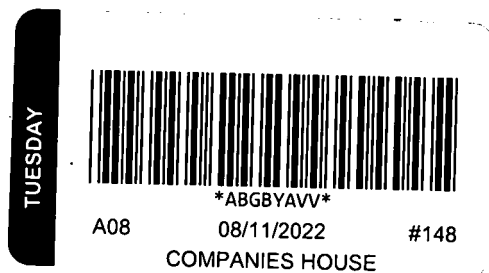


Company Registration No. 09199616 (England and Wales)

**HOLMAN LEASING LIMITED**  
**(FORMERLY ARI FLEET LEASING UK LIMITED)**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**



# HOLMAN LEASING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M Bryan G Leinenbach C Tousaw R White N Caller
<b>Secretary</b>	J Wells
<b>Company number</b>	09199616
<b>Registered office</b>	1 Methuen Park Chippenham Wiltshire SN14 0GX
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants 2nd Floor 1 The Square Temple Quay Bristol BS1 6DG

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# HOLMAN LEASING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### Fair review of the business

The results for the company show a pre-tax profit of £1.0m (2020: £0.5m) for the year and turnover of £1.6m (2020: £0.8m).

There have been a number of significant contract wins during 2021 financial year, which includes customer contracts with companies such as Aggreko, RSK and R3 Polygon UK Ltd, this growth resulted in ending the year with live vehicles totalling 4,033 (2020: 2,090). The lease book growth will help to underpin the bottom-line performance improvement over the coming financial periods.

The balance sheet development during 2021 was heavily influenced by growth in the lease book. Current assets increased from £31.8m to £80.7m, largely due to finance lease receivables. At the same time bank loans were obtained of £68m to support the lease book growth. During the year under review, capital contributions totaling £8m (2020: £nil) have been received from the parent company to support further growth in the UK business, as outlined in the strategic plans.

#### Development and key performance indicators

	Dec 2021	Dec 2020	Dec 2019	Dec 2018	Dec 2017
Turnover	£1.6m	£0.8m	£0.4m	£0.2m	£0.1m
Turnover growth (annualised)	100.4%	95.9%	112.9%	184.7%	26,885%
Gross profit margin	76.0%	76.3%	52.5%	57.3%	62.2%
Profit before tax	£1.0m	£0.5m	£0.1m	£0.1m	£0.02m
Net assets	£12.1m	£3.1m	£2.6m	£2.5m	£1.1m

#### Financial instruments, principal risks and uncertainties

The principal risks and uncertainties are considered to relate to liquidity and credit risk.

The loss of several of the UK company's key clients would have an impact on the financial result. The company maintains close relationships with key clients in order to mitigate this risk and continues to increase the number of vehicles under management in order to reduce dependency on key clients.

There are uncertainties related to technology and government policy impacting company car fleets. Holman is able to leverage technology investments across the Holman group, reducing our investment costs and technology risk. Holman has a focus on vocational fleets that typically require additional services within a changing regulatory environment.

The principal financial instruments of the business comprise bank balances, bank loans, trade debtors and trade creditors. The main purpose of these instruments is to finance the operations of the business.

In respect of bank balances, liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts and loans from the bank and the parent company at floating rates of interest. All of the business' balances are held in such a way that achieves a competitive rate of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit risk through strict monitoring and control procedures. Where clients are perceived to be a credit risk credit terms are shortened and payments on account are taken to reduce exposure where appropriate. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

The later part of 2021 and into 2022 saw a number of new risks arise, these included the Ukraine war, supply chain challenges, inflationary and cost of living pressures.

# HOLMAN LEASING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Financial instruments, principal risks and uncertainties (Continued)

Whilst there has been no direct impact of the Ukraine war on the business, it has impacted on the supply chain, given that some vehicle parts are manufactured in the Ukraine. The supply chain challenge itself has been fueled primarily by the semi-conductor shortages. The directors are confident that the supply chain impact is primarily a "timing" challenge for the business, with orders continuing to grow and build the Order Book.

The inflationary and cost of living pressures did not materially influence the 2021 performance. It is expected that employee labour costs will increase in 2022, however the profit and loss impact will be mitigated by unavoidable customer price increases.

On behalf of the board

*Nick Caller*

.....  
N Caller  
Director

Date: 28/10/22  
.....

# HOLMAN LEASING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021. On 11 March 2022 the company changed its name by special resolution from ARI Fleet Leasing UK Limited to Holman Leasing Limited.

#### Principal activities

The principal activities of the company comprise the provision of vehicle funding products to clients operating small, medium and large fleets.

Services offered include finance lease and conditional sale agreements.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Bryan  
G Leinenbach  
C Tousaw  
R White  
N Caller

#### Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

*Nick Caller*

.....  
N Caller  
Director

Date: 28/10/22 .....

# **HOLMAN LEASING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 HOLMAN LEASING LIMITED**

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## **Opinion**

We have audited the financial statements of Holman Leasing Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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.

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 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.

## **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.

## **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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLMAN LEASING LIMITED (CONTINUED)**

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 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 company or to cease operations, or have no realistic alternative but to do so.

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

*Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.*

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLMAN LEASING LIMITED (CONTINUED)

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In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the company audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are compliance with FRS 102, compliance with the Companies Act 2006 and Tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities and external tax advisors.

The company audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business;
- reviewing a sample of lease interest income recognised in Holman Leasing Limited to underlying agreement and general ledger postings;
- undertaking a data analytics-based review of the underlying data including lease management systems and recalculate key outputs from the database.

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

### Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

*Hywel Pegler*

Hywel Pegler (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
2nd Floor  
1 The Square  
Temple Quay  
Bristol  
BS1 6DG

01/11/22

# HOLMAN LEASING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	1,560,650	778,900
Cost of sales		(375,100)	(184,606)
<b>Gross profit</b>		<b>1,185,550</b>	<b>594,294</b>
Administrative expenses		(166,505)	(75,897)
<b>Operating profit</b>		<b>1,019,045</b>	<b>518,397</b>
Interest receivable and similar income		-	191
<b>Profit before taxation</b>		<b>1,019,045</b>	<b>518,588</b>
Tax on profit	6	28,762	(69,717)
<b>Profit for the financial year</b>		<b>1,047,807</b>	<b>448,871</b>

The income statement has been prepared on the basis that all operations are continuing operations.

**HOLMAN LEASING LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Lease vehicle inventory	7	533,469		90,628	
Debtors falling due after more than one year	8	50,266,678		21,993,368	
Debtors falling due within one year	8	22,597,651		9,120,932	
Cash at bank and in hand		7,262,119		616,896	
		80,659,917		31,821,824	
<b>Creditors: amounts falling due within one year</b>	10	(590,624)		(28,800,338)	
<b>Net current assets</b>		80,069,293		3,021,486	
<b>Creditors: amounts falling due after more than one year</b>	11	(68,000,000)		-	
<b>Net assets</b>		12,069,293		3,021,486	
<b>Capital and reserves</b>					
Called up share capital	14		1		1
Other reserves	15	10,400,000		2,400,000	
Profit and loss reserves	15	1,669,292		621,485	
<b>Total equity</b>		12,069,293		3,021,486	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28/10/22 and are signed on its behalf by:

*Nick Caller*

N Caller  
Director

# HOLMAN LEASING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital contrib- ution £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		1	2,400,000	172,614	2,572,615
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	448,871	448,871
<b>Balance at 31 December 2020</b>		1	2,400,000	621,485	3,021,486
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	1,047,807	1,047,807
Capital contribution	15	-	8,000,000	-	8,000,000
<b>Balance at 31 December 2021</b>		1	10,400,000	1,669,292	12,069,293

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Holman Leasing Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Methuen Park, Chippenham, Wiltshire, SN14 0GX.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Reduced Disclosure Framework

The company is a qualifying entity under the FRS 102 Reduced Disclosure Framework and has taken advantage of the exemptions from the following disclosure requirements:

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

The financial statements of the company are consolidated in the financial statements of Holman Fleet Limited (formerly ARI Fleet UK Limited). The consolidated financial statements of Holman Fleet Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements and they continue to adopt the going concern basis in preparing the financial statements.

The company ended the year with net current assets of £80.1m (2020: £3.1m) including cash of £7.3m (2020: £0.6m). JP Morgan bank facilities meet the worldwide capital requirements of the group and are held and maintained by Automotive Rentals Inc, a fellow subsidiary in the group headed by Holman Enterprises Inc. The total facility value is \$2.3bn, of which \$600m has been earmarked to fund the capital requirements of the UK and German companies. The global JP Morgan facility is due for renewal in November 2026.

The company's forecasts and projections show that the company is able to operate within the level of its current facilities.

The company is reliant on the wider group for access to banking facilities which are subject to a formal cross guarantee, as detailed in note 12.

On the basis of the banking facilities available to the company and the continuing support of the ultimate parent company, Automotive Rentals Inc, the directors consider that the company has adequate resources to continue in existence for the foreseeable future. Automotive Rentals Inc has formally confirmed their intention to support the company for a period of 48 months from the approval date of these accounts.

For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

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# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### **Turnover**

Turnover represents the amount, net of value added tax of interest received on finance leases. Interest is recognised so as to reflect a constant periodic rate of return on the company's investment in the leases.

##### **Lease vehicle inventory**

Lease vehicle inventory represents vehicles purchased of behalf of customers, where the transfer of ownership was not completed at the balance sheet date. Vehicles are stated at the lower of cost and transfer value.

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

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank loans are shown within borrowings in current liabilities.

##### **Financial instruments**

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, finance lease receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans and loans from group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **Taxation**

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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

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

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

#### **Capital contributions**

Capital contributions received from fellow group entities are recognised directly in reserves, with no adjustment made to share capital.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Deferred tax**

The directors are required to make judgements in respect of recognising deferred tax assets of £203,971 (2020: £175,209) and the extent that it is probable that they will be recovered. When assessing the recoverability of deferred tax assets they consider a variety of factors including the likelihood of achieving future profits by preparing forecast accounts.

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Finance lease income	1,560,650	778,900
	<u>          </u>	<u>          </u>
	2021 £	2020 £
<b>Other revenue</b>		
Bank interest income	-	191
	<u>          </u>	<u>          </u>

### 4 Auditor's remuneration

The audit fee of £12,550 (2020: £11,000) was paid by the parent entity and recharged to the leasing company.

### 5 Interest payable and similar expenses

	2021 £	2020 £
Interest payable to group undertakings	-	184,606
Interest on bank loans	375,100	-
	<u>          </u>	<u>          </u>
	375,100	184,606
	<u>          </u>	<u>          </u>

Interest payable is included in cost of sales as a direct cost.



# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Taxation

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,191	98,532
Changes in tax rates	(48,953)	(28,815)
<b>Total deferred tax</b>	<b>(28,762)</b>	<b>69,717</b>

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,019,045	518,588
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	193,619	98,532
Adjustments in respect of prior years	(109,626)	-
Group relief	(135,893)	-
Remeasurement of deferred tax for changes in tax rate	(48,953)	(28,815)
Non qualifying cars - long funding leases	72,091	-
<b>Taxation (credit)/charge for the year</b>	<b>(28,762)</b>	<b>69,717</b>

#### Factors that may affect future tax charges

The main rate of corporation tax in the UK will rise from 19% to 25% on profits over £250,000 with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

### 7 Lease vehicle inventory

	2021 £	2020 £
Vehicles	533,469	90,628

### 8 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	546,510	134,470
Amounts owed by group undertakings	463,811	-
Finance leases receivable	21,587,330	8,986,462
	<b>22,597,651</b>	<b>9,120,932</b>

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Debtors (Continued)

	2021 £	2020 £
<b>Amounts falling due after more than one year:</b>		
Finance leases receivable	50,062,707	21,818,159
Deferred tax asset (note 13)	203,971	175,209
	<u>50,266,678</u>	<u>21,993,368</u>
<b>Total debtors</b>	<u>72,864,329</u>	<u>31,114,300</u>

### 9 Finance lease receivables

	2021 £	2020 £
Gross amounts receivable under finance leases:		
Within one year	22,670,394	9,464,917
In the second to fifth years inclusive	52,491,689	22,069,484
After five years	1,175,927	1,394,116
	<u>76,338,010</u>	<u>32,928,517</u>
Unearned finance income	(4,687,973)	(2,123,896)
	<u>71,650,037</u>	<u>30,804,621</u>
Present value of minimum lease payments receivable		
The present value is receivable as follows:		
Within one year	21,587,330	8,986,462
In the second to fifth years inclusive	48,984,996	20,545,316
After five years	1,077,711	1,272,843
	<u>71,650,037</u>	<u>30,804,621</u>

#### Analysis of finance leases

The company enters into financial leasing arrangements for motor vehicles. The average term of finance leases entered into is four years.

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	367,608	216,851
Amounts owed to group undertakings	166,925	28,583,487
Accruals and deferred income	56,091	-
	<u>590,624</u>	<u>28,800,338</u>

Amounts owed to group undertakings in the prior year included the bank loan which was used to fund the lease book growth and was drawn down by the parent company and passed to the leasing company. In the current year funds have been drawn down directly from the bank by the company.

### 11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	12	<u>68,000,000</u>	<u>-</u>

### 12 Borrowings

	2021 £	2020 £
Bank loans	<u>68,000,000</u>	<u>-</u>
Payable after one year	<u>68,000,000</u>	<u>-</u>

The company has access to a cross group revolving multi currency loan facility with J P Morgan executed on 31 January 2020 for a term of 5 years, maturing on 31 January 2025. Amendments to this facility were made on 30 April 2021 and 9 November 2021 with the interest rate range from 0.67% to 0.92% based on the denomination of the borrowings and the maturity date was extended to 9 November 2026.

As part of this amendment, funds were made directly available to Holman Leasing Limited (formerly ARI Fleet Leasing UK Limited) and the intercompany balances in respect of finance lease funding were repaid in full. The loan is renewed on a rolling basis and interest charged on Core SONIA simple daily effective basis.

This loan is secured by a full title guarantee in favour of the lenders, by way of a first fixed charge to the shares of the company and all related rights.

# HOLMAN LEASING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Deferred taxation

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

	<b>Assets 2021 £</b>	<b>Assets 2020 £</b>
<b>Balances:</b>		
Fixed asset timing differences	203,971	45,704
Losses and other deductions	-	129,505
	<u>203,971</u>	<u>175,209</u>
		<b>2021 £</b>
<b>Movements in the year:</b>		
Asset at 1 January 2021		175,209
Charge to profit or loss		28,762
Asset at 31 December 2021		<u>203,971</u>

The deferred tax asset set out above is expected to reverse within 24 months and relates to the fixed asset timing differences relating to finance lease assets.

### 14 Share capital

	<b>2021 Number</b>	<b>2020 Number</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary share of £1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the company.

### 15 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

#### Capital contribution

Capital contribution received from parent company. During the year a capital contribution of £8,000,000 was received from Holman Fleet Limited (formerly ARI Fleet UK Limited).

### 16 Financial commitments, guarantees and contingent liabilities

Holman Leasing Limited (formerly ARI Fleet Leasing UK Limited) is listed as a guarantor and its shares pledged as security by its parent, Holman Fleet Limited (formerly ARI Fleet UK Limited), in order to secure its funding from J P Morgan.

# **HOLMAN LEASING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **17 Related party transactions**

The company has taken advantage of the exemption available under Section 33 of FRS 102 from disclosing transactions and balances with other wholly owned group companies.

### **18 Ultimate controlling party**

The Company is a subsidiary undertaking of Holman Fleet Limited (formerly ARI Fleet UK Limited). The registered office is 1 Methuen Park, Chippenham, Wiltshire SN14 0GX. The ultimate controlling party is Holman Enterprises Inc.

The largest group in which the results of the Company are consolidated is that headed by Holman Enterprises Inc, incorporated in the US. The smallest group in which they are consolidated is that headed by Holman Fleet Limited. The consolidated financial statements of Holman Fleet Limited are available to the public and may be obtained from Companies House.