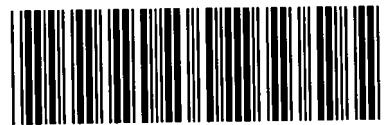


**Report of the Directors and**  
**Financial Statements for the Year Ended 28 February 2021**  
**for**  
**Digital Automotive Solutions Ltd**

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**Digital Automotive Solutions Ltd**

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**for the Year Ended 28 February 2021**

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**Digital Automotive Solutions Ltd**

**Company Information**  
**for the Year Ended 28 February 2021**

**Directors:**

G I MacLeod  
J C Branton  
T Marley  
M A Potter  
P D Khot

**Registered office:**

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

**Registered number:**

08927855 (England and Wales)

**Independent Auditors:**

PricewaterhouseCoopers LLP  
One Chamberlain Square  
Birmingham  
B3 3AX

**Report of the Directors**  
**for the Year Ended 28 February 2021**

The Directors present their report with the audited financial statements of the company for the year ended 28 February 2021.

**Principal activity**

The principal activity of the Company is the trading of used vehicles purchased from consumers and remarketing of these used vehicles via physical and online auctions by Aston Barclay Limited, a group company.

**Review of the Business**

The Company's profit after taxation for the year was £181,000 (period from 01/12/2018 to 28/02/2020 - loss £842,000).

Comparing the year's results against 12 months pro-rata of the prior 15-month reporting period, revenue reduced by 40% due to the impact of Covid-19 lockdowns. However, investments made in the current and prior years in the Aston Barclay Group's online trading platform meant that the Company could continue trading 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 Company traded in line with expectations but was soon overtaken by events. On 23 March 2020, as part of a national "lockdown" approach to combat Covid-19, the Government mandated closure of all UK auction houses. From that date, the Company was unable to continue purchasing vehicles from consumers as there was no corresponding sales channel available to dispose of the acquired vehicles. As such, in the immediate aftermath of the lockdown being implemented, the Company'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 Company and its sister company Aston Barclay Limited, put in place steps to enable the recommencement of safe online-enabled trading to match vendor stock with buyer demand.

- During April 2020, over 85% of the Company's workforce were furloughed, a level that then consistently reduced as activities built up again from that point;
- The Company worked closely with Aston Barclay Limited to rapidly refine its existing digital capabilities and introduce 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**

The key issue weighing on the Company's ability to continue trading was the opening of auction houses to be able to sell stock. Following the re-opening of the UK automotive retail sector in early June 2020, Aston Barclay Limited worked successfully to safely reopen all of its six sites by 15 June 2020. Whilst online auctions had been taking place successfully since late April, the reopening of the sites allowed the auction process to move back to the sites.

It rapidly became evident that there was a 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 more than the prior year with strong conversion rates and margins.

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

The Company continued to trade using an online only model. Trading in this second lockdown period led to lower volumes, lower values but better margins. The Company responded to the strictures imposed by Covid-19 by reshaping its business and improving purchasing efficiencies. The cost reduction initiatives undertaken have led to substantial operational benefits and enhanced financial returns.

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

**Report of the Directors**  
**for the Year Ended 28 February 2021**

**Directors**

The directors shown below have held office during the whole of the period from 1 March 2020 to the date of this report.

J C Branton  
J L Crichton (resigned 12 June 2020)  
N T Hodson (resigned 4 August 2020)  
T Marley  
M A Potter  
G I MacLeod (appointed on 18 August 2020)  
P D Khot (appointed on 18 August 2020)

**Directors' indemnities**

The Company 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.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

**Report of the Directors**  
**for the Year Ended 28 February 2021**

**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 Company and have determined that the forecasts and projections show that the Company 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 Company 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 and the Company, during the year under review various financial covenants were reset. It is anticipated that the Group which Digital Automotive Solutions Ltd 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 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.

The directors have received written confirmation from ABVR Holdings Limited, the ultimate parent undertaking, that ABVR Holdings Limited is committed to ensuring that the Company can meet its ongoing financial commitments as and when they fall due, for at least eighteen months from 31 May 2021.

**Directors' confirmations**

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 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 company's auditors are aware of that information.

**Independent Auditors**

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

This report has been prepared in accordance with the provisions of Part 15, Section 415A of the Companies Act 2006 relating to small companies.

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



**P D Khot**  
**Director**

# **Independent auditors' report to the members of Digital Automotive Solutions Ltd**

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

### **Opinion**

In our opinion, Digital Automotive Solutions Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit 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" Section 1A, 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 Report of the Directors and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 February 2021; the income statement 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 company 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 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 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.

# **Independent auditors' report to the members of Digital Automotive Solutions Ltd**

## **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 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.

## **Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# **Independent auditors' report to the members of Digital Automotive Solutions Ltd**

## **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 company 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 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](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.

# Independent auditors' report to the members of Digital Automotive Solutions Ltd

## 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. 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

Date: 26/5/21

**Digital Automotive Solutions Ltd**

**Income Statement**  
**for the Year Ended 28 February 2021**

		<b>Year Ended 28/02/21 £'000</b>	<b>Period 01/12/18 to 28/02/20 £'000</b>
	<b>Notes</b>		
Turnover		31,392	65,352
Cost of sales		<u>(28,790)</u>	<u>(63,020)</u>
Gross profit		2,602	2,332
Administrative expenses		(2,634)	(3,112)
Other operating income	5	<u>229</u>	<u>-</u>
Operating profit/ (loss)	6	197	(780)
Interest payable and similar expenses		<u>(18)</u>	<u>(63)</u>
Profit/ (Loss) before taxation		179	(843)
Tax on profit/(loss)		<u>2</u>	<u>1</u>
Profit/ (Loss) for the financial period		<u>181</u>	<u>(842)</u>

There was no other comprehensive income or expense 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

**Balance Sheet**  
**As at 28 February 2021**

	Notes	28 Feb 2021 £'000	28 Feb 2020 £'000
<b>Fixed assets</b>			
Intangible assets	7	11	20
Tangible assets	8	<u>14</u>	<u>21</u>
		<u>25</u>	<u>41</u>
 <b>Current assets</b>			
Stocks	9	781	1,176
Debtors: amounts falling due within one year	10	220	70
Bank and cash balances		<u>700</u>	<u>313</u>
		1,701	1,559
Creditors: amounts falling due within one year	11	<u>(3,954)</u>	<u>(4,009)</u>
<b>Net current liabilities</b>		<u>(2,253)</u>	<u>(2,450)</u>
<b>Total assets less current liabilities</b>		<u>(2,228)</u>	<u>(2,409)</u>
<b>Provisions for liabilities</b>		<u>-</u>	<u>-</u>
<b>Net liabilities</b>		<u>(2,228)</u>	<u>(2,409)</u>
 <b>Capital and reserves</b>			
Called up share capital		1	1
Share premium		397	397
Profit and loss account		<u>(2,626)</u>	<u>(2,807)</u>
<b>Total equity</b>		<u>(2,228)</u>	<u>(2,409)</u>

The financial statements on pages 9 to 16 have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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



**P D Khot**  
**Director**

## **Digital Automotive Solutions Ltd**

### **Notes to the Financial Statements** **for the Year Ended 28 February 2021**

#### **1. Statutory information**

Digital Automotive Solutions Ltd 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### **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 Company and have determined that the forecasts and projections show that the Company 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 Company 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 and the Company, during the year under review various financial covenants were reset. It is anticipated that the Group which Digital Automotive Solutions Ltd 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 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.

The directors have received written confirmation from ABVR Holdings Limited, the ultimate parent undertaking, that ABVR Holdings Limited is committed to ensuring that the Company can meet its ongoing financial commitments as and when they fall due, for at least eighteen months from 31 May 2021.

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**2. Accounting policies – continued**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

**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 provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost and 20% on cost

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 Income Statement.

**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 Income Statement.

**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.

**Financial instruments**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

**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.

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

**2. Accounting policies – continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

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

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

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

**Finance costs**

Finance costs are charged to the Income Statement 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 Income Statement in the period in which they are incurred.

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

Company 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 period 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.

**Digital Automotive Solutions Ltd**

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**4. Employees and directors**

The average number of employees during the year ended 28 February 2021 was 50 (period from 01/12/2018 to 28/02/2020 - 45).

**5. Other operating income**

	<b>Year Ended 28/02/21 £'000</b>	<b>Period 01/12/18 to 28/02/20 £'000</b>
Grant income <sup>1</sup>	<u>229</u>	<u>-</u>
	<u>229</u>	<u>-</u>

<sup>1</sup>£229,000 was received from the Coronavirus Job Retention Scheme (CJRS) (period from 01/12/2018 to 28/02/2020: £nil).

**6. Operating profit/(loss)**

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

	<b>Year Ended 28/02/21 £'000</b>	<b>Period 01/12/18 to 28/02/20 £'000</b>
Depreciation of fixed assets	9	9
Computer software amortisation	9	22
Profit on disposal of fixed assets	<u>2</u>	<u>-</u>

**7. Intangible assets**

	<b>Other intangible assets £'000</b>
<b>Cost</b>	
At 1 March 2020	
and 28 February 2021	<u>86</u>
<b>Accumulated Amortisation</b>	
At 1 March 2020	66
Charge for period	<u>9</u>
At 28 February 2021	<u>75</u>
<b>Net book value</b>	
At 28 February 2021	<u>11</u>
At 28 February 2020	<u>20</u>



**Digital Automotive Solutions Ltd**

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2021**

**8. Tangible assets**

	Plant and machinery etc £'000
<b>Cost</b>	
At 1 March 2020	39
Additions	9
Disposals	<u>(10)</u>
At 28 February 2021	<u>38</u>
<b>Accumulated Depreciation</b>	
At 1 March 2020	18
Charge for period	9
Eliminated on disposal	<u>(3)</u>
At 28 February 2021	<u>24</u>
<b>Net book value</b>	
At 28 February 2021	<u>14</u>
At 28 February 2020	<u>21</u>

**9. Stocks**

	28 Feb 2021 £'000	28 Feb 2020 £'000
Finished goods and goods for resale	<u>781</u>	<u>1,176</u>
	<u>781</u>	<u>1,176</u>

There is no material difference between the current replacement cost of stocks and the amounts stated above.

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

	28 Feb 2021 £'000	28 Feb 2020 £'000
Trade debtors	213	35
Deferred tax asset	2	-
Other debtors	<u>5</u>	<u>35</u>
	<u>220</u>	<u>70</u>

**Notes to the Financial Statements - continued**  
**for the Year Ended 28 February 2021**

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

	<b>28 Feb 2021</b>	<b>28 Feb 2020</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	489	1,287
Trade creditors	242	439
Amounts owed to group undertakings	2,578	1,918
Taxation and social security	42	203
VAT	331	-
Other creditors	9	162
Accruals and deferred income	263	-
	<b><u>3,954</u></b>	<b><u>4,009</u></b>

Included within bank loans and overdrafts is a short-term stock funding loan of £489,000 (2020: £1,287,000) 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 payable on demand.

**12. Related party disclosures**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 1A, not to disclose related party transactions with wholly owned subsidiaries within the Group.

At the end of the period, the company was owed £nil (2020: £427) from T Marley, a director of Digital Automotive Solutions Ltd. During the period purchases totalled £nil (2020: £15,600) from T Marley.

At the end of the period, the company was owed £nil (2020: £13,000) from J Branton. During the period purchases totalled £nil (2020: £30,800) from J Branton.

**13. Ultimate controlling party**

The immediate parent undertaking is Aston Barclay Holdings Limited, a Company registered in England. The Aston Barclay Holdings Limited is the smallest group and ABVR Holdings Limited is the largest group for which consolidated financial statements are prepared, and the ultimate parent undertaking is ABVR Holdings Limited, 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 Limited is Unit 1-2 Harvard Way, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1FL.

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