Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Year Ended 28 February 2021

for

Aston Barclay Holdings Limited

Aston Barclay Holdings Limited

Contents of the Consolidated Financial Statements
For the Year Ended 28 February 2021

Company Information
For the Year Ended 28 February 2021

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

The Directors present their strategic report of the company and the group for the year ended 28 February 2021.

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).

Review of the Business

Group EBITDA for the year was £6,124,000, an increase of 93.6% over the prior period on a like-for-like basis (for the 15-month period ending February 2020 the EBITDA was £3,955,000). During the period the Group undertook various efficiency and cost reduction initiatives as well as making a number of operational improvements. As a result of these activities the Group has had a very successful year financially notwithstanding the difficulties imposed by the various lockdowns. As at 28 February 2021, the Group had net assets of £18,663,000 (28 February 2020: £16,722,000). The Group's loss after taxation for the year was £1,941,000 (2020 – loss £2,063,000).

Comparing the year's results against 12 months pro-rata of the prior 15-month reporting period, revenue reduced by 28.9% and the volumes reduced by 17.2%, due to the impact of Covid-19 lockdowns. However, investments made in the current and prior years in the Group's online trading platform meant that the Group could continue trading on its digital platform notwithstanding the constraints of the many lockdowns imposed during the year. The activities undertaken in the year are summarised below:

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 on trading;
   - protect cash; and
   - utilise the government's furlough program, rates holidays and VAT deferral schemes where appropriate.

2. Lockdown 1

   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.

   - During April 2020, over 87% of the Group's workforce were furloughed, a level that then consistently reduced as activities built up again from that point;
   - 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.

3. Post Lockdown 1 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 until Lockdown 2 in November were at levels far in excess of the prior year with strong conversion rates and margins.

Review of the Business - continued

4. Lockdown 2 in November 2020 and Lockdown 3 in January 2021

The Group continued to trade using an online only model. Trading in these lockdown periods led to lower volumes, as arrivals from fleets reduced due to hire term extensions running at 33%, finance house repossessions being on hold due to FCA regulations, and dealer part exchanges were significantly reduced due to reduced retail volumes.

The Group responded to the strictures imposed by Covid-19 by reshaping its business to become a lean omni channel remarketing partner for its vendors. The Car Buying Group's existing USP of buying vehicles from consumers without the need for the customer to take the vehicle to an assessment site proved to be and remains as a highly relevant strategy. The restructuring and cost reduction initiatives undertaken have led to substantial operational benefits and enhanced financial returns.

The Group has also experienced a strong start to the next financial year after Lockdown 3 ended in April.

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, including the comprehensive Terms of Reference structure, are regularly 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. 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 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.

Section 172(1) Statement – continued

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.

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 risks and uncertainties

The principal short-term risk to the Group is the uncertainty due to ongoing pandemic and its related impact on the economy.

Since the start of the escalation of Covid-19, the senior management team have been monitoring and reacting to the situation on a timely basis and have put in place contingency plans to safeguard the employees and mitigate the 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. Many of our employees are able to work flexibly from home, and steps have been taken to minimise the risks to staff working at our sites in line with government guidance. 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;
- 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 in the event of 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.

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.

	2021 (12 months)	2020 (15 months)
Revenue (£'000s)	57,517	101,071
Volumes sold (units)	88,229	133,157
Cash and cash equivalents at the year/period end (£'000)	11,157	(720)

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 Profit/(Loss) shown in the Consolidated Statement of Comprehensive Income is as follows:

	2021 (12 months) £'000	2020 (15 months) £'000
EBITDA	6,124	3,955
Exceptional items	(1,547)	(2,566)
Amortisation	(1,142)	(1,179)
Depreciation (net of disposal)	(1,470)	(2,292)
Operating profit/(loss)	1,965	(2,082)

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 liquid cash resources and facility headroom at all times. In addition to a cash and cash equivalents balance of £11.1m, ABVR Holdings Limited group also had undrawn revolving credit facilities of £4.5m as at 28 February 2021.

The Company is looking to earn a return on its investments in subsidiaries and is not a trading company. Accordingly, the directors do not consider any key performance indicators necessary in relation to their stewardship of the Company.

Future Developments

The Directors will continue to grow and develop the remarketing business by focussing on an omni-channel service offering, investing in both its auction centres and its digital solutions. The Group will be making a substantial investment this financial year in state-of-the-art imaging equipment to better present the vehicles it sells in the online environment. 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.

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 of the employees, customers and suppliers of the Group for their continued support in what has been a truly unprecedented and challenging period. It is very pleasing to be able to report on real progress on many levels this year despite this challenging external environment, and we look forward to the future with optimism.

This report was approved by the board on 24 May 2021 and signed on its behalf.

M A Potter
Director

Report of the Directors
For the Year Ended 28 February 2021

The directors present their report with the audited consolidated financial statements of the company and the Group for the year ended 28 February 2021.

Results and dividends

The profit for the year, after taxation, amounted to £1,941,000 (2020 - loss £2,063,000).

There were no interim dividends paid during the year. The Directors do not recommend the payment of a final dividend (2020 £Nil).

Directors
The directors shown below have held office during the period from 01 March 2020 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.
- 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.
- make judgments and accounting estimates that are reasonable and prudent; 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 maintains cover under a qualifying third-party indemnity for all directors and officers against liabilities which may be incurred by them whilst acting as Directors or Officers during the financial period and also at the date of approval of the financial statements.

Going concern
The Directors are required to consider the appropriateness of the going concern basis when preparing the consolidated 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 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 Company and Group which it is part of 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 includes 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 2024 and compared these, together with a range of plausible sensitivities, to the bank facilities and the related covenant requirements of the group. As a result of the Covid-19 lockdown, trading was substantially reduced in the current financial year. The Group's bank funders, Crescent Capital, and Barclays Bank plc, remain highly supportive of the Group, during the year under review various financial covenants were reset. It is anticipated that the Group which Aston Barclay Holdings Limited is a part of, will comply with all covenants at future testing periods.

After consideration of the forecasts and sensitivities and the range of support available, the directors have a reasonable expectation that the Group 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 £789 (2020: £14,501) to charities for a number of minor fund-raising projects during the period. The Group made no political contributions during the year (2020: £nil).

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.

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 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.

Stakeholder Engagement – continued

- 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 Group 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 SLAs, performance reporting and improvement tracking
Customers	Regular meetings and written and verbal communication	Understand the changing market situation due to the pandemic based on their feedback and react accordingly
Principal suppliers including transport services, valet services and landlords	Regular meetings and written and verbal communication	Review and adherence to Vendor SLAs, 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

Streamlined Energy & Carbon Reporting (SECR)

This report summarises the energy usage, associated emissions, energy efficiency actions and energy performance for the Group, under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Consumption (kWh) and Greenhouse Gas emissions (tCO2e) Totals
The following figures make up the baseline reporting for the Group as 2020/21 is the first year that the Group is required to report this information.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets, and grey fleet.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day to day business operations.

Totals
The total consumption (kWh) figures for energy supplies reportable by the Group are as follows:

Utility and Scope		2020/21 UK Consumption (kWh)	2020/21 Global (excluding UK) Consumption (kWh)
Grid-Supplied Electricity (Scope 2)		545,392	0
Gaseous and other fuels (Scope 1)		227,119	0
Transportation (Scope 1 and 3)		2,953,427	0
	Total	**3,725,938**	**0**

Streamlined Energy & Carbon Reporting (SECR) – continued

The total emission (tCO2e) figures for energy supplies reportable by the Group are as follows:

Utility and Scope	2020/21 UK Consumption (tCO_2e)	2020/21 Global (excluding UK) Consumption (tCO_2e)
Grid-Supplied Electricity (Scope 2)	127.15	0
Gaseous and other fuels (Scope 1)	41.76	0
Transportation (Scope 1 and 3)	708.73	0
Total	**877.64**	**0**

Intensity Metric
An intensity metric of tCO2e per £m turnover has been applied for the annual total emissions of the Group and it has been calculated as follows:

Intensity Metric	2020/21 UK Intensity Metric	2020/21 Global (excluding UK) Intensity Metric
tCO_2e / £m turnover	33.35	0

Energy Efficiency Improvements
The Group is committed to year on year improvements in their operational energy efficiency. As such, a register of energy efficiency measures available to the Group has been compiled, with a view to implementing these measures in the next 5 years.

Measures ongoing and undertaken through 2020/21:
The Group has actively encouraged employees to work from home to reduce the travel and therefore minimising the environmental impact from scope 3 emissions.

The Group has also changed all Senior Team and Operational meetings to virtual instead of face to face, resulting in a reduction in emissions.

The Group have also continued their LED lighting replacement across the whole Group, this will result in a reduction in emissions from electricity consumption.

The Group has also increased its energy awareness training of employees.

Reporting Methodology

Scope 1 and 2 consumption and CO2e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO2e emissions factors relevant for reporting year 01/03/2020 – 28/02/2021:

Database 2020, Version 1.

Estimations undertaken to cover missing billing periods for properties directly invoiced to the Group were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 11.3% of reported consumption.

Intensity metrics have been calculated utilising the 2020/21 reportable figures for the following metrics, and tCO2e for both individual sources and total emissions were then divided by this figure to determine the tCO2e per metric:

- Total turnover (£m) : £26.32m

Aston Barclay Holdings Limited

Report of the Directors
For the Year Ended 28 February 2021

Disclosure of information to auditors
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.

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

This report was approved by the board on 24 May 2021 and signed on its behalf.

M A Potter
Director

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

Report on the audit of the financial statements

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 2021 and of the group's and company's profit and the group's cash flows for the year 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 2021; the consolidated statement of comprehensive income, consolidated cash flow statement and consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

 continued...

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

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 year ended 28 February 2021 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities in respect of the financial statements, 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.

continued...

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

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.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislations, employment laws and regulations, health and safety legislation and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations.
- Assessing significant judgements and estimates in particular those relating to impairment of goodwill, intangible and tangible assets, allowance for doubtful debts, recoverable amount of investments in subsidiaries, rebate liabilities booked and net realizable value of inventory and the disclosures included on these balances within the financial statements.
- Reviewing the minutes of the board meeting to check any non -compliance with laws and regulations.
- Incorporating elements of unpredictability

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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.

continued...

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

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 obtained 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

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
Date: 26/5/21

Aston Barclay Holdings Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 28 February 2021

	Notes	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Turnover	4	57,517	101,071
Cost of sales		(38,872)	(78,264)
Gross profit		18,645	22,807
Administrative expenses		(16,673)	(22,323)
Exceptional administrative expenses	9	(1,547)	(2,566)
Total administrative expenses		(18,220)	(24,889)
Other operating income	5	1,540	-
Operating profit/(loss)	7	1,965	(2,082)
Interest payable and similar expenses	10	(23)	(80)
Profit/(loss) before taxation		1,942	(2,162)
Tax on profit/(loss)	11	(1)	99
Profit/(loss) for the financial period		1,941	(2,063)
Profit/(loss) attributable to:			
Owners of the parent		1,941	(2,063)

There was no other comprehensive income for the year ended 28 February 2021 (period ended 28 February 2020: £Nil).

All amounts relate to continuing operations.

The notes form part of these financial statements

Aston Barclay Holdings Limited (Registered number: 04527312)

Consolidated Statement of Financial Position
As at 28 February 2021

	Notes	28 Feb 2021 £'000	28 Feb 2020 £'000
Fixed assets			
Intangible assets	13	6,648	6,982
Tangible assets	14	15,987	17,494
		22,635	24,476
Current assets			
Stocks	16	926	1,391
Debtors: amounts falling due within one year	17	13,346	17,783
Cash at bank and in hand		11,157	-
		25,429	19,174
Creditors			
Amounts falling due within one year	18	(28,936)	(25,870)
Net current liabilities		(3,507)	(6,696)
Total assets less current liabilities		19,128	17,780
Creditors			
Amounts falling due after more than one year	19	(465)	(981)
Provisions for liabilities	22	-	(77)
Net assets		18,663	16,722
Capital and reserves			
Called up share capital	25	298	298
Capital redemption reserve	26	202	202
Retained earnings	26	18,163	16,222
Total Shareholders' funds		18,663	16,722

The financial statements on pages 16 to 41 were approved by the Board of Directors on 24 May 2021 and were signed on its behalf by:

M A Potter
Director

The notes form part of these financial statements

Aston Barclay Holdings Limited (Registered number: 04527312)

Company Statement of Financial Position
As at 28 February 2021

	Notes	28 Feb 2021 £'000	28 Feb 2020 £'000
Fixed assets			
Tangible assets	14	12,813	12,841
Investments	15	5,759	5,201
		18,572	18,042
Current assets			
Debtors: amounts falling due within one year	17	2,694	2,706
Creditors			
Amounts falling due within one year	18	(8,380)	(8,427)
Net current liabilities		(5,686)	(5,721)
Total assets less current liabilities		12,886	12,321
Creditors			
Amounts falling due after more than one year	19	(465)	(981)
Net assets		12,421	11,340
Capital and reserves			
Called up share capital	25	298	298
Capital redemption reserve	26	202	202
Retained earnings	26	11,921	10,840
Total Shareholders' funds		12,421	11,340
Company's profit for the financial year		1,081	1,301

The financial statements on pages 16 to 41 were approved by the Board of Directors on 24 May 2021 and were signed on its behalf by:

M A Potter
Director

The notes form part of these financial statements

Aston Barclay Holdings Limited

Consolidated Statement of Changes in Equity
For the Year Ended 28 February 2021

	Called up share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 01 December 2018	298	202	18,285	18,785
Changes in equity				
Loss for financial year and total comprehensive expense	-	-	(2,063)	(2,063)
Balance at 28 February 2020	298	202	16,222	16,722
Changes in equity				
Profit for financial period and total comprehensive income	-	-	1,941	1,941
Balance at 28 February 2021	298	202	18,163	18,663

The notes form part of these financial statements

Aston Barclay Holdings Limited

Company Statement of Changes in Equity
For the Year Ended 28 February 2021

	Called up share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 01 December 2018	298	202	9,539	10,039
Changes in equity				
Profit for financial year and total comprehensive income	-	-	1,301	1,301
Balance at 28 February 2020	298	202	10,840	11,340
Changes in equity				
Profit for financial period and total comprehensive expense	-	-	1,081	1,081
Balance at 28 February 2021	298	202	11,921	12,421

The notes form part of these financial statements

Consolidated Cash Flow Statement
For the Year Ended 28 February 2021

	Notes	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Cash flows from operating activities			
Cash generated from operations	1	13,867	1,053
Interest paid		(19)	(71)
Corporation tax received/(paid)		12	(632)
Net cash from operating activities		13,860	350
Cash flows from investing activities			
Purchase of intangible assets		(250)	(1,277)
Purchase of tangible assets		(366)	(1,365)
Purchase of subsidiary net of cash acquired		-	(736)
Payment of deferred consideration		(977)	-
Proceeds from disposal of tangible assets		404	283
Net cash from investing activities		(1,189)	(3,095)
Cash flows from financing activities			
Short term stock funding drawn down		15,428	42,044
Repayment of short term stock		(16,226)	(42,126)
Interest paid		(4)	(9)
Capital repayments in year		(50)	(111)
Director loan withdrawal		58	(58)
Net cash from financing activities		(794)	(260)
Increase/(decrease) in cash and cash equivalents		11,877	(3,005)
Cash and cash equivalents at beginning of period	2	(720)	2,285
Cash and cash equivalents at end of period	2	11,157	(720)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
For the Year Ended 28 February 2021

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

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Profit/(loss) for the financial period/year	1,941	(2,063)
Depreciation and amortisation charges	2,713	3,522
Profit on disposal of tangible assets	(101)	(51)
Interest costs	23	80
Taxation	1	(99)
	4,577	1,389
Decrease in stocks	465	1,383
Decrease/(increase) in trade and other debtors	4,406	(2,901)
Increase in trade and other creditors	4,419	1,182
Cash generated from operations	13,867	1,053

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:

Year ended 28 February 2021

	28/02/21 £'000	28/02/20 £'000
Cash and cash equivalents	11,157	-
Bank overdrafts	-	(720)
	11,157	(720)

Period ended 28 February 2020

	28/02/20 £'000	30/11/18 £'000
Cash and cash equivalents	-	2,285
Bank overdrafts	(720)	-

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.

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 consolidated 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 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 Company and Group which it is part of 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 includes 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.

continued...

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 2024 and compared these, together with a range of plausible sensitivities, to the bank facilities and the related covenant requirements of the group. As a result of the Covid-19 lockdown, trading was substantially reduced in the current financial year. The Group's bank funders, Crescent Capital, and Barclays Bank plc, remain highly supportive of the Group, during the year under review various financial covenants were reset. It is anticipated that the Group which Aston Barclay Holdings Limited is a part of, will comply with all covenants at future testing periods.

After consideration of the forecasts and sensitivities and the range of support available, the directors have a reasonable expectation that the Group 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.

Grant Income
Grants and other income receivable from government are recognised in Other operating income. Such amounts receivable as compensation for expenses already incurred are recognised when they become receivable. Other grants are only recognised when it is reasonably certain that the Company will comply with the conditions, if any, attached to the grant and that the grant will be received.

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:

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

Amortisation is included in administrative expenses in the Consolidated 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.

continued...

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 recognized 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 Consolidated Statement of Comprehensive Income.

continued...

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 Consolidated 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.

continued...

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 consolidated 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.

continued...

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:

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Remarketing services	26,125	35,720
Sale of goods	31,392	65,351
	57,517	101,071

An analysis of turnover by geographical market is given below:

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
United Kingdom	57,142	100,955
Europe	375	116
	57,517	101,071

5. Other operating income

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Grant income[1]	1,540	-
	1,540	-

[1]£1,540,000 was received from the Coronavirus Job Retention Scheme (CJRS) (Period ending 28/02/2020: £nil).

continued...

6. Employees and directors

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Wages and salaries	9,959	12,513
Social security costs	873	1,255
Other pension costs	189	229
	11,021	13,997

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

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

	Year Ended 28/02/21 No.	Period 01/12/18 to 28/02/20 No.
Management and clerical	184	186
Auction and Transport	220	275
	404	461

	Year Ended 28/02/21 £	Period 01/12/18 to 28/02/20 £
Directors' remuneration	557,027	790,539
Directors' pension contributions to money purchase schemes	16,718	22,773
Compensation to director for loss of office	267,362	-

The number of directors to whom retirement benefits were accruing was as follows:	No.	No.
Money purchase schemes	4	3

Information regarding the highest paid director is as follows:

	Year Ended 28/02/21 £	Period 01/12/18 to 28/02/20 £
Emoluments etc	357,153	297,125
Pension contributions to money purchase schemes	4,229	12,966

continued...

7. Operating profit/(loss)

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

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Operating lease rental	1,793	1,914
Depreciation of tangible assets	1,571	2,343
Profit on disposal of fixed assets	(101)	(51)
Goodwill amortisation	619	707
Computer software amortisation	523	472
Impairment of trade debtors	6	178
Impairment of stocks	35	29

8. Auditors' remuneration

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Fees payable to the company's auditors for the audit of the company and consolidated financial statements	10	7
Fees payable to the company's auditors for the audit of the company's subsidiaries	78	58

Fees payable to the company's auditors for non-audit services

Audit-related assurance service	-	3
Other services (tax compliance services)	16	19

9. Exceptional administrative expenses

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Exceptional administrative expenses	1,547	2,566

Exceptional administrative items in 2021 and 2020 related to business restructuring expenditure. The charges consists of £208,000 (2020 - £602,000) of consultancy costs, £3,000 (2020 - £57,000) of recruitment costs, £87,000 (2020 - £1,170,000) of restructure costs, £832,000 (2020 - £492,000) of staff costs and £417,000 (2020 - £245,000) of project costs.

10. Interest payable and similar expenses

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Interest expense	19	67
Interest on corporation tax	-	4
Hire purchase	4	9
	23	80

continued...

11. Tax on profit/(loss)

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

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Current tax:		
UK corporation tax	117	-
Adjustments in respect of previous periods	-	(56)
Total current tax	117	(56)
Deferred tax:		
Origination and reversal of timing differences	(104)	(54)
Adjustments in respect of previous periods	(7)	5
Changes to tax rates	(5)	6
Total deferred tax	(116)	(43)
Tax on profit/(loss)	1	(99)

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:

	Year Ended 28/02/21 £'000	Period 01/12/18 to 28/02/20 £'000
Profit/(loss) before tax	1,942	(2,162)
Profit(Loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	369	(411)
Effects of:		
Expenses not deductible for tax purposes	263	588
Adjustments to tax charge in respect of previous periods	(7)	(51)
Effect of changes in tax rates	(5)	6
Group relief	(583)	(487)
Deferred tax not recognised	-	256
Losses utilised	(36)	
Total tax charge/(credit)	1	(99)

Factors that may affect future tax charges
In the Spring Budget 2021, the Government announced that from 1 April 2021 the corporation tax rate would remain at 19% until 31 March 2023. At that point, the corporation tax rate will increase to 25%. This new law was substantively enacted on 3 March 2021.

continued...

12. 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.

13. Intangible fixed assets

Group

	Goodwill £'000	Computer software £'000	Totals £'000
Cost			
At 1 March 2020	5,905	2,475	8,380
Additions	558	250	808
At 28 February 2021	6,463	2,725	9,188
Accumulated amortisation			
At 1 March 2020	763	635	1,398
Amortisation for period	619	523	1,142
At 28 February 2021	1,382	1,158	2,540
Net book value			
At 28 February 2021	5,081	1,567	6,648
At 28 February 2020	5,142	1,840	6,982

14. Tangible fixed assets

Group

	Land and buildings £'000	Assets under construction £'000	Plant and machinery £'000
Cost			
At 1 March 2020	14,471	141	615
Disposals	-		(12)
At 28 February 2021	14,471	141	603
Accumulated depreciation			
At 1 March 2020	1,630	-	598
Charge for period	28	-	5
Eliminated on disposal	-	-	(6)
At 28 February 2021	1,658	-	597
Net book value			
At 28 February 2021	12,813	141	6
At 28 February 2020	12,841	141	17

continued...

14. Tangible fixed assets - continued

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
Cost			
At 1 March 2020	8,436	2,772	26,435
Additions	342	24	366
Disposals	(212)	(855)	(1,079)
At 28 February 2021	8,566	1,941	25,722
Accumulated depreciation			
At 1 March 2020	5,046	1,667	8,941
Charge for period	1,231	307	1,571
Eliminated on disposal	(185)	(586)	(777)
At 28 February 2021	6,092	1,388	9,735
Net book value			
At 28 February 2021	2,474	553	15,987
At 28 February 2020	3,390	1,105	17,494

Company

	Freehold property £'000
Cost	
At 1 March 2020 and 28 February 2021	14,471
Accumulated depreciation	
At 1 March 2020	1,630
Charge for period	28
At 28 February 2021	1,658
Net book value	
At 28 February 2021	12,813
At 28 February 2020	12,841

continued...

15. **Investments**

Company

	Shares in group undertakings £'000
Cost	
At 1 March 2020	5,201
Additions	558
At 28 February 2021	5,759
Net book value	
At 28 February 2021	5,759
At 28 February 2020	5,201

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:	% holding
Ordinary	100.00

Digital Automotive Solutions Ltd
Nature of business: Vehicle remarketing

Class of shares:	% holding
Ordinary	100.00

The Company holds 87.23% (2020: 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 100.00% (2020: 100.00%) 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:	% holding
Ordinary	100.00

Aston Barclay Chelmsford Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

Aston Barclay Westbury Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

continued...

15. **Investments - continued**

Aston Barclay Prees Heath Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

Aston Barclay Leeds Limited
Nature of business: Dormant

Class of shares:	% holding
Ordinary	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 100.00% (2020: 100.00%) 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 100.00% (2020: 100.00%) 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.

16. **Stocks**

	Group	
	28 Feb 2021	**28 Feb 2020**
	£'000	**£'000**
Inventories	926	1,391

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

An impairment loss of £35,000 (2020: £29,000) was recognised in cost of sales against stock during the period due to slow moving and obsolete stock.

continued...

17. Debtors: amounts falling due within one year

	Group		Company	
	28 Feb 2021	28 Feb 2020	28 Feb 2021	28 Feb 2020
	£'000	£'000	£'000	£'000
Trade debtors	6,891	12,969	-	-
Amounts owed by group undertakings	5,410	3,215	2,694	2,694
Other debtors	54	83	-	-
Directors' loan accounts	-	58	-	-
Corporation tax recoverable	50	62	-	12
Deferred tax asset	156	117	-	-
Prepayments and accrued income	785	1,279	-	-
	13,346	17,783	2,694	2,706

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

18. Creditors: amounts falling due within one year

	Group		Company	
	28 Feb 2021	28 Feb 2020	28 Feb 2021	28 Feb 2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 20)	489	2,007	908	907
Hire purchase contracts (see note 21)	21	71	-	-
Trade creditors	16,335	14,921	-	-
Amounts owed to group undertakings	7,022	5,038	7,050	7,092
Corporation tax	117	-	-	-
Other taxation and social security	256	278	-	-
VAT	667	306	21	21
Other creditors	887	1,806	-	-
Deferred consideration	400	408	400	408
Accruals and deferred income	2,742	1,035	1	(1)
	28,936	25,870	8,380	8,427

continued...

18. **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 £489,000 representing a brought forward of £1,287,000 (2020: £1,369,000), stock funding drawn down of £15,428,000 (2020: £42,044,000), with repayments made following sale of stock totalling £16,226,000 (2020: £42,126,000).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.

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

	Group		Company	
	28 Feb 2021	**28 Feb 2020**	**28 Feb 2021**	**28 Feb 2020**
	£'000	**£'000**	**£'000**	**£'000**
Deferred consideration	465	981	465	981

20. **Loans**

An analysis of the maturity of loans is given below:

	Group		Company	
	28 Feb 2021	**28 Feb 2020**	**28 Feb 2021**	**28 Feb 2020**
	£'000	**£'000**	**£'000**	**£'000**
Amounts falling due within one year or on demand:				
Bank overdrafts	-	720	908	907
Short term stock funding	489	1,287	-	-
	489	2,007	908	907
Amounts falling due between two and five years:				
Deferred consideration non-instalment - 2-5 years	465	981	-	-
	465	981	-	-

continued...

21. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	28 Feb 2021	28 Feb 2020
	£'000	£'000
Net obligations repayable:		
Within one year	21	71

The above hire purchase contracts are secured on the assets in which they relate to.

Group

	Non-cancellable operating leases	
	28 Feb 2021	28 Feb 2020
	£'000	£'000
Within one year	1,876	1,874
Between one and five years	7,313	7,363
In more than five years	12,672	14,253
	21,861	23,490

22. Provisions for liabilities

Deferred Tax - Group	28 Feb 2021	28 Feb 2020
	£000	£000
At beginning of year	40	(3)
Credited to profit or loss	116	43
	156	40

	Group	Group
	28 Feb 2021	28 Feb 2020
	£000	£000
Accelerated capital allowances	148	35
Losses	-	-
Other timing differences	8	5
	156	40

Comprising:

Asset	156	117
Liability	-	(77)
	156	40

continued...

23. Financial instruments

	Group		Company	
	28 Feb 2021 £'000	28 Feb 2020 £'000	28 Feb 2021 £'000	28 Feb 2020 £'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	12,355	16,325	2,694	2,694
Financial liabilities				
Financial liabilities measured at amortised cost	(28,361)	(25,547)	(8,759)	(8,480)

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.

24. Consolidated analysis of net debt

	At 1 March 2020 £000	Cash flows £000	Other non-cash changes £000	At 28 February 2021 £000
Cash balances/overdrafts	(720)	11,877	-	11,157
Debt due after 1 year	(981)	958	(442)	(465)
Debt due within 1 year	(1,287)	798	-	(489)
	(2,988)	13,633	(442)	10,203

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

25. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28 Feb 2021 £'000	28 Feb 2020 £'000
100,010 (28 February 2020: 100,010)	Ordinary A shares	1	100	100
99,995 (28 February 2020: 99,995)	Ordinary B shares	1	100	100
98,495 (28 February 2020: 98,495)	Ordinary C shares	1	98	98
			298	298

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.

continued...

26. 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.

27. 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 £189,000 (2020 - £229,000). Outstanding contributions of £41,000 (2020 - £36,000) were included within other creditors at the year end.

28. Contingent liabilities

The Company is part of a group security given against borrowings of a fellow group subsidiary which amounted to £27,500,000 (2020: £27,500,000).

29. Related party disclosures

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

- Glenn Scarborough	£nil	(2020: £17,611)
- David Scarborough	£nil	(2020: £12,500)
- Lisa Hodson	£6,875	(2020: £54,691)
- MPC Transactional Services Limited	£nil	(2020: £149,665)

At the end of the period, the Group was owed £nil (2020: £20,427) from T Marley, a director of Digital Automotive Solutions Ltd. During the period purchases totalled £nil (2020: £15,600) from T Marley. Advances totalling £nil (2020: £20,000) were made to T Marley during the year.

At the end of the period, the Group was owed £nil (2020: £38,000) from J Branton, a director of Digital Automotive Solutions Ltd. During the period purchases totalled £nil (2020: £30,800) from J Branton. Advances totalling £nil (2020: £38,000) 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.

30. 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.

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31. **Business combinations – prior year**

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

	Book value £000	Fair value adjustment £000	Fair value £000
Tangible	545	-	545
	545	-	545
Debtors	232	-	232
Total assets	777	-	777
Bank overdraft	(36)	-	(36)
Creditors due within one year	(627)	-	(627)
Total identifiable net assets	114	-	114
Goodwill			1,842
Total purchase consideration			1,956

Consideration

	£000
Cash	600
Deferred consideration	1,181
Directly attributable acquisition costs	175
Total purchase consideration	1,956

Cash outflow on acquisition

	£000
Purchase settled in cash, as above	600
Directly attributable acquisition costs, as above	175
	775
Less: Cash and cash equivalents acquired	36
Net cash outflow on acquisition	811
Digital Automotive Solutions Ltd - investment movements period ended 28 February 2020	(75)
Cash outflow per Cash Flow Statement	736