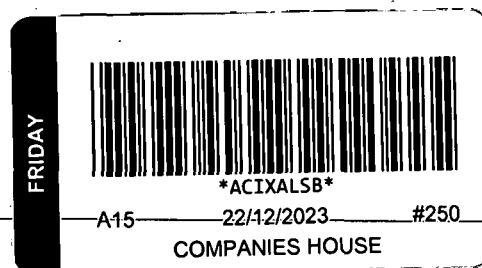


**Company registration number**  
11520330

**Cinch Cars Limited**  
**Report and Financial Statements**  
**For the year ended 2 April 2023**



# **Cinch Cars Limited**

## **Report and Financial Statements**

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## **Cinch Cars Limited**

### **Company information**

#### **Directors**

G D Head  
T G Lampert  
J A Mullins

#### **Company secretary**

M R Letza

#### **Registered office**

Form 2  
18 Bartley Wood Business Park  
Bartley Way  
Hook  
Hampshire  
RG27 9XA

#### **Independent auditors**

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

#### **Company registration number**

11520330

# Cinch Cars Limited

## Strategic report For the year ended 2 April 2023

The Directors present their Strategic report for Cinch Cars Limited (the 'Company') for the year ended 2 April 2023.

### Principal activity

The Company's principal activity during the year was the remarketing of vehicles, and the continued development and marketing of the Company's online e-commerce platform.

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

Our mission is to give consumers a best in class, "faff-free" motoring experience.

The cinch.co.uk website is a fully transactional e-commerce platform designed to meet the digital needs of car-buying consumers.

Customers experience an end-to-end online journey in which they can browse thousands of quality-checked used cars from our wide range, organise finance and value their part exchange vehicle, if they have one. Once they have purchased their car with us, we deliver it to their door, collecting their part exchange at the same time. Combined with a number of ancillary services, a 14-day money-back guarantee and a 90 day warranty, cinch provides consumers with faff-free motoring.

We also look to partner with car dealers who, in listing their cars for sale on the cinch platform, can benefit from alternative routes to market and the benefit of cinch's UK customer base.

### Review of the business

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 as well as based on technical specification or brand perceptions.

During the year, market and macro-economic conditions in the UK remained uncertain. The ongoing war in Ukraine, increased energy and fuel prices, high inflation and rising interest rates have adversely impacted consumer confidence particularly for premium cars.

In the year to 2 April 2023, the Company generated revenue of £1,013.6m (2022: £815.7m), up 24% year on year. The Company continued to invest in marketing activities, innovation, systems and personnel to support the long term growth of the business. The loss after tax of £181.2m (2022: £126.8m) was stated after charging £9.9m (2022: £4.6m) of depreciation and amortisation and £30.0m (2022: £11.0m) of net finance costs, and recognising an income tax credit of £16.1m (2022: £22.4m).

At 2 April 2023 the Company held inventory of £51.1m (2022: £122.5m). At the end of the year, there were 6,397 vehicles listed for sale on the website (2022: 10,263), of which 62% (2022: 91%) were owned by the Company and other Group companies.

During the year ended 2 April 2023, parent company Cinch Group Limited waived the right to receive the amounts owed by Cinch Cars Limited. The payable balance of £460.6m has been extinguished from amounts owed to group undertakings, and recognised as a capital contribution within the statement of changes in equity, in a separate reserve named capital contribution reserve.

As at 2 April 2023, following the capital contribution, the Company had net assets of £120.6m (3 April 2022: net liabilities of £158.9m) and net current assets of £89.2m (3 April 2022: net current liabilities of £181.9m).

The year ended 2 April 2023 represented a 52 week trading period. The prior year was a 53 week trading period, which was required for the Group's financial year end to remain aligned with accounting and tax legislation.

## **Cinch Cars Limited**

### **Strategic report (continued)**

### **For the year ended 2 April 2023**

#### **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 2 April 2023 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 2 April 2023. The Group's Board of Directors works closely with the Company's Directors in performance and initiative reporting including stakeholder analysis.

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

As with all businesses, the Company faces risks and uncertainties in the course of its operations. Risks continually evolve and new ones emerge and the Company's and the Group's management of risk remains an integral component of business management and Corporate Governance. Though the disruption from COVID-19 has lessened from previous years, the wider economic environment continues to be challenging.

The key risks and uncertainties affecting the Company include the volume and flow of vehicles through its online platform, changes in brand perception, changes in the political, economic and regulatory environment, and continued operational performance of key systems.

#### **New car supply**

The supply of vehicles into the used car market, in which the Company predominantly operates, is partially dependent on the supply of new cars. New and used car supply in the UK has been severely constrained over the last three years as a result of COVID-related restrictions, global supply challenges including the semiconductor chip shortage, and the war in Ukraine. The Company engages with manufacturers, vendors, customers and other stakeholders to anticipate events and management regularly reviews internal processes and offerings to ensure that the Company can best respond and adapt.

The Company's operations also expose it to other risks that include liquidity risk, operational risk, interest rate risk and credit risk.

#### **Financial risk management**

The Company does not directly manage the financial risks. 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.

The Group has a robust approach in the identification, analysis and response to all relevant current and potential risks and uncertainties, and develops mitigation plans to reduce the likelihood and/or impact of the risks to a tolerable level. The Board takes overall responsibility for overseeing the effectiveness of the risk management process, with a particular focus on determining the nature and extent of the risks it is willing to take to achieve its strategic objectives.

#### **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 22 December 2023 and signed on its behalf.



J A Mullins  
Director

## **Cinch Cars Limited**

### **Directors' report For the year ended 2 April 2023**

The Directors present their report and audited financial statements for the Company for the year ended 2 April 2023.

The Company prepares its accounts to a Sunday within seven days of 31 March.

#### **Future developments**

The Company will continue to invest in promotional activities to grow brand awareness, and seek to provide a "faff-free" customer experience through further research and development of the digital platform, supporting technology and cinch's product offering to the consumer.

#### **Dividends**

No dividends were paid in the year (2022: £nil) 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 pages 2 & 3.

#### **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 2 April 2023**

#### **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.

#### **Going concern**

The Company meets its day to day working capital requirements through its cash reserves and funding from other Group companies. In the year, the Company made a retained loss of £181.2m, consistent with the stage of development of the business and ongoing investments in the cinch online platform, technology, marketing and people in order to achieve operating scale. At year end the Company had net assets of £120.6m and net current assets of £89.2m.

The Company is reliant on support from fellow Group companies for ongoing funding. Constellation Automotive Group Sarl, a holding company of both the Company and its immediate parent, has provided a letter of support to the Company for a period of fifteen months from the date the balance sheet is signed. Based on their enquiries the directors are comfortable that Constellation Automotive Group Sarl and its subsidiaries can provide liquidity to enable the Company to meet its obligations as they fall due for the foreseeable future. After making appropriate enquiries, 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 the going concern basis in preparing its financial statements.

#### **Our employees and wider stakeholder engagement**

Our people are key to the success of our business. They are friendly, expert and professional and understand that providing excellent service to our customers is how we grow the Company and operate effectively, while our people thrive and develop in their working environment. Our employees are important to us, and we treat them properly by seeking to engage with them in meaningful ways.

- Commitment to providing a safe and inclusive working environment at all of our locations
- Regular engagement including town hall meetings and employee communications
- Learning Centre providing ongoing opportunities to learn and develop skills
- Training platforms, wellbeing tools and an employee assistance program to support the physical and mental health of our employees
- Encouraging participation in charitable activity
- Friends and family discount schemes which operate from time to time
- Opportunity to apply for free tickets to sporting and other events sponsored by the Group and its affiliate companies

#### **Post balance sheet events**

In December 2023 the Company become party to two vehicle funding facilities in conjunction with parties related to the Group through common ownership, with total capacity in excess of £200m.

#### **Independent auditors**

The independent auditors, 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 22 December 2023 and signed on its behalf.



**J A Mullins  
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 2 April 2023 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 2 April 2023; 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 2 April 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 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 corporation tax regulations, 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;
- 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](http://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.



Julian Gray (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
22 December 2023

# Cinch Cars Limited

## Income statement

		Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
	Note		
Revenue		1,013,618	815,657
Cost of sales		(1,023,195)	(810,131)
<b>Gross (loss)/profit</b>		<b>(9,577)</b>	<b>5,526</b>
Distribution costs <sup>1</sup>		(21,615)	(17,070)
Administrative expenses <sup>1</sup>		(136,057)	(126,540)
		<b>(157,672)</b>	<b>(143,610)</b>
<b>Operating loss</b>	4	<b>(167,249)</b>	<b>(138,084)</b>
Finance income	6	1	2
Finance expense	6	(29,980)	(11,040)
<b>Finance expense – net</b>	6	<b>(29,979)</b>	<b>(11,038)</b>
<b>Loss before income tax</b>		<b>(197,228)</b>	<b>(149,122)</b>
Income tax	7	16,057	22,360
<b>Loss for the year</b>		<b>(181,171)</b>	<b>(126,762)</b>

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

<sup>1</sup> In the Company's Report and Financial Statements for the year ended 3 April 2022, distribution costs were included within administrative expenses. For the year ended 2 April 2023 and for the comparative period they are presented separately on the face of the income statement and in Note 4 as required by the Companies Act.


# Cinch Cars Limited

## Balance sheet

	Note	As at 2 April 2023 £000	As at 3 April 2022 £000
<b>Fixed assets</b>			
Intangible assets	8	26,737	17,935
Property, plant and equipment	9	4,585	4,661
Right-of-use assets	10	9,112	9,746
Investments	11	475	475
		<b>40,909</b>	<b>32,817</b>
<b>Current assets</b>			
Inventories	12	51,067	122,525
Trade and other receivables	13	78,784	67,746
Cash and cash equivalents	14	28,618	11,497
		<b>158,469</b>	<b>201,768</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(69,249)</b>	<b>(383,693)</b>
<b>Net current assets/(liabilities)</b>		<b>89,220</b>	<b>(181,925)</b>
<b>Total assets less current liabilities</b>		<b>130,129</b>	<b>(149,108)</b>
Lease liabilities	16	(9,521)	(9,747)
<b>Net assets/(liabilities)</b>		<b>120,608</b>	<b>(158,855)</b>
<b>Equity</b>			
Share capital	18	1	1
Capital contribution reserve		460,634	-
Accumulated losses		(340,027)	(158,856)
<b>Total shareholder's funds/(deficit)</b>		<b>120,608</b>	<b>(158,855)</b>

The notes on pages 12 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were authorised for issue by the Board of Directors on 22 December 2023 and were signed on its behalf.



J A Mullins  
Director

Company registration number: 11520330

## Cinch Cars Limited

### Statement of changes in equity

	Share capital £000	Capital contribution reserve £000	Accumulated losses £000	Total shareholder's (deficit)/funds £000
<b>Balance as at 28 March 2021</b>	<b>1</b>	<b>-</b>	<b>(32,094)</b>	<b>(32,093)</b>
Loss for the year	-	-	(126,762)	(126,762)
Total comprehensive expense for the year	-	-	(126,762)	(126,762)
<b>Balance as at 3 April 2022</b>	<b>1</b>	<b>-</b>	<b>(158,856)</b>	<b>(158,855)</b>
Loss for the year	-	-	(181,171)	(181,171)
Total comprehensive expense for the year	-	-	(181,171)	(181,171)
Capital contribution	-	460,634	-	460,634
Total transactions with owner recognised in equity	-	460,634	-	460,634
<b>Balance as at 2 April 2023</b>	<b>1</b>	<b>460,634</b>	<b>(340,027)</b>	<b>120,608</b>

# **Cinch Cars Limited**

## **Notes to the financial statements For the year ended 2 April 2023**

### **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 Form 2, 18 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, United Kingdom, RG27 9XA.

### **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 provide comparative information in respect of a reconciliation of the carrying amount of each class of tangible assets at the beginning of the period;
- The requirement to provide comparative information in respect of a reconciliation of the carrying amount of each class of intangible assets at the beginning of the period;
- 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 funding from other Group companies. In the year, the Company made a retained loss of £181.2m, consistent with the stage of development of the business and ongoing investments in the cinch online platform, technology, marketing and people in order to achieve operating scale. At year end the Company had net assets of £120.6m and net current assets of £89.2m.

The Company is reliant on support from fellow Group companies for ongoing funding. Constellation Automotive Group Sarl, a holding company of both the Company and its immediate parent, has provided a letter of support to the Company for a period of fifteen months from the date the balance sheet is signed. Based on their enquiries the directors are comfortable that Constellation Automotive Group Sarl and its subsidiaries can provide liquidity to enable the Company to meet its obligations as they fall due for the foreseeable future. After making appropriate enquiries, 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 the 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 2 April 2023 that have had a material impact on the Company.

## Cinch Cars Limited

### Notes to the financial statements For the year ended 2 April 2023

#### 2 Summary of significant accounting policies (continued)

##### 2.4 Property, plant and equipment

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the assets and costs directly attributable to bringing the asset to its working condition for its intended use. 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.

Depreciation is charged to the income statement on a straight-line basis over the useful economic life of each asset. Assets under construction are not depreciated. The rates of depreciation are as follows:

Land and buildings	Over the unexpired period of the lease
Plant, machinery & motor vehicles	3 years
Computer equipment	3 years
Fixtures, fittings and office equipment	5 years

##### 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	3 - 5 years
Software – acquired	3 - 5 years, or the licence term if shorter
Trademarks and other	3 - 10 years

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

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell, and its value in use.

# Cinch Cars Limited

## Notes to the financial statements For the year ended 2 April 2023

### 2 Summary of significant accounting policies (continued)

#### 2.6 Leases

##### *The Company as a lessee*

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the minimum lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the balance sheet and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- the lease payments substantially change or other rent concessions are agreed with the lessor during the lease term; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs relate to assets which are accounted for as short term assets.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. The Company has elected to not apply IFRS 16 to leases of intangibles.

#### 2.7 Investments in subsidiaries

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



## **Cinch Cars Limited**

### **Notes to the financial statements For the year ended 2 April 2023**

#### **2 Summary of significant accounting policies (continued)**

##### **2.8 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.

##### **2.9 Financial assets**

###### *Classification*

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

###### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. These loans and 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 receivables are included in the balance sheet within current assets.

###### *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.

##### **2.10 Cash and cash equivalents**

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

##### **2.11 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.

##### **2.12 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

##### **2.13 Share capital**

Ordinary shares are classified as equity.

## Cinch Cars Limited

### Notes to the financial statements For the year ended 2 April 2023

#### 2 Summary of significant accounting policies (continued)

##### 2.14 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 funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholder's equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss 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.

##### 2.15 Revenue recognition

The Company's revenue represents revenue from contracts with customers. Revenue is measured at the fair value of the consideration received or receivable for goods and services supplied, and is stated net of discounts, estimated returns and value added taxes. The Company recognises revenue for each contractual performance obligation when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when certain criteria have been met, specifically when the contracted performance obligation has been satisfied. This approach applies for each of the Company's activities, as described below.

Revenue from the sale of vehicles represents the amount of the consideration paid by the customer and is recognised on the date of delivery to the customer, being the point at which the customer takes control of the vehicle and legal title and the risks and rewards of ownership are transferred to the customer. The price is agreed prior to delivery and consideration can be in the form of cash, part-exchange vehicle, third-party financing, or a combination of these. Consideration received in advance of delivery of the vehicle, which represents a contract liability, is recognised as deferred income within trade and other payables. The vehicle price includes driveaway insurance and a 90-day warranty. Attributable revenue relating to these service obligations is separately identified and recognised when the performance obligation is fulfilled.

The Company allows retail customers to return purchased vehicles up to 14 days after delivery. Estimates for returns are based on historical data including rates of returns, and changes in these estimates are reflected as an adjustment to revenue in the period in which they are identified.

Customers purchasing vehicles from cinch.co.uk may enter into a contract with the Company's financing partners, for which the Company receives a commission from the financing partner. This commission revenue is recognised on the date of delivery to the customer, net of a reserve for estimated finance contract cancellations which is calculated based on historical data.

## **Cinch Cars Limited**

### **Notes to the financial statements For the year ended 2 April 2023**

#### **2 Summary of significant accounting policies (continued)**

##### **2.15 Revenue recognition (continued)**

Certain vehicles, including those received as part-exchange vehicles and vehicles from cinch's inventory, may be sold to wholesalers or at auction. Revenue is recognised on the date of sale, being the point at which the purchaser obtains control of the vehicle and legal title is transferred.

Revenue for other services is recognised once the contracted service has been provided. If the service is provided over a period of time, revenue is recognised over the period of the service on a straight line basis.

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

##### **2.16 Advertising and marketing costs**

The Group carries out a variety of advertising and marketing activities including sponsorship arrangements. Costs are recognised within operating costs. The cost of advertising design is expensed as incurred and the expense of airing advertising campaigns is expensed in the income statement in the period in which the advertising space or air time is utilised. Sponsorship costs are recognised over the sponsorship period.

##### **2.17 Net finance costs**

###### *Finance costs*

Finance costs comprise interest payable on borrowings, direct transaction costs, unwinding of the discount on lease liabilities, interest on loans with related parties, and foreign exchange losses on finance balances. Transaction costs and original issue discount are amortised over the expected life of the debt using the effective interest method.

###### *Finance income*

Finance income comprises interest receivable on bank deposits and loans with related parties. Interest income is recognised in the income statement as it accrues using the effective interest method.

##### **2.18 Employee benefits**

The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Cinch Cars Limited

### Notes to the financial statements For the year ended 2 April 2023

#### 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.

##### Judgements

There are no critical accounting judgements impacting these financial statements.

#### 4 Operating loss

Operating loss is stated after charging/(crediting):

	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
Wages and salaries	27,209	16,367
Social security costs	5,243	2,872
Other pension costs	1,523	700
Total gross employment costs	33,975	19,939
Staff costs capitalised within intangible assets	(11,318)	(6,729)
Total employment cost expense	22,657	13,210
Depreciation of property, plant and equipment	1,560	736
Depreciation of right-of-use assets	1,217	710
Amortisation of intangible assets	7,131	3,132
Foreign exchange losses	129	35
Profit on sale of property, plant and equipment	(262)	(13)
Short term lease expense	232	129
Distribution costs	21,615	17,070
Management fee payable to intermediate parent undertaking	1,899	1,271
Services provided by the Company's auditors		
- Fees payable for the audit	52	44

In the year ended 2 April 2023 the Company incurred distribution costs of £21.6m (year ended 3 April 2022: £17.1m). In the Company's Report and Financial Statements for the year ended 3 April 2022, distribution costs were included within administrative expenses. For the year ended 2 April 2023 and for the comparative period they are presented separately in this Note 4 and on the face of the income statement as required by the Companies Act.

# Cinch Cars Limited

## Notes to the financial statements For the year ended 2 April 2023

### 5 Employees and directors

#### Employees

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

	Year ended 2 April 2023 Number	Year ended 3 April 2022 Number
<b>By activity</b>		
Administrative and management	412	251
Sales	59	44
	<b>471</b>	<b>295</b>

#### Directors

##### Highest paid Director

The highest paid Director's emoluments were as follows:

	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
Aggregate emoluments	196	202
Pension costs	13	13
	<b>209</b>	<b>215</b>

Two Directors (period ended 3 April 2022: one Director) received no remuneration from the Company during the period. The Directors are not directly remunerated by the Company but are remunerated for their roles in other entities, related by virtue of shared control through TDR ownership.

### 6 Finance income and expense

	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
<b>Finance income</b>		
Other interest receivable	1	2
<b>Total finance income</b>	<b>1</b>	<b>2</b>
	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
<b>Finance expense</b>		
Interest payable to Group undertakings	(29,419)	(10,698)
Lease liability interest	(561)	(342)
<b>Total finance expense</b>	<b>(29,980)</b>	<b>(11,040)</b>
<b>Net finance expense</b>	<b>(29,979)</b>	<b>(11,038)</b>

# Cinch Cars Limited

## Notes to the financial statements For the year ended 2 April 2023

### 7 Income tax credit

Tax credit included in the income statement

	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
<b>Current tax:</b>		
Group relief surrendered to Group undertakings for payment	(17,059)	(22,546)
Adjustments in respect of previous periods	9,623	45
<b>Total current tax</b>	<b>(7,436)</b>	<b>(22,501)</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(9,383)	181
Adjustments in respect of previous periods	762	(40)
<b>Total deferred tax</b>	<b>(8,621)</b>	<b>141</b>
<b>Income tax credit</b>	<b>(16,057)</b>	<b>(22,360)</b>

Income tax credit for the year is lower (year ended 3 April 2022: lower) than the standard rate of corporation tax in the UK for the year ended 2 April 2023 of 19.0% (year ended 3 April 2022: 19.0%). The differences are explained below:

Income tax reconciliation	Year ended 2 April 2023 £000	Year ended 3 April 2022 £000
Loss on ordinary activities before income tax	(197,228)	(149,122)
Loss multiplied by the standard rate of tax in the UK of 19.0% (year ended 3 April 2022: 19.0%)	(37,473)	(28,333)
Effects of:		
Expenses not deductible for tax purposes	(138)	21
Income not subject to tax	-	-
Group relief surrendered to Group undertakings for reduced payment	603	5,908
Impact of rate difference between deferred and current tax	(6,300)	38
Tax rate change	(11)	1
Deferred tax movement not recognised	16,876	-
Adjustments in respect of previous periods	10,386	5
<b>Tax charge/(credit)</b>	<b>(16,057)</b>	<b>(22,360)</b>

On 3 March 2021 it was announced that the UK's main rate of corporation tax would increase from 19% to 25% from 1 April 2023. The increase in the rate was substantively enacted on 24 May 2021 and therefore deferred tax balances have been measured using these enacted tax rates in these financial statements.

Payment for group relief for the current and prior year is made based on the cash tax benefit received and amounts are included within the current tax disclosures.

## Cinch Cars Limited

### Notes to the financial statements For the year ended 2 April 2023

#### 8 Intangible assets

	Trademarks and other £000	Software £000	Total £000
<b>Cost</b>			
As at 4 April 2022	232	23,185	23,417
Additions	31	15,902	15,933
Disposals	-	(274)	(274)
<b>As at 2 April 2023</b>	<b>263</b>	<b>38,813</b>	<b>39,076</b>
<b>Accumulated amortisation</b>			
As at 4 April 2022	34	5,448	5,482
Charge for the year	34	7,097	7,131
Disposals	-	(274)	(274)
<b>As at 2 April 2023</b>	<b>68</b>	<b>12,271</b>	<b>12,339</b>
<b>Net book value</b>			
<b>As at 2 April 2023</b>	<b>195</b>	<b>26,542</b>	<b>26,737</b>
As at 3 April 2022	198	17,737	17,935

#### 9 Property, plant and equipment

	Land and buildings £000	Plant, machinery, equipment & motor vehicles £000	Computer equipment £000	Fixtures, fittings and office equipment £000	Total £000
<b>Cost</b>					
As at 4 April 2022	833	2,769	499	1,400	5,501
Additions	67	1,361	282	95	1,805
Disposals	-	(680)	-	-	(680)
<b>As at 2 April 2023</b>	<b>900</b>	<b>3,450</b>	<b>781</b>	<b>1,495</b>	<b>6,626</b>
<b>Accumulated depreciation</b>					
As at 4 April 2022	-	612	178	50	840
Charge for the year	83	977	212	288	1,560
Disposals	-	(359)	-	-	(359)
<b>As at 2 April 2023</b>	<b>83</b>	<b>1,230</b>	<b>390</b>	<b>338</b>	<b>2,041</b>
<b>Net book value</b>					
<b>As at 2 April 2023</b>	<b>817</b>	<b>2,220</b>	<b>391</b>	<b>1,157</b>	<b>4,585</b>
As at 3 April 2022	833	2,157	321	1,350	4,661

The net book value of land and buildings comprises:

	As at 2 April 2023 £000	As at 3 April 2022 £000
Short leasehold	817	833
Carrying value	817	833

# Cinch Cars Limited

## Notes to the financial statements For the year ended 3 April 2022

### 10 Right-of-use assets

	Land and buildings £000	Motor vehicles £000	Computer equipment £000	Total £000
<b>Cost</b>				
As at 4 April 2022	9,087	13	1,356	10,456
Additions	535	-	48	583
<b>As at 2 April 2023</b>	<b>9,622</b>	<b>13</b>	<b>1,404</b>	<b>11,039</b>
<b>Accumulated depreciation</b>				
As at 4 April 2022	535	4	171	710
Charge for the year	973	4	240	1,217
<b>As at 2 April 2023</b>	<b>1,508</b>	<b>8</b>	<b>411</b>	<b>1,927</b>
<b>Net book value</b>				
<b>As at 2 April 2023</b>	<b>8,114</b>	<b>5</b>	<b>993</b>	<b>9,112</b>
As at 3 April 2022	8,552	9	1,185	9,746

### 11 Investments

	Investments in subsidiary undertakings £000
As at 28 March 2021	225
Additions	250
As at 4 April 2022	475
Additions	53
Impairment	(53)
<b>As at 2 April 2023</b>	<b>475</b>

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 (48%)	Exhibition organisers	England and Wales	Warner House, 1 Warner House, 123 Castle Street, Salisbury, Wiltshire, SP1 3TB
The Motor Show Limited (48%) <sup>1</sup>	Exhibition organisers	England and Wales	Warner House, 1 Warner House, 123 Castle Street, Salisbury, Wiltshire, SP1 3TB
Cinch Ltd <sup>2</sup>	Non-trading	United Kingdom	Form 2, 18 Bartley Wood Business Park, Bartley Way, Hook, Hampshire

<sup>1</sup> 100% owned by Automotion Events Limited

<sup>2</sup> Cinch Ltd was acquired on 31 August 2022 for consideration of £50,000. The company is dormant, and the consideration in addition to capitalised transaction costs of £3,000 were written off during the year.



# Cinch Cars Limited

## Notes to the financial statements For the year ended 2 April 2023

### 12 Inventories

	As at 2 April 2023 £000	As at 3 April 2022 £000
Vehicles for resale	51,067	122,525
	<b>51,067</b>	<b>122,525</b>

There is no significant difference between the replacement cost of inventories and their carrying amounts. Inventories are stated after provision for impairment of £3.9m (3 April 2022: £5.4m).

Inventories recognised as an expense and charged to the income statement during the year were £1,016m (3 April 2022: £792.1m).

### 13 Trade and other receivables

	As at 2 April 2023 £000	As at 3 April 2022 £000
Trade receivables	19,412	12,342
Amounts owed by Group undertakings	311	33,500
Amounts owed by related parties	31,420	-
Other receivables	5,149	6,035
Prepayments and accrued income	13,999	15,869
Deferred tax asset (see note 16)	8,493	-
	<b>78,784</b>	<b>67,746</b>

Amounts owed by Group undertakings and related parties are unsecured, repayable on demand and bear no interest.

### 14 Cash and cash equivalents

	As at 2 April 2023 £000	As at 3 April 2022 £000
Cash at bank and in hand	28,618	11,497

### 15 Creditors: amounts falling due within one year

	As at 2 April 2023 £000	As at 3 April 2022 £000
Trade creditors	12,765	18,084
Lease liabilities	770	477
Amounts owed to Group undertakings	5,968	337,161
Amounts owed to related parties	10,990	-
Taxation and social security	859	685
Other creditors	2,695	218
Deferred tax liability (see note 17)	-	128
Accruals and deferred income	35,202	26,940
	<b>69,249</b>	<b>383,693</b>

Amounts owed to Group undertakings are unsecured, repayable on demand and bear interest at SONIA plus 5.05% (3 April 2022: LIBOR plus 5.05%) per annum.

During the year ended 2 April 2023, parent company Cinch Group Limited waived the right to receive the amounts owed by Cinch Cars Limited. The payable balance of £460.6m has been extinguished from amounts owed to group undertakings, and recognised as a capital contribution within the statement of changes in equity, in a separate reserve named capital contribution reserve.

# Cinch Cars Limited

## Notes to the financial statements For the year ended 3 April 2022

### 16 Lease liabilities

	As at 2 April 2023 £000	As at 3 April 2022 £000
Current lease liabilities	770	477
Non-current lease liabilities	9,521	9,747
<b>Total lease liabilities</b>	<b>10,291</b>	<b>10,224</b>

	As at 2 April 2023 £000	As at 3 April 2022 £000
--	-------------------------------	-------------------------------

The future undiscounted lease payments are as follows:

Not later than one year	1,325	1,025
Later than one year and not later than five years	6,670	5,912
Later than five years	4,864	6,360
<b>Total gross payments</b>	<b>12,859</b>	<b>13,297</b>

As at 2 April 2023, there were commitments to future undiscounted lease payments of £nil (3 April 2022: £0.1m) in respect of leases which had not yet commenced.

The total cash outflow for leases, including short-term leases, low-value leases and variable payments, was £1.1m (3 April 2022: £0.4m).

### 17 Deferred tax

	Capital allowances in excess of depreciation £000	Losses £000	Temporary differences £000	Other £000	Total £000
<b>As at 28 March 2021</b>	6	-	7	-	13
(Charged)/Credited to the income statement	(189)	-	48	-	(141)
<b>As at 3 April 2022</b>	(183)	-	55	-	(128)
(Charged)/Credited to the income statement	(1,135)	9,188	173	395	8,621
<b>As at 2 April 2023</b>	(1,318)	9,188	228	395	8,493

A deferred tax asset is recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

Losses carried forward have been recognised at a rate of less than 25% to reflect the expected future payment for the losses from other group companies when surrendered.

Due to the uncertainty of the Company's future taxable profits, the deferred tax asset in respect of restricted interest has only been partially recognised at the balance sheet date. The Company has an unrecognised deferred tax asset on restricted interest of £0.2m relating to a gross balance of £0.8m (3 April 2022: £nil).

## Cinch Cars Limited

### Notes to the financial statements For the year ended 3 April 2022

#### 18 Share capital

	Ordinary £1.00 shares Number	Share capital £000
Authorised, allotted and fully paid As at 3 April 2022 and 2 April 2023	1,000	1

#### 19 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.

The Company entered into the following transactions with parties that are related by virtue of common ownership:

Related party	Service or supplies	For the period ended 2 April 2023		As at 2 April 2023
		Purchases £000	Sales £000	Due (to)/from £000
BCA Logistics Limited	Automotive services	22,621	17	(2,295)
BCA Fleet Solutions Limited	Automotive services	46	-	-
British Car Auctions Limited	Vehicle supply services	3,496	3,026	2,544
Walon Limited	Automotive services	71	84	36
BCA Central Limited	Support services	1,178	43	19,397
Automotion Events Limited	Marketing services	18	-	-
BCA Outsource Solutions Limited	Vehicle supply services	62,569	86,320	(3,616)
Life on Show Limited	Vehicle imagery services	316	-	-
Marshall Motor Group and its subsidiaries	Vehicle supply services	113,173	13,636	(3,280)

#### 20 Ultimate controlling party

The Company's ultimate controlling party is TDR Capital LLP, a UK Limited Liability Partnership registered in the United Kingdom. On 28 November 2022, Constellation Automotive Holdings Limited distributed its investment in Cinch Holdings Sarl, the immediate parent company of Cinch Holdco UK and the Group, to its parent, Constellation Automotive Group Sarl. Consequently the Company's ultimate parent company is Constellation Automotive Group 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 registered office of Cinch Holdco UK Limited and Cinch Group Limited is Form 2, 18 Bartley Wood Business Park, Bartley Way, Hook, Hampshire, RG27 9XA. The consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 21 Events after the balance sheet date

In December 2023 the Company become party to two vehicle funding facilities in conjunction with parties related to the Group through common ownership, with total capacity in excess of £200m.