</u>	<u>336,177</u>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**17. Property, plant and equipment**

	Leasehold improvements	Computer equipment	Fixtures and fittings	Motor vehicles	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 July 2019	3,504	6,197	1,929	127	2,545	14,302
Additions	39	1,188	444	—	2,014	3,685
Disposals	—	(80)	(34)	(91)	—	(205)
Transfers	—	2,104	276	—	(2,380)	—
Exchange differences	—	42	37	—	(4)	75
At 30 June 2020	3,543	9,450	2,653	36	2,175	17,857
Additions	—	643	105	—	3,015	3,763
Disposals	—	(145)	(55)	—	—	(200)
Transfers	—	2,574	(9)	—	(2,565)	—
Exchange differences	—	(251)	(167)	—	(1)	(418)
At 30 June 2021	3,543	12,272	2,527	36	2,624	21,002
<b>Depreciation</b>						
At 1 July 2019	642	3,175	1,107	24	—	4,948
Charge for the year	354	1,767	493	19	—	2,632
Disposals	—	(25)	(19)	(52)	—	(96)
Exchange differences	—	71	25	—	—	96
At 30 June 2020	996	4,988	1,606	(9)	—	7,580
Charge for the year	354	2,435	570	14	—	3,374
Disposals	—	(140)	(35)	—	—	(175)
Exchange differences	—	(278)	(171)	—	—	(449)
At 30 June 2021	1,350	7,005	1,971	4	—	10,330
<b>Carrying amount</b>						
At 1 July 2019	2,862	3,022	822	103	2,545	9,354
At 30 June 2020	2,548	4,462	1,046	45	2,175	10,276
At 30 June 2021	2,193	5,267	556	32	2,624	10,672

Property, plant and equipment are stated at historical cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. The Group had no contractual commitments for the acquisition of property, plant and equipment at 30 June 2021 (2020: Nil).

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**18. Right-of-use assets**

	<b>2021</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 July 2019	—
Right-of-use assets recognised	23,843
Exchange differences	—
At 30 June 2020	23,843
Right-of-use assets recognised	1,711
Exchange differences	—
At 30 June 2021	<u>25,555</u>
<b>Depreciation</b>	
At 1 July 2019	—
Charge for the year	4,438
Exchange differences	—
At 30 June 2020	4,438
Charge for the year	4,367
Accumulated depreciation recognised	556
At 30 June 2021	<u>9,361</u>
<b>Carrying amount</b>	
At 1 July 2019	—
At 30 June 2020	19,405
At 30 June 2021	<u>16,193</u>

The Group leases several buildings. The average lease term is 26 months (2020: 27 months).

**19. Investments**

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Trading investments carried at fair value</b>				
Shares	<u>2,746</u>	<u>31</u>	<u>4,705</u>	<u>4,705</u>

The fixed asset investment in the consolidated Fleet Finco Limited financial statements refers to an 7% equity investment in PT Coal Indonesia and an 18% equity investment in Tallarium Ltd. The investment in Tallarium Ltd., a UK-based start-up building web-based solutions for commodity traders, was made on 5 October 2020 with an additional investment made on 17 February 2021.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**19. Investments (continued)**

A list of the Company's subsidiaries included in these consolidated financial statements is included below:

<b>Company</b>	<b>Class of shares</b>	<b>Country of incorporation</b>	<b>Holding &amp; voting rights</b>	<b>Company number</b>
Fleet Midco Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	10136400
<i>Indirectly held subsidiaries</i>				
Fleet Midco I Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	10201437
Fleet Midco II Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	10201754
Fleet Bidco Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	10136815
Fleet U.S. Bidco Inc. <sup>2</sup>	Ordinary	Delaware, US	100 %	6053365
Argus Media Inc. <sup>2</sup>	Ordinary	Delaware, US	100 %	2971630
DeWitt & Company Incorporated <sup>2</sup>	Ordinary	Delaware, US	100 %	153989600
Argus Benchmark Administration B.V. <sup>8</sup>	Ordinary	Netherlands	100 %	859965879
Argus Media Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	01642534
Argus Media (Russia) Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	04221838
Argus Media Brasil Relatórios de Preço de Energia e Commodity Ltda. <sup>3</sup>	Ordinary	Brazil	100 %	332.0924922-3 (NIRE)
Argus Media Canada Ltd <sup>4</sup>	Ordinary	Canada	100 %	BC1019104
Argus Media South Africa Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	10603005
Argus Media Africa <sup>1</sup>	Ordinary	United Kingdom	100 %	12489800
Argus Media Australia Pty Ltd <sup>5</sup>	Ordinary	Australia	100 %	618642756
Argus Media Singapore Group Pte Ltd <sup>6</sup>	Ordinary	Singapore	100 %	201330289W
FMB Consultants Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	1588592
FMB Publications Ltd <sup>1</sup>	Ordinary	United Kingdom	100 %	1739247
Fertilizer + Chemical Consultancy Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	4933572
Metal-Pages Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	03975911
Argus Metal-Pages (Beijing) Information Technology Co. Limited <sup>11</sup>	Ordinary	China	100 %	91110105684352153A
Argus Media Mexico Price Reporting Services, S. de R.L. de C.V. <sup>9</sup>	Ordinary	Mexico	100 %	AMM1710125G4
Argus Media Mexico Price Reporting Group, S. de R.L. de C.V. <sup>9</sup>	Ordinary	Mexico	100 %	AMM1710125G4
Argus Media Netherlands B.V. <sup>8</sup>	Ordinary	Netherlands	100 %	859802255
Argus Media Germany GmbH <sup>7</sup>	Ordinary	Germany	100 %	HRB153546
Argus Media Ukraine LLC <sup>13</sup>	Ordinary	Ukraine	100 %	43313846
Argus India Price Reporting Services LLP <sup>10</sup>	Ordinary	India	100 %	AAR-1080
Integer Research Limited <sup>1</sup>	Ordinary	United Kingdom	100 %	04240392
Argus Media France SAS. <sup>12</sup>	Ordinary	France	100 %	432674380
Agritel International <sup>13</sup>	Ordinary	Ukraine	100 %	36591950

The registered office for these companies are:

<sup>1</sup> Lacon House, 84 Theobald's Road, London, WC1X 8NL, England

<sup>2</sup> 2929 Allen Parkway Suite 700, Houston, Texas, 77019, USA

<sup>3</sup> Cidade de Sao Paulo, Estado de Sao Paulo, na Rua Sao Vicente de Paula, 457, apto 21, Higienopolis, CEP 01229-01, Brazil

<sup>4</sup> 1055 West Georgia Street, 1500 Royal Centre, Vancouver, British Columbia, Canada

<sup>5</sup> Care of CCASA, Level 21, 20 Bond Street, Sydney, NSW 2000, Australia

<sup>6</sup> 50 Raffles Place, #10-01, Singapore Land Tower, Singapore 048623

<sup>7</sup> Kallmorgen Tower Willy-Brandt-Str. 23-25, 20457 Hamburg, Germany

<sup>8</sup> Prins Bernhardplein 200, 1097JB Amsterdam, Netherlands

<sup>9</sup> Pedregal, 24 - Torre Virreyes - Piso 3 - Suite 310, Col. Molina del Rey - Del. Miguel Hidalgo, Ciudad de Mexico CDMX-11040, Mexico

<sup>10</sup> Leo Building, Leo Aries Leo Sagittarius, Kharodi, Malad West, Mumbai 400095, India

<sup>11</sup> Room 1509, No. 24 Jianguomen wai Street, Jingtai Building, Chaoyang District, Beijing, China

<sup>12</sup> 10 Avenue de la Grande Armée, 75017 Paris, France

<sup>13</sup> 30/39 Schekavitskaya Street, Office 30, Kiev, Ukraine

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**19. Investments (continued)**

**Finance support**

The subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A.

<b>Company</b>	<b>Company number</b>
Fleet Midco Limited	10136400
Fleet Midco I Limited	10201437
Fleet Midco II Limited	10201754
Fleet Bidco Limited	10136815
Argus Media Limited	01642534
Argus Media (Russia) Limited	04221838
Argus Media South Africa Limited	10603005
Integer Research Limited	04240392
Metal-Pages Limited	03975911

The subsidiary companies listed below are exempt from audit of individual accounts by virtue of Article 403, Book 2 of the Dutch Civil Code.

<b>Company</b>	<b>Company number</b>
Argus Media Netherlands B.V.	859802255
Argus Benchmark Administration B.V.	859965879

**20. Acquisition of subsidiary**

**(i) Acquisition of Agritel SAS.**

On 1 July 2020, the Group acquired Agritel SAS and its subsidiaries, SARL Yeswedo, SARL Radiomarket, Agrinext SAS and Agritel International (together 'Agritel'). All entities are incorporated and based in France, with the exception of Agritel International, which is incorporated in Ukraine. Agritel is a specialist provider of information, consulting and forecasting on agricultural and agro-industrial markets. The acquisition comprised 100% of the equity share capital of Agritel SAS. The goodwill arising on this acquisition results from revenue and cost synergies and from assets and benefits that cannot be separately recognised. On 25 December 2020 the subsidiaries SARL Yeswedo, SARL Radiomarket, Agrinext SAS were merged into Agritel SAS. On 1 January 2021 Agritel SAS was renamed to Argus Media France SAS.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**20. Acquisition of subsidiary (continued)**

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>Agritel</b>
	<b>£'000</b>
Intangible assets	354
Tangible assets	86
Financial assets	457
Trade and other receivables	622
Cash and cash equivalents	2,176
Trade and other payables	140
Social and fiscal debts	399
Other creditors	523
Financial debt	48
Identifiable net assets acquired	2,583
Intangible assets acquired	4,875
Goodwill acquired	2,509
Deferred tax liability	(1,621)
Total consideration	<u>8,346</u>
<b>Satisfied by:</b>	
Cash consideration	6,985
Deferred consideration	1,361
Total consideration	<u>8,346</u>
<b>Net cash outflow arising on acquisition</b>	
Initial cash consideration	6,985
Deferred and contingent consideration paid	454
Less: net cash acquired	(2,176)
Net cash outflow arising on acquisitions	<u>5,263</u>

£454k (€500k) of the deferred consideration was paid on 4 January 2021. The remainder of £907k (€1,000k) was paid on 1 July 2021.

<b>Intangible assets acquired represent</b>	<b>£'000</b>	<b>Useful economic life</b>
Subscriber customer relationships	3,137,744	25
Conference relationships	—	10
Acquired technology and databases	934,721	10
Brand assets	802,679	25
Total intangible assets acquired	<u>4,875,144</u>	

In total, the acquisition contributed an additional £2,308k of revenue and operating losses of £42k within operating profit before acquisition costs of £141k and intangible amortisation of £248k.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**21. Trade and other receivables**

	Consolidated 2021 £'000	Consolidated 2020 £'000	Company 2021 £'000	Company 2020 £'000
<b>Current assets</b>				
Amount receivable for the sale of goods and services	24,351	29,869	—	—
Loss allowance	(562)	(350)	—	—
	<u>23,789</u>	<u>29,519</u>	<u>—</u>	<u>—</u>
Other debtors	969	655	—	—
Prepayments	6,237	5,014	3	—
Accrued income	1,929	2,239	—	—
Amounts due from related party undertakings	—	—	761	67,992
	<u>32,925</u>	<u>37,427</u>	<u>764</u>	<u>67,992</u>
<b>Non-current assets</b>				
Amounts due from related party undertakings	—	—	619,320	706,310
	<u>—</u>	<u>—</u>	<u>619,320</u>	<u>706,310</u>

Trade receivables are stated net of credit risk and expected credit losses and trade sales returns.

Trade receivables disclosed above are measured at amortised cost. Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised a loss allowance because there is an expectation that these amounts are fully receivable.

Amounts due from related party undertakings recognised as a non-current asset represents a loan receivable for £595.4m (2020: £678.8m) with interest receivable of £24.0m (2020: £27.5m) from its subsidiary, Fleet Midco Limited. The interest on this loan is charged at 8% and the amounts due are repayable on demand. These amounts were previously presented within current assets as amounts due from related party undertakings for the year ended 30 June 2020. The Group believes it is more representative to present these items within non-current assets as they are not expected to be settled within the Group's normal operating cycle. Accordingly amounts presented in current receivables in the prior year have been reclassified to non-current receivables.

Additionally, amounts due from related party undertakings recognised as a current asset include an intercompany receivable of £0.8m (2020: £68.0m), from its parent company, Fleet Topco Limited, which is also repayable on demand.



**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**21. Trade and other receivables (continued)**

Amounts receivable from the sale of goods and services can be analysed as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts receivable not past due	12,570	26,338
Amounts receivable past due but not impaired	11,219	3,181
Amounts receivable impaired (gross)	562	350
Less impairment	(562)	(350)
<b>Total</b>	<b>23,789</b>	<b>29,519</b>

**Ageing of trade debtors past due but not impaired receivables**

31-60 days	9,892	977
61-90 days	776	224
91-120 days	551	1,980
<b>Total</b>	<b>11,219</b>	<b>3,181</b>

**Movement in the allowance for doubtful debts**

Balance at the beginning of the year	350	286
Amounts acquired through acquisition	15	—
Increase / (decrease) in loss allowance	197	64
<b>Balance at the end of the year</b>	<b>562</b>	<b>350</b>

In determining the recoverability of a trade receivable, the Group uses the expected credit loss model as outlined in the significant accounting policies in Note 3.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
121+ days	562	350

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**22. Financial liabilities – Borrowings**

	Consolidated 2021 £'000	Consolidated 2020 £'000	Company 2021 £'000	Company 2020 £'000
<b>Secured borrowing at amortised cost</b>				
Bank loans	354,584	458,093	—	—
Shareholder loan notes	235,473	230,893	235,473	230,893
<b>Total</b>	<b>590,057</b>	<b>688,986</b>	<b>235,473</b>	<b>230,893</b>
<b>Amount due for settlement within 12 months</b>				
Bank loans	3,609	8,903	—	—
Shareholder loan notes	4,580	—	4,580	—
<b>Total</b>	<b>8,189</b>	<b>8,903</b>	<b>4,580</b>	<b>—</b>
<b>Amount due for settlement after 12 months</b>				
Bank loans	350,975	449,190	—	—
Shareholder loan notes	230,893	230,893	230,893	230,893
<b>Total</b>	<b>581,868</b>	<b>680,083</b>	<b>230,893</b>	<b>230,893</b>

The directors are of the opinion that the book value of the shareholder loan notes and bank loans approximates to their fair value. Changes in liabilities arising from financing activities represent changes arising from revaluations and from cash flows.

Analysis of borrowings by currency:	Sterling £'000	Euros £'000	US dollars £'000	Total £'000
<b>30 June 2021</b>				
Bank loans	—	—	354,584	354,584
Shareholder loan notes	235,473	—	—	235,473
<b>Total</b>	<b>235,473</b>	<b>—</b>	<b>354,584</b>	<b>590,057</b>
<b>30 June 2020</b>				
Bank loans	50,423	—	407,670	458,093
Shareholder loan notes	230,893	—	—	230,893
<b>Total</b>	<b>281,316</b>	<b>—</b>	<b>407,670</b>	<b>688,986</b>

**Bank loans**

The term of the senior debt facility is from 7 October 2019 until 30 September 2026 and has a value of \$500m.

The interest rates on the senior debt facility are based on the USD Libor plus a margin based on the level of Net Senior Leverage. At the period end the applicable margin was 3%. The margin ranged from 3% to 3.25% in the period.

The senior debt facility is amortising with 1% (\$5m) per annum and is subject to covenant leverage ratio requirements. The Group has complied with these requirements at all times during the year.

In addition, the Group has a revolving credit facility of £50m, none of which was drawn down at the year end.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**22. Financial liabilities – Borrowings (continued)**

**Shareholder loan notes**

Shareholder loan notes were issued on 30 September 2016 at an issue price of £366.6m by the Company. This instrument was created and authorised by the issue of unsecured discretionary PIK Notes of nominal amount of £0.01 each.

Interest of 8% will accrue annually up until the settlement date on 30 September 2030. The interest expense for the year has been calculated by applying an effective rate of 8% to the liability component for the year. The difference between the carrying amount of the liability component at the date of issue and the amount reported in the balance sheet at 30 June 2021 represents the effective interest rate less interest paid and principal repaid to that date.

The net proceeds received from the issue of the shareholder loan notes have been recorded as a financial liability as follows:

	<b>Consolidated 2021 £'000</b>	<b>Consolidated 2020 £'000</b>	<b>Company 2021 £'000</b>	<b>Company 2020 £'000</b>
Shareholder loan notes	230,893	230,893	230,893	230,893
Interest accrued	4,580	—	4,580	—
Liability at 30 June	<u>235,473</u>	<u>230,893</u>	<u>235,473</u>	<u>230,893</u>

**23. Derivative financial instruments**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Total derivatives		
Derivative financial assets	2,901	216
Derivative financial liabilities	<u>(6,782)</u>	<u>(12,522)</u>
Net derivative liabilities	<u>(3,882)</u>	<u>(12,306)</u>

The financial assets include the mark-to-market valuation of foreign exchange forwards. The financial liabilities include the mark-to-market valuation of the interest rate swap to hedge the interest exposure on bank loans (2020: £11.4m of the interest rate swap and £1.1m on the foreign exchange derivatives).

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**24. Provisions**

The Group holds provisions for leasehold properties at 30 June 2021 totalling £479k (2020: £404k). The provision is allocated as:

	2021 £'000	2020 £'000
Dilapidations	<u>479</u>	<u>404</u>
Analysed as follows:		
Current	—	—
Non-current	<u>479</u>	<u>404</u>
Total	<u>479</u>	<u>404</u>
Opening	404	319
Additions during the year	<u>75</u>	<u>85</u>
At 30 June	<u>479</u>	<u>404</u>

**25. Deferred tax**

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the period.

	Accelerated tax depreciation £'000	Short-term timing differences £'000	Intangibles £'000	Losses £'000	Total £'000
At 1 July 2019	485	2,288	(75,294)	95	(72,426)
(Charge) / credit to profit or loss	(196)	831	942	751	2,328
Adjustments in respect of previous periods	58	86	7	21	172
Other adjustments	<u>6</u>	<u>125</u>	<u>(32)</u>	<u>—</u>	<u>99</u>
At 30 June 2020	353	3,330	(74,377)	867	(69,827)
Acquisition of subsidiary	—	—	(1,219)	—	(1,219)
(Charge) / credit to profit or loss	15	(439)	(3,017)	25	(3,415)
Adjustments in respect of previous periods	(189)	2,381	(6)	(755)	1,431
Exchange differences	<u>4</u>	<u>(123)</u>	<u>90</u>	<u>(3)</u>	<u>(32)</u>
At 30 June 2021	<u>183</u>	<u>5,149</u>	<u>(78,529)</u>	<u>134</u>	<u>(73,062)</u>

Deferred tax assets and deferred tax liabilities have been recognised in Group subsidiaries on the basis that it is more likely than not that the tax benefit or expense will crystallise in the future.

The Finance Bill 2021, which was substantively enacted in May 2021, included provisions to increase the rate of UK corporation tax for larger companies to 25%, with effect from 1 April 2023. Deferred taxation has been measured at the substantively enacted tax rates that are expected to apply in the periods in which the respective assets or liabilities are expected to reverse. Accordingly, for all UK entities, a rate of 25% has been applied when calculating deferred tax as at the balance sheet date.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**25. Deferred tax (continued)**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax liabilities	(78,574)	(74,445)
Deferred tax assets	5,512	4,618
Net deferred tax liability	<u>(73,062)</u>	<u>(69,827)</u>

**26. Trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	5,854	4,349	—	—
Accruals	23,327	19,883	—	—
Social security and other taxes	3,019	1,850	—	—
Other creditors	199	112	—	—
Amounts owed to related party undertakings	348,790	324,989	365,073	532,819
<b>Total</b>	<u>381,189</u>	<u>351,183</u>	<u>365,073</u>	<u>532,819</u>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers no interest typically is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Amounts owed to related parties includes a loan from the parent company, Fleet Topco Limited, for £344.0m (2020: £408.0m), and from Group subsidiaries Fleet Midco Limited £2.9m (2020: £20.5m), Fleet Midco II Limited £nil (2020: £28.7m), Fleet Bidco Limited £nil (2020: £44.7m), Argus Media Limited £4.4m (2020: £4.4m), Fleet U.S. Bidco Limited £nil (2020: £10.1m), interest payable of £13.8m (2020: £16.3m) and trading balances of £nil (2020: £0.1m). The interest on the loan from Fleet Topco Limited is charged at 8% and the total amounts due are repayable on demand. Changes in the amounts owed to related party undertakings represent changes arising from interest capitalisation and from cash flows.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**27. Share capital**

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Allocated, called-up and fully-paid</b>				
A Ordinary Shares of £1 each	<u>4,705</u>	<u>4,705</u>	<u>4,705</u>	<u>4,705</u>

During the year and prior year no shares were issued. The Company has 4,704,999 authorised shares in 2021 and 2020.

**28. Share premium account**

	<b>Consolidated</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
At 1 July 2019	1	1
Premium arising on issue of equity shares	<u>—</u>	<u>—</u>
At 30 June 2020	1	1
Premium arising on issue of equity shares	<u>—</u>	<u>—</u>
At 30 June 2021	<u>1</u>	<u>1</u>

**29. Translation reserve**

	<b>£'000</b>
At 1 July 2019	(4,294)
Exchange differences on translating the net assets of foreign operations	<u>(4,425)</u>
At 30 June 2020	(8,719)
Exchange differences on translating the net assets of foreign operations	<u>14,217</u>
At 30 June 2021	<u>5,498</u>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**30. Notes to the cash flow statement**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>(restated)</b>
		<b>£'000</b>
Operating profit for the year	66,244	54,908
Adjustments for:		
Foreign exchange gain*	7,026	8,338
Depreciation of property, plant and equipment	7,741	7,057
Amortisation of intangible assets	18,266	18,078
Operating cash flows before movements in working capital	99,278	88,381
Decrease in receivables	4,502	3,077
Increase in payables	4,109	3,379
Cash generated by operations	107,888	94,837
Income taxes paid	(17,941)	(7,851)
Net cash from operating activities	89,947	86,986

\*see note 3 for details

	<b>Consolidated</b>	<b>Consolidated</b>	<b>Company</b>	<b>Company</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents				
Cash and cash equivalents	37,099	59,260	2	1

The fair value of cash and cash equivalents approximates to the carrying value.

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash related movements in borrowings</b>		
Proceeds from revolving credit facilities	—	50,000
Repayment of revolving credit facilities	(50,000)	—
Proceeds from other non-current borrowings	—	405,811
Repayment of other non-current borrowings	(8,544)	(366,280)
Repayment of lease liabilities	(5,635)	(5,553)
<b>Non-cash related movements in borrowings</b>		
Foreign exchange movements	(44,965)	9,999
Impact of adoption of IFRS 16	—	29,149
Change in lease liabilities	1,881	825
Other non-cash movements	4,580	—
<b>Decrease in borrowings for the year</b>	(102,683)	123,951
Total borrowings - opening	713,334	589,383
<b>Total borrowings - closing</b>	610,651	713,334

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**31. Contingent liabilities**

At the date of signing the accounts there were no contingent liabilities (2020: Nil).

**32. Lease liabilities**

Maturity analysis:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	4,497	5,050
Between one and five years	13,740	17,687
Over five years	2,357	1,611
	<u>20,594</u>	<u>24,348</u>
Analysed as:		
Current	4,497	5,050
Non-current	16,097	19,298
	<u>20,594</u>	<u>24,348</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

**33. Deferred revenue**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Current within one year	110,732	112,676
Non-current over one year	334	486
Deferred revenue	<u>111,066</u>	<u>113,162</u>

The deferred revenue balance relates to the future delivery of subscriptions, conferences and consulting projects.

**34. Financial instruments**

**Capital risk management**

The Company defines capital as the total of the shareholder loans, the preference shares and the equity of the Company. The Company's primary objectives when managing capital are to achieve sustainable growth and ensure that the Company has adequate capital to fund its operations.

The Directors regularly assess and quantify the potential capital requirements of the Company in order to ensure the Company has adequate capital. The process of allocating capital to specific operations and activities is undertaken by senior management.



**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**34. Financial instruments (continued)**

**Categories of financial instruments**

The following table provides an analysis of the carrying amounts and fair values of the Group's financial instruments by class and category. The directors believe that the carrying amount of the financial instruments is equal to, or approximately equal to, the fair value.

	Amortised costs		FVtPL		FVtOCI		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>								
Trade and other receivables	32,925	37,428	—	—	—	—	32,925	37,428
Cash and bank balances	37,099	59,260	—	—	—	—	37,099	59,260
Investments	—	—	—	—	2,746	31	2,746	31
Derivative financial assets	—	—	2,901	216	—	—	2,901	216
Total financial assets	<u>70,024</u>	<u>96,688</u>	<u>2,901</u>	<u>216</u>	<u>2,746</u>	<u>31</u>	<u>75,671</u>	<u>96,935</u>
<b>Financial liabilities</b>								
Trade and other payables	381,189	351,183	—	—	—	—	381,189	351,183
<b>Financial liabilities – Borrowings</b>								
Bank loans	354,584	458,093	—	—	—	—	354,584	458,093
Shareholder loan notes	235,473	230,893	—	—	—	—	235,473	230,893
Derivative financial liabilities	—	—	6,782	12,522	—	—	6,782	12,522
Total financial liabilities	<u>971,247</u>	<u>1,040,170</u>	<u>6,782</u>	<u>12,522</u>	<u>—</u>	<u>—</u>	<u>978,028</u>	<u>1,052,691</u>

**Financial risk management objectives**

The Group has formal risk management policies and guidelines that set out its overall business strategies, its tolerance of risk and general risk management philosophy, and has established processes to monitor and control its exposure to such risks in a timely manner. The Group reviews its risk management processes regularly to ensure the Group's policy guidelines are adhered to.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Group is exposed to credit risk, liquidity risk, foreign currency risk and interest rate risk.

**Credit risk**

Credit risk relates to the risk of loss resulting from the non-performance or non-payment by the Group's counterparties related to their contractual obligations with the Group. Risk surrounding counterparty performance and credit could ultimately impact the amount and timing of expected cash flows. The Group had limited credit risk exposure due to the fact that the Group generally sells its services on a prepayment basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**34. Financial instruments (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. An unmatched position of assets and liabilities potentially enhances profitability, but can also increase the risk of losses. The Group manages this risk by closely monitoring its current assets to current liabilities ratio and having adequate amount of credit facilities.

The following tables detail the Group's remaining expected maturity for its derivative and non-derivative financial assets and the contractual maturity for its derivative and non-derivative financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay.

	1 year or less		1-5 years		Greater than 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial liabilities</b>								
<i>Non-derivative financial liabilities</i>								
Trade and other payables	381,189	351,183	—	—	—	—	381,189	351,183
Bank loans	14,616	71,484	393,884	84,179	—	399,481	408,500	555,143
Shareholder loan notes	23,051	18,471	73,886	92,357	304,779	304,779	401,716	415,607
Lease liabilities	4,497	5,050	13,740	17,687	2,357	1,611	20,594	24,348
<i>Derivative financial liabilities</i>								
Derivative financial instruments	6,782	12,522	—	—	—	—	6,782	12,522
	<u>430,135</u>	<u>458,710</u>	<u>481,510</u>	<u>194,223</u>	<u>307,136</u>	<u>705,871</u>	<u>1,218,781</u>	<u>1,358,803</u>

**Foreign currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. The following table demonstrates the sensitivity to a reasonably possible change in USD and EUR exchange rates by 10%, with all other variables held constant. The impact on the Group's profit before taxation is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is deemed not to be material.

	Effect on profit before taxation		Effect on loss before taxation	
	for 30 June 2021		for 30 June 2020	
	+10%	-10%	+10%	-10%
	£'000	£'000	£'000	£'000
<b>Currency</b>				
US Dollar (USD)	(12,111)	13,322	(14,015)	15,416
Euro (EUR)	(19)	20	2,548	(2,803)
Russian Rouble (RUB)	(689)	758	(3,149)	3,464
Singapore Dollar (SGD)	1,204	-1,325	(87)	96
	<u>(11,615)</u>	<u>12,775</u>	<u>(14,703)</u>	<u>16,173</u>

**Interest rate risk**

The Group is exposed to interest rate risk as the Group has debt at floating interest rates. The risk is managed by the Group using an interest rate swap. The floating rate debt which is based on US\$/EUR/GBP LIBOR plus an appropriate premium.

Assuming the interest rates were 100 basis points higher/lower and all other variables held constant, the Group's income and equity for the financial year ended 30 June 2020 would increase/decrease by £326k (2020: £270k).

# Fleet Finco Limited

## Notes to the financial statements

### For the year ended 30 June 2021

#### 34. Financial instruments (continued)

##### Determination of fair value

A number of the Group's accounting policies and disclosures required the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

(a) Cash and cash equivalents, trade receivables, due to/from related parties, trade and other payables and loans and borrowings: Carrying value approximates fair value due to the liquid nature of the assets and liabilities, as they are due on demand and bear interest at market rates.

(b) Derivative financial assets and derivative financial liabilities

Outstanding interest swap and cap contracts are measured at their fair values using broker quotes as of the reporting date.

##### Fair value hierarchy

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. The Group classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date, or
- Level 2 – Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly, or
- Level 3 – Unobservable inputs for the assets or liabilities, requiring the Group to make market-based assumptions.

Level 1 classifications include futures and options that are exchange traded, whereas Level 2 classifications include over the counter options, swaps and caps which derive their fair value primarily from exchange and broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominantly from models.

	Level 1		Level 2		Level 3		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financial assets</b>								
Investments	—	—	—	—	2,746	31	2,746	31
Derivative financial instruments	—	—	2,901	216	—	—	2,901	216
<b>Total financial assets</b>	<b>—</b>	<b>—</b>	<b>2,901</b>	<b>216</b>	<b>2,746</b>	<b>31</b>	<b>5,647</b>	<b>246</b>
<b>Financial liabilities</b>								
Derivative financial liabilities	—	—	6,782	12,522	—	—	6,782	12,522
<b>Total financial liabilities</b>	<b>—</b>	<b>—</b>	<b>6,782</b>	<b>12,522</b>	<b>—</b>	<b>—</b>	<b>6,782</b>	<b>12,522</b>

**Fleet Finco Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2021**

**35. Events after the balance sheet date**

On 2 August 2021 the Group completed the purchase of Oleochem Analytics S.L., a company incorporated in Spain. Oleochem Analytics S.L. is a market research and intelligence company providing commentary and analytics to the global oleochemical and pine chemical markets.

**36. Related party transactions**

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and other related parties are disclosed below.

Fleet Holdco Limited, the majority shareholder of Fleet Topco Limited Group, holds all of the shareholder loan notes issued by a Group subsidiary, Fleet Finco Limited. Full details of these shareholder loan notes are set out in Note 22.

**37. Ultimate controlling party and parent undertaking**

The immediate controlling party and immediate parent is Fleet Topco Limited. The largest and smallest group of which Fleet Finco Limited is a member and for which group financial statements are drawn up is the group headed by Fleet Topco Limited, a company incorporated in Jersey with registered address at Level 1 IFC, 1 Esplanade, St Helier, Jersey, JE2 3BX whose financial statements may be obtained from its registered office.

The ultimate controlling party as well as the ultimate parent is Fleet Holdco Limited, a company incorporated in Jersey with registered address at 11-15 Seaton Place, St Helier, Jersey JE4 0QH.