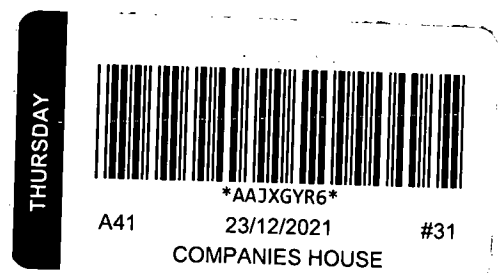


Company registration number
11520330

Cinch Cars Limited
Report and Financial Statements
For the year ended 28 March 2021



Cinch Cars Limited

Report and Financial Statements

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Cinch Cars Limited

Company information

Directors

T G Lampert
G D Head

Company secretary

M R Letza

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
40 Clarendon Road
Watford
WD17 1JJ

Registered office

Headway House
Crosby Way
Farnham
Surrey
GU9 7XG

Company registration number

11520330

Cinch Cars Limited

Strategic report For the year ended 28 March 2021

The Directors present their Strategic report for Cinch Cars Limited (the 'Company') for the year ended 28 March 2021.

Principal activity

Its principal activity during the year was the development of an online platform for used vehicle remarketing.

The Company is part of a group of companies that consists of Cinch Holdco UK Limited and its subsidiaries (the 'Group').

Review of the business

The Company's loss for the year was £16.9m (year ended 29 March 2020: £15.1m).

As at 28 March 2021 the Company had net liabilities of £32.1m (29 March 2020: £15.2m) and net current liabilities of £41.2m (29 March 2020: £20.2m). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt a going concern basis in preparing its financial statements.

During the year the Company continued development of the cinch online platform and supporting technology, designed to allow consumers to find, buy and sell a car based on their lifestyle requirements rather than purely based on technical specification or brand perceptions.

During March 2020 the covid-19 pandemic was declared by the World Health Organisation causing unprecedented disruption to all organisations around the world. Our ability to operate throughout the year fluctuated in line with the varying severity of restrictions, which impacted the business geographically and operationally, as both we and our customers adapted. Post year end, the UK expects to see an increased level of activity as restrictions ease in line with the UK government road map and consumer sentiment buoyed by the vaccination roll out programme.

Section 172(1)

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company (having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year. These matters are set out in detail in the Cinch Holdco UK Limited Annual Report and Accounts for the year ended 28 March 2021 and are summarised below:

- The long term: The board have long term plans in place designed to have a long term beneficial impact on the Company.
- Employees: Our employees are key to our success. The Company has continued to advocate its promote from within philosophy.
- Business relationships: The board is committed to fostering the Company's business relationships with suppliers, customers, and other stakeholders.
- Community & environment: The Company's approach is to use our position of strength to create positive change for the people and communities with which we interact.
- High standards of business conduct: Our intention is to ensure that we and our colleagues operate the Company in an ethical and responsible way. A healthy corporate culture is the cornerstone of high standards of business conduct and governance.

The Company's operations and strategic decision-making are closely integrated with the wider Group and therefore the promotion of its success is consistent with that set out in the Cinch Holdco UK Limited Annual Report and Accounts for the year ended 28 March 2021. The Group's Board of Directors works closely with the Company's Directors in performance and initiative reporting including stakeholder analysis.

Cinch Cars Limited

Strategic report (continued) For the year ended 28 March 2021

Principal risks and uncertainties

The key risks and uncertainties affecting the Company relate to the flow of vehicles through its services, changes in the political, economic and regulatory environment, and continued operational performance of key systems. The Directors manage these by meeting on a regular basis to discuss these risks.

The Company's operations expose it to a variety of financial risks that include liquidity risk, operational risk and credit risk.

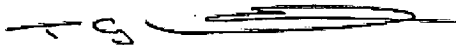
Financial risk management

Cinch Holdco UK Limited manages financial risk on a Group basis as described in the Strategic report of the Cinch Holdco UK Limited Annual Report and Accounts.

Key performance indicators

Key performance indicators of the Company are revenue, adjusted EBITDA (earnings before interest, taxation, depreciation and amortisation, and significant or non-recurring items, as defined in the Cinch Holdco UK Limited accounting policies).

This report was approved by the Board of Directors on 16 December 2021 and signed on its behalf.



T G Lampert
Director

Cinch Cars Limited

Directors' report

For the year ended 28 March 2021

The Directors present their report and audited financial statements for the Company for the year ended 28 March 2021.

Future developments

The Group will continue to invest in promotional activities to grow brand awareness and will continue to provide a fair-free customer experience through further development of the digital platform. The Group will explore opportunities for growth through new marketplaces and strategic investments and acquisitions.

Dividends

No dividends were paid in the year and no final dividend is proposed.

Financial risk management

The financial risks the Company is exposed to are set out in the Strategic report on page 3.

Directors

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

T G Lampert
G D Head

Directors' indemnity

Throughout the year and up to the date of approval of the financial statements the Company, through a Group policy, provided an indemnity for its Directors and Officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Cinch Cars Limited

Directors' report (continued) For the year ended 28 March 2021

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent auditors

During the period PricewaterhouseCoopers LLP were appointed as auditors to the Company. PricewaterhouseCoopers LLP have indicated their willingness to continue in office and arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 16 December 2021 and signed on its behalf.



**T G Lampert
Director**

Cinch Cars Limited

Independent auditors' report to the members of Cinch Cars Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cinch Cars Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 March 2021; the income statement, and the statement 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

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 Directors' report, 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.

Cinch Cars Limited

Independent auditors' report to the members of Cinch Cars Limited (continued)

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 28 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporate taxation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate posting of journals to manipulate the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management at multiple levels across the business throughout the year. These discussions have included consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Challenging assumptions and judgements made by management in determining significant accounting estimates;
- Identifying and testing unusual journal entries. In particular, journal entries posted with unusual account combinations;
- Incorporating elements of unpredictability into the audit procedures performed;
- Financial statement review procedures in relation to Companies Act 2006 requirements; and
- Audit of corporation tax including tax disclosures within the financial statements

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.

Cinch Cars Limited

Independent auditors' report to the members of Cinch Cars Limited (continued)

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.

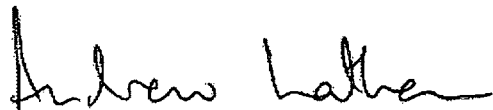
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 December 2021

Cinch Cars Limited

Income statement

	Note	Year ended 28 March 2021 £000	Year ended 29 March 2020 £000
Revenue		59,637	96
Cost of sales		(61,095)	(380)
Gross loss		(1,458)	(284)
Administrative expenses		(18,806)	(14,605)
Other operating expenses		(250)	-
Operating loss	4	(20,514)	(14,889)
Finance expense	6	(1,496)	(250)
Loss on ordinary activities before income tax		(22,010)	(15,139)
Income tax	7	5,114	(2)
Loss for the year		(16,896)	(15,141)

The Company has no income other than that included in the results above and, therefore, no separate statement of comprehensive income has been presented.

Cinch Cars Limited

Statement of changes in equity

	Share capital £000	Accumulated losses £000	Total shareholder's deficit £000
Balance as at 1 April 2019	1	(57)	(56)
Loss for the year	-	(15,141)	(15,141)
Total comprehensive expense for the year	-	(15,141)	(15,141)
Balance as at 29 March 2020	1	(15,198)	(15,197)
Loss for the year	-	(16,896)	(16,896)
Total comprehensive expense for the year	-	(16,896)	(16,896)
Balance as at 28 March 2021	1	(32,094)	(32,093)

Cinch Cars Limited

Balance sheet

	Note	As at 28 March 2021 £000	As at 29 March 2020 £000
Fixed assets			
Intangible assets	8	8,360	4,936
Property, plant and equipment	9	527	95
Investments in subsidiaries	10	225	-
		9,112	5,031
Current assets			
Inventories	11	33,592	-
Trade and other receivables	12	38,383	1,001
Cash and cash equivalents		4,715	1
		76,690	1,002
Creditors: amounts falling due within one year	13	(117,895)	(21,230)
Net current liabilities		(41,205)	(20,228)
Total assets less current liabilities		(32,093)	(15,197)
Equity			
Share capital	15	1	1
Accumulated losses		(32,094)	(15,198)
Total shareholder's deficit		(32,093)	(15,197)

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were authorised for issue by the Board of Directors on 16 December 2021 and were signed on its behalf.



T G Lampert
Director

Company registration number: 11520330

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

1 General information

The Company is a private limited company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Headway House, Crosby Way, Farnham, Surrey, GU9 7XG.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 101, under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the requirements of IFRS are being applied in the preparation of these financial statements, in accordance with FRS 101:

- The disclosure of the categories of financial instruments and the nature and extent of risks arising on these financial instruments;
- The requirement to disclose the valuation techniques applied to assets and liabilities held at fair value;
- The requirement to produce a third statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification;
- The requirement for an explicit and unreserved statement of compliance with IFRSs;
- The requirement to disclose information relating to the Company's objectives, policies and processes for managing capital;
- The requirement to publish a statement of cash flows;
- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date;
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits; and
- The requirement to disclose related party transactions entered into between two or more, wholly owned, members of a group.

2.2 Going concern

The Company meets its day to day working capital requirements through its cash reserves and financing arrangements. The Company has net current liabilities of £41.2m and the Cinch Holdco UK Limited has confirmed its willingness to support the Company for at least twelve months from the date the balance sheet is signed. The Company therefore continues to adopt a going concern basis in preparing its financial statements.

2.3 Changes in accounting policy and disclosures

There were no new standards, amendments to accounting standards, or IFRIC interpretations effective for the year ended 28 March 2021 that have had a material impact on the Company.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

2.5 Intangible assets

Intangible assets comprise internally generated software and acquired computer software. These are carried at cost less accumulated amortisation and any recognised impairment loss.

Acquired computer software and software licences are capitalised and amortised on a straight-line basis over their useful lives. Costs relating to the development of computer software for internal use are capitalised once all the development phase recognition criteria of IAS 38 are met. Costs incurred before this point are expensed as incurred and are not recognised as an asset in a subsequent period. The assessment identifies unique software products that are controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year. Salary and related employment costs that are directly attributable to the development of the software are then capitalised. When the software is available for its intended use, these costs are amortised in equal annual amounts over the estimated useful life of the software.

Amortisation and impairment are charged to the income statement as administrative expenses in the period in which they arise. Amortisation is calculated on a straight-line basis from the date on which they are brought into use with useful lives as indicated below:

Software - internally generated	5 years
Software - acquired	5 years, or the licence term if shorter

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

2.6 Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.7 Inventories

Inventories represent vehicles acquired by the Company that have not yet been sold and where the Company has the risk and reward of ownership of such vehicles. Inventories are stated at the lower of purchase cost, less any administration fees paid to the Company by the seller of the vehicle, and net realisable value. Cost represents expenses incurred in bringing each product to its present location and condition. Net realisable value is based on the estimated normal selling price, less further costs expected to be incurred on completion of the sale and disposal.

2.8 Financial assets

Classification

The Company classifies its financial assets as loans and trade receivables. Management determines the classification of its financial assets at initial recognition.

Loans and trade receivables

Loans and trade receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. These loans and trade receivables do not contain a significant financing component and are initially recognised at transaction price. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and trade receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

2 Summary of significant accounting policies (continued)

Impairment of financial assets

Impairment provisions are recognised under the expected credit loss model on initial recognition of the receivable. The expected credit loss model is calculated using the simplified approach as there is no significant financing component. This approach requires expected lifetime losses to be recognised based on an expected default rate.

For trade receivables, which are reported net of any provisions, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

2.10 Financial liabilities

Financial liabilities are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.11 Share capital

Ordinary shares are classified as equity.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

2.12 Current and deferred income tax

The tax credit for the year comprises current and deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's deficit. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's deficit, respectively.

The current tax credit is the expected tax receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxes payable in respect of previous periods. Current tax assets and liabilities are offset only if certain criteria are met.

Provisions for uncertain tax positions are recognised when the Company has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits to settle the obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that the Company operates, and are measured as appropriate on an expected value or most likely outcome method, in line with the interpretation issued in IFRIC 23.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit other than in a business combination and differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and once the contracted service has been provided.

All of the Company's revenue is generated in the United Kingdom and is related to a single category of business, being services relating to vehicle remarketing.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

3 Critical accounting judgements and estimates

The preparation of the Company's financial statements requires the Directors and management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Accounting policies are reviewed annually for appropriateness. Estimates and judgements are evaluated continually and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates, with any changes arising being recognised in the period in which the change in estimate is made or the final result determined.

Certain of the Company's significant accounting policies are considered by the Directors to be critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These are discussed below:

Estimates

The Directors consider that the following estimates and assumptions are likely to have the most significant effect on the amounts recognised in these financial statements:

Useful economic lives of fixed assets

Both the annual amortisation charge for intangible assets and the depreciation charge for property, plant and equipment are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

There are no critical accounting judgements impacting these financial statements.

4 Operating loss

Operating loss is stated after crediting:

	Year ended 28 March 2021	Year ended 29 March 2020
	£000	£000
Foreign exchange gains	20	-
Gain on write-off of intercompany loan	25,000	-

Operating loss is stated after charging:

	Year ended 28 March 2021	Year ended 29 March 2020
	£000	£000
Wages and salaries	4,164	1,648
Social security costs	664	203
Other pension costs	164	62
Staff costs	4,992	1,913
Depreciation of property, plant and equipment	113	9
Amortisation of intangible assets	1,638	712
Services provided by the Company's auditors		
- Fees payable for the audit	18	5

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

5 Employees and directors

Employees

The average monthly number of people (including Directors) employed by the Company during the year was:

	Year ended 28 March 2021 Number	Year ended 29 March 2020 Number
By activity		
Administrative and management	80	15
Sales	14	4
Service	-	1
	94	20

Directors

Highest paid Director

The highest paid Director's emoluments were as follows:

	Year ended 28 March 2021 £000	Year ended 29 March 2020 £000
Aggregate emoluments	190	185
Pension costs	12	11
	202	196

The remaining Director received no remuneration from the Group during the year. The Director is not directly remunerated by the Group but is remunerated for their roles in other entities, related by virtue of shared control through TDR ownership.

6 Finance expense

	Year ended 28 March 2021 £000	Year ended 29 March 2020 £000
Finance expense		
Interest payable to Group undertakings	1,496	250

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

7 Income tax

Tax (credit)/charge included in the income statement

	Year ended 28 March 2021 £000	Year ended 29 March 2020 £000
Current tax:		
Group relief surrendered to Group undertakings for payment	(5,099)	-
Total current tax	(5,099)	-
Deferred tax:		
Origination and reversal of temporary differences	(4)	2
Adjustments in respect of previous periods	(11)	-
Total deferred tax	(15)	2
Income tax (credit)/charge on loss on ordinary activities	(5,114)	2

Income tax (credit)/charge for the year is higher (year ended 29 March 2020: higher) than the standard rate of corporation tax in the UK for the year ended 28 March 2021 of 19.0% (year ended 29 March 2020: 19.0%). The differences are explained below:

Income tax reconciliation	Year ended 28 March 2021 £000	Year ended 29 March 2020 £000
Loss on ordinary activities before income tax	(22,010)	(15,139)
Loss multiplied by the standard rate of tax in the UK of 19.0% (year ended 29 March 2020: 19.0%)	(4,182)	(2,876)
Effects of:		
Income not subject to tax	(4,750)	-
Group relief surrendered to Group undertakings for reduced payment	3,829	2,878
Adjustments in respect of previous periods	(11)	-
Tax (credit)/charge	(5,114)	2

On 3 March 2021 it was announced that the UK's main rate of corporation tax is due to increase from 19% to 25% from 1 April 2023. The increase in the rate was not substantively enacted by the balance sheet date and therefore is not reflected in the tax charge for the year. The increase in rate was substantively enacted on 24 May 2021 and is not expected to have a material impact on the Company's tax position until 2023.

Payment for group relief in the current year is made based on the cash tax benefit given and amounts are included within the current tax disclosures. No payment was received for the surrender of losses to Group undertakings during the prior year.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

8 Intangible assets

	Trade Marks £000	Software £000	Total £000
Cost			
As at 30 March 2020	32	5,616	5,648
Additions - internally generated	-	5,004	5,004
Additions - acquired	-	58	58
As at 28 March 2021	32	10,678	10,710
Accumulated amortisation			
As at 30 March 2020	4	708	712
Charge for the year	6	1,632	1,638
As at 28 March 2021	10	2,340	2,350
Net book value			
As at 28 March 2021	22	8,338	8,360
As at 29 March 2020	28	4,908	4,936

9 Property, plant and equipment

	Plant, machinery, equipment & motor vehicles £000	Computer equipment £000	Fixtures, fittings and office equipment £000	Total £000
Cost				
As at 30 March 2020	53	28	23	104
Additions	379	171	-	550
Disposals	-	(5)	-	(5)
As at 28 March 2021	432	194	23	649
Accumulated depreciation				
As at 30 March 2020	3	3	3	9
Charge for the year	73	35	5	113
As at 28 March 2021	76	38	8	122
Net book value				
As at 28 March 2021	356	156	15	527
As at 29 March 2020	50	25	20	95

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

10 Investments

	Investments in subsidiary undertakings £000
As at 30 March 2020	-
Additions	225
As at 28 March 2021	225

On 6 July 2020 the Company acquired 30% of the share capital of Automotion Events Limited and its subsidiary for a cash consideration of £225k.

The following information details related undertakings. All companies are 100% owned unless otherwise stated.

Group undertaking	Nature of business	Country of incorporation	Registered office
Automotion Events Limited (30%)	Exhibition organisers	England and Wales	Hill View, The Common, Woodgreen, Fordingbridge, SP6 2BQ
The Motor Show Limited (30%) ¹	Exhibition organisers	England and Wales	Hill View, The Common, Woodgreen, Fordingbridge, SP6 2BQ

¹ 100% owned by Automotion Events Limited

11 Inventories

	As at 28 March 2021 £000	As at 29 March 2020 £000
Vehicles for resale	33,592	-
Total	33,592	-

There is no significant difference between the replacement cost of inventories and their carrying amounts. Inventories are stated after provision for impairment of £960,000 (29 March 2020: £nil).

Inventories recognised as an expense and charged to the income statement during the year were £59.0m (29 March 2020: £nil).

12 Trade and other receivables

	As at 28 March 2021 £000	As at 29 March 2020 £000
Trade receivables	8,021	30
Amounts owed by Group undertakings	5,099	-
Other receivables	8,698	857
Prepayments and accrued income	16,552	114
Deferred tax asset (note 14)	13	-
	38,383	1,001

Amounts owed to Group undertakings are unsecured, repayable on demand and bear no interest.

Cinch Cars Limited

Notes to the financial statements For the year ended 28 March 2021

13 Creditors: amounts falling due within one year

	As at 28 March 2021 £000	As at 29 March 2020 £000
Amounts owed to related parties	223	-
Trade creditors	2,065	1,695
Amounts owed to Group undertakings	100,796	17,663
Taxation and social security	-	29
Other creditors	303	-
Deferred tax liability (see note 14)	-	2
Accruals and deferred income	14,508	1,841
	117,895	21,230

Amounts owed to Group undertakings are unsecured, repayable on demand and bear interest at up to three month British pound sterling LIBOR ('LIBOR') plus 5.05% (29 March 2020: up to LIBOR plus 2.5%) per annum.

14 Deferred tax

	Capital allowances in excess of depreciation £000	Other £000	Total £000
As at 1 April 2019	-	-	-
Charged to the income statement	(2)	-	(2)
As at 29 March 2020	(2)	-	(2)
Credited to the income statement	8	7	15
As at 28 March 2021	6	7	13

15 Share capital

	Ordinary £1.00 shares Number	Share capital £000
Authorised, allotted and fully paid		
As at 29 March 2020 and 28 March 2021	1,000	1

16 Related party transactions

The Company has taken advantage of the exemptions conferred by FRS 101 in paragraphs 8(j) and 8(k) relating to IAS 24, including the requirements to disclose related party transactions entered into between two or more, wholly owned, members of a group.

17 Ultimate controlling party

The Company's ultimate controlling party is TDR Capital LLP, a UK Limited Liability Partnership registered in England and Wales. The Company's ultimate parent is Constellation Automotive Topco Sarl, a company incorporated in Luxembourg. The Company is a wholly owned subsidiary of Cinch Group Limited and Cinch Holdco UK Limited is the largest and smallest undertaking that consolidates these financial statements. The consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

On 4 October 2021, the Group's immediate parent company, Cinch Holdings Sarl, was acquired by a new intermediate parent company, Constellation Automotive Holdings Limited, a company incorporated in England and Wales. The ultimate controlling party remains TDR Capital LLP ('TDR'), a Limited Liability Partnership incorporated in England and Wales.