

**Group Strategic Report, Report of the Directors and**  
**Consolidated Financial Statements**  
**for the Period 1 December 2018 to 28 February 2020**  
**for**  
**Aston Barclay Holdings Limited**



**Aston Barclay Holdings Limited**

**Contents of the Consolidated Financial Statements  
for the Period 1 December 2018 to 28 February 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>8</b>
<b>Independent auditors' report to the members of Aston Barclay Holdings Limited</b>	<b>11</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>13</b>
<b>Consolidated Statement of Financial Position</b>	<b>14</b>
<b>Company Statement of Financial Position</b>	<b>15</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>16</b>
<b>Company Statement of Changes in Equity</b>	<b>17</b>
<b>Consolidated Cash Flow Statement</b>	<b>18</b>
<b>Notes to the Consolidated Cash Flow Statement</b>	<b>19</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>20</b>

**Aston Barclay Holdings Limited**

**Company Information**

**for the Period 1 December 2018 to 28 February 2020**

**Directors:**

G I MacLeod  
P D Khot  
M A Potter

**Secretary:**

P D Khot

**Registered office:**

Unit 1-2 Harvard Way  
Normanton Industrial Estate  
Normanton  
West Yorkshire  
WF6 1FL

**Registered number:**

04527312 (England and Wales)

**Independent Auditors:**

PricewaterhouseCoopers LLP  
One Chamberlain Square  
Birmingham  
B3 3AX

## **Aston Barclay Holdings Limited**

### **Group Strategic Report** **for the Period 1 December 2018 to 28 February 2020**

The directors present their strategic report of the company and the group for the period 1 December 2018 to 28 February 2020.

#### **Change to year end**

During 2019 a decision was taken to extend the financial year by three months until 28 February 2020. This report therefore covers the 15-month period to that date as well as covering post balance sheet date matters, specifically the impact of Covid-19 on trading in the period to the date of this report.

#### **Principal activities**

The principal activity of the Company is that of the holding Company of Aston Barclay Limited and Digital Automotive Solutions Ltd. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. The principal activities of the Group are undertaken by two subsidiaries – Aston Barclay Limited and Digital Automotive Solutions Ltd. The activities undertaken by the Group are the remarketing of used vehicles via physical and online auctions by Aston Barclay Limited, and the trading of used vehicles purchased from consumers via the online business, The Car Buying Group (the trading name of Digital Automotive Solutions Ltd).

#### **Business review – 15-month period to 28 February 2020**

The trading results for the period and the Group's and Company's financial position at 28 February 2020 are shown in the attached financial statements.

The financial results for the period under review reflect substantial investment in three specific areas:

1. Aston Barclay physical footprint expansion and strategic acquisition

As disclosed last year the Group opened its Wakefield facility in early January 2019. This substantial site covering 78,000 square feet and capable of handling 36,000 cars per year represents a state of the art 'super-centre' for vehicle remarketing. Substantial investment in the Wakefield site has meant that it has grown from a standing start to currently processing 30,000 vehicles per year predominantly for 160 vendors.

As also disclosed in last year's report, the Group acquired Independent Motor Auctions (2006) Limited (IMA) on 30 January 2019. IMA was a privately owned car and commercial vehicle auction business based in Leeds. IMA has brought to the Group a robust vendor portfolio and management personnel who have contributed greatly towards the Group's broader growth. IMA has now been successfully integrated into the Group's business and its acquisition has allowed the expansion of the Group's activities in LCVs to now operate from four sites across England.

2. The Car Buying Group integration and scale up

As disclosed last year, the acquisition of Digital Automotive Services Ltd, trading as the Car Buying Group ("TCBG"), was completed in October 2018. In the period under review the Group has heavily invested in the integration and growth of that business. At the date of this report, TCBG is buying and selling vehicles at a run rate of 8,000 vehicles per annum and is expecting to be very modestly EBITDA negative for the year ending 28 February 2021. The strategic rationale for the acquisition has been proved as it feeds all acquired vehicles into the Aston Barclay remarketing business. It has developed a strong following among a loyal buyer base who recognise and support its value proposition.

3. Online Trading platform for Aston Barclay

The Group has invested heavily in a suite of online tools and functionality to allow buyers to seamlessly purchase vehicles online. This investment has enabled Aston Barclay to build an omnichannel proposition where both physical and online auctions are available for vendors and buyers - both Groups have found the flexibility offered by online sales to be strongly beneficial to their businesses.

The Group continues to invest in its people and technology to ensure it remains at the forefront of the industry in terms of best practice. In November 2019, the shareholders made further funding available to the Group. This involved the injection of an additional £5m in shareholder capital for the express purpose of supporting the above investment and ongoing investment plans, putting the Group in a position to continue to grow in the coming years. This investment evidences the shareholders' commitment to the Group and the business model it is executing.

As at 28 February 2020 the net assets of the Group were £16,722,000 and the Company net assets were £11,340,000.

**Section 172(1) Statement**

In accordance with Section 172(1) of the Companies Act 2006, the Directors set out below the actions they have taken to comply with their Section 172 duties. Section 172 of the Companies Act 2006 requires Board members to acknowledge that they must act in a manner which is most likely to promote the success of the company for the benefit of its members as a whole. In doing so they must have regard to the following matters:

- a) the likely consequences of any decision in the long term.
- b) the interests of the company's employees.
- c) the need to foster the company's business relationships with suppliers, customers and others.
- d) the impact of the company's operations on the community and the environment.
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

*Governance and decision making*

The Directors are responsible for making decisions concerning the Group's trading, strategy and future direction. Matters are presented at Board meetings and are considered by the Directors, who give careful consideration to all the matters outlined above when making decisions.

Governance processes are consistently reviewed in detail and various improvements introduced where necessary on an ongoing basis. Any changes are designed to better allow effective delegation of powers to the executive management and the reservation of powers to the Board. A comprehensive Terms of Reference structure has also been introduced. Board meetings are held monthly with papers prepared and distributed in advance in respect of any principal decisions which are required to be made. Minutes of all board meetings are prepared and reviewed to ensure they adequately reflect the decision-making process and the discussions which took place in advance of decisions being taken.

*Long term outlook*

When making decisions, the Directors look to maximise the potential for the positive long-term development of the Group and consider whether any proposed action is consistent with that aim. The Group has a history in recent years of significant investment in new physical and digital capabilities with the aim of protecting and developing the Group's long-term competitive position.

*Employee interests*

The Group's employees are absolutely critical to delivering outstanding service to our vendors, buyers and other stakeholders. The Group regularly engages with employees in both informal and formal ways, including regular structured engagement surveys, and the results of these are reported to the Board and discussed by the Directors. There is also a significant ongoing investment in a comprehensive training and development program which aims to maximise the potential of all the Group's employees. For further details see the Employee Engagement section in the Stakeholder section of the Directors' report.

*Relationships with suppliers, customers and other stakeholders*

The Group works closely with its vendors and buyers to deliver an open and transparent marketplace for transacting cars and LCVs. There is regular communication by the Group with both vendors and buyers, including structured surveys that deliver focused feedback to the Directors with the aim of that feedback enabling improved products and services. The Group aims to develop strategic supply partnerships where possible, to treat all suppliers fairly and openly, and also seeks to extend this level of openness and transparency to its key financial stakeholders, most notably the providers of long-term debt finance and various working capital facilities.

*Community engagement and environment*

The Group aims to generate positive local community impact where possible, and this includes job creation and the recruitment of new permanent and part-time employees where investments are made in new infrastructure. The Group is committed to being environmentally responsible and seeks to limit energy usage and its carbon footprint where possible.

**Section 172(1) Statement - continued**

*Business conduct, fairness and sustainability*

The Group aims to have high standards of integrity and conduct, and interact with its customers, employees and wider stakeholders in a fair and transparent way. This behaviour seeks to ensure that the Group maintains its position as a key member of its industry and preserves and enhances over time its reputation for high standards of service.

Principal business decisions made during the year were:

- The acquisition of IMA
- Opening of the Wakefield auction site
- The continuous build out of the digital product suite
- A comprehensive investment program in The Car Buying Group
- Securing additional shareholder investment to fund various growth initiatives
- Appointment of a new Executive Chairman

In respect of all of the above decisions, due regard was given to the requirements of section 172. The opening of the Wakefield site and related acquisition of IMA significantly expanded the Group's offering to both existing and new vendors and buyers. It was also the catalyst for the creation of a significant number of new jobs and provided a more modern and positive working environment for many of the Group's employees.

The investment in both the digital product suite and the Car Buying Group, enabled by the continued support and encouragement of the Group's equity and debt funders, put the Group in a stronger position to capitalise on the longer term market trends of increasing digitalisation.

**Business review – period to 24 November 2020**

The investment made in the 15-months to 28 February 2020 set a strong platform for profitable growth in the current financial year. Whilst the impact of Covid-19 in the first quarter was severe, trading in the following quarters has been substantially ahead of prior years, with strong profitability and cash generation. The trading position since 28 February 2020 can be summarised as follows:

**1. Closure on 23 March 2020**

Following the start of the financial year on 1 March 2020, the Group traded in line with expectations but was soon overtaken by events. As part of a national "lockdown" approach to combat Covid-19, the Government at short notice mandated closure of all UK auction houses from 23 March 2020. From that date, the Group's primary focus was the health and wellbeing of its customers and employees. Furthermore, rapid and decisive action was taken to:

- minimise the impact of the pandemic;
- protect cash; and
- utilise the government's furlough program, rates holidays and VAT deferral schemes where appropriate.

**2. During lockdown**

Following the start of lockdown, and after the immediate actions discussed above, the Group put in place steps to enable the recommencement of safe online-enabled trading to match vendor stock with buyer demand.

- At the height of the pandemic, over 82% of the Group's workforce were furloughed, a level that then consistently reduced as activities built up again from the trough position in April.
- Arrangements were made with vendors to store vehicles which were returning from lessees and fleet users.
- The Group rapidly refined its existing digital capabilities and introduced online live auctions allied with a click and collect service for buyers; and
- A comprehensive reopening plan was developed and implemented, with a staggered return to work for colleagues based on increasing consumer demand.

## **Aston Barclay Holdings Limited**

### **Group Strategic Report** **for the Period 1 December 2018 to 28 February 2020**

#### **Business review – period to 24 November 2020 - continued**

##### **3. Post lockdown trading**

Following the re-opening of the UK automotive retail sector in early June 2020, the business worked successfully to safely reopen all six sites by 15 June 2020. Auctions, which had recommenced prior to the sites reopening and were being conducted from auctioneers' homes, were moved back to sites, although they continued to be conducted online with no buyers on site. It rapidly became evident that vehicles being returned by lessees and fleet users needed to be remarketed and the Group experienced both a sharp increase in vehicles for sale and strong demand from buyers for stock to cater for increased consumer demand for used cars.

As a result, trading from June to date has been at levels far in excess of the prior year with strong conversion rates and margins.

##### **4. Second lockdown in November 2020**

At the date of this report, England is midway through a further lockdown, but the Group is continuing to trade using an online only model. It appears that trading in this second lockdown period will lead to lower revenues from lower conversions and lower achieved values, but the adverse impact is expected to be significantly less than the first lockdown due to the likely shorter timeframe. In addition, a significant part of the automotive retail sector has been able to keep trading using an online "click and collect" model. The Group also expects to benefit as before from a bounce back in trading when the lockdown is lifted.

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

After the balance sheet date, there has been significant macro-economic uncertainty as a result of the Covid-19 outbreak, the scale and duration of which remains inherently hard to predict.

Since the start of the escalation of Covid-19, the senior management team have been monitoring and reacting to the situation on a daily basis and have put in place contingency plans to safeguard the employees and mitigate the developing risks of the pandemic. These contingency plans include ensuring employees receive appropriate guidance and clear communications, along with the necessary equipment and facilities to maintain a safe working environment. Additional hygiene supplies have been provided to help limit the spread of any infection, along with increased cleaning protocols of all locations. Domestic business travel was scaled back very quickly, and attendance at large business meetings strongly discouraged. Many of our office employees were already able to work effectively from home and this is now being enforced for all but essential working requirements. The Group has also been working closely with both customers and suppliers to mitigate any disruption to supply chains. These plans will continue to be adapted as the situation evolves.

As an organisation which trades only in the UK and operates in one of the lesser impacted industry sectors, the Group is likely to be as resilient if not more so than many other companies. While it remains a difficult challenge to fully assess the continuing impact of Covid-19, the key financial risks that the directors have identified are:

- A decline in turnover due to customers reduced volume demands.
- A decline in metal margin in TCBG.
- Increased levels of absenteeism impacting efficiency; and
- Working capital increases if customers delay payments.

The Group's banking headroom position and associated covenants have been stress tested for various scenarios relating to each of these risks.

These assessments have been reviewed and discussed by the Board of Directors, with consideration given to sensible mitigating actions which are readily available to the Group. The directors have considered the commercial terms in place with customers and suppliers, along with the ability, if required, for the business to scale down costs according to the reduced demand. Whilst these are unprecedented times, being able to efficiently manage costs in line with fluctuating volumes is a fundamental part of the offering that the Group already provides to many of its customers. Other mitigating options available include taking advantage of the various Covid-19 support packages offered by the UK government as well as the delaying of discretionary expenditure, which have each been considered and modelled. In addition, some customer sectors are expected to experience increased demand levels during the period of this pandemic outbreak.

The Group continues to generate strong cash flows and therefore, the Directors do not consider the business to be at risk from any unforeseen price, supply or demand movements.

## **Aston Barclay Holdings Limited**

### **Group Strategic Report** **for the Period 1 December 2018 to 28 February 2020**

#### **Financial risk management objectives and policies**

The Group has a broad range of vendors and buyers and is continually developing a broader service offering and, as such, closely manages volume and price risk. In addition, the Group's cash flow profile generally sees vehicles being paid for before they leave site and with those cash flows from buyers being closely matched to remittances to vendors. The Group therefore closely manages and controls its inherently low levels of credit, liquidity and cash flow risk.

#### **Interest rate risk**

The Group's principal exposure to interest rate risk is the long term loan held. It is the Board's view that interest rates are likely to remain at current levels for the foreseeable future – if this view was to change, the Board would investigate hedging products.

#### **Financial key performance indicators**

The Directors use a number of key performance indicators to measure the performance of the business. In addition to the measures of turnover and profit margins, these include the number of vehicles sold, income per vehicle and the number of vehicles sold as a percentage of those entered. Variable costs are measured against the number of vehicles sold and fixed costs against their utilisation.

	<b>2020</b> <b>(15 months)</b>	<b>2018</b>
Revenue (£'000s)	101,071	33,095
Volumes sold (units)	133,157	100,995

#### **Other key performance indicators**

The Directors measure the overall trading performance by reference to Earnings Before Interest, Taxation, Depreciation and Amortisation and exceptional items (EBITDA). The reconciliation of EBITDA to the Operating (Loss)/Profit shown in the Consolidated Statement of Comprehensive Income is as follows:

	<b>2020</b> <b>(15 months)</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
EBITDA	3,955	6,130
Exceptional items	(2,566)	(1,060)
Amortisation	(1,179)	(197)
Depreciation (net of disposal)	(2,292)	(1,257)
Operating loss	<u>(2,082)</u>	<u>3,616</u>

The Directors also monitor the results of the performance reviews carried out by customers (both vendors and buyers).

The Directors actively manage working capital and cash with the aim that the Group has significant cash liquid cash resources and facility headroom at all times. At the most recently available balance sheet date, 31 October 2020, the summary (unaudited position) was as follows:

	<b>£'000</b>
Net assets	18,670
Cash	9,570

ABVR Holdings Limited group also had undrawn revolving credit facilities of £4.5m at this date.



**Aston Barclay Holdings Limited**

**Group Strategic Report**  
**for the Period 1 December 2018 to 28 February 2020**

**Future Developments**


The Directors will continue to grow and develop the remarketing business by focussing on an omni-channel service offering, investing in its auction centres and its market leading digital solutions. The Group is investigating future investment in state-of-the-art imaging equipment to better present the vehicles it sells in the online environment. It is expected that substantial investment in the next financial year will be made in this area. Furthermore, the Group is actively reviewing how it can drive further efficiencies in its transport function covering both inbound into site and deliveries to buyers.

In respect of TCBG, the Group intends to continue to rapidly scale up the business; while this will require further capital, the planned growth is well within the quantum of existing stocking facilities agreed with our bankers.

The Group also continues to invest heavily in its people, having launched a comprehensive Learning & Development program in mid-2020.

Finally, I would like to thank all the employees, customers and suppliers of the Group for their support in what has been a truly unprecedented period. We look forward to the future with optimism.

This report was approved by the board on 27 November 2020 and signed on its behalf.



**G I MacLeod**  
**Executive Chairman**

## **Aston Barclay Holdings Limited**

### **Report of the Directors** **for the Period 1 December 2018 to 28 February 2020**

The directors present their report with the audited consolidated financial statements of the company and the Group for the period 1 December 2018 to 28 February 2020.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £2,063,000 (2018 - profit £3,177,000).

There were no interim dividends paid during the year. The Directors do not recommend the payment of a final dividend (2018 £Nil).

#### **Directors**

The directors shown below have held office during the whole of the period from 1 December 2018 to the date of this report.

G I MacLeod (appointed 14 August 2020)  
P D Khot (appointed 14 August 2020)  
J L Crichton (resigned 12 June 2020)  
N T Hodson (resigned 4 August 2020)  
M A Potter

#### **Statements of directors' responsibilities in respect of the financial statements**

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

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), and applicable law. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's and Company's financial statements and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' indemnities**

The Group maintained throughout the period, and at the date of approval of the financial statements, liability insurance for its Directors and Officers. This is a qualifying provision for the purposes of the Companies Act 2006.

**Report of the Directors**  
**for the Period 1 December 2018 to 28 February 2020**

**Going concern**

The Directors are required to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors have taken note of the Financial Reporting Council guidance in respect of Going Concern which recommends the reasons for this decision to be explained. The Directors have assessed the future funding requirements of the Group and Company and have determined that the forecasts and projections show that the Group can generate sufficient cash, taking into consideration future possible changes in trading performance.

The ABVR Holdings Limited Group, which the Company and its subsidiaries form part manages its liquidity needs through a combination of long and short-term facilities including working capital, revolving credit facilities, short-term stock funding, senior debt and long-term shareholder funding. Externally provided debt include certain quarterly covenant tests. The Group forecasts and monitors its cash inflows and outflows on a rolling 13-week basis. Furthermore, it utilises rolling integrated financial forecasts to monitor its scheduled debt servicing payments and its forecast covenant compliance. The board approves the annual budget and regularly reviews the rolling integrated forecasts, which reflect an up to date view of trading in the forecast period.

In evaluating the going concern assumption, and as part of the integrated financial forecasts, the directors have prepared detailed trading and cash flow forecasts for the period to 28 February 2022 and compared these, together with a range of plausible sensitivities, to the bank facilities and the related covenant requirements. As a result of the Covid-19 lockdown, trading was substantially reduced in March, April and May 2020. The Group's bank funders, Crescent Capital and Barclays, have remained highly supportive throughout, and with the help of additional shareholder support, and also on the basis of very strong trading since the first lockdown ended, we have agreed a revised set of financial covenants. Taking into account actual trading YTD, the forecasts to 28 February 2022 and plausible downside scenarios, whilst covenant headroom becomes tighter towards the end of the period, the board has considered mitigating options available and it is anticipated that the Group which Aston Barclay Holdings Limited is a part of, will comply with all covenants at future testing periods.

The sensitivities applied to the forecasts demonstrate sufficient covenant headroom. In addition, the directors are confident the bank will continue to support the Group, noting that the facilities also allow for shareholders to provide additional equity to remedy covenant breaches, in the event that they may be required.

After consideration of the forecasts and sensitivities and the range of support available, the directors conclude that the level of uncertainty connected with the ongoing Covid-19 pandemic is capable of effective management. As a result, the directors have a reasonable expectation that the company will be able to continue to meet its liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare the financial statements on a going concern basis.

**Charitable and political donations and expenditure**

The Group contributed £14,501 (2018: £9,598) to charities for a number of minor fund-raising projects during the period. The company made no political contributions during the year (2018: £nil).

**Stakeholder Engagement**

- **Employee Engagement**

The Board ensures that the Group complies with the Equality Act 2010 (which replaces the Disability Discrimination Act 1995) and that disabled people falling within the definition of the Act are treated equally and fairly. We aim to ensure we recruit and retain the best people for the Group.

The Group recognises its responsibilities to ensure the fair treatment of all of its employees in accordance with UK legislation. Equal opportunities for appropriate training, career development and promotion are available to all employees regardless of any physical disability or their gender, religion, race or nationality. In particular, having regard to their aptitudes and abilities, the group gives full and fair consideration to applications for employment received from disabled persons. In the event of employees becoming disabled, continuity of employment and appropriate training is arranged, where practicable.

The Group places considerable value on the involvement of its colleagues and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through many mediums including formal and informal meetings, regular team briefs, quarterly newsletter and webinars, notice board, HR software and colleague forums.

The health and safety of our people remains our top priority. The Group will continue to monitor guidance issued from the various worldwide authorities as the Covid-19 situation progresses to ensure that our business remains well placed to respond appropriately.

**Report of the Directors  
for the Period 1 December 2018 to 28 February 2020**

**Stakeholder Engagement – continued**

During July 2019 Aston Barclay completed its second annual Employee Survey, to measure employee engagement. Following the 2019 survey the company adopted a 'commitment' approach to ongoing improvement whereby at a Group level, across departments and locally at sites, commitments were made based on employee feedback to make ongoing improvements to employee satisfaction. In addition:

- The Senior Management Team have held regular site visits to update employees on company matters.
- 'Employee breakfasts' were established mid-2019 creating a structured forum to gain vital employee feedback, act on suggestions and generally maintain positive two-way communication across the Group.
- in late 2019 the company launched the 'Employee of the Month' scheme which recognises the exceptional efforts and achievements of our employees; and
- these achievements are communicated in a monthly newsletter to all employees named 'The Bugle' which was launched in early 2020. In addition to employee recognition, this newsletter also provides business updates, news and employee stories.

• **Other Stakeholder Engagement**

Our stakeholders and our engagement with them are set out below. Further discussion about our engagement with stakeholders in respect of the principal decisions made by the company are set out in the s172(1) Statement included in the Strategic report.

Stakeholders (excl. Employees)	How we have engaged	What the outcomes are
Vendors	Regular meetings and written and verbal communication	Review and adherence to Vendor SLA's, performance reporting and improvement tracking
Customers	Regular meetings and written and verbal communication	
Principal suppliers including transport services, valet services and landlords	Regular meetings and written and verbal communication	Review and adherence to Vendor SLA's, performance reporting and improvement tracking
Other supplies of goods and services	Meetings as required and written and verbal communication	Management of the ongoing trading relationship

**Matters covered in the strategic report**

Disclosures required under S414C(11) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the company.

**Disclosure of information to auditor**

In the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and company's auditors are aware of that information.

**Post balance sheet events**

Please refer to the Business Review to 24 November 2020 section in the Strategic Report.

**Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have shown their willingness to continue in office.

This report was approved by the board on 27 November 2020 and signed on its behalf.



**G I MacLeod**  
**Executive Chairman**

# ***Independent auditors' report to the members of Aston Barclay Holdings Limited***

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

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### **Opinion**

In our opinion, Aston Barclay Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 28 February 2020 and of the group's loss and cash flows for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Strategic Report, Report of the Directors and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 28 February 2020; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## ***Independent auditors' report to the members of Aston Barclay Holdings Limited - continued***

### *Strategic Report and Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the period ended 28 February 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statements of directors' responsibilities in respect of the financial statements set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' 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 auditors' 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 auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

We have no exceptions to report arising from this responsibility.

Neil Philpott (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
November 2020

**Aston Barclay Holdings Limited****Consolidated Statement of Comprehensive Income**  
**for the Period 1 December 2018 to 28 February 2020**

	Notes	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Turnover	4	101,071	33,095
Cost of sales		<u>(78,264)</u>	<u>(16,743)</u>
<b>Gross profit</b>		22,807	16,352
Administrative expenses		(22,323)	(11,676)
Exceptional administrative expenses	8	(2,566)	(1,060)
Total administrative expenses		<u>(24,889)</u>	<u>(12,736)</u>
<b>Operating (loss)/profit</b>	6	(2,082)	3,616
Interest payable and similar expenses	9	<u>(80)</u>	<u>(9)</u>
<b>(Loss)/profit before taxation</b>		(2,162)	3,607
Tax on (loss)/profit	10	<u>99</u>	<u>(430)</u>
<b>(Loss)/profit for the financial period</b>		<u>(2,063)</u>	<u>3,177</u>
(Loss)/profit attributable to: Owners of the parent		<u>(2,063)</u>	<u>3,177</u>

There was no other comprehensive income for the period ended 28 February 2020 (30 November 2018: £Nil).

All amounts relate to continuing operations.

The notes form part of these financial statements

**Consolidated Statement of Financial Position**  
**As at 28 February 2020**

	Notes	28 Feb 2020 £'000	30 Nov 2018 £'000
<b>Fixed assets</b>			
Intangible assets	12	6,982	5,118
Tangible assets	13	<u>17,494</u>	<u>18,159</u>
		<u>24,476</u>	<u>23,277</u>
<b>Current assets</b>			
Stocks	15	1,391	2,774
Debtors: amounts falling due within one year	16	17,783	14,485
Cash at bank and in hand		-	<u>2,285</u>
		19,174	19,544
<b>Creditors</b>			
Amounts falling due within one year	17	<u>(25,870)</u>	<u>(23,779)</u>
<b>Net current liabilities</b>		<u>(6,696)</u>	<u>(4,235)</u>
<b>Total assets less current liabilities</b>		17,780	19,042
<b>Creditors</b>			
Amounts falling due after more than one year	18	(981)	(208)
<b>Provisions for liabilities</b>	21	<u>(77)</u>	<u>(49)</u>
<b>Net assets</b>		<u>16,722</u>	<u>18,785</u>
<b>Capital and reserves</b>			
Called up share capital	24	298	298
Capital redemption reserve	25	202	202
Retained earnings	25	<u>16,222</u>	<u>18,285</u>
<b>Total Shareholders' funds</b>		<u>16,722</u>	<u>18,785</u>

The financial statements on pages 13 to 40 were approved by the Board of Directors on 27 November 2020 and were signed on its behalf by:



**G I MacLeod**  
**Executive Chairman**

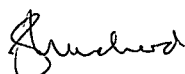
The notes form part of these financial statements



**Company Statement of Financial Position**  
**As at 28 February 2020**

	Notes	28 Feb 2020 £'000	30 Nov 2018 £'000
<b>Fixed assets</b>			
Tangible assets	13	12,841	12,927
Investments	14	<u>5,201</u>	<u>3,318</u>
		<u>18,042</u>	<u>16,245</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	2,706	2,694
<b>Creditors</b>			
Amounts falling due within one year	17	<u>(8,427)</u>	<u>(8,692)</u>
<b>Net current liabilities</b>		<u>(5,721)</u>	<u>(5,998)</u>
<b>Total assets less current liabilities</b>		12,321	10,247
<b>Creditors</b>			
Amounts falling due after more than one year	18	<u>(981)</u>	<u>(208)</u>
<b>Net assets</b>		<u>11,340</u>	<u>10,039</u>
<b>Capital and reserves</b>			
Called up share capital	24	298	298
Capital redemption reserve	25	202	202
Retained earnings	25	<u>10,840</u>	<u>9,539</u>
<b>Total Shareholders' funds</b>		<u>11,340</u>	<u>10,039</u>
 Company's profit for the financial year		 <u>1,301</u>	 <u>1,272</u>

The financial statements on pages 13 to 40 were approved by the Board of Directors on 27 November 2020 and were signed on its behalf by:



**G I MacLeod**  
**Executive Chairman**

The notes form part of these financial statements

**Aston Barclay Holdings Limited**

**Consolidated Statement of Changes in Equity**  
**for the Period 1 December 2018 to 28 February 2020**

	<b>Called up share capital £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 December 2017</b>	298	202	15,108	15,608
<b>Changes in equity</b>				
Profit for financial year and total comprehensive income	-	-	3,177	3,177
<b>Balance at 30 November 2018</b>	<u>298</u>	<u>202</u>	<u>18,285</u>	<u>18,785</u>
<b>Changes in equity</b>				
Loss for financial period and total comprehensive expense	-	-	(2,063)	(2,063)
<b>Balance at 28 February 2020</b>	<u>298</u>	<u>202</u>	<u>16,222</u>	<u>16,722</u>

The notes form part of these financial statements

**Aston Barclay Holdings Limited**

**Company Statement of Changes in Equity**  
**for the Period 1 December 2018 to 28 February 2020**

	Called up share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 December 2017	298	202	8,267	8,767
Changes in equity				
Profit for financial year and total comprehensive income	-	-	1,272	1,272
Balance at 30 November 2018	298	202	9,539	10,039
Changes in equity				
Profit for financial period and total comprehensive expense	-	-	1,301	1,301
Balance at 28 February 2020	298	202	10,840	11,340

The notes form part of these financial statements

**Aston Barclay Holdings Limited****Consolidated Cash Flow Statement  
for the Period 1 December 2018 to 28 February 2020**

	Notes	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,053	2,624
Interest paid		(71)	(9)
Corporation tax paid		(632)	(603)
Net cash from operating activities		<u>350</u>	<u>2,012</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(1,277)	(790)
Purchase of tangible assets		(1,365)	(3,481)
Purchase of subsidiary net of cash acquired		(736)	(1,849)
Proceeds from disposal of tangible assets		<u>283</u>	<u>186</u>
Net cash from investing activities		<u>(3,095)</u>	<u>(5,934)</u>
<b>Cash flows from financing activities</b>			
Short term stock funding drawn down		42,044	5,041
Repayment of short term stock		(42,126)	(3,672)
Interest paid		(9)	-
Capital repayments in year		(111)	-
Director loan withdrawal		<u>(58)</u>	<u>-</u>
Net cash from financing activities		<u>(260)</u>	<u>1,369</u>
<b>Decrease in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of period</b>	2	<u>2,285</u>	<u>4,838</u>
<b>Cash and cash equivalents at end of period</b>	2	<u><u>(720)</u></u>	<u><u>2,285</u></u>

The notes form part of these financial statements

**Aston Barclay Holdings Limited**

**Notes to the Consolidated Cash Flow Statement  
for the Period 1 December 2018 to 28 February 2020**

**1. Reconciliation of (loss)/profit for the financial period to cash generated from operations**

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
(Loss)/profit for the financial period/year	(2,063)	3,177
Depreciation and amortisation charges	3,522	1,460
Profit on disposal of tangible assets	(51)	(6)
Interest costs	80	9
Taxation	(99)	430
	<u>1,389</u>	<u>5,070</u>
Decrease/(increase) in stocks	1,383	(1,093)
Decrease/(increase) in trade and other debtors	(2,901)	(2,008)
(Decrease)/increase in trade and other creditors	<u>1,182</u>	<u>655</u>
<b>Cash generated from operations</b>	<u><u>1,053</u></u>	<u><u>2,624</u></u>

**2. Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 28 February 2020**

	28/2/20 £'000	1/12/18 £'000
Cash and cash equivalents	-	2,285
Bank overdrafts	(720)	-
	<u>(720)</u>	<u>2,285</u>

**Year ended 30 November 2018**

	30/11/18 £'000	1/12/17 £'000
Cash and cash equivalents	<u>2,285</u>	<u>4,838</u>

The notes form part of these financial statements

**Notes to the Consolidated Financial Statements**  
**for the Period 1 December 2018 to 28 February 2020**

**1. Statutory information**

Aston Barclay Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. Accounting policies**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Group has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

*Parent company disclosure exemptions*

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the Company;
- Disclosures in respect of the Company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole

The following principal accounting policies have been applied consistently throughout the year:

**Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Going Concern**

The Directors are required to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors have taken note of the Financial Reporting Council guidance in respect of Going Concern which recommends the reasons for this decision to be explained. The Directors have assessed the future funding requirements of the Group and Company and have determined that the forecasts and projections show that the Group can generate sufficient cash, taking into consideration future possible changes in trading performance.

The ABVR Holdings Limited Group, which the Company and its subsidiaries form part manages its liquidity needs through a combination of long and short-term facilities including working capital, revolving credit facilities, short-term stock funding, senior debt and long-term shareholder funding. Externally provided debt include certain quarterly covenant tests. The Group forecasts and monitors its cash inflows and outflows on a rolling 13-week basis. Furthermore, it utilises rolling integrated financial forecasts to monitor its scheduled debt servicing payments and its forecast covenant compliance. The board approves the annual budget and regularly reviews the rolling integrated forecasts, which reflect an up to date view of trading in the forecast period.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**2. Accounting policies – continued**

**Going Concern - continued**

In evaluating the going concern assumption, and as part of the integrated financial forecasts, the directors have prepared detailed trading and cash flow forecasts for the period to 28 February 2022 and compared these, together with a range of plausible sensitivities, to the bank facilities and the related covenant requirements. As a result of the Covid-19 lockdown, trading was substantially reduced in March, April and May 2020. The Group's bank funders, Crescent Capital and Barclays, have remained highly supportive throughout, and with the help of additional shareholder support, and also on the basis of very strong trading since the first lockdown ended, we have agreed a revised set of financial covenants. Taking into account actual trading YTD, the forecasts to 28 February 2022 and plausible downside scenarios, whilst covenant headroom becomes tighter towards the end of the period, the board has considered mitigating options available and it is anticipated that the Group which Aston Barclay Holdings Limited is a part of, will comply with all covenants at future testing periods.

The sensitivities applied to the forecasts demonstrate sufficient covenant headroom. In addition, the directors are confident the bank will continue to support the Group, noting that the facilities also allow for shareholders to provide additional equity to remedy covenant breaches, in the event that they may be required.

After consideration of the forecasts and sensitivities and the range of support available, the directors conclude that the level of uncertainty connected with the ongoing Covid-19 pandemic is capable of effective management. As a result, the directors have a reasonable expectation that the company will be able to continue to meet its liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare the financial statements on a going concern basis.

**Turnover**

**Rendering of Services**

Revenue represents selling fees for vehicles sold by the Company together with fees for related services including collection/delivery, valeting and refurbishments. Revenue represents only the selling fees for our services, excluding the value of the vehicle sold. Revenue is recognised at the time the service is provided, which predominantly at the point the vehicle is sold at auction. Revenue is stated net of rebates and value added taxes.

**Sale of goods**

Revenue represents the sale value of a vehicles sold and is recognised on the date of sale. Revenue is measured at the fair value of consideration received or receivable and is stated net of discounts and value added taxes.

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated, using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives.

The estimated useful lives range as follows:

Software	up to 5 years straight line
Goodwill	up to 10 years straight line

Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**2. Accounting policies – continued**

**Other intangible assets – continued**

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method from the date when brought into use.

Depreciation is provided on the following basis:

Land	- Not depreciated
Buildings	- Up to 50 years straight line
Plant and machinery	- Up to 5 years straight line
Motor vehicles	- Up to 5 years straight line
Fixtures and fittings	- 3-5 years straight line
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

**Impairment of non-financial assets**

At each reporting date non financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.



**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**2. Accounting policies – continued**

**Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost represents purchase price, affiliate rebates and associated collection costs.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

**Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**2. Accounting policies – continued**

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to Consolidated Statement of Comprehensive Income in the period to which they relate.

**Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

**Exceptional items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.

**Long term incentive plans**

The Group operates cash settled long term incentive plans for certain members of management. The plans are based on certain subsidiaries performance over a 4 year period against profit measures. A liability for the plan is based on the estimated amount payable in respect of the plans.

**Financial instruments**

The Company applies section 11 and 12 of FRS102 in respect of recognition and measurement of financial instruments.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out right short term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

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

Group management and the board of directors make estimates and assumptions about the future.

These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within financial year include:

- Tangible and intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to the assessed residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.
- The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**4. Turnover**

An analysis of turnover by class of business is given below:

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Remarketing services	35,720	26,997
Sale of goods	65,351	6,098
	<u>101,071</u>	<u>33,095</u>

An analysis of turnover by geographical market is given below:

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
United Kingdom	100,955	33,015
Europe	116	80
	<u>101,071</u>	<u>33,095</u>

**5. Employees and directors**

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Wages and salaries	12,513	7,525
Social security costs	1,255	773
Cost defined contribution scheme	229	123
	<u>13,997</u>	<u>8,421</u>

The company does not have any employees other than its directors, who are remunerated through Aston Barclay Limited.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**5. Employees and directors - continued**

The average monthly number of employees during the period was as follows:

	Period 1/12/18 to 28/2/20 No.	Year Ended 30/11/18 No.
Management and clerical	186	136
Auction and Transport	275	228
	<u>461</u>	<u>364</u>

	Period 1/12/18 to 28/2/20 £	Year Ended 30/11/18 £
Directors' remuneration	790,539	831,878
Directors' pension contributions to money purchase schemes	22,773	19,062
Compensation to director for loss of office	-	101,919
	<u>-</u>	<u>101,919</u>

The number of directors to whom retirement benefits were accruing was as follows:

	No.	No.
Money purchase schemes	<u>3</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	Period 1/12/18 to 28/2/20 £	Year Ended 30/11/18 £
Emoluments etc	297,125	279,398
Pension contributions to money purchase schemes	12,966	10,125
	<u>12,966</u>	<u>10,125</u>

**6. Operating profit**

The operating profit is stated after charging/(crediting):

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Operating lease rental	1,914	664
Depreciation of tangible assets	2,343	1,263
Profit on disposal of fixed assets	(51)	(6)
Goodwill amortisation	707	56
Computer software amortisation	472	141
Impairment of trade debtors	178	-
	<u>178</u>	<u>-</u>

**Aston Barclay Holdings Limited**

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**7. Auditors' remuneration**

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Fees payable to the company's auditors for the audit of the company's financial statements	<u>65</u>	<u>65</u>
<b>Fees payable to the company's auditors for non-audit services</b>		
Audit-related assurance service	3	2
Other services	<u>19</u>	<u>205</u>

**8. Exceptional items**

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Exceptional administrative expenses	<u>2,566</u>	<u>1,060</u>

Exceptional administrative items in 2020 and 2018 related to business restructuring expenditure. The charges consists of £602,000 (2018 - £424,000) of consultancy costs, £57,000 (2018 - £36,000) of recruitment costs, £1,170,000 (2018 - £276,000) of restructure costs, £492,000 (2018 - £324,000) of staff costs and £245,000 (2018- £nil) of product launch costs.

**9. Interest payable and similar expenses**

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Interest expense	67	9
Interest on corporation tax	4	-
Hire purchase	<u>9</u>	<u>-</u>
	<u>80</u>	<u>9</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**10. Tax on (loss)/profit**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the period was as follows:

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
Current tax:		
UK corporation tax	-	471
Adjustments in respect of previous periods	(56)	(3)
Total current tax	(56)	468
Deferred tax:		
Origination and reversal of timing differences	(54)	(51)
Adjustments in respect of previous periods	5	7
Changes to tax rates	6	6
Total deferred tax	(43)	(38)
Tax on (loss)/profit	(99)	430

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/12/18 to 28/2/20 £'000	Year Ended 30/11/18 £'000
(Loss)/profit before tax	(2,162)	3,607
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(411)	685
Effects of:		
Income not taxable	-	(16)
Expenses not deductible for tax purposes	588	165
Adjustments to tax charge in respect of previous periods	(51)	5
Other differences leading to an increase in the tax charge	-	13
Effect of changes in tax rates	6	6
Group relief	(487)	(425)
Deferred tax not recognised	256	(3)
Total tax (credit)/charge	(99)	430

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

In November 2019, the Prime Minister announced that he intended to cancel the future reduction in corporation tax rate from 19% to 17%. This announcement does not constitute substantive enactment and therefore deferred taxes at the balance sheet date continue to be measured at the enacted tax rate of 17%. However, it is possible that the corporation tax rate remains at 19% after 1 April 2020.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**11. Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

**12. Intangible fixed assets**

**Group**

	<b>Goodwill £'000</b>	<b>Computer software £'000</b>	<b>Totals £'000</b>
<b>Cost</b>			
At 1 December 2018	4,139	1,198	5,337
Additions	1,842	1,277	3,119
Adjustment	(76)	-	(76)
At 28 February 2020	<u>5,905</u>	<u>2,475</u>	<u>8,380</u>
<b>Accumulated amortisation</b>			
At 1 December 2018	56	163	219
Amortisation for period	707	472	1,179
At 28 February 2020	<u>763</u>	<u>635</u>	<u>1,398</u>
<b>Net book value</b>			
At 28 February 2020	<u>5,142</u>	<u>1,840</u>	<u>6,982</u>
At 30 November 2018	<u>4,083</u>	<u>1,035</u>	<u>5,118</u>

**13. Tangible fixed assets**

**Group**

	<b>Land and buildings £'000</b>	<b>Assets under construction £'000</b>	<b>Plant and machinery £'000</b>
<b>Cost</b>			
At 1 December 2018	14,471	1,742	646
Additions	-	851	-
Acquired with subsidiary undertaking	-	-	8
Disposals	-	(24)	(39)
Reclassification/transfer	-	(2,428)	-
At 28 February 2020	<u>14,471</u>	<u>141</u>	<u>615</u>
<b>Accumulated depreciation</b>			
At 1 December 2018	1,544	-	623
Charge for period	86	-	13
Eliminated on disposal	-	-	(38)
At 28 February 2020	<u>1,630</u>	<u>-</u>	<u>598</u>
<b>Net book value</b>			
At 28 February 2020	<u>12,841</u>	<u>141</u>	<u>17</u>
At 30 November 2018	<u>12,927</u>	<u>1,742</u>	<u>23</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

13. **Tangible fixed assets - continued**

	<b>Fixtures and fittings £'000</b>	<b>Motor vehicles £'000</b>	<b>Totals £'000</b>
<b>Cost</b>			
At 1 December 2018	5,705	2,575	25,139
Additions	337	200	1,388
Acquired with subsidiary undertaking	36	501	545
Disposals	(70)	(504)	(637)
Reclassification/transfer	<u>2,428</u>	<u>-</u>	<u>-</u>
At 28 February 2020	<u>8,436</u>	<u>2,772</u>	<u>26,435</u>
<b>Accumulated depreciation</b>			
At 1 December 2018	3,532	1,281	6,980
Charge for period	1,583	661	2,343
Eliminated on disposal	<u>(69)</u>	<u>(275)</u>	<u>(382)</u>
At 28 February 2020	<u>5,046</u>	<u>1,667</u>	<u>8,941</u>
<b>Net book value</b>			
At 28 February 2020	<u>3,390</u>	<u>1,105</u>	<u>17,494</u>
At 30 November 2018	<u>2,173</u>	<u>1,294</u>	<u>18,159</u>

**Company**

	<b>Freehold property £'000</b>
<b>Cost</b>	
At 1 December 2018 and 28 February 2020	<u>14,471</u>
<b>Accumulated depreciation</b>	
At 1 December 2018	1,544
Charge for period	<u>86</u>
At 28 February 2020	<u>1,630</u>
<b>Net book value</b>	
At 28 February 2020	<u>12,841</u>
At 30 November 2018	<u>12,927</u>



**Aston Barclay Holdings Limited****Notes to the Consolidated Financial Statements - continued  
for the Period 1 December 2018 to 28 February 2020****14. Investments****Company**

	<b>Shares in group undertakings £'000</b>
<b>Cost</b>	
At 1 December 2018	3,318
Additions	1,956
Adjustment	<u>(73)</u>
At 28 February 2020	<u>5,201</u>
<b>Net book value</b>	
At 28 February 2020	<u>5,201</u>
At 30 November 2018	<u>3,318</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries****Aston Barclay Limited**

Nature of business: Vehicle remarketing

Class of shares:	%
Ordinary	holding 100.00

**Digital Automotive Solutions Ltd**

Nature of business: Vehicle remarketing

Class of shares:	%
Ordinary	holding 100.00

The Company holds 87.23% of the share capital of Digital Automotive Solutions Ltd. Due to additional agreements in place and the rights of the remaining shares the Company controls 100% of Digital Automotive Solutions Ltd. No non-controlling interest has therefore been recognised.

**Independent Motor Auctions (2006) Limited**

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

**Aston Barclay Chelmsford Limited**

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

**Aston Barclay Westbury Limited**

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

## **Aston Barclay Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Period 1 December 2018 to 28 February 2020**

#### **14. Investments - continued**

##### **Aston Barclay Prees Heath Limited**

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

##### **Aston Barclay Leeds Limited**

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

The registered address for all subsidiaries is Unit 1-2 Harvard Way, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1FL.

All dormant indirect subsidiaries are 100% owned by Aston Barclay Limited and are exempt from audit under section 480 of the Companies Act 2006. Members have not required the Companies to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

Independent Motor Auctions (2006) Limited is exempt from the requirements of this Act relating to the audit of accounts under section 479A of the Companies Act 2006.

Aston Barclay Holdings Limited is 100% owned by ABVR Group Limited, the direct subsidiary of ABVR Finance Limited.

All direct and indirect subsidiaries listed above are included within the consolidated financial statements.

#### **15. Stocks**

	Group	
	28 Feb 2020	30 Nov 2018
	£'000	£'000
Inventories	<u>1,391</u>	<u>2,774</u>

The difference between purchase price of stocks and their replacement cost is not material.

An impairment loss of £29,000 (2018: £185,000) was recognised in cost of sales against stock during the period due to slow moving and obsolete stock.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**16. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	12,969	13,019	-	-
Amounts owed by group undertakings	3,215	313	2,694	2,681
Other debtors	83	204	-	-
Directors' loan accounts	58	-	-	-
Corporation tax recoverable	62	26	12	13
Deferred tax asset	117	46	-	-
Prepayments and accrued income	<u>1,279</u>	<u>877</u>	<u>-</u>	<u>-</u>
	<u><b>17,783</b></u>	<u><b>14,485</b></u>	<u><b>2,706</b></u>	<u><b>2,694</b></u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**17. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (see note 19)	2,007	1,369	907	903
Hire purchase contracts (see note 20)	71	-	-	-
Trade creditors	14,921	18,075	-	-
Amounts owed to group undertakings	5,038	-	7,092	7,745
Corporation tax	-	504	-	-
Other taxation and social security	278	244	-	-
VAT	306	283	21	21
Other creditors	1,806	1,946	-	-
Deferred consideration	408	-	408	-
Accruals and deferred income	<u>1,035</u>	<u>1,358</u>	<u>(1)</u>	<u>23</u>
	<u><b>25,870</b></u>	<u><b>23,779</b></u>	<u><b>8,427</b></u>	<u><b>8,692</b></u>

## **Aston Barclay Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Period 1 December 2018 to 28 February 2020**

#### **17. Creditors: amounts falling due within one year - continued**

Bank overdraft is secured with the following:

Cross guarantee and debenture between Aston Barclay Chelmsford Limited, Aston Barclay Limited, Aston Barclay Prees Heath Limited, Aston Barclay Westbury Limited dated 15/12/2010.

Cross guarantee and debenture between Aston Barclay Chelmsford Limited, Aston Barclay Leeds Limited, Aston Barclay Limited, Aston Barclay Prees Heath Limited, Aston Barclay Westbury Limited dated 17/06/2011.

Debenture on the banks standard form dated 23/06/2017.

Unlimited guarantee given by Aston Barclay Chelmsford Limited, Aston Barclay Leeds Limited, Aston Barclay Limited, Aston Barclay Prees Heath Limited, Aston Barclay Westbury Limited dated 01/12/2008.

Charge over The Car Auction, Drover Way, Chelmsford, Essex, CM5 2PP on the banks standard form dated 29/06/2011.

Charge over Prees Heath site Whitchurch, SY132AE on the banks standard form dated 16/12/2011.

Charge over Hillidge Road Leeds LS10 1DE on the banks standard form dated 16/12/2011.

Included within bank loans and overdrafts is a short term stock funding loan of £1,287,000 representing a brought forward of £1,369,000 (2018: £nil), stock funding drawn down of £42,044,000 (2018: £5,041,000), with repayments made following sale of stock totalling £42,126,000 (2018: £3,672,000). The funding is repayable on a per vehicle basis, 60 days from fund draw down and bears interest at 2.75% plus BOE base rate per annum.

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

#### **18. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deferred consideration	<u>981</u>	<u>208</u>	<u>981</u>	<u>208</u>

#### **19. Loans**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year or on demand:				
Bank overdrafts	720	-	907	903
Short term stock funding	<u>1,287</u>	<u>1,369</u>	<u>-</u>	<u>-</u>
	<u>2,007</u>	<u>1,369</u>	<u>907</u>	<u>903</u>

**Aston Barclay Holdings Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Period 1 December 2018 to 28 February 2020**

**20. Leasing agreements**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>
Net obligations repayable:		
Within one year	<u>71</u>	<u>-</u>

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	1,874	5,029
Between one and five years	7,363	3,860
In more than five years	<u>14,253</u>	<u>9,169</u>
	<u>23,490</u>	<u>18,058</u>

**21. Provisions for liabilities**

**Deferred Tax - Group**

	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	(3)	(41)
Credited to profit or loss	<u>43</u>	<u>38</u>
	<u>40</u>	<u>(3)</u>

	<b>Group 28 Feb 2020</b>	<b>Group 30 Nov 2018</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	35	(50)
Losses	-	5
Other timing differences	<u>5</u>	<u>42</u>
	<u>40</u>	<u>(3)</u>

**Comprising:**

	<b>117</b>	<b>46</b>
	<b>(77)</b>	<b>(49)</b>
Asset		
Liability		
	<u>40</u>	<u>(3)</u>

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**22. Financial instruments**

	<b>Group</b>		<b>Company</b>	
	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>	<b>28 Feb 2020</b>	<b>30 Nov 2018</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>16,325</u>	<u>15,821</u>	<u>2,694</u>	<u>2,681</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(25,547)</u>	<u>(22,956)</u>	<u>(8,480)</u>	<u>(7,976)</u>

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, bank loans, amounts owed to group undertakings, accruals and other creditors.

**23. Consolidated analysis of net debt**

	<b>At 1 December 2018 £000</b>	<b>Cash flows £000</b>	<b>Acquisition of subsidiaries £000</b>	<b>Other non-cash changes £000</b>	<b>At 28 February 2020 £000</b>
Cash balances/overdrafts	2,285	(2,269)	(736)	-	(720)
Debt due after 1 year	-	-	-	(981)	(981)
Debt due within 1 year	(1,369)	82	-	-	(1,287)
	<u>916</u>	<u>(2,187)</u>	<u>(736)</u>	<u>(981)</u>	<u>(2,988)</u>

The non-cash changes above represent an adjustment to the provision for deferred consideration.

**24. Called up share capital**

<b>Allotted, issued and fully paid:</b>				
<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>28 Feb 2020 £'000</b>	<b>30 Nov 2018 £'000</b>
100,010 (30 November 2018 : 100,010)	Ordinary A shares	1	100	100
99,995 (30 November 2018 : 99,995)	Ordinary B shares	1	100	100
98,495 (30 November 2018 : 98,495)	Ordinary C shares	1	<u>98</u>	<u>98</u>
			<u>298</u>	<u>298</u>

Ordinary A and Ordinary B Shares have attached to them full voting, dividend and capital distribution (including on winding up) rights.

Ordinary C shares have attached to them rights to capital distribution but hold no entitlement to receive dividends and carry no voting rights.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**25. Reserves**

**Share capital**

Share capital represents the nominal value of shares issued.

**Capital redemption reserve**

This reserve records the amount above the nominal value received for shares sold. The share premium account cannot be distributed under the Companies Act 2006.

**Retained earnings**

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

**26. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £229,000 (2018 - £123,000). Outstanding contributions of £36,000 (2018 - £3,000) were included within other creditors at the year end.

**27. Contingent liabilities**

The Company is part of a group security given against borrowings of a fellow group subsidiary which amounted to £27,500,000 (2018: £27,500,000).

**28. Related party disclosures**

During the period, the Group paid consulting fees to the following directors and their family:

- Glenn Scarborough	£17,611 (2018: £6,238)
- David Scarborough	£12,500 (2018: £8,966)
- Lisa Hodson	£54,691 (2018: £18,342)
- MPC Transactional Services Limited	£149,665 (2018: £nil)

At the end of the period, the Group was owed £20,427 (2018: £nil) from T Marley, a director of Digital Automotive Solutions Ltd. During the period purchases totalled £15,600 (2018: £nil) from T Marley. Advances totalling £20,000 (2018: £nil) were made to T Marley during the year.

At the end of the period, the Group was owed £38,000 (2018: £nil) from J Branton, a director of Digital Automotive Solutions Ltd. During the period purchases totalled £30,800 (2018: £nil) from J Branton. Advances totalling £38,000 (2018: £nil) were made to J Branton during the year.

**Company**

The Company is a wholly owned subsidiary of Aston Barclay Holdings Group Limited and has taken advantage of the available exemption conferred by section 33.14 of FRS 102 not to disclose transactions with Group members due to consolidated financial statements being publicly available.

**29. Ultimate controlling party**

The immediate parent undertaking is Aston Barclay Holdings Group Limited, a Company registered in England. The ultimate parent undertaking is ABVR Holdings Limited. ABVR Holdings Limited is the largest Group for which consolidated financial statements are prepared, a Company registered in England. ABVR Finance Limited is the smallest Group for which consolidated financial statements are prepared, a Company registered in England. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The registered office address of Aston Barclay Holdings Group Limited is Unit 1-2 Harvard Way, Normanton Industrial Estate, Normanton, WF6 1FL.

The ultimate controlling party is Rutland Partners LLP a private equity fund manager registered in England.

**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**30. Business combinations**

On 30 January 2019 the Company acquired 100% of the share capital of Independent Motor Auctions (2006) Limited.

**Acquisition of Independent Motor Auctions (2006) Limited**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	<b>Book value £000</b>	<b>Fair value adjustment £000</b>	<b>Fair value £000</b>
Tangible	545	-	545
	545	-	545
Debtors	232	-	232
<b>Total assets</b>	<b>777</b>	<b>-</b>	<b>777</b>
Bank overdraft	(36)	-	(36)
Creditors due within one year	(627)	-	(627)
<b>Total identifiable net assets</b>	<b>114</b>	<b>-</b>	<b>114</b>
Goodwill			1,842
<b>Total purchase consideration</b>			<b>1,956</b>
<b>Consideration</b>			<b>£000</b>
Cash			600
Deferred consideration			1,181
Directly attributable acquisition costs			175
<b>Total purchase consideration</b>			<b>1,956</b>
<b>Cash outflow on acquisition</b>			<b>£000</b>
Purchase settled in cash, as above			600
Directly attributable acquisition costs, as above			175
			775
Less: Cash and cash equivalents acquired			36
<b>Net cash outflow on acquisition</b>			<b>811</b>
Digital Automotive Solutions Ltd - investment movements post year ended 30 November 2018			(75)
<b>Cash outflow per Cash Flow Statement</b>			<b>736</b>



**Notes to the Consolidated Financial Statements - continued**  
**for the Period 1 December 2018 to 28 February 2020**

**30. Business combinations – continued**

**Prior Year**

On 11 October 2018 the Company acquired 87.2% of the share capital of Digital Automotive Solutions Ltd. Due to additional agreements in place and the rights of the remaining shares the Company controls 100% of Digital Automotive Solutions Ltd. Non non-controlling interest has therefore been recognised in Digital Automotive Solutions Ltd.

Acquisition of Digital Automotive Solutions Ltd

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £000	Fair value adjustment £000	Fair value £000
Tangible	7	-	7
Intangible	44	-	44
	<u>51</u>	<u>-</u>	<u>51</u>
Stocks	1,793	(136)	1,657
Debtors	1,212	(239)	973
Cash	216	-	216
	<u>3,272</u>	<u>(375)</u>	<u>2,897</u>
<b>Total assets</b>			
<b>Creditors</b>			
Due within one year	(4,218)	-	(4,218)
	<u>(946)</u>	<u>(375)</u>	<u>(1,321)</u>
<b>Total identifiable net liabilities</b>			
Goodwill			4,139
<b>Total purchase consideration</b>			<u><u>2,818</u></u>

The fair value adjustments represent an impairment of stock to its recoverable amount and the de-recognition of the deferred tax asset which is not deemed recoverable.

**Consideration**

	£000
Cash	2,065
Deferred consideration	208
Directly attributable acquisition costs	545
<b>Total purchase consideration</b>	<u><u>2,818</u></u>

**30. Business combinations – continued**

**Cash outflow on acquisition**

	<b>£000</b>
Purchase consideration settled in cash, as above	<b>2,065</b>
	<hr/> <b>2,065</b>
Less: Cash and cash equivalents acquired	<b>(216)</b>
	<hr/> <b>1,849</b>
<b>Net cash outflow on acquisition</b>	<hr/> <b>1,849</b>

The results of Digital Automotive Solutions Ltd since its acquisition are as follows:

	<b>Current period since acquisition £000</b>
Turnover	<hr/> <b>6,098</b>
Loss for the year	<hr/> <b>(195)</b>