

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the Year Ended 28 February 2023
for
ABVR Holdings Limited

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ABVR Holdings Limited

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for the Year Ended 28 February 2023**

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ABVR Holdings Limited

Company Information
for the Year Ended 28 February 2023

Directors:	O J T Jones G I MacLeod D M J Scarborough P D Khot
Secretary:	P D Khot
Registered office:	Unit 1-2 Harvard Way Normanton Industrial Estate Normanton West Yorkshire WF6 1FL
Registered number:	10597111 (England and Wales)
Independent Auditors:	PricewaterhouseCoopers LLP One Chamberlain Square Birmingham B3 3AX

ABVR Holdings Limited

Group Strategic Report **for the Year Ended 28 February 2023**

The Directors present their strategic report of the Company and the Group for the year ended 28 February 2023.

Principal activities

The principal activity of the Company is that of the ultimate holding company in the ABVR Holdings Limited Group. 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 ("ABL") and Digital Automotive Solutions Ltd ("DASL"). 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 £3,237,000, a decrease of 56% over the previous year of £7,404,000. This was due to lower operating outcomes in ABL and DASL.

The Group's loss after taxation for the year was £6,374,000 compared to the previous year loss after taxation of £2,005,000. As at 28 February 2023, the Group had net assets of £8,740,000 (28 February 2022: £15,114,000).

At the onset of the financial year, the Group's market was adversely affected by the unexpected turn of macro-economic events, and specifically, the Russia-Ukraine conflict. This led to a global shortage in steel, wiring loom and other critical raw materials required for new car production, and an increase in energy prices, interest rates and inflation.

Vehicle shortages due to new car supply chain issues caused knock on negative effects in the fleet and OEM sectors, with those vendors operating on the basis of lease extensions. This continued to substantially reduce the volume of vehicles coming into the remarketing channel. The increase in energy prices together with the increases in inflation and interest rates led to subdued consumer demand for both new and used vehicles. This caused a decline in forecourt activity with dealers holding on to stock in an attempt to get a better price in the future.

In DASL, volumes substantially reduced as consumers either held on to vehicles or sold them to other players. A gap developed between their perceived value of used cars and the actual price the market was willing to pay. The consumers had become conditioned to the popular press advising that used car prices were rising and took time to adjust that thinking when used car prices started to fall. The Company found it difficult to buy and sell within the usual 7 day cycle time without the market price for the acquired vehicle falling by the point of auction sale. The Company took the decision to scale back purchase rates while it addressed the margin challenges and while the market stabilised.

Volume and margin were impacted by increased competition in the sector from disruptors and multiple dealers who aim to buy direct from consumers via their own web portals or auctions.

The Group collaborated closely with its customers, employees and other stakeholders to address and mitigate the challenges posed by these adverse market conditions. Investment in technology solutions remained a priority, supporting dealers through dedicated online closed group platforms for several networks and facilitating the ability for franchise dealers to secure stock exclusively. The Group centralised its logistics operations to gain synergies in its deliveries and collections. These measures will bolster the Group's resilience in the face of ongoing market volatility and ensure a strong platform for growth going forward.

During the year, ABL partnered with a French Company, ProovStation, to invest in their AI-led imagery solution. Two state of the art ProovStation gantries were procured during the financial year for implementation in the Company's Wakefield and Donington sites. This innovative on-site appraisal system is powered by Artificial Intelligence to enhance our vehicle appraisal services.

ABL secured a few awards and nominations during the financial year, showcasing the Company's industry recognition and excellence in its field. The Company was the winner of the "Innovation in Remarketing" award by Great British Fleet Awards in May 2022 and winner of "The Best Remarketing Company" award by Business Car in September 2022. The Company was one of the nominees of the "Remarketing Company of the Year" Award in November 2022.

Whilst the market conditions have been challenging, the Group is committed to returning to a path of sustainable growth and deliver value to its stakeholders.

ABVR Holdings Limited

Group Strategic Report **for the Year Ended 28 February 2023**

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.

ABVR Holdings Limited

Group Strategic Report **for the Year Ended 28 February 2023**

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 Group maintains a risk register which is reviewed and discussed by the senior leadership team and the board on a monthly basis. The Group performs a robust assessment of any newly identified risks and prepares mitigation plans to reduce their impact on business.

The principal risk to the Group is the lack of new car supply which is affecting the supply of vehicles for remarketing, mainly from the current OEM and fleet vendors. The Group has taken steps to increase volume through new business and increasing market share of shared vendors. In addition to this uncertainty around consumer confidence, the impact on discretionary spends continues to be a risk and one the Group will look to mitigate with other revenue opportunities and service add-ons.

The Group's banking headroom position has been stress tested for plausible volume reduction scenarios. 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 uncertain 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.

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.

ABVR Holdings Limited

Group Strategic Report **for the Year Ended 28 February 2023**

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.

Financial key performance indicators

The Directors use several 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.

	2023	2022
Revenue (£'000s)	134,052	150,497
Volumes sold (units)	86,600	99,368
Cash and cash equivalents at the year/period end (£'000)	19,930	14,203

Other key performance indicators

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

	2023	2022
	£'000	£'000
EBITDA	3,237	7,404
Exceptional items	(757)	(339)
Amortisation	(4,998)	(4,990)
Depreciation (net of disposal)	(937)	(1,404)
Operating (loss)/profit	(3,455)	671

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 £19.9m, ABVR Holdings Limited group also had undrawn revolving credit facilities of £6.5m as at 28 February 2023.

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.

ABVR Holdings Limited

Group Strategic Report
for the Year Ended 28 February 2023

Future Developments and post balance sheet events

The Group entered into two sale and lease back agreements in respect of its freehold properties in December 2023. Long term lease agreements have been entered into for the Chelmsford, Westbury, Prees Heath and Leeds sites. The proceeds from the sale of properties were utilised to repay the senior debt of £27.5m that was to be either refinanced or repaid in June 2024. The Group made this strategic decision to remain debt-free and focus on future growth. The Group is in discussions with certain parties for a working capital based short term facility to manage liquidity and support growth. Please refer to the "Going Concern" section in the Report of the Directors on page 8 for further information.

The Group will continue to invest heavily in IT and Operational infrastructure to enhance customer experience with better technology and efficiency.

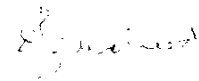
The subsidiary company of the Group, Aston Barclay Limited ("ABL") is also investing in EV infrastructure to cater to the growing demand for electric vehicles and align with the changing market trends. ABL also continues to invest in its people and was awarded the "Investor in People" accreditation in 2023. ABL has expanded its Buyer Service team on sites to provide better service to vendors and buyers. Investments have also been made into the Marketing team to strengthen the communication on the Company's remarketing activities and improve the Company's presence in the market.

ABL has also received the following ISO accreditations in 2023: ISO 14001 (Environmental Management), ISO/IEC 27001 (Information Security) and ISO 45001 (Occupational Health and Safety), along with the re-certification ISO 9001 (Quality Management Systems). This signifies the Company's commitment to maintain high standards across the organisation.

The Group's other subsidiary, Digital Automotive Solutions Ltd, continues to invest in automation and machine learning technologies to improve the quality of service. Furthermore, the Company continues to strengthen its relationships with strategic partners to adapt to the evolving automotive landscape, ensuring the Company remains relevant and delivers value to its customers and partners.

Finally, I would like to thank all of the employees, customers and suppliers of the Group for their continued support during challenging times, and we look forward to the future with optimism.

This report was approved by the board on 20 February 2024 and signed on its behalf.



G I MacLeod
Executive Chairman

ABVR Holdings Limited

Report of the Directors for the Year Ended 28 February 2023

The directors present their report with the audited consolidated financial statements of the company and the Group for the Year Ended 28 February 2023.

Results and dividends

The loss for the year, after taxation, amounted to £6,374,000 (2022 - £2,005,000).

There were no interim dividends paid during the year. The Directors do not recommend the payment of a final dividend (2022 £Nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

G I MacLeod	
O J T Jones	
M A Potter	(resigned 05 August 2022)
D M J Scarborough	
L E W Vaughan	(resigned 28 November 2022)
P D Khot	
T Marley	(resigned 10 May 2023)

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 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 group and the 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, 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 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 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 group and company will continue in business.

The directors are 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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.

ABVR Holdings Limited

Report of the Directors for the Year Ended 28 February 2023

Going concern

The Directors are required to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors have taken note of the Financial Reporting Council guidance in respect of Going Concern which recommends the reasons for this decision to be explained. The Directors have assessed the future funding requirements of the Group and 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 Group repaid its senior debt of £27.5m in December 2023. This repayment was financed by the sale and leaseback of the Group's freehold properties in Chelmsford, Westbury, Prees Heath and Leeds. Following the repayment of the senior debt, the balance of the Group's facilities (which were undrawn except for a £500,000 bond) were also repaid and cancelled.

Currently, the Group manages its liquidity needs through a combination of short-term facilities including working capital and long-term shareholder funding. The Group is also in discussions with certain parties to explore short-term working capital based funding.

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 long term cashflow requirements. 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 year.

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 2026 on the basis that there are nil long term/ revolving credit facilities. Further sensitivities were applied against these forecasts, including reduction in revenue and corresponding mitigations. The Group's main shareholder, Rutland Partners LLP, are highly supportive of the Group.

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 £854 (2022: £6,980) to charities for several minor fund-raising projects during the period. The Group made no political contributions during the year (2022: £nil).

Matters covered in the strategic report

The future developments and financial risk management 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.

ABVR Holdings Limited

Report of the Directors **for the Year Ended 28 February 2023**

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 Aston Barclay Limited, 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 show the consumption and associated emissions for this reporting year for our operations, with figures from the previous reporting period included for comparison.

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

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

Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by the company. This relates to grey fleet (business travel undertaken by employee-owned vehicles) only.

ABVR Holdings Limited**Report of the Directors**
for the Year Ended 28 February 2023**Streamlined Energy & Carbon Reporting (SECR) – continued****Totals**

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

Utility and Scope	2022/23 UK Consumption (kWh)	2021/22 UK Consumption (kWh)
Gaseous and other fuels (Scope 1)	915,553	238,089
Transportation (Scope 1)	5,213,986	4,118,625
Grid-Supplied Electricity (Scope 2)	1,119,829	1,246,434
Transportation (Scope 3)	72,699	-
Total	7,322,066	5,603,148

Utility and Scope	2022/23 UK Consumption (tCO ₂ e)	2021/22 UK Consumption (tCO ₂ e)
Gaseous and other fuels (Scope 1)	167.12	43.61
Transportation (Scope 1)	1,243.36	972.35
Grid-Supplied Electricity (Scope 2)	216.55	264.66
Transportation (Scope 3)	16.77	-
Total	1,643.81	1,280.62

ABVR Holdings Limited

Report of the Directors **For the Year Ended 28 February 2023**

Streamlined Energy & Carbon Reporting (SECR) – continued

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

Intensity Metric

An intensity metric of tCO₂e per £m turnover has been applied for our annual total emissions. The methodology of the intensity metric calculations is detailed in the appendix, and results of this analysis is as follows:

Intensity Metric	2022/23 Intensity Metric	2021/22 Intensity Metric (as restated)
tCO ₂ e / £m turnover	12.26	8.51

Energy Efficiency Improvements

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

Measures ongoing and undertaken through 2022/23

ISO14001 Certification

We have started our ISO14001 certification journey, with an aim to have achieved certification by Summer 2023.

Employee Commuting

We have launched Scope 3 Category 7 Carbon Calculator, allowing employees to calculate their emissions from their commute to work.

Business Travel

In September 2022, we began to collect data for Category 6 Business Commuting.

We are reviewing journeys taken by trains, planes, and vehicles for business travel and working out the carbon footprint associated with these emissions.

Offsets

We have offset all our Scope 1 and 2 Emissions via an Amazonian forestry project and an Indian Gas Recovery project. Both are VERA certified projects.

Head of Logistics

Aston Barclay have appointed a Head of Logistics. They will focus on driving efficiencies through our new Centralised Logistic Department.

Commuting Schemes

We have launched both a Cycle To Work scheme and a car sharing scheme.

ABVR Holdings Limited

Report of the Directors **For the Year Ended 28 February 2023**

Streamlined Energy & Carbon Reporting (SECR) – continued

EV Focused Sales

We have launched various EV Focused sales in the past 12 months which have been supported by the Energy Saving Trust. The Energy Saving Trust are offering EV training sessions for buyers and vendors covering topics such as the benefits of EVs, Government incentives, charging infrastructure, and comparisons with conventional vehicles.

Water Recycling

The new automated car wash that we have recently installed at Chelmsford features a water recycling system that saves and recycles 80% of the water used in a car wash cycle. This has a positive effect on our environmental impact and water usage.

Reporting Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) have been developed and calculated using the GHG Protocol A Corporate Accounting and Reporting Standard (World Business Council for Sustainable Development and World Resources Institute, 2004); Greenhouse Gas Protocol Scope 2 Guidance (World Resources Institute, ISO 14064 1 and ISO 14064 2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value (CV) and kg CO₂e emissions factors relevant for reporting period 01/03/2022 - 28/02/2023.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to Aston Barclay Limited. These were calculated on a kWh/day pro rata basis at meter level.

All estimations equated to 0.07% of reported consumption.

Intensity metrics have been calculated utilising the 2022/23 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): £134.05m

Disclosure of information to auditors

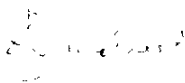
In the case of each director in office at the date the Report of the Directors is approved:

- so far as the directors are 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 was approved by the board on 20 February 2024 and signed on its behalf.



G I MacLeod
Executive Chairman

Independent auditors' report to the members of ABVR Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, ABVR 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 2023 and of the group's loss 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, including 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 2023; the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement and the 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.

Independent auditors' report to the members of ABVR 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 2023 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 Statements of directors' responsibilities, 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.

Independent auditors' report to the members of ABVR 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 the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 associated disclosures,
- Reviewing the minutes of the board meeting to check any non-compliance with laws and regulations,
- Incorporating elements of unpredictability,
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud

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.

ABVR Holdings Limited

Independent auditors' report to the members of ABVR 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
Date: 22 February 2024

ABVR Holdings Limited**Consolidated Statement of Comprehensive Income
for the Year Ended 28 February 2023**

	Notes	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Turnover	4	134,052	150,497
Cost of sales		(115,742)	(128,746)
Gross profit		18,310	21,751
Administrative expenses		(21,018)	(20,775)
Exceptional administrative expenses	9	(757)	(339)
Total administrative expenses		<u>(21,775)</u>	<u>(21,114)</u>
Other operating income	5	<u>10</u>	<u>34</u>
Operating (loss)/profit	7	(3,455)	671
Analysed as:			
EBITDA		3,237	7,404
Exceptional items		(757)	(339)
Amortisation		(4,998)	(4,990)
Depreciation (net of disposal)		<u>(937)</u>	<u>(1,404)</u>
Operating (loss)/profit		<u>(3,455)</u>	<u>671</u>
Operating (loss)/profit		<u>(3,455)</u>	<u>671</u>
Interest payable and similar expenses	10	<u>(2,876)</u>	<u>(2,269)</u>
Loss before taxation		(6,331)	(1,598)
Tax on loss	11	<u>(43)</u>	<u>(407)</u>
Loss for the financial period		<u>(6,374)</u>	<u>(2,005)</u>
Loss attributable to:			
Owners of the parent		(6,374)	(2,005)

There was no other comprehensive income for the year ended 28 February 2023 (year ended 28 February 2022: £Nil).

All amounts relate to continuing operations.

The notes form part of these financial statements

ABVR Holdings Limited (Registered number: 10597111)

Consolidated Statement of Financial Position
As at 28 February 2023

	Notes	28 Feb 2023 £'000	As Restated 28 Feb 2022 £'000
Fixed assets			
Intangible assets	13	21,831	26,012
Tangible assets	14	<u>14,626</u>	<u>14,860</u>
		<u>36,457</u>	<u>40,872</u>
 Current assets			
Stocks	16	1,618	3,913
Debtors	17	12,421	10,019
Cash and cash equivalents		<u>19,930</u>	<u>14,203</u>
		33,969	28,135
Creditors			
Amounts falling due within one year	18	<u>(34,759)</u>	<u>(27,332)</u>
Net current (liabilities)/assets		<u>(790)</u>	<u>803</u>
Total assets less current liabilities		35,667	41,675
 Creditors			
Amounts falling due after more than one year	19	(26,927)	(26,561)
Provisions for liabilities	23	-	-
Net assets		<u>8,740</u>	<u>15,114</u>
 Capital and reserves			
Called up share capital	25	7,066	7,066
Share premium account	26	36,443	36,443
Accumulated losses	26	<u>(34,769)</u>	<u>(28,395)</u>
Total shareholders' funds		<u>8,740</u>	<u>15,114</u>

The financial statements on pages 17 to 43 were approved by the Board of Directors on 20 February 2024 and were signed on its behalf by:



G I MacLeod
Executive Chairman

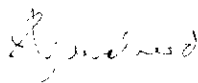
The notes form part of these financial statements

ABVR Holdings Limited (Registered number: 10597111)

Company Statement of Financial Position
As at 28 February 2023

		28 Feb 2023	As Restated
	Notes	£'000	28 Feb 2022
			£'000
Fixed assets			
Investments	15	<u>34,966</u>	<u>34,966</u>
Current assets			
Debtors	17	8,491	8,491
Creditors			
Amounts falling due within one year	18	<u>-</u>	<u>-</u>
Net current assets		<u>8,491</u>	<u>8,491</u>
Total assets less current liabilities		<u>43,457</u>	<u>43,457</u>
Capital and reserves			
Called up share capital	25	7,066	7,066
Share premium account	26	36,443	36,443
Accumulated losses	26	<u>(52)</u>	<u>(52)</u>
Total shareholders' funds		<u>43,457</u>	<u>43,457</u>
Company's result for the financial year		<u>-</u>	<u>-</u>

The financial statements on pages 17 to 43 were approved by the Board of Directors on 20 February 2024 and were signed on its behalf by:



G I MacLeod
Executive Chairman

The notes form part of these financial statements

ABVR Holdings Limited**Consolidated Statement of Changes in Equity**
for the Year Ended 28 February 2023

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 March 2021	7,586	35,920	(26,390)	17,116
Adjustment (see note 25)	(521)	521	-	-
Changes in equity				
Issue of share capital	1	2	-	3
Loss for the financial year and total comprehensive expense	-	-	(2,005)	(2,005)
Balance at 28 February 2022 (as restated)	<u>7,066</u>	<u>36,443</u>	<u>(28,395)</u>	<u>15,114</u>
Changes in equity				
Loss for the financial year and total comprehensive expense	-	-	(6,374)	(6,374)
Balance at 28 February 2023	<u>7,066</u>	<u>36,443</u>	<u>(34,769)</u>	<u>8,740</u>

The notes form part of these financial statements

ABVR Holdings Limited**Company Statement of Changes in Equity**
for the Year Ended 28 February 2023

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 March 2021	7,586	35,920	(52)	43,454
Adjustment (see note 25)	(521)	521	-	-
Changes in equity				
Issue of share capital	1	2	-	3
Result for the financial year and total comprehensive expense	-	-	-	-
Balance at 28 February 2022 (as restated)	<u>7,066</u>	<u>36,443</u>	<u>(52)</u>	<u>43,457</u>
Changes in equity				
Issue of share capital				
Result for the financial year and total comprehensive expense	-	-	-	-
Balance at 28 February 2023	<u>7,066</u>	<u>36,443</u>	<u>(52)</u>	<u>43,457</u>

The notes form part of these financial statements

ABVR Holdings Limited**Consolidated Cash Flow Statement
for the Year Ended 28 February 2023**

		Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	10,564	7,258
Corporation tax (paid)		<u>(523)</u>	<u>(110)</u>
Net cash generated from operating activities		<u>10,041</u>	<u>7,148</u>
Cash flows from investing activities			
Purchase of intangible assets		(395)	(512)
Purchase of tangible assets		(727)	(335)
Payment of deferred consideration		(1,092)	(903)
Proceeds from disposal of tangible assets		<u>30</u>	<u>58</u>
Net cash used in investing activities		<u>(2,184)</u>	<u>(1,692)</u>
Cash flows from financing activities			
Short term stock funding drawn		-	40,900
Repayment of short term stock funding		-	(41,389)
Interest paid		(2,130)	(1,903)
Capital repayments in year		-	(21)
Share issue		<u>-</u>	<u>3</u>
Net cash used in financing activities		<u>(2,130)</u>	<u>(2,410)</u>
Increase in cash and cash equivalents		<u>5,727</u>	<u>3,046</u>
Cash and cash equivalents at beginning of period	2	<u>14,203</u>	<u>11,157</u>
Cash and cash equivalents at end of period	2	<u><u>19,930</u></u>	<u><u>14,203</u></u>

The notes form part of these financial statements

ABVR Holdings Limited**Notes to the Consolidated Cash Flow Statement
for the Year Ended 28 February 2023****1. Cash generated from operations**

	Year Ended 28/02/23 £'000	Year Ended 28/02/23 £'000
Loss for the financial year	(6,374)	(2,005)
Depreciation and amortisation charges	5,947	6,429
Profit on disposal of tangible assets	(12)	(35)
Loss on disposal of intangible assets	-	62
Interest costs	2,876	2,269
Taxation	43	407
	<u>2,480</u>	<u>7,127</u>
Decrease/(Increase) in stocks	2,296	(2,987)
(Increase) in trade and other debtors	(2,221)	(2,082)
Increase in trade and other creditors	<u>8,009</u>	<u>5,200</u>
Cash generated from operations	<u>10,564</u>	<u>7,258</u>

2. Cash and cash equivalents

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

As at 28 February 2023

	28/02/23 £'000	28/02/23 £'000
Cash and cash equivalents	<u>19,930</u>	<u>14,203</u>
	<u>19,930</u>	<u>14,203</u>

As at 28 February 2022

	28/02/23 £'000	28/02/22 £'000
Cash and cash equivalents	<u>14,203</u>	<u>11,157</u>
	<u>14,203</u>	<u>11,157</u>

The notes form part of these financial statements

ABVR Holdings Limited

Notes to the Consolidated Financial Statements for the Year Ended 28 February 2023

1. Statutory information

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

2. Accounting policies

Basis of preparing the financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The company's functional and presentation currency is the pound sterling.

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

Parent company disclosure exemptions

In preparing the separate financial statements of the Parent 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 Parent Company would be identical;

No cash flow statement or net debt reconciliation has been presented for the Parent Company;

Disclosures in respect of the Parent 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 Parent Company as their remuneration is included in the totals for the Group as a whole.

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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

2. Accounting policies – continued

Going concern

The Directors are required to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors have taken note of the Financial Reporting Council guidance in respect of Going Concern which recommends the reasons for this decision to be explained. The Directors have assessed the future funding requirements of the Group and 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 Group repaid its senior debt of £27.5m in December 2023. This repayment was financed by the sale and leaseback of the Group's freehold properties in Chelmsford, Westbury, Prees Heath and Leeds. Following the repayment of the senior debt, the balance of the Group's facilities (which were undrawn except for a £500,000 bond) were also repaid and cancelled.

Currently, the Group manages its liquidity needs through a combination of short-term facilities including working capital and long-term shareholder funding. The Group is also in discussions with certain parties to explore short-term working capital based funding.

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 long term cashflow requirements. 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 year.

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 2026 on the basis that there are nil long term/ revolving credit facilities. Further sensitivities were applied against these forecasts, including reduction in revenue and corresponding mitigations. The Group's main shareholder, Rutland Partners LLP, are highly supportive of the Group.

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

(i) Rendering of Services

Revenue represents selling fees for vehicles sold by the Group 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.

(ii) 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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

2. Accounting policies – continued

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.

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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

2. Accounting policies – continued

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 Consolidated 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.

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.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

2. Accounting policies – continued

Financial instruments - continued

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.

Hire purchase and leasing commitments

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

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 the 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.

Exceptional items

The Group classifies certain one off charges or credits that have a material impact on the Group's financial results as "exceptional items". These are disclosed separately to provide further understanding of the financial performance of the Group.

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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

2. Accounting policies - continued

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 Consolidated 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 the Consolidated Statement of Comprehensive Income.

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.

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.

Borrowing costs

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

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****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 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.
- The Group considers whether intangible assets and or goodwill are impaired and the company whether investments and amounts owed by group undertakings 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.

In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations that have had a significant effect on the amounts recognised in the financial statements.

4. Turnover

The turnover and loss before taxation are attributable to the one principal activity of the Group.

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

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Remarketing services	28,922	29,993
Sale of goods	105,130	120,504
	<u>134,052</u>	<u>150,497</u>

An analysis of turnover by geographical market is given below:

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
United Kingdom	133,829	150,168
Europe	223	329
	<u>134,052</u>	<u>150,497</u>

5. Other operating income

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Grant income - CJRS ¹	-	31
Grant income - ESFA ²	10	3
	<u>10</u>	<u>34</u>

¹£nil was received from the Coronavirus Job Retention Scheme (CJRS) (year ended 28/02/2022: £31,000).

²£10,000 was received from Education & Skills Funding Agency (ESFA) (year ended 28/02/2022: £3,000).

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****6. Employees and directors**

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Wages and salaries	12,085	11,718
Social security costs	1,184	1,090
Other pension costs	<u>260</u>	<u>234</u>
	<u>13,529</u>	<u>13,042</u>

The company does not have any employees other than its directors, who are remunerated through Aston Barclay Limited during 2023 and 2022.

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

	Year Ended 28/02/23 No.	Year Ended 28/02/22 No.
Management and clerical	231	195
Auction and transport staff	<u>219</u>	<u>204</u>
	<u>450</u>	<u>399</u>

	Year Ended 28/02/23 £	Year Ended 28/02/22 £
Directors' remuneration	767,451	940,218
Directors' pension contributions to money purchase schemes	59,736	29,535
Compensation to director for loss of office	<u>105,806</u>	<u>-</u>

	Year Ended 28/02/23 No.	Year Ended 28/02/22 No.
The number of directors to whom retirement benefits were accruing was as follows:		
Money purchase schemes	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	Year Ended 28/02/23 £	Year Ended 28/02/22 £
Emoluments	267,574	354,184
Pension contributions to money purchase schemes	<u>17,102</u>	<u>16,982</u>

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****7. Operating (loss)/profit**

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

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
<i>Other operating lease rentals</i>	1,865	1,825
Depreciation of tangible assets	949	1,439
Gain on disposal of tangible assets	(12)	(35)
Goodwill amortisation	4,451	4,437
Computer software amortisation	547	553
Loss on disposal of intangible assets	-	62
Impairment of trade debtors	80	28
Impairment of stocks	(31)	120

8. Auditors' remuneration

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Fees payable to the company's auditors for the audit of the company and consolidated financial statements	11	6
Fees payable to the company's auditors for the audit of the company's subsidiaries	89	102
Fees payable to the Group's auditors for non-audit services		
Valuation services	-	15
Tax advisory services	-	15
Audit-related assurance service	3	3
Tax compliance services	35	35

9. Exceptional administrative expenses

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Exceptional administrative expenses	757	339

Exceptional administrative expenses in 2023 and 2022 related to business restructuring expenditure. The charges consists of £481,000 (2022 - £613,000) of consultancy costs, £7,000 (2022 - £12,000) of restructure costs, £548,000 (2022 - £105,000) of staff costs and (£279,000) (2022 - (£391,000)) recovery from the settlement of historic liabilities.

10. Interest payable and similar expenses

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Bank interest	42	94
Bank loan interest	2,469	1,808
Amortisation of debt issue costs	365	365
Hire purchase	-	2
	<u>2,876</u>	<u>2,269</u>

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****11. Tax on loss****Analysis of the tax charge**

The tax charge on the loss for the period was as follows:

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Current tax:		
Current tax on profits for the year	-	497
Adjustments in respect of previous periods	(26)	(38)
Total current tax	(26)	459
Deferred tax:		
Origination and reversal of timing differences	43	2
Adjustments in respect of previous periods	13	(4)
Effect of changes in tax rates	13	(50)
Total deferred tax	69	(52)
Tax on loss	43	407

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher (2022: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 28/02/23 £'000	Year Ended 28/02/22 £'000
Loss before tax	(6,331)	(1,598)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	(1,203)	(304)
Effects of:		
Expenses not deductible for tax purposes	1,002	1,047
Effect of changes in tax rates	13	(50)
Adjustments in respect of prior periods	(13)	(42)
Deferred tax not recognised	244	(244)
Total tax charge	43	407

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% from the current rate of 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****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 assets**Group**

	Goodwill £'000	Computer software £'000	Totals £'000
Cost			
At 1 March 2022	44,283	3,131	47,414
Additions	503	395	898
Transfers	-	(81)	(81)
At 28 February 2023	<u>44,786</u>	<u>3,445</u>	<u>48,231</u>
Accumulated Amortisation			
At 1 March 2022	19,735	1,667	21,402
Amortisation for period	<u>4,451</u>	<u>547</u>	<u>4,998</u>
At 28 February 2023	<u>24,186</u>	<u>2,214</u>	<u>26,400</u>
Net book value			
At 28 February 2023	<u>20,600</u>	<u>1,231</u>	<u>21,831</u>
At 28 February 2022	<u>24,548</u>	<u>1,464</u>	<u>26,012</u>

14. Tangible assets**Group**

	Land and buildings £'000	Assets under construction £'000	Plant and machinery £'000
Cost			
At 1 March 2022	14,471	249	598
Additions	-	336	2
Disposals	-	(2)	(57)
Transfers	-	(334)	-
Adjustments	-	(74)	-
At 28 February 2023	<u>14,471</u>	<u>175</u>	<u>543</u>
Accumulated Depreciation			
At 1 March 2022	1,727	-	567
Charge for period	69	-	8
Eliminated on disposal	-	-	(57)
At 28 February 2023	<u>1,796</u>	<u>-</u>	<u>518</u>
Net book value			
At 28 February 2023	<u>12,675</u>	<u>175</u>	<u>25</u>
At 28 February 2022	<u>12,744</u>	<u>249</u>	<u>31</u>

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

14. **Tangible assets - continued**

Group

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
Cost			
At 1 March 2022	8,725	1,876	25,919
Additions	292	98	728
Disposals	(80)	(102)	(241)
Transfers	415	-	81
Adjustments	-	-	(74)
At 28 February 2023	<u>9,352</u>	<u>1,872</u>	<u>26,413</u>
Accumulated Depreciation			
At 1 March 2022	7,280	1,485	11,059
Charge for period	808	64	949
Eliminated on disposal	(80)	(84)	(221)
At 28 February 2023	<u>8,008</u>	<u>1,465</u>	<u>11,787</u>
Net book value			
At 28 February 2023	<u>1,344</u>	<u>407</u>	<u>14,626</u>
At 28 February 2022	<u>1,445</u>	<u>391</u>	<u>14,860</u>

15. **Investments**

Company

	Shares in Group undertakings £'000
Cost and Net book value	
As at 28 February 2022 and 28 February 2023	<u>34,966</u>

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

Subsidiaries

ABVR Finance Limited

Nature of business: Holding company

Class of shares:	%
Ordinary	holding 100.00

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

15. **Investments - continued**

ABVR Group Limited

Nature of business: Holding Company

	%
Class of shares:	holding
Ordinary	100.00

Aston Barclay Holdings Group Limited

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

Aston Barclay Holdings Limited

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

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

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

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

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

15. Investments - continued

The Company indirectly holds 100% (2022: 96.83%) 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% (2022: 100.00%) of Digital Automotive Solutions Ltd. No non-controlling interest has therefore been recognised.

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% (2022: 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.

The following subsidiaries are covered by a guarantee provided by the Company under S479A Companies Act 2006 for the year ended 28 February 2023 and as such are exempt from audit:

Company Name	Company Number
ABVR Finance Limited	10598231
ABVR Group Limited	10598443
Aston Barclay Holdings Group Limited	10689795
Aston Barclay Holdings Limited	04527312
Independent Motor Auctions (2006) Limited	05761061

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

16. Stocks

	Group	
	28 Feb 2023	28 Feb 2022
	£'000	£'000
Goods for resale	<u>1,618</u>	<u>3,913</u>

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

Stocks are stated after provision of £80,000 (2022: £122,000)

17. Debtors

	Group		Company	
	28 Feb 2023	28 Feb 2022	28 Feb 2023	28 Feb 2022
	£'000	£'000	£'000	£'000
Trade debtors	10,102	8,404	-	-
Amounts owed by Group undertakings	-	-	8,491	8,491
Other debtors	923	504	-	-
Corporation tax recoverable	176	-	-	-
Deferred tax asset	139	208	-	-
Prepayments and accrued income	<u>1,081</u>	<u>903</u>	-	-
	<u>12,421</u>	<u>10,019</u>	<u>8,491</u>	<u>8,491</u>

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

The amount of debtors due after more than one year is as follows:

	Group		Company	
	28 Feb 2023	28 Feb 2022	28 Feb 2023	28 Feb 2022
	£'000	£'000	£'000	£'000
Deferred tax asset	<u>139</u>	<u>208</u>	-	-
	<u>139</u>	<u>208</u>	-	-

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

18. Creditors: amounts falling due within one year

	Group		Company	
	28 Feb 2023 £'000	28 Feb 2022 £'000	28 Feb 2023 £'000	28 Feb 2022 £'000
Trade creditors	30,082	21,435	-	-
Corporation tax	-	374	-	-
Other taxation and social security	317	281	-	-
VAT	373	598	-	-
Other creditors	1,528	1,209	-	-
Deferred consideration	-	589	-	-
Accruals and deferred income	2,459	2,846	-	-
	<u>34,759</u>	<u>27,332</u>	<u>-</u>	<u>-</u>

Bank facilities are 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.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

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

	Group	
	28 Feb 2023	28 Feb 2022
	£'000	£'000
Senior debt (see note 20)	26,927	26,561
Deferred consideration	-	-
	<u>26,927</u>	<u>26,561</u>

Senior debt represents loan of £27,500,000 (2022: £27,500,000) net of issue costs of £573,000 (2022: £939,000) which bears interest at margin plus SONIA. The bank debt is repayable on 23 June 2024 and is secured against the assets of the Group.

20. **Loans**

An analysis of the maturity of loans is given below:

	Group	
	28 Feb 2023	28 Feb 2022
	£'000	£'000
Amounts falling due as follows:		
Senior debt non-instalment - 1-2 years	26,927	-
Senior debt non-instalment - 2-5 years	-	26,561

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

21. **Leasing agreements**

Group	Non-cancellable operating leases	
	28 Feb 2023	28 Feb 2022
	£'000	£'000
Within one year	1,465	1,876
Between one and five years	8,066	7,262
In more than five years	9,270	9,937
	<u>18,801</u>	<u>19,075</u>

ABVR Holdings Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023**

22. Financial instruments

	Group		Company	
	28 Feb 2023	28 Feb 2022	28 Feb 2023	28 Feb 2022
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>11,025</u>	<u>8,908</u>	<u>8,491</u>	<u>8,491</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(60,996)</u>	<u>(52,640)</u>	<u>-</u>	<u>-</u>

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

Financial liabilities measured at amortised cost comprise of trade creditors, bank loans, accruals and other creditors.

23. Provisions for liabilities

Deferred Tax - Group

	Year ended 28 Feb 2023 £000	Year ended 28 Feb 2022 £000
At beginning of year	208	156
Credited to profit or loss	<u>(69)</u>	<u>52</u>
At the end of the year/period	<u>139</u>	<u>208</u>

	Group 28 Feb 2023 £000	Group 28 Feb 2022 £000
Accelerated capital allowances	125	198
Other timing differences	<u>14</u>	<u>10</u>
	<u>139</u>	<u>208</u>

Comprising:

Asset	139	208
Liability	<u>-</u>	<u>-</u>
	<u>139</u>	<u>208</u>

The Group does not have any unused tax losses or tax credits.

ABVR Holdings Limited**Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023****24. Consolidated analysis of net debt**

	At 1 March 2022	Cash flows	Other non-cash changes	At 28 February 2023
	£000	£000	£000	£000
Cash balances/overdrafts	14,203	5,727	-	19,930
Debt due after 1 year	(26,561)	-	(366)	(26,927)
Debt due within 1 year	-	-	-	-
	<u>(12,358)</u>	<u>5,727</u>	<u>(366)</u>	<u>(6,997)</u>

The non-cash changes above represent amortisation of finance costs against senior debt and adjustment to the provision for deferred consideration.

25. Called up share capital

Group and company	28 Feb 2023 £000	As Restated 28 Feb 2022 £000
4,600,000 (2022: 4,600,000) Deferred shares of £0.01 each	46	46
61,568 (2022: 61,568) A Ordinary shares of £1 each	62	62
18,532 (2022: 18,532) B Ordinary shares of £1 each	18	18
20,000 (2022: 20,000) C Ordinary shares of £1 each	20	20
500,000 (2022: 500,000) 2017 Preferred shares of £0.0001 each	-	-
2,000,000 (2022: 2,000,000) Preferred A shares of £1 each	2,000	2,000
4,920,000 (2022: 4,920,000) Preferred B shares of £1 each	4,920	4,920
100 (2022: 100) Preferred C1 shares of £1 each	-	-
10 (2022: 10) Preferred C2 shares of £1 each	-	-
	<u>7,066</u>	<u>7,066</u>

The restatement of year ending 28 Feb 2022 is in relation to the allocation between share capital and share premium within the 2017 Preferred shares following their issue.

On 28 May 2021, ABVR Holdings Limited issued 1,000 Ordinary C shares at their £2.76 per share.

On 23 April 2020, ABVR Holdings Limited issued 2,000,000 Preferred A shares at their respective par value shown above.

The Deferred shares of £0.01 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the Deferred shares of £0.01 each, as set out in the articles of association. The Deferred shares of £0.01 each do not entitle the holders to participate in dividends, as set out in the articles of association. On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the surplus assets of the company remaining after payment of its liabilities shall be applied (to the extent that the company is lawfully permitted to do so) in paying to all the holders of the Deferred shares of £0.01 each, if any, an aggregate sum of £1.00 for the entire class of Deferred shares of £0.01 each.

The A ordinary shares of £1 each have voting rights attached to them as set out in the articles of association. The A ordinary shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.

The B ordinary shares of £1 each have voting rights attached to them as set out in the articles of association. The B ordinary shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued **for the Year Ended 28 February 2023**

25. Called up share capital – continued

The C ordinary shares of £1 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the C ordinary shares of £1 each, as set out in the articles of association. The C ordinary shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.

The 2017 Preferred shares of £0.0001 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the 2017 Preferred shares of £0.0001 each, as set out in the articles of association. *The 2017 Preferred shares of £0.0001 each entitle the holders to participate in dividends and other distributions, as set out in the articles of association.*

The Preferred A shares of £1.00 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the Preferred A shares of £1.00 each, as set out in the articles of association. The Preferred A shares of £1.00 each entitle the holders to participate in dividends and other distributions, as set out in the articles of association.

The Preferred B shares of £1 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the Preferred B shares of £1 each, as set out in the articles of association. The Preferred B shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.

The Preferred C1 shares of £1 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the Preferred C1 shares of £1 each, as set out in the articles of association. *The Preferred C1 shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.*

The Preferred C2 shares of £1 each have no voting rights attached to them, save in respect of a separate class meeting of the holders of the Preferred C2 shares of £1 each, as set out in the articles of association. The Preferred C2 shares of £1 each entitle the holders to participate in dividends and other distributions as set out in the articles of association.

26. Reserves

Called up share capital

Share capital represents the nominal value of shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Accumulated losses

Accumulated losses 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 £260,000 (2022 - £234,000). Outstanding contributions of £51,000 (2022 - £42,000) 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 (2022: £27,500,000) which were extinguished subsequent to the year end.

ABVR Holdings Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 28 February 2023

29. 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', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Transactions between Group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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

- Laurence Vaughan £20,000 (2022: £65,000)

At the end of the year, ABVR Group Limited was owed £2,569 (2022: £2,569 from T Marley, a director of ABVR Holdings Limited during the year.

At the end of the year, ABVR Group Limited was owed £51,826 (2022: £51,826) from G I MacLeod, a director of ABVR Holdings Limited.

At the end of the year, ABVR Group Limited was owed £2,088 (2022: £2,088) from J C Branton, a director of Digital Automotive Solutions Ltd during the year.

At the end of the year, ABVR Group Limited was owed £nil (2022: £3,806) from M A Potter, a director of ABVR Holdings Limited during the year.

30. Ultimate controlling party

ABVR Holdings Limited, a Company registered in England, is the smallest and largest Group for which consolidated financial statements are prepared. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

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

31. Post balance sheet events

The material matters relating to the Group have been disclosed within the strategic report.