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COMPANIES HOUSE

Annual report and financial statements

Registered number 05754547

31 August 2021

Cambria

Cambria Automobiles Ltd

GRANGE

Invicta Motors
For a better motoring experience

Dees
For a better motoring experience

County
MOTOR WORKS
Since 1907

SOGO
DRIVING CHOICE

DOVES

PURE TRIUMPH

motorparks.co.uk
For a better motoring experience

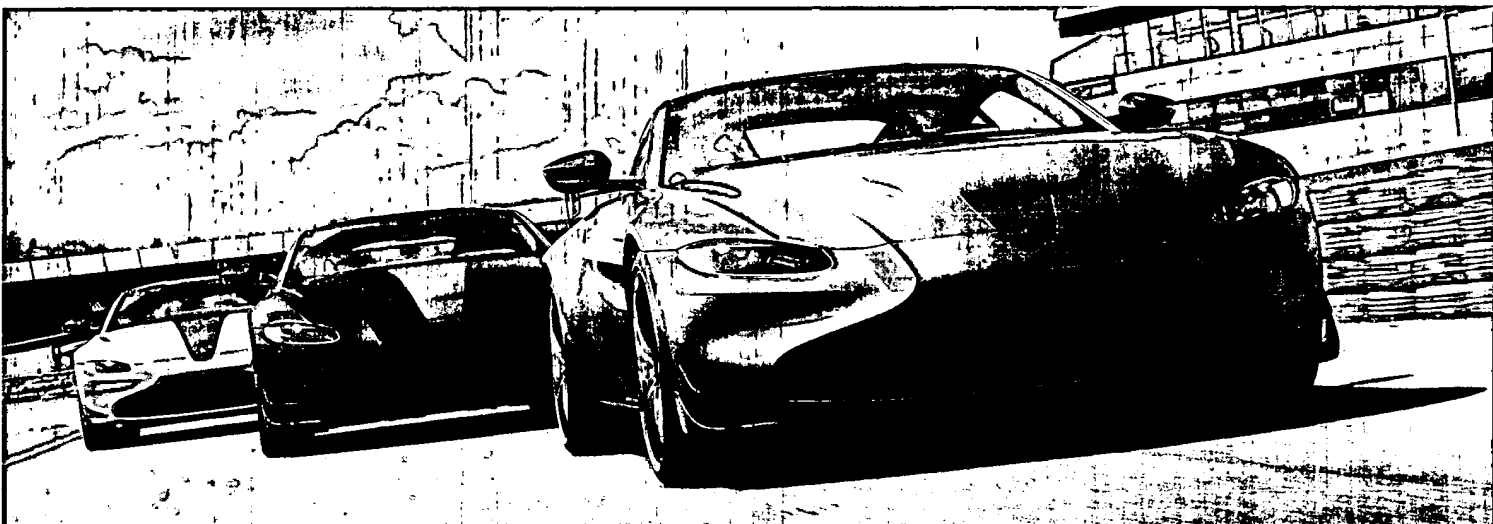
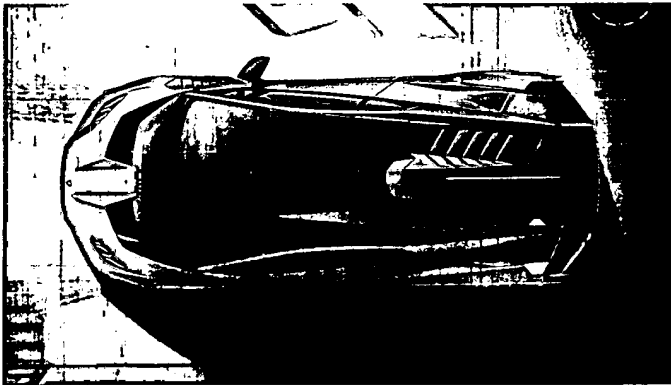
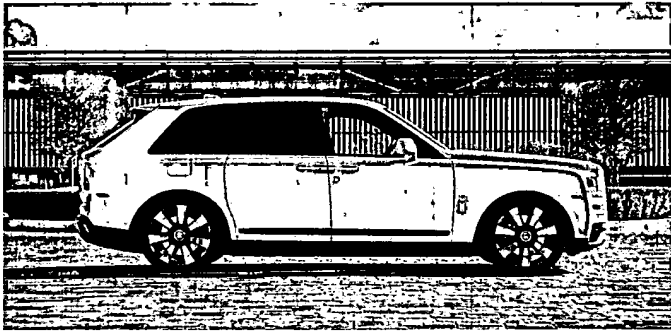
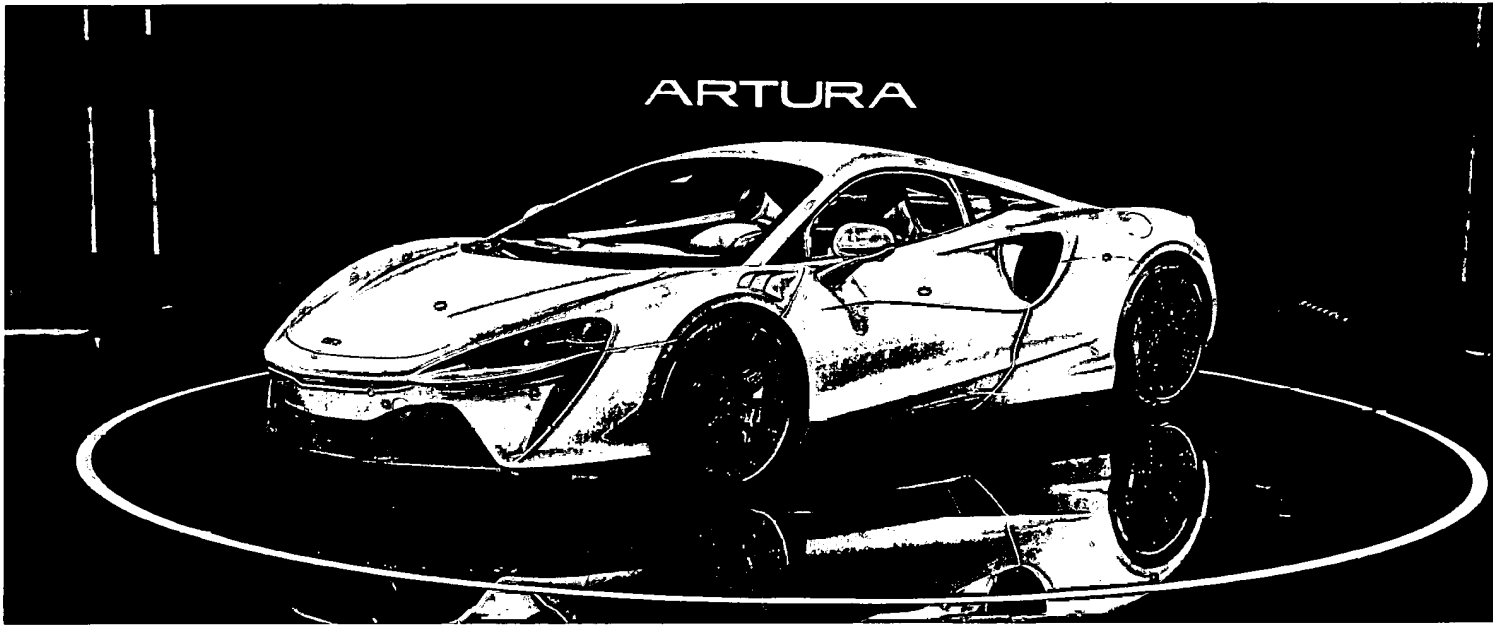
RAMP

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ARTURA



Directors & Advisors

Cambria Automobiles plc (Serving Officers during the reporting period)

Philip Swatman	<i>Chairman</i>
Mark Lavery	<i>Chief Executive Officer</i>
Tim Duckers	<i>Managing Director</i>
James Mullins	<i>Finance Director</i>
Paul McGill	<i>Non-Executive Director</i>
William Charnley	<i>Non-Executive Director</i>
Michael Burt	<i>Non-Executive Director</i>

Company Secretary

James Mullins

Registered Office

**Dorcan Way,
Swindon,
SN3 3RA**

Principal Bankers

**Lloyds Bank
10 Gresham Street, London, EC2V 7AE**

Auditors

**UHY Hacker Young Manchester LLP
St James Building, 79 Oxford Street, Manchester, M1 6HT**

Legal Advisors

**King & Spalding International LLP
125 Old Broad Street, London EC2N 1AR**

Sherrards Solicitors

**1-3 Pemberton Row, London, EC4A 3BG
4 Beaconsfield Road, St Albans, Herts. AL1 3RD**



Chief Executive's Report

This was another year filled with further challenges and change related to the ongoing pandemic and Covid-19 lockdowns and restrictions. We have continued to be seriously affected by the virus with Lockdown 2 starting in November 2020 and Tier 4 restrictions during December 2020 in most of our businesses before Lockdown 3 arriving in January 2021 which didn't conclude until March 2021.

Our first responsibility as Directors is the health and well-being of our associates and this has been our number one priority. The pandemic continues to have a major impact on how we operate our businesses and during the various lockdowns we continued to follow our Reset Plan which provided all of our associates with a full and comprehensive guide on how to protect themselves, their families and our guests from the virus. The Reset Plan was regularly updated during the course of the year and sent to our associates personal e-mail as well as work e-mail addresses to make sure there was no confusion on how best to avoid the virus.

The virus continues to have a major impact on the way we live our lives and we recognise the amount of pressure it puts on our associates who are mostly on the front line interacting and serving our guests. I have been truly humbled by the response of our teams and the passion, enthusiasm and dedication to delivering a world class guest experience continues to amaze me on a daily basis.

I personally made sure that I continued to communicate via podcast to every single associate on a weekly basis during the course of the year to make sure they were kept informed of the rapidly changing public health situation and the Group's financial performance to reassure our associates that the Group was weathering the Covid related storm.

I have had to make some difficult decisions to protect the business; we started a rationalisation program during the previous financial year and concluded it during the course of this reporting period. The business is now leaner and more flexible and I think this will be important to assist us with the undoubted challenges that lie ahead.

The year saw us exit some of our franchised outlets with Dees Ford in Wimbledon being sold to Trust Ford, a wholly owned subsidiary of Ford Motor Company, who are also the owner of the Wimbledon site and it made sense for them to operate the location whilst they decide what to do with the very valuable real estate the site occupies. We also exited the Volvo new car franchises in Sussex with closure of Doves Volvo in Croydon, Doves Volvo Horsham joining the Volvo authorised repair network and Doves Gatwick moving forward as a Volvo specialist retailer.

Omni Channel Marketing

During the course of the various lockdowns the Group continued to invest in our Omni Channel marketing strategy which included our "Click and Collect" service to make sure we could fulfil all of our guest enquiries and vehicle collections. Our continued investment in our omni channel marketing led to some really positive uplift in visits and awareness to the Group's two main websites: Motorparks and Grange. Motorparks saw a 10% uplift in comparison to 2019 to 1.8m visits. The Grange website showed enormous growth of 35% v 2019 to 1.6m visits which demonstrates the maturing of our high luxury division and the addition of Grange Aston Martin Edinburgh and Rolls-Royce Motor Cars in Edinburgh.

Web traffic

- Web Traffic Motorparks - 1.8 million browsing sessions / **1.1 million users**
- Web Traffic Grange - 1.6 million browsing sessions / **1.1 million users (increase visitors due to SEO campaign)**
- Web Traffic Combined - 3.4 million browsing sessions / **2.2 million users**
- Website Conversion **12%**

Enquiries – sales

Sales leads totals **75,000** logged

Enquiries – all emails, calls, live chats etc

Emails	72,063
Third-party	100,499
Calltracks	567,717

Chief Executive's Report (continued)

Reputation management

- Google reviews 8,505
- 4.3 Average (moved forward 0.3 during the calendar year) driven by internal Ecrm – CSI strategy

Omni-channel retailing

The Group integrated and evolved its Omni-channel strategy through advanced CRM skills through in-market buyer behaviour, breeding a hunger in the business with many dealers becoming black belt, in turn increasing sales conversion rates and stock turn.

Aftersales

All of our workshops remained open during the reporting period and continued to provide a priority service for all members of our essential services including NHS staff etc.

SOGO Mobility Services

This year saw the launch of our sustainable and ultra-flexible mobility provider SOGO Mobility based at Cranfield Technology Park, Cranfield, Bedfordshire.

We would like to thank BP and their Target Neutral programme for their assistance with their carbon offset scheme which makes the SOGO fleet carbon neutral.

SOGO has been launched to drive the green transition and help to combat climate change. Thankfully, Government legislation has been brought in to make sure all new vehicles supplied from 2035 will have zero carbon emissions. This has led to a once in a century change of power units (PU) away from internal combustion engine (ICE) via petrol hybrid electric vehicles (PHEV) and diesel electrical hybrid vehicles (DHEV) towards a battery electric vehicle (BEV) e-Fuels and hydrogen assisted power units.

SOGO is designed to provide a sustainable flexible leasing solution for all our categories of customers i.e. retail, small and medium enterprises (SME) and large corporates.

The speed of change means that the PU can be outdated in a very short period of time as technology, range capability and vehicle emissions improve. Whilst we are delighted that legislation has been introduced to dramatically reduce vehicle emissions, regrettably public infrastructure and government support appears to be underwhelming and not in line with government policy. The Government again reduced grants in December 2021 for electric vehicles, this leads to further confusion for our customers and their reluctance to fully commit to a battery electric vehicle (BEV) in the short-term.

SOGO's ultra-flexible leasing product means no large upfront rentals, no long-term contract and no early termination fees. SOGO's flexi lease is fully inclusive of road tax, breakdown cover, routine servicing and maintenance and comprehensive insurance can also be provided. SOGO flexi lease has a minimum commitment of one month and a maximum commitment for as long as the customer requires the vehicle. SOGO also has the ability to purchase existing vehicles from our customer base and we are typically seeing higher emitting vehicles being changed.

The old traditional way of purchasing a vehicle on a 36 or 48 month finance, contract hire or leasing agreement is clearly no longer fit for purpose. The speed of technology change means that a vehicle can be outdated literally within months of purchase.

SOGO is a digitised tech driven start-up with no legacy costs, no legacy systems, a sustainable carbon neutral fleet and an ultra-flexible product offering and will not only participate but will drive the green transition.

SOGO has already reached top 50 fleet status in the UK and finished runner-up in the European Mobility Provider of the Year Awards in 2021 to Stellantis corporation.

We believe SOGO will be the market leading mobility MAAS provider in the sector in the UK.

Financial performance

An unprecedented year has seen the Group deliver a strong set of financial results despite the challenge of COVID related economic lockdowns and restricted business activities. The Group increased revenues by 7.5% from £524.0m to £563.1m. The Group increased profit before tax from £10.2m to £21.8m, a 113.7% increase.

These financial statements enjoy the benefit of Local Authority Grants and Furlough support payments to a total of £1.789m. The Group undertook a restructuring process in the previous financial year and this has made the Group leaner and more agile.

Whilst we have seen a reduction on unit sales in both new and used vehicles, the improved margin and retained profit per unit in both new and used vehicle sales has offset the reduction in volume. We have seen an improvement in used car residual values of approximately 32% during this reporting period, literally unheard of in our industry.

The Group continues to manage its cash carefully to ensure that we have adequate liquidity and facilities to cope with any challenges that may appear in the future. At the end of the year the Group had net cash balances of £13.1m

Financial Highlights

Year ended 31 August	2021 £m	2020 £m	Change [*]
Revenue	563.1	524.0	+7.5%
Underlying EBITDA excluding transition to IFRS 16 ^{**}	26.0	16.2	+60.5%
Underlying EBITDA with transition to IFRS 16 ^{**}	28.0	18.8	+48.9%
Underlying operating profit ^{**}	22.9	13.0	+76.2%
Underlying profit before tax ^{**}	21.9	11.1	+97.3%
Underlying profit before tax margin ^{**}	3.88%	2.11%	+177bps
Underlying earnings per share [*]	17.11p	8.99p	+91.1%
Operating profit	22.8	12.0	+90.0%
Profit before tax	21.8	10.2	+113.7%
Dividend per share	-	-	

^{*} These items exclude net non-recurring expense of £0.11m relating to reorganisation costs and acquisition costs (2020:£1m). See note 5

^{**}The adoption of IFRS 16 has an impact on the PBT, Operating Profit and EBITDA calculation as a result of the operating lease expense for rent payable being unwound and replaced with depreciation and finance expense. See note 4.



Strategic report

Corporate Governance

The Group operates a structure of corporate governance including regular meetings of the Main Board, the Operation Board, FCA Compliance Committee and regular branch Health and Safety Meetings. These are designed to provide a framework to enable the Main Board to be kept up to date with all compliance and financial matters and to enable it to make decisions that ensure the long-term success of the business.

Principal Risks and Uncertainties

We have previously flagged the uncertainties which the industry faces, in addition to the macroeconomic factors that all industries need to come to terms with. These include potential interest rate rises, fuel price rises and consumer confidence.

The risks peculiar to our industry include the position of the OEMs regarding franchise representation, the potential move towards an agency model and the impact of electrification of motor vehicles. COVID continues to put enormous pressure on global supply chains and this has led to a major global shortage of semiconductor chips and this is having a major impact on the supply of new vehicles. We believe new vehicle supply constraints could intensify and any further impact from COVID related lockdowns and tiered restrictions will continue to affect supply chains and could have a detrimental impact on the Groups earnings.

Inflation, cost of labour, cost of raw materials and supply chain pressures leave us to believe that the trading environment will remain volatile for the foreseeable future.

The Group believes it has taken the appropriate action by restructuring the business, further investment in digital technology and the closure of some non-core sites. The directors remain confident that the actions taken will mean that the group is in a good position to take advantage of any opportunities that may arise from further COVID related disruption.

Cambria Bidco Ltd Takeover Bid

During the course of the pandemic, it became obvious to me that the LSE (London Stock Exchange) did not understand the value of Cambria Automobiles plc. This led me to consider the future of the company in the public domain.

On June 23rd, the Group communicated with the shareholders to advise them of a bid made by Cambria Bidco Ltd to acquire all the shares not held by Mark and Nicola Lavery for a price of 80.0p per share.

On 13th August, the Company communicated with its shareholders advising them of an improved offer from Cambria Bidco Ltd of 82.5p per share together with an Alternative Offer for those shareholders who wished to remain as investors in the Company.

An independent committee made up of the Board and excluding Mark Lavery was advised by Rothschild and recommended that the independent committee should support the revised bid.

The Board considered that the Group had joined the Alternative Investment Market (AIM) in April 2010 at a price of 50p per share, a market valuation of £50m. A decade later in April 2020 the share price was 33p leaving the Company with a market valuation of £33m

Since the Company joined AIM, it had developed a good business with strong asset backing, had shifted the business towards high luxury brands, adding Bentley, Lamborghini, Rolls-Royce, McLaren and further Aston Martin franchises to the portfolio.

Despite the best efforts of the Directors, the market did not recognise the value being created and this value was not reflected in the share price. The offer price of 82.5p represented a premium of 65% of the weighted average share price over the last 5 years.

The Board concluded that the future of the Company would be best served in the private domain where it could pursue its objectives without the distractions and costs associated with being a public company.

On September 13th, the offer from Cambria Bidco Ltd was declared unconditional.

On 11th October, by special resolution, the Company changed its name to Cambria Automobiles Ltd.

The Group would like to thank the former Directors who served on the Board of Cambria Automobiles plc for their service and contribution towards the Groups development during the time that we were listed on the AIM Market of the LSE. Chairman Phillip Swatman, Finance Director James Mullins and non-executive directors Michael Burt, Paul McGill and William Charnley have all resigned their positions.

Strategic report (continued)

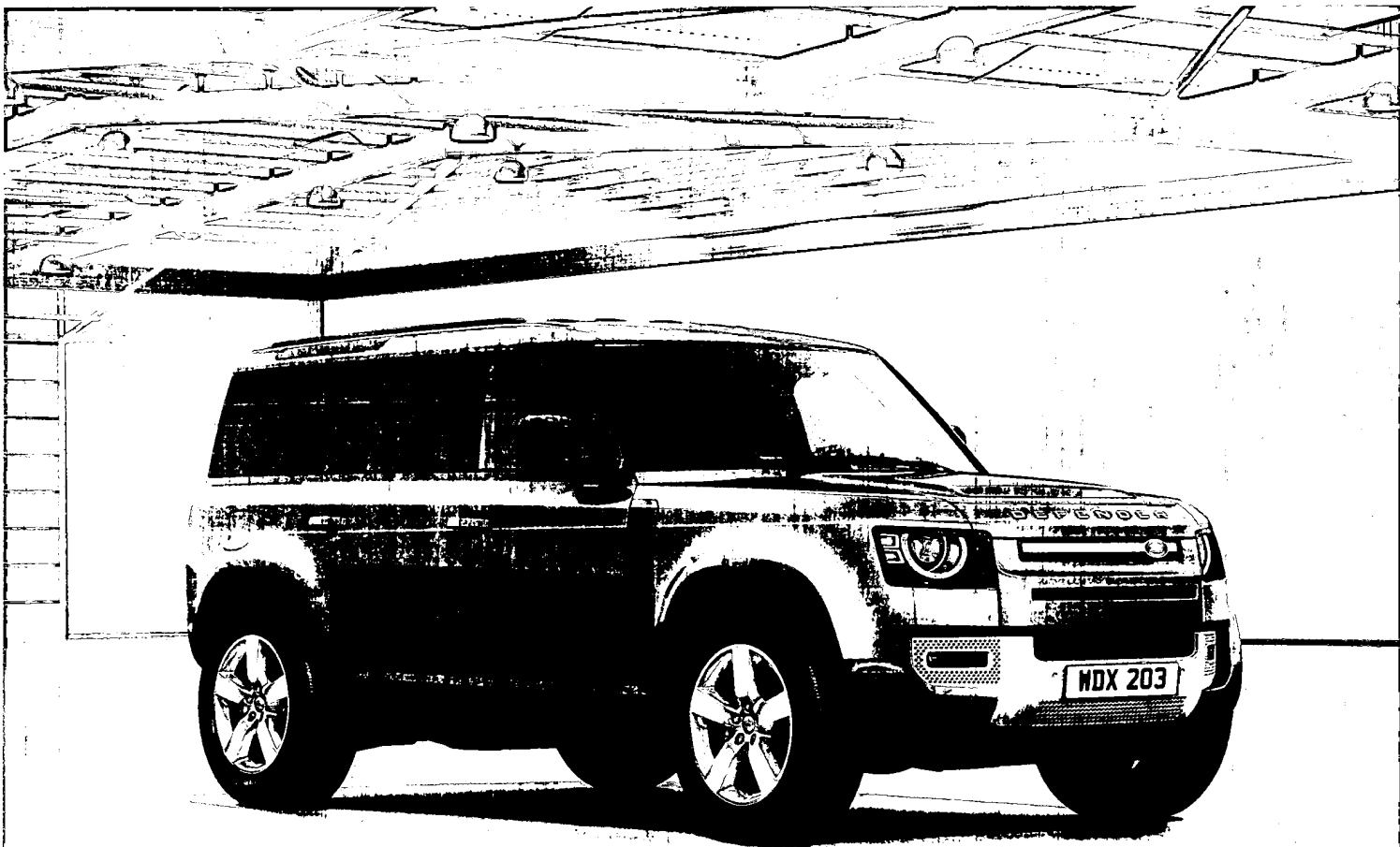
Future Prospects

For over a decade we worked diligently in an attempt to ensure that the value of the company was recognised on the LSE, however this was not to be so. I am delighted that we have taken the step to bring the company back in to private ownership. I believe without the distractions and costs of being a public company, we can concentrate on growing and realising the company's potential.

There will be no change in our prudent and strong approach to deployment of capital. Our track record over our first 15 years of trading should give confidence to all of our Associates, Guests, Brands and Stakeholders that the Group has a strong and exciting future ahead of it.

Associates/Management

The unprecedented challenges that the COVID-19 virus has afforded our Associates and Management cannot be underestimated with the numerous lockdowns, tier 4 restrictions and multiple Associates being affected by the Track and Trace programme which has led to staff shortages. Despite our best efforts, the number of COVID positive Associates and Management within the business put further pressure on those remaining associates. The application, diligence and flexibility of the Associates and Management has been incredible. It is only with these extraordinary efforts that the Group has produced this strong set of trading results.



Strategic report (continued)

s172 Statement - Director's statement in performance of their statutory duties in accordance with s172(1) Companies Act 2006

During the year ended 31 August 2021 the Board of Directors of Cambria Automobiles Limited consider, that they have acted in a way that would be most likely to promote the success of the company for the benefit of its members (having regard to the stakeholders and the matters set out in s172(1)(a)-(f) of the Companies Act 2006).

The company has always employed a Four Pillar strategy to engagement with key stakeholders being our Associates, Guests, Manufacturer Brand Partners and other key stakeholders including Banking partners, Finance Houses, Suppliers and Regulators etc.

The aim of the strategy is to ensure the long-term success of the company in delivering a high-quality service across all of its business units.

Pillar One - Associate delight

The Directors believe that Associates are the Company's most important asset and therefore members of the team are not referred to as members of staff or employees, but rather as "Associates". The Directors want all Associates to be proud to be associated with the Group and to be given the autonomy to make decisions that affect the running of "their" business. The Directors promote internal development and foster a culture whereby Associates feel they can achieve their career aspirations with Cambria. Equally, Cambria invests in its Associates in order for them to achieve their full potential within the Group.

We aim to be a responsible employer in our approach to pay and benefits of our Associates. The health and safety of Associates is a primary consideration in the day-to-day operation of the business.

Pillar Two - Guest delight

Cambria Associates are encouraged to treat all customers at all times, in the way that they would treat a guest visiting their own home. The Directors believe that Associate empowerment is key to achieving this goal and the Directors believe that the organisation must be transparent and open at all times generating empathy with the diverse guest base of the Group.

Pillar Three - Brand delight

The Group's goal is to become the retailer of choice for all of the automotive manufacturers that it represents. This pillar focuses on achieving the following goals with our suppliers:

- brand vehicle sales objectives
- brand part sales objectives
- top half placing in brand customer satisfaction surveys
- the development of a trusting relationship with brand personnel from the manufacturer partners
- long term relationships and appropriate payment practices

Pillar Four - Stakeholder delight

The Group aims to provide long-term satisfaction to its Stakeholders and to treat them fairly and equally. It seeks to achieve this through:

- a clear strategy and disciplined approach to capital management
- disclosing timely and accurate information providing Stakeholders with a detailed understanding of business performance; and
- communicating openly and transparently.

The plan takes into consideration the impact of the Groups operations on the community and the environment and its wider social responsibilities and in particular how it complies with environmental legislation.

The Board behaves responsibly operating with high standards of business conduct and good governance expected of a business such as Cambria.

Strategic report (continued)

Primary Risks

The primary risk to the Group continues to be the volatility of the new and used car market together with the changes made by our brand partners on pricing, margin structures and potential agency model.

The impact of COVID continues and it is impossible to gauge how long the economic and social impact of COVID will remain.

The Group uses a variety of financial instruments to provide working capital for all the Group's trading operations. These include cash, stock funding and bank borrowings.

The Directors are of the opinion that the main risks arising from these financial instruments are interest rate risk, liquidity risk, price risk and credit risk. The Directors have set, and regularly review the policies for managing each of these risks and these are summarised below. These policies have been constant over previous years.

Interest rate risk

The Group finances its operations through a combination of bank funding and shareholders' funds. The interest rate on bank funding is variable with the base rate. Bank of England increased base rates by 0.15% on December 16; we believe there will be further interest rate rises in due course.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The funding for significant new ventures is secured before commitments are made. Cash flows are monitored on a monthly basis.

Price risk

The principal price risks arise from vehicle stocks which are either inappropriate for resale, or are bought at too high a price, relative to a fast-moving marketplace. The Group's purchasing staff are trained and developed to be aware of the current marketplace. They are also provided with all the latest available market data. The managers of each business unit consider their stock books and purchasing patterns on a very regular basis, with a higher level of review by the Directors.

Credit risk

The principal credit risk arises from trade debtors. In order to manage credit risk, the Directors set limits for customers and ensure a regular review is made of trade debtors outstanding. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

All potential areas of financial risk are monitored regularly and reviewed by the Directors and local management. Any preventative or corrective measures are taken as necessary.

Associate involvement

During the year, the policy of providing Associates with information about the Group has been continued through internal media methods in which Associates have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and Associates to allow a free flow of information and ideas.

Through implementing tight controls and building a strong operational Group infrastructure, the Directors believe they are taking all possible steps to protect the business.

By order of the board.



M J J Lavery
Chief Executive Officer
Date: 17 January 2022

Dorcan Way, Swindon, SN3 3RA

Strategic report (continued)

The Directors present their Directors' report and financial statements for the year ended 31 August 2021.

Principal activities

Cambria's principal activities are the sale and servicing of motor vehicles and the provision of ancillary services.

Proposed dividend

The Directors do not recommend the payment of a final dividend for 2021 (2020: £Nil).

Directors

The Directors who held office during the year were as follows:

P H Swatman	(resigned 1 December 2021)
M J Lavery	
M W Burt	(resigned 3 November 2021)
J A Mullins	(resigned 3 November 2021)
T A Duckers	
P McGill	(resigned 1 December 2021)
W F Charnley	(resigned 3 November 2021)

All directors benefited from qualifying third party indemnity provisions in place during the financial period.

Associates

The Group recognises the benefit of keeping Associates informed of group affairs and the views of Associates are given full consideration at regular meetings with their representatives.

Full and fair consideration is given to the employment of disabled persons, who are treated no differently from other Associates as regards recruiting, training, career development and promotion opportunities. For people who may become disabled, in the course of employment, the Group will make every effort to accommodate them in suitable alternative employment.

Political and charitable contributions

During the year, the Group made charitable donations of £nil

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year (2020: £nil).

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of UHY Hacker Young Manchester LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Strategic report (continued)

Streamlined Energy and Carbon reporting

In accordance with the Companies (Directors' Report) Regulations 2018, Cambria Automobiles Limited has prepared the following energy and carbon declaration. The data has been reported for all entities which operate under Cambria Automobiles Limited without exclusion.

Cambria Automobiles Limited is not responsible for any energy consumption or emissions outside of the UK. This declaration therefore relates to both UK and Global energy use, i.e. 100% of Global energy use and emissions relate to the UK and offshore area.

UK Greenhouse gas emissions and energy use data for the period 1st September 2020 to 31st August 2021		
	2021	2020
Energy consumption used to calculate emissions (kWh)	13,910,254	13,074,024
Energy consumption break down (kWh):		
Natural gas	4,769,482	4,518,176
Electricity	5,676,509	5,465,043
Transport fuel	3,383,906	3,090,805
Additional heating fuels	80,364	-
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	874	830
Transport fuel	785	738
HVAC fugitive emissions	98	98
Additional heating fuels	20	-
Total Scope 1	1,776	1,666
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	1,205	1,274
Total gross emissions in metric tonnes CO ₂ e	2,982	2,940
Intensity ratio Tonnes CO ₂ e per £million(revenue)	5.30	5.57

Methodology used in the calculation of disclosures

The following standards are used in the calculation of the above disclosures:

- 2019 HM Government Environmental Reporting Guidelines
- GHG Reporting Protocol – Corporate Standard
- 2021 UK Government's Conversion Factors for Company Reporting

Some data estimation was undertaken in calculation of HVAC fugitive emissions. This estimation was based extrapolation of site audit information gathered as part of ESOS phase 2.

Energy efficiency action

The Group has worked throughout the year to provide up to date data on our carbon footprint and to assess our performance over the year. This includes data collection from our energy invoices, supplier statements and fuel card data.

During the year EV charging points were installed at 7 sites, resulting in a total of 24 charging points and LED lighting installed at 3 sites.

By order of the Board



M J J Lavery
Chief Executive Officer
Date: 17 January 2022

Dorcan Way, Swindon, SN3 3RA

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and Parent Company financial statements for each financial year. As required by the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements and Operating and Financial Review in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the UK
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



Independent auditor's report to the members of Cambria Automobiles Limited (formerly Cambria Automobiles Plc)

Our opinion is unmodified

We have audited the financial statements of Cambria Automobiles Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 August 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, consolidated cash-flow statement, company balance sheet, the company statement of changes in equity and the related notes including the accounting policies in note 1. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 August 2021 and of the Group's profit for the year then ended.
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards.
- the Parent Company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent 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.

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

Independent auditor's report to the members of Cambria Automobiles Limited (formerly Cambria Automobiles Plc) (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 auditor's 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.

Independent auditor's report to the members of Cambria Automobiles Limited (formerly Cambria Automobiles Plc) (continued)

Extent to which the audit was considered capable of detecting irregularities including fraud

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.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance.
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance.
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed around the audit engagement team and involving the relevant internal specialists, including tax and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of used vehicle stocks; and recognition of supplier incentives. In common with all audits under ISA's (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the Group operates in, focussing on provisions of those laws and regulations that had a direct effect in the determination of material amounts and disclosures in the financial statements. The key laws and regulations considered in this context included UK Companies Act and tax legislation.

In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid material penalty. These included the Group's FCA regulatory requirements.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- enquiring of management and those charged with governance concerning actual and potential litigation claims.
- in addressing the risk of fraud through inappropriate valuation of used vehicle inventory, assessing net realisable value of stock items sold after the year end was above cost or assessing their value with reference to third party data sources if unsold.
- in addressing the risk of fraud through inappropriate recording of supplier incentives, ensuring amounts recorded as due were then subsequently acknowledged as such by the supplier.
- in assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries, and assessing whether judgements made in making accounting estimates are indicative of potential bias.

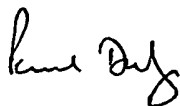
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement 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 Financial Reporting Council's website at: www.frc.org.uk/auditresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Cambria Automobiles Limited
(formerly Cambria Automobiles Plc) (continued)

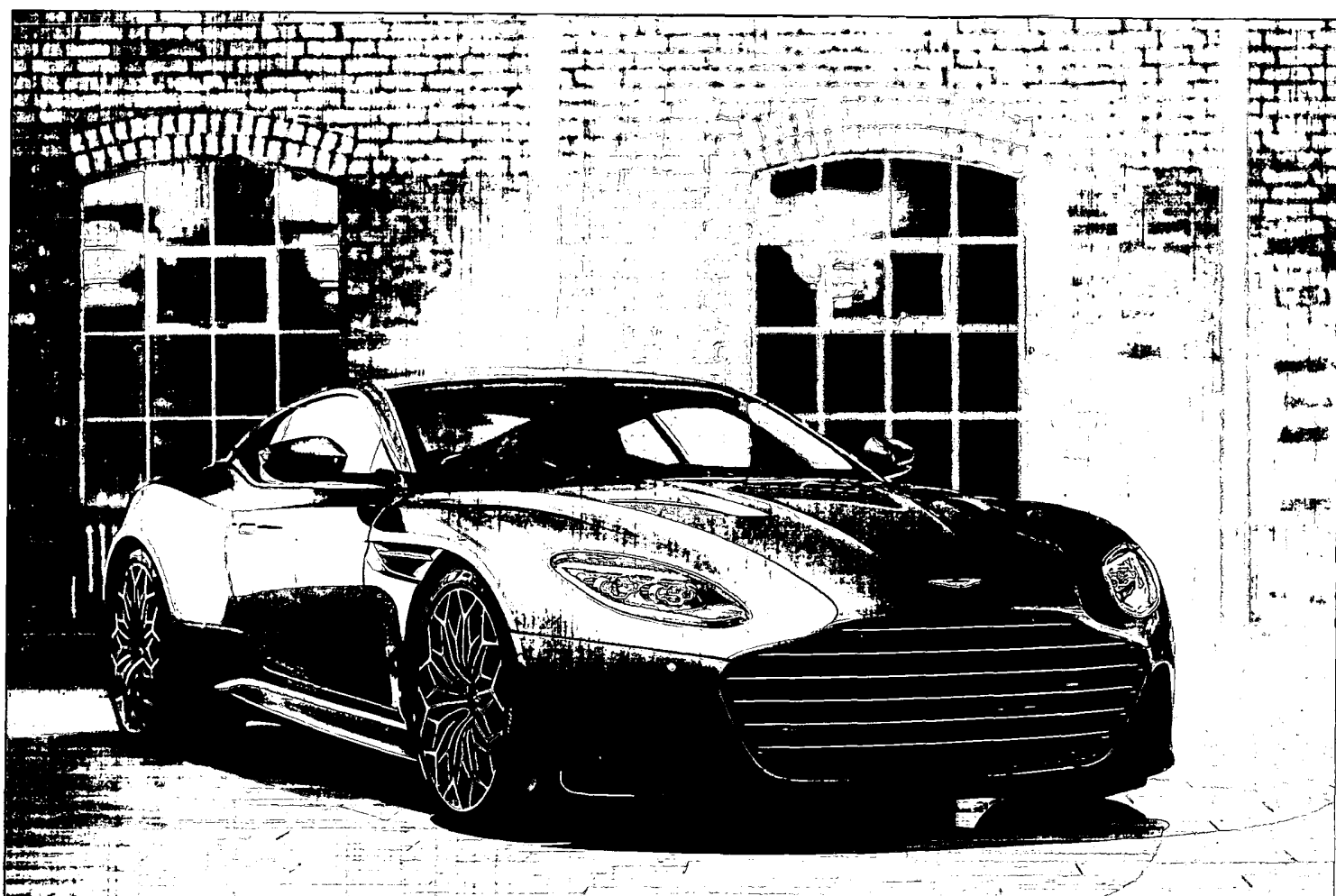
The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



17 January 2022

Paul Daly BEng FCA (Senior Statutory Auditor)
for and on behalf of **UHY Hacker Young Manchester LLP, Statutory Auditor**
Chartered Accountants
St James Building, 79 Oxford Street, Manchester M1 6HT



Consolidated statement of comprehensive income
for year ended 31 August 2021

	Note	2021	2020
		£000	£000
Revenue	3	563,109	524,016
Cost of sales		(491,049)	(460,932)
Gross profit	4	72,060	63,084
Administrative expenses		(49,230)	(51,039)
Results from operating activities	4	22,830	12,045
Finance income	8	19	51
Finance expenses	8	(1,097)	(1,911)
Net finance expenses		(1,078)	(1,860)
Profit before tax from operations before non-recurring (expense) / income		21,864	11,143
Net non-recurring income and expenses	5	(112)	(958)
Profit before tax	4	21,752	10,185
Taxation	9	(4,756)	(1,969)
Profit and total comprehensive income for the period		16,996	8,216

All comprehensive income is attributable to owners of the Parent Company.



Consolidated statement of changes in equity
for year ended 31 August 2021

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
Balance at 31 August 2019	10,000	799	54,781	66,580
Impact of adoption of IFRS 16	-	-	(1,218)	(1,218)
Balance at 31 August 2019 - restated	10,000	799	53,563	64,362
Profit for the year	-	-	8,216	8,216
Dividend paid	-	-	(850)	(850)
Balance at 31 August 2020	10,000	799	60,929	71,728
Profit for the year	-	-	16,996	16,996
Acquisition of non-controlling interest	-	-	(296)	(296)
Balance at 31 August 2021	10,000	799	77,629	88,428



Consolidated statement of financial position
at 31 August 2021

	Note	2021	2020
		£000	£000
Non-current assets			
Property, plant and equipment	10	87,584	86,943
Intangible assets	11	21,451	21,527
Right-of-use asset	20	4,197	6,509
Finance lease receivables	20	191	118
		<u>113,423</u>	<u>115,097</u>
Current assets			
Inventories	13	82,772	83,588
Trade and other receivables	14	8,289	9,085
Finance lease receivables	20	278	68
Cash and cash equivalents	15	13,126	5,645
Property assets classified as held for resale	16	-	899
		<u>104,465</u>	<u>99,285</u>
Total assets		<u>217,888</u>	<u>214,382</u>
Current liabilities			
Trade and other payables	18	(117,927)	(126,546)
Lease liabilities	20	(2,006)	(2,496)
Contract liabilities	19	(2,410)	(1,604)
Current tax liability		(921)	(1,271)
Provisions	23	-	(236)
		<u>(123,264)</u>	<u>(132,153)</u>
Non-current liabilities			
Borrowings	17	-	(2,122)
Lease liabilities	20	(4,256)	(6,303)
Contract liabilities	19	(1,387)	(1,641)
Deferred tax liabilities	12	(553)	(435)
		<u>(6,196)</u>	<u>(10,501)</u>
Total liabilities		<u>(129,460)</u>	<u>(142,654)</u>
Net assets		<u>88,428</u>	<u>71,728</u>
Equity attributable to equity holders of the parent			
Share capital	24	10,000	10,000
Share premium		799	799
Retained earnings		77,629	60,929
Shareholders' equity		<u>88,428</u>	<u>71,728</u>

These financial statements were approved for issue by the Board of directors on 17 January 2022 and were signed on its behalf by:



M J J Lavery
Director

Company registered number: 05754547

Consolidated cash flow statement
for year ended 31 August 2021

	Notes	2021	2020
		£000	£000
Cash flows from operating activities			
Profit for the year		16,996	8,216
Adjustments for:			
Depreciation, amortisation and impairment	10/11/20	5,098	5,779
Financial income	8	(19)	(51)
Financial expense	8	1,097	1,911
Profit on disposal of fixed assets		(3)	-
Taxation	9	4,756	1,969
Non-recurring expenses	5	112	958
		<u>28,037</u>	<u>18,782</u>
Change in trade and other receivables		975	2,846
Change in inventories		816	29,216
Change in payables, deferred income and provisions		(8,186)	(30,191)
		<u>21,642</u>	<u>20,653</u>
Interest paid		(813)	(1,303)
Tax paid		(5,106)	(1,994)
Non-recurring expenses paid		(251)	(962)
		<u>15,472</u>	<u>16,394</u>
Net cash from operating activities			
Cash flows from investing activities			
Interest received		19	51
Proceeds from sale of plant and equipment		1,044	31
Purchase of property, plant and equipment and software		(4,079)	(3,668)
Acquisition of subsidiary (net of cash acquired)		-	(56)
Acquisition of business (net of cash acquired)		-	(1,671)
		<u>(3,016)</u>	<u>(5,313)</u>
Net cash from investing activities			
Cash flows from financing activities			
Proceeds from new loan		37,878	-
Interest paid		(283)	(608)
Repayment of borrowings		(40,000)	(27,966)
Lease payments	20	(2,274)	(2,311)
Acquisition of non-controlling interest		(296)	-
Dividends	24	-	(850)
		<u>(4,975)</u>	<u>(31,735)</u>
Net cash from financing activities			
Net increase/(decrease) in cash and cash equivalents		7,481	(20,654)
Cash and cash equivalents at 1 September 2020	15	5,645	26,299
		<u>13,126</u>	<u>5,645</u>
Cash and cash equivalents at 31 August 2021	15	13,126	5,645

Notes to the consolidated accounts

(forming part of the financial statements)

1 Accounting policies

Cambria Automobiles Limited is a private company, limited by shares and registered in England and Wales. The company relinquished its quotation on the AIM Market of the London Stock Exchange plc as of 13 October 2021. The address of the registered office is Swindon Motor Park, Dorcan Way, Swindon, SN3 3RA. The registered number of the Company is 05754547.

These financial statements as at 31 August 2021 consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the UK ("IFRS"). The Company has elected to prepare its Parent Company financial statements in accordance with FRS101; and these are presented on pages 59-67.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Basis of preparation

The financial statements are prepared under the historical cost convention.

Going concern

The Directors believe that the Group is well placed to manage the economic uncertainties despite the challenges facing the industry. The Group has produced record pre-tax profits of £21.8m for the year to 31 August 2021 despite the lockdown imposed in November 2020 to April 2021.

At the balance sheet date, the Group had no bank borrowing from the RCF facility and had a net cash position of £13.1m. The Directors have a reasonable expectation that the Group has adequate resources, given the cash position at year end, the banking facilities available and the trading performance, and that it will continue in operational existence for the foreseeable future.

Therefore, they continue to adopt the going concern basis in preparing the annual financial statements.



Notes to the consolidated accounts (continued)

Basis of consolidation

The financial statements consolidate the financial statements of the Company together with its subsidiary companies.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when it is exposed to, or has right to, variable returns from its investment within the entity and has the ability to affect these returns through its power over the entity. The financial information of subsidiaries is included from the date that control commences until the date that control ceases.

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

All revenue generated and non-current assets held are attributable to UK operations only.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership have been transferred to the buyer. In general, this occurs when vehicles or parts are delivered to the customer and title has passed. Manufacturer incentives are recognised as revenue when earned and in the case of purchasing incentives when the sale of the associated vehicle is recognised as revenue. Servicing and Bodyshop sales, including warranty work, are recognised on completion of the agreed work. Finance commission revenue is recognised as the related vehicles are sold. Manufacturer incentives are recognised within revenue.

Where the Group receives consideration for a sale in advance of the performance obligations being satisfied, the amount is deferred on the balance sheet within contract liabilities and released to Statement of Comprehensive Income in accordance with the relevant recognition policy. No adjustment has been required in respect of contract liabilities.

Notes to the consolidated accounts (continued)

1 Accounting policies (continued)

Deposits and advances received from customers

Deposits received from customers prior to the completion of a sale (delivery of vehicle) are included in the accounts as payables falling due within one year to the extent that they represent a refundable amount to the customer.

Warranty obligations

The Group sells extended warranties and maintenance plans. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Financing income and expenses

Financing expenses comprise interest payable, interest on lease liabilities, stocking interest charge on consignment and used vehicles and finance leases. Financing income comprises interest receivable on funds invested and interest credits received from manufacturers on stock management.

Borrowing costs are recognised in the period in which they are incurred.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Operating profit

Operating profit relates to profit before finance income, finance expense and income tax expense.

Intangible assets

Goodwill

Goodwill represents the excess between the cost of an acquisition of a subsidiary or acquired business compared to the net fair value of the identifiable assets, liabilities and contingent liabilities, and recognition of identifiable intangibles at the date of acquisition. Identifiable intangibles are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units of the acquiree which represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is not amortised but is tested annually for impairment. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each year. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	3 – 5 years
-------------------	-------------

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. The estimated useful lives are as follows:

- | | |
|-------------------------|--|
| • freehold buildings | 50 years |
| • leasehold properties | over the lifetime of the asset or the lifetime of the lease as appropriate |
| • plant and machinery | 5 to 10 years |
| • fixtures and fittings | 5 to 10 years |
| • computer equipment | 3 to 5 years |

Depreciation methods, useful lives, residual values and possible impairments have been reviewed at the year-end. As a result of this review, no impairment charge has been deemed necessary for the period.

Impairment of assets excluding inventories

The carrying amounts of the Group's assets, are reviewed at each year end to determine whether there is any indication of impairment; an asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year end.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Reversals of impairment

An impairment loss in respect of trade and other receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill is not reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1 Accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount paid and payable to date for each vehicle is used net of appropriate manufacturer incentives, for spare parts and service items cost is based on the first-in first-out principle. An appropriate provision is made for obsolete or slow-moving items.

New vehicles on consignment from manufacturers are included in the Statement of Financial Position with a corresponding liability in creditors due within one year. This stock is considered to be under the control of the Group as it is considered that the Group bears all the risks and rewards or ownership, even though legal title has not yet passed.

Consignment stock is held for a maximum period (which varies between manufacturers) before becoming due for payment. Part of the consignment period is interest free and the remaining periods are interest bearing (periods and charges vary between manufacturers but interest is generally linked to LIBOR).

Used motor vehicles are stated at the lower of cost or net realisable value, by reference to Glass's Guide or CAP data.

Demonstrator vehicles are held within inventories at the lower of cost and net realisable value.

Vehicle funding and stocking loans form part of the Group's working capital and are recognised at the fair value of the amount due to the facility provider.

Non-current assets held for sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Financial Instruments

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in the historical financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Notes to the consolidated accounts (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

The Group recognises an allowance for expected credit losses for all receivables based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive.

The Group applies a simplified approach in calculating expected credit losses and does not track credit risk, but instead recognises a loss allowance based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on 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 goodwill; the initial recognition of 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 will probably not 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 temporary difference can be utilised.

1 Accounting policies (continued)

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense as incurred.

Share Based Payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value so determined has been expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a Black-Scholes-Merton option pricing model. The key assumptions used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Company took advantage of the option available in IFRS 1 to apply IFRS 2 only to equity instruments that were granted after 7 November 2002 and that had not vested by 1 September 2014.

Leasing

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where an asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs, less any lease incentives received. Estimates of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located are taken to the statement of comprehensive income when the likelihood of crystallisation is deemed to be probable.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, or for leases of low-value assets. The payments associated with these leases are recognised in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

In respect of sub leases, where the Group is an intermediate lessor, the head lease and the sub-lease are accounted for as separate contracts and the sub-lease is classified as a finance lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Groups net investment in the leases. Finance lease income is recognised in accounting periods so as to reflect a constant periodic rate of return on the Groups net investment outstanding in respect of the lease.

When the company acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the company applies IFRS 15 to allocate the consideration in the contract.

Notes to the consolidated accounts (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit and loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Group with no future related costs are recognised in the profit and loss in the period in which they become receivable.

Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation.

International Financial Reporting Standards

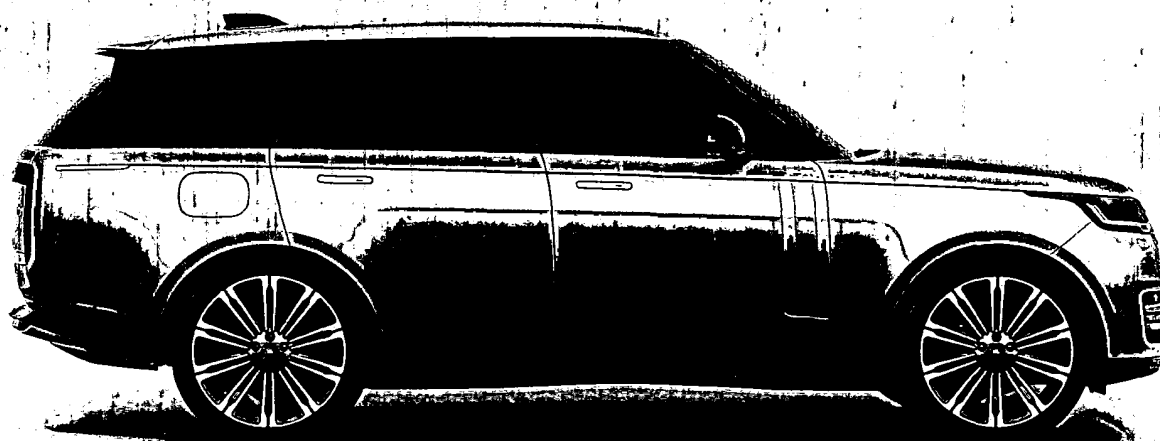
Financial Reporting Interpretations Committee (IFRIC), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on the consolidated results or financial position:

- IFRS 16 – Leases (Amendments) – Covid-19 related lease concessions

The IASB and the IFRIC have also issued the following standards and interpretations with an effective date after the date of these Financial Statements and which therefore have not been applied in the current period. No significant impact is anticipated from the introduction of these standards in future periods:

New standards and interpretations not yet effective:

- IFRS 17 - Insurance contracts
- IAS 1 – Presentation of financial statements (Amendments) – Classification of liabilities as current and non-current
- Amendments to references to the conceptual Framework in IFRS Standards
- Annual Improvements to IFRSs 2018-2020 Cycle.
- IFRS 16 – Leases (Amendments) – Interest rate benchmark reform
- IAS 12 – Taxation (Amendments) – Deferred tax relating to asset and liabilities from a single transaction
- IAS 16 – Property, Plant and equipment (Amendments) – Proceeds before intended use
- IAS 37 – Provisions, contingent liabilities and contingent assets (Amendments) – Onerous contracts



2 Critical accounting estimates and judgements in applying the Group's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Certain critical accounting estimates made in applying the Group's accounting policies are described below:

Intangible assets

On Business combinations the Directors consider separately identifiable intangible assets that are pertinent to the motor business. This includes consideration of franchise rights, brand, and other intangible assets.

Useful life of intangibles, property, plant and equipment

The Group estimates the useful life and residual values of intangible assets, property, plant and equipment and reviews these estimates at each financial year end.

Used vehicle stock

Used vehicle stock is depreciating stock making estimated stock values uncertain. Management review the values of stock on a regular basis against trade valuations (Glass's Guide or CAP data) and valuation adjustments are made for possible over-valuations.

Certain critical judgements made in applying the Group's accounting policies are described below:

Goodwill and property portfolio impairment

The carrying values of goodwill and property are tested annually for impairment, for goodwill by using cash flow projections for each cash generating unit, and for property by comparing the carrying value to the higher of value in use or market value.

Revenue recognition

The Group receives manufacturer incentives and recognises as revenue when it is earned. In respect of vehicle specific manufacturers incentives, these are recognised when the associated vehicle sale is recognised as revenue. In the case of non-vehicle related manufacturer incentives, these are recognised in the Statement of Comprehensive Income when the manufacturer criteria have been achieved and the value can be reliably measured. Manufacturer incentives are included in revenue on the Statement of Comprehensive Income rather the deducted from the cost of vehicles and judgement is applied in the timing and nature of the income.

The Group sells repair and maintenance products to customers where the service provision obligations last for the duration of the product which can be in excess of a year. The revenue relating to these products is recognised in distinct elements which are; commission at the point of sale and deferred revenue on a straight-line basis over the duration of the contract obligation. The deferred revenue is split between administrative obligations and contract obligations to repair and maintain the vehicles in line with the terms of the products sold. The deferred revenue for administrative obligations is released to the profit and loss account on a straight-line basis over the duration of the policies. The revenue to meet repairing obligations has an equivalent cost of sale at the point of recognition and an annual reconciliation of the repair fund is undertaken to recognise any surplus profit or loss arising from the management of the repair fund obligations.

Consignment stock

Consignment stock from manufacturers is included in inventories with a corresponding liability in trade payables even though legal title to the vehicles may not have passed at that point. Judgement is required as to whether the vehicles are considered to be under the control of the Group and this is judged to occur when the Group bears the significant risks and rewards of ownership. The amount of consignment stock at the year-end is disclosed separately within note 13.

Non-recurring income and expenses

Non-recurring income and expenses are items which derive from events or transactions that are outside the normal course of business, and do not directly relate to the on-going operations, therefore have been separately disclosed in order for the financial statements to present a true and fair view.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Notes to the consolidated accounts (continued)

3 Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 4). Set out below is the disaggregation of the Groups revenue from contracts with customers:

	2021	2020
	£000	£000
Sale of new cars	226,022	218,280
Sale of used cars	280,412	252,239
Mobility services	1,135	-
Aftersales services	67,121	65,650
Internal sales	(11,581)	(12,153)
Total revenues	563,109	524,016

Timing of revenue recognition

The Group recognises all income at a point in time when the performance obligations are satisfied and has not identified any significant income recognised over time or received in advance of performance obligations.

	2021	2020
	£000	£000
Goods and services transferred at a point in time	560,137	522,246
Goods and services transferred over time	2,972	1,770
Total revenues	563,109	524,016

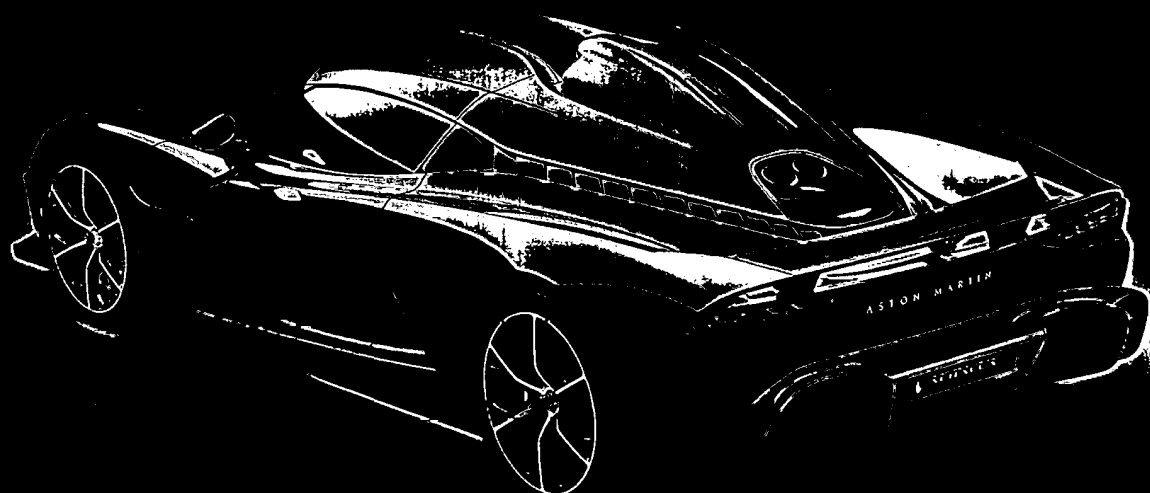


4 Segmental reporting

The Group has adopted IFRS 8 'Operating Segments' which determines and presents operating segments based on information presented to the Group's Chief Operating Decision Maker ("CODM"), the Chief Executive Officer. The Group is operated and managed on a Dealership by Dealership basis. Dealerships operate a number of different business streams such as new vehicle sales, used vehicle sales and after sales operations. Management is organised based on the dealership operations as a whole rather than the specific business streams. Dealerships are considered to have similar economic characteristics and offer similar products and services which appeal to a similar customer base. As such the results of each dealership have been aggregated to form one reportable operating segment.

All segment revenue, profit before tax, assets and liabilities are attributable to the principal activity of the Group being the provision of car vehicle sales, vehicle servicing and related services. Therefore, to increase transparency, the Group has included below additional voluntary disclosure analysing revenue and gross margins within the reportable segment.

	2021 Revenue	2021 Revenue mix	2021 Gross Profit	2021 Margin	2020 Revenue	2020 Revenue mix	2020 Gross Profit	2020 Margin
	£m	%	£m	%	£m	%	£m	%
New Car	226.0	40.2	18.3	8.1	218.3	41.7	15.7	7.2
Used Car	280.4	49.8	24.2	8.6	252.2	48.1	21.4	8.5
Mobility	1.2	0.2	0.1	6.8	-	-	-	-
Aftersales	67.1	11.9	29.5	44.0	65.6	12.5	26.0	39.6
Internal sales	(11.6)	(2.1)	-	-	(12.1)	(2.3)	-	-
Total	563.1	100.0	72.1	12.8	524.0	100.0	63.1	12.0
Administrative expenses			(49.2)				(50.1)	
Operating profit before non-recurring expenses			22.9				13.0	
Non-recurring expenses			(0.1)				(1.0)	
Operating profit			22.8				12.0	



Notes to the consolidated accounts (continued)

4 Segmental reporting (continued)

The CODM reviews the performance of the business in terms of both net profit before tax and EBITDA, as such the following table shows a reconciliation of the Profit before tax to EBITDA

	2021	2020
	£000	£000
Profit Before Tax	21,752	10,185
Non-recurring expenses (note 5)	112	958
Underlying Profit Before Tax	21,864	11,143
Net finance expense	842	1,544
Net finance expense IFRS 16	236	316
Depreciation and amortisation	3,312	3,713
Depreciation – Right of use asset	1,786	2,066
Underlying EBITDA	28,040	18,782
Non-recurring expenses	(112)	(958)
EBITDA	27,928	17,824

5 Non-recurring expense/ (income)

Non-recurring income and expenses are items which derive from events or transactions that are outside the normal course of business, and do not directly relate to the on-going operations, therefore have been separately disclosed in order for the financial statements to present a true and fair view.

	2021	2020
	£000	£000
Loss on disposal of property held for re-sale	(48)	-
Site closures costs	105	(12)
Acquisition costs	-	(138)
Reorganisation costs	(356)	(812)
Profit on disposal of fixed assets	187	4
	(112)	(958)

During the year the Group received a bid for the share capital of the Group. The one-off costs incurred in the period for professional fees and legal advice evaluating the offer and communicating with shareholders amounted to £490,000.

Notes to the consolidated accounts (continued)

6 Income, expenses and auditor's remuneration

The result from operating activities is stated after charging the following:

	2021	2020
	£000	£000
Government grant income	1,789	4,088
Impairment loss recognised on other trade receivables and prepayments (note 25(b))	(549)	(106)

Auditor's remuneration:

	2021	2020
	£000	£000
Current auditor		
Audit of these financial statements	25	25
Audit of financial statements of subsidiaries pursuant to legislation	96	90
Other services relating to taxation	25	25
All other services	10	10

7 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Sales	199	307
Service	252	397
Parts	51	73
Administration	154	237
	656	1,014

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£000	£000
Wages and salaries	27,042	32,429
Social security costs	2,890	3,198
Expenses related to defined contribution plans	432	550
Share based payments expense	35	19
	30,399	36,196

The Wages and salaries analysis is stated without deduction of the Government Grant of £0.9m (2020 - £4.1m).

Notes to the consolidated accounts (continued)

8 Finance income and expense

Recognised in the income statement

	2021	2020
	£000	£000
Finance income		
Interest receivable	2	43
Interest on finance leases receivable	17	8
Total finance income	19	51
Finance expense		
Interest payable on bank borrowings	284	608
Interest on lease liabilities	253	324
Consignment and vehicle stocking interest	560	979
Total finance expense	1,097	1,911
Total interest expense on financial liabilities held at amortised cost	537	932
Total other interest expense	560	979
	1,097	1,911

9 Taxation

Recognised in the income statement

	2021	2020
	£000	£000
Current tax expense		
Current year	4,504	1,777
Adjustment in respect of prior years	134	(55)
	4,638	1,722
Deferred tax		
Adjustment in respect of prior years	104	(31)
Origination and reversal of temporary differences	14	278
	118	247
Total tax expense	4,756	1,969

Notes to the consolidated accounts (continued)

9 Taxation (continued)

Reconciliation of total tax

	2021	2020
	£000	£000
Profit for the year	16,996	8,216
Total tax expense	4,756	1,969
Profit excluding taxation	21,752	10,185
Tax using the UK corporation tax rate of 19% (2020: 19%)	4,132	1,935
Non-deductible expenses	127	9
Accounting depreciation for which no tax relief is due	152	99
Tax losses brought forward utilised	(58)	(18)
IFRS16 depreciation	(412)	-
Change in tax rate	146	32
On capital disposals	-	-
Prior year movements	238	(86)
Other differences	19	(2)
Total tax expense	4,756	1,969

The applicable tax rate for the current year is 19% (2020: 19%).

An increase to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.



Notes to the consolidated accounts (continued)

10 Property, plant and equipment

	Freehold land & buildings	Assets under construction	Short leasehold improvements	Plant & equipment	Fixtures, fittings & computer equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
Balance at 1 September 2019	84,137	194	1,544	5,293	11,603	102,771
Additions	2,613	-	38	230	707	3,588
On acquisition	1,580	-	-	70	-	1,650
Disposals	-	-	-	(117)	(452)	(569)
Balance at 1 September 2020	88,330	194	1,582	5,476	11,858	107,440
Additions	3,031	377	361	358	401	4,528
Disposals	(931)	(6)	(613)	(494)	(1,394)	(3,432)
Balance at 31 August 2021	90,430	565	1,330	5,340	10,865	108,530
Depreciation						
Balance at 1 September 2019	6,869	-	1,527	2,649	6,390	17,435
Charge for the year	1,303	-	29	662	1,610	3,604
Disposals	-	-	-	(91)	(451)	(542)
Balance at 1 September 2020	8,172	-	1,556	3,220	7,549	20,497
Charge for the year	1,308	-	123	620	1,190	3,241
Disposals	(364)	-	(612)	(470)	(1,346)	(2,792)
Balance at 31 August 2021	9,116	-	1,067	3,370	7,393	20,946
Net book value						
At 31 August 2020	80,158	194	26	2,256	4,309	86,943
At 31 August 2021	81,314	565	263	1,970	3,472	87,584

As at 31 August 2021 the Group is developing planning applications for the Solihull Aston Martin Dealership. There were no committed contracts in place at the balance sheet date (2020: £Nil).

The Directors have considered the property portfolio for impairment by comparing the carrying amount to the higher of value in use or market value and have concluded that no impairment is required.

Security

The title of all freehold properties has been pledged as security to the Revolving Credit Facility disclosed in note 17.

11 Intangible assets

	Goodwill	Software	Other	Total
	£000	£000	£000	£000
Cost				
Balance at 1 September 2019	21,346	850	176	22,372
Additions	-	77	-	77
On acquisition	60	21	-	81
Disposals	-	(2)	-	(2)
Balance at 1 September 2020	21,406	946	176	22,528
Additions	-	2	-	2
Disposals	-	(13)	-	(13)
Balance at 31 August 2021	21,406	935	176	22,517
Amortisation and impairment				
Balance at 1 September 2019	-	718	176	894
Amortisation for the year	-	109	-	109
Disposals	-	(2)	-	(2)
Balance at 1 September 2020	-	825	176	1,001
Amortisation for the year	-	71	-	71
Disposals	-	(6)	-	(6)
Balance at 31 August 2021	-	890	176	1,066
Net book value				
At 31 August 2020	21,406	121	-	21,527
At 31 August 2021	21,406	45	-	21,451



Notes to the consolidated accounts (continued)

11 Intangible assets (continued)

Amortisation charge

The amortisation charge is recognised in the following line items in the income statement:

	2021	2020
	£000	£000
Administrative expenses	71	109

Impairment loss and subsequent reversal

Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to cash generating units or Groups of cash generating units. For the purpose of impairment testing of goodwill and other indefinite life assets, the Directors recognise the Group's cash generating units ("CGU") to be connected groupings of dealerships. The identified CGUs, grouped for allocation of goodwill are as follows:

	Goodwill	
	2021	2020
	£000	£000
Multiple units without significant goodwill	406	406
Jaguar Land Rover ("JLR")	21,000	21,000
	21,406	21,406

The recoverable amount of the JLR CGU has been calculated with reference to its value in use. These calculations use projections based on financial budgets approved by the Board of Directors which are extrapolated using an estimated growth rate. The budgets were prepared to 31 August 2022 and then projected for a further 4 years. The underlying expected performance of the CGU gives sufficient headroom using conservative assumptions, a growth rate of 0% was applied, and a terminal value was included with a 0% growth rate in perpetuity. The discount rate used is 8%.

Management has also performed a review of forecast EBITDA for the CGU for a number of years based on the EBITDA multiples being paid for equivalent businesses in the marketplace. The Board reviews transactional information and assesses the businesses earnings capacity in order to ensure that the recoverable amount is in excess of the carrying amount.

Sensitivity to changes in assumptions

The estimated recoverable amounts for the JLR CGU exceeds the carrying amounts by approximately £66m (2020: £52m). The Group has conducted sensitivity analysis on the impairment testing. Management believes no significant change in the key assumptions would cause the carrying amount to exceed the recoverable amount for the CGU.

The value in use exceeds the above carrying values for each CGU, therefore no impairment is considered necessary.

12 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

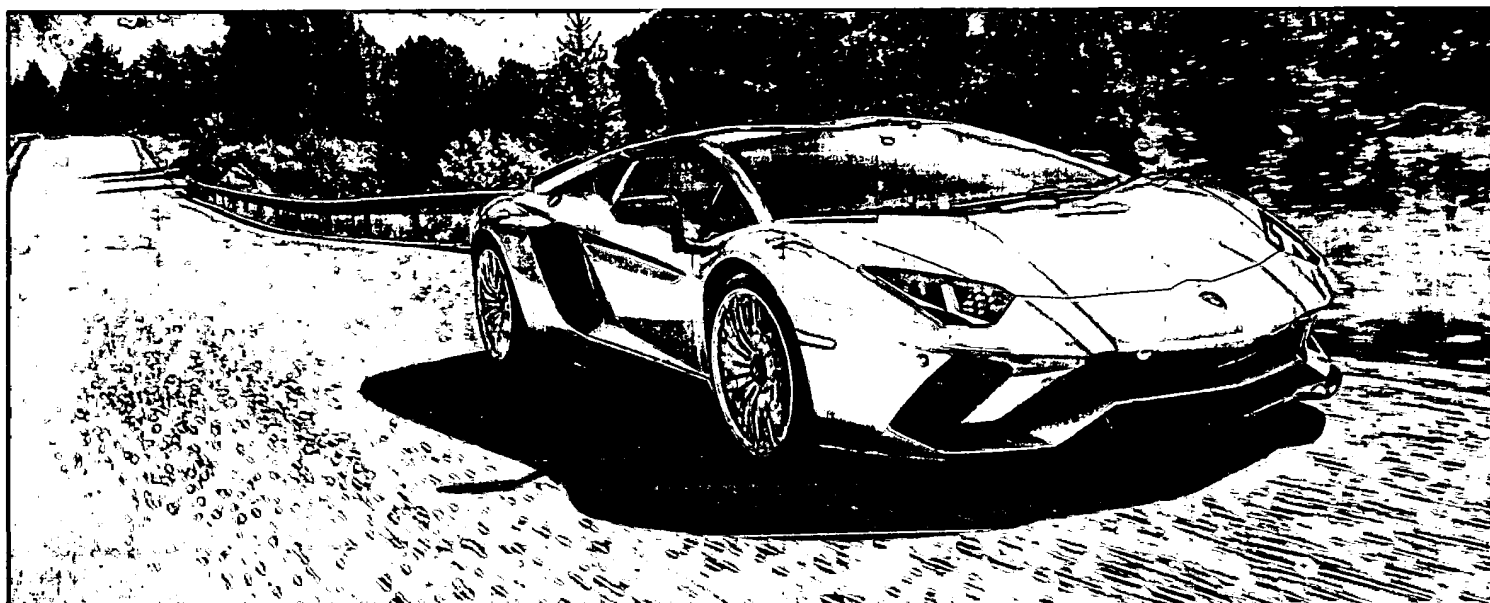
The amount of temporary differences, unused tax losses and tax credits for which a deferred tax asset is recognised is set out below, along with the movement in the balance in the year. The asset would be recovered if offset against future taxable profits of the Group.

	1 September 2020	As restated	Recognised in income	Net 31 August 2021	Deferred tax liabilities	Deferred tax assets
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	(486)	-	(329)	(815)	(815)	-
Capital gain	(218)	-	(69)	(287)	(287)	-
On transition to IFRS 16	206	-	(33)	173	-	173
Short term timing differences	57	-	314	371	-	371
Share options	6	-	(1)	5	-	5
	(435)	-	(118)	(553)	(1,102)	549

Unrecognised deferred tax assets and liabilities

The deferred tax asset in relation to loss carried forward within a subsidiary has not been recognised due to uncertainty over the future profitability of the subsidiary, these losses are locked in to this particular subsidiary and cannot be utilised in the wider Group.

	Assets	
	2021	2020
	£000	£000
Tax value of loss carry-forwards	122	174
Unrecognised net tax assets	122	174



Notes to the consolidated accounts (continued)

13 Inventories

	2021	2020
	£000	£000
Vehicle consignment stock	18,520	45,490
Motor vehicles	62,464	35,966
Parts and other stock	1,788	2,132
	<u>82,772</u>	<u>83,588</u>

Included within inventories is £nil (2020: £nil) expected to be recovered in more than 12 months.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £488 million (2020: £460 million). This includes inventory write downs of £929,859 (2020 - £161,694) and reversals of previous write downs of £1,264,132 (2020 - £454,743).

Details of stock held as security is given in note 18.

14 Trade and other receivables

	2021	2020
	£000	£000
Trade receivables	5,023	6,608
Prepayments and other receivables	3,266	2,477
	<u>8,289</u>	<u>9,085</u>

Included within trade and other receivables is £nil (2020: £nil) expected to be recovered in more than 12 months.

15 Cash and cash equivalents

	2021	2020
	£000	£000
Cash and cash equivalents per balance sheet	13,126	5,645
Cash and cash equivalents per cash flow statement	<u>13,126</u>	<u>5,645</u>

16 Property Assets Classified as held for resale

On closure of the Blackburn dealership, the Freehold property was transferred to assets held for resale at its net book value. The property was sold during the year.

Notes to the consolidated accounts (continued)

17 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate risk, see note 25.

	2021	2020
	£000	£000
Non-current liabilities		
Revolving Credit Facility	-	2,122
Current liabilities		
Revolving Credit Facility	-	-

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	Year of Maturity	Value and Carrying Amount	Face Value and Carrying Amount
			2021	2020
			£000	£000
Revolving Credit Facility	LIBOR +1.20%*	2022	-	2,122
			-	2,122

*The £40m RCF arranged in November 2017 has different margin bandings that are dependent on the net debt: EBITDA ratio for the previous quarter. The margin is 1.2% where the ratio is below 1 times, increasing to 2% where the ratio is in excess of 2.5 times. The RCF was in place 31 August 2021.

18 Trade and other payables

	2021	2020
	£000	£000
Current		
Vehicle consignment creditor	21,964	53,933
Other trade payables	8,608	7,744
Non-trade payables and accrued expenses	32,756	32,878
Vehicle funding	54,599	31,991
	117,927	126,546

Included within trade and other payables is £nil (2020: £nil) expected to be settled in more than 12 months. Both the consignment and vehicle funding creditors are secured on the stock to which they relate.

Notes to the consolidated accounts (continued)

19 Contract liabilities

	2021	2020
	£000	£000
At 1 September 2020	3,245	2,379
Created in the year	3,532	2,636
Recognised as income during the year	(2,980)	(1,770)
At 31 August 2021	3,797	3,245
Current	2,410	1,604
Non-current	1,387	1,641
	3,797	3,245

Contract liabilities represents deferred income in relation to vehicle repair and maintenance products. Policies can be taken out over periods of up to 36 months with income received on inception of the policy. The policy covers replacement and repair of mechanical, electrical and cosmetic parts, the cost of labour to fit them and breakdown assistance for the period of the policy. When the income is received it is recognised initially as deferred income and is released to income statement over the life of the policy with consideration made for potential liabilities on a pooled basis.

20 Leases

The Group has lease contracts for certain of the land and buildings from which it operates. Terms can vary significantly between property and the leases at the year-end had up to ten years remaining, with some leases due to end within 12 months. In addition, the Group uses short-term leases (less than 12 months term) where considered appropriate to its requirements and takes advantage of the recognition exemptions for such leases.

Right-of-use assets - Land and buildings	2021	2020
	£000	£000
Cost		
Balance at 1 September	8,575	5,982
Additions	91	549
On acquisition	-	2,044
Disposal	(1,510)	-
Balance at 31 August	7,156	8,575
Depreciation		
Balance at 1 September	2,066	-
Charge for the year	1,786	2,066
Eliminated on disposal	(893)	-
Balance at 31 August	2,959	2,066
Net book value		
At 31 August	4,197	6,509

Notes to the consolidated accounts (continued)

20 Leases (continued)

Lease liabilities – land and buildings	2021	2020
	£000	£000
Balance at 1 September	8,799	8,517
Additions	91	549
On acquisition	-	2,044
Disposal	(354)	-
Interest expense	253	324
Payments	(2,527)	(2,635)
Balance at 31 August	6,262	8,799
	£000	£000
Current liabilities	2,006	2,496
Non-current liabilities	4,256	6,303
Balance at 31 August	6,262	8,799



Notes to the consolidated accounts (continued)

20 Leases (continued)

Maturity analysis	31 August 2021	31 August 2020
	£000	£000
On demand	-	-
Within 1 year	2,172	2,751
Between 1 to 2 years	1,575	2,255
Between 2 to 5 years	2,122	3,375
Over 5 years	811	1,089
Total undiscounted liabilities	6,680	9,470
	(418)	(671)
Lease liabilities in the financial statements	6,262	8,799

Amounts recognised in the statement of comprehensive income as an expense during the period in respect of lease arrangements are as follows:

	2021	2020
	£000	£000
Expense relating to short-term leases	117	135
Expense relating to leases of low-value assets	127	42
Income relating to variable lease payments not included in lease liabilities	-	(105)
Depreciation	1,786	2,066
Interest	253	324

The fair value of the Group's lease obligations is approximately equal to their carrying amount.

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

Land and buildings	2021	2020
	£000	£000
Less than one year	26	14

Notes to the consolidated accounts (continued)

20 Leases (continued)

Operating leases apart from land and buildings	2021	2020
	£000	£000
Less than one year	78	54
Between one and five years	-	1
	<u>78</u>	<u>55</u>

Finance lease receivables – land and buildings	2021	2020
	£000	£000
Within one year	291	74
Between one and five years	193	74
More than five years	-	48
	<u>484</u>	<u>196</u>
Total undiscounted lease payments receivable	484	196
Unearned finance income	(15)	(10)
	<u>469</u>	<u>186</u>
Net investment	469	186
The present value is receivable as follows:		
Within one year	278	68
In two to five years	191	118
	<u>469</u>	<u>186</u>

Operating lease receivables – motor vehicles	2021	2020
	£000	£000
At the year end the company had contracted with lessees for the following minimum lease payments:		
Within one year	243	-
Between one and five years	-	-
More than five years	-	-
	<u>243</u>	<u>-</u>

Notes to the consolidated accounts (continued)

21 Employee benefits

Pension plans - Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £432,000 (2020: £550,000).

22 Share-based payments

The Group had a share option scheme which was open to certain employees at the discretion of the Board. Options were exercisable at a price equal to the higher of the nominal value or market price of the Company's shares on the date of grant.

In the scheme the options vested over a ten-year period, depending on the terms of the individual grant. There were certain performance criteria relating to shareholder return and the underlying profit before tax of the Group which have to be achieved for the options to be exercisable.

During the year ended 31 August 2021, no share options were granted (2020: None).

The number and weighted average exercise prices of share options were as follows:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2021	2021	2020	2020
	£		£	
Outstanding at the beginning of the year	0.48	3,760,000	0.48	4,500,000
Lapsed during the period		925,000		-
Cash settled during the year	0.48	185,000	0.48	740,000
Outstanding at the end of the year	0.48	2,650,000	0.48	3,760,000
Exercisable at the end of the year		-		-

The Company recognised an expense of £35,000 (year ended 31 August 2020: £19,000) in respect of share-based payments in the year. The share price during the period of listing ranged between 49.5p and 84.5p and averaged 66.5p for the period.

Based on the performance of the Group in the financial year to 31 August 2020, on 1 January 2021 the second tranche of the 2015 Share Option scheme became exercisable. The Board took the Alternative Settlement Option contained within the scheme and Cash settled the difference between the market value of the shares and the exercise price. Based on the performance of the Group in the year to 31 August 2021, 185,000 of the outstanding share options have met the performance criteria and would become exercisable from 1 January 2022. Following the year end, and the relinquishment of the listing on AIM, the share option scheme was cancelled, and all members of the scheme received a cash settlement amounting to £470,000.

Within one of the Group Subsidiaries, Repair and Maintenance Plans Limited, the holders of the B Shares are, subject to meeting specific performance criteria, entitled to exchange the B shares in the subsidiary for shares in Cambria Automobiles Limited. These have been treated as Contingently Issuable Shares. At the end of the year, the value of Cambria Automobiles Limited shares to which the B Shareholders were entitled based on the performance criteria achieved was £107,558. Based on the share price at 31 August 2021 of 84.5p per share that equates to 127,287 shares. Provided that the specific performance criteria contained within the shareholders agreement are met over the life of the plan to 31 August 2024, the holders of the B Shares may be entitled to a maximum further £1,319,766 in value of Cambria Automobiles Limited shares.

Notes to the consolidated accounts (continued)

23 Provisions

	Property
	£000
Balance at 1 September 2020	236
Provisions utilised during the year	236
Balance at 31 August 2021	-
Current	236
Non-current	-
Balance at 31 August 2020	236
Current	-
Non-current	-
Balance at 31 August 2021	-

The provision utilised in the year related to the vacant properties at Welwyn Garden City following the occupation of the Hatfield development and the vacant Blackburn freehold property that was disposed in the period.

24 Capital and reserves

Share capital

	2021	2020
	£000	£000
<i>Authorised</i>		
100,000,000 Ordinary shares of 10 pence each	10,000	10,000
<i>Allotted, called up and fully paid</i>		
100,000,000 Ordinary shares of 10 pence each	10,000	10,000
Shares classified in shareholders' funds	10,000	10,000

All of the shares rank pari passu, and no shareholder enjoys different or enhanced voting rights from any other shareholder. All shares are eligible for dividends and rank equally for dividend payments.

Notes to the consolidated accounts (continued)

24 Capital and reserves (continued)

Dividends

The following dividends were paid by the Company in the year ended 31 August.

	2021	2020
	£000	£000
Nil p per ordinary share – prior year final (2020: 0.85p)	-	850
	-	850

After the end of the reporting period, the following dividends were proposed by the Directors. The dividends have not been provided for and there are no tax consequences.

	2021	2020
	£000	£000
Nil p per ordinary share – current year final (2020: Nil)	-	-
	-	-

25 Financial instruments

25 (a) Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Notes to the consolidated accounts (continued)

25 (a) Fair values of financial instruments (continued)

Fair values

The fair values for each class of financial assets and financial liabilities together with their carrying amounts shown in the balance sheet are as follows:

	As at 31 August 2021	As at 31 August 2020
	£000	£000
Financial assets		
<i>Loans and receivables at amortised cost including cash and cash equivalents</i>		
Trade receivables(net) (note 14)	5,023	6,608
Finance lease receivables (note 20)	469	186
Other receivables (note 14)	-	177
Cash and cash equivalents (note 15)	13,126	5,645
	<u> </u>	<u> </u>
Total Financial assets	18,618	12,616
	<u> </u>	<u> </u>
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Other interest-bearing loans and borrowings (note 17)	-	2,122
Lease liabilities (note 20)	6,262	8,799
Trade and other payables (note 18)	114,782	117,263
	<u> </u>	<u> </u>
Total Financial liabilities	121,044	128,184
	<u> </u>	<u> </u>

The Directors consider the carrying amount of the Group's financial assets and financial liabilities, as detailed above, approximate their fair value.



Notes to the consolidated accounts (continued)

25 Financial instruments (continued)

25 (b) Credit risk

Credit risk management

The Group is exposed to credit risk primarily in respect of its trade receivables. Trade receivables are stated net of provision for estimated impairment losses. Exposure to credit risk in respect of trade receivables is mitigated by the Group's policy of only granting credit to certain customers after an appropriate evaluation of risk coupled with the findings from external reference agencies. Credit risk arises in respect of amounts due from vehicle manufacturers in relation to bonuses and warranty receivables. This risk is mitigated by the number of manufacturers for which the Group holds franchises, procedures to ensure timely collection of debts and management's belief that it does not expect any manufacturer to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of trade receivables represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £5,023,000 (2020: £6,608,000) being the total of the carrying amount of trade receivables shown in the table below.

The maximum exposure to credit risk for trade receivables at the balance sheet date by geographic region was:

	2021	2020
	£000	£000
United Kingdom	5,023	6,608
	<u>5,023</u>	<u>6,608</u>

The maximum exposure to credit risk for trade receivables at the balance sheet date by type of counterparty was:

	2021	2020
	£000	£000
Vehicle debtors	1,335	3,012
Non vehicle debtors	3,309	2,480
Manufacturer debtors	379	1,116
	<u>5,023</u>	<u>6,608</u>

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the balance sheet date is given below. Impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). Provision rates are based on the days past due and generally the Group's policy is to provide for all debts which are past due. There has been no change in the significant assumptions or the method of estimation of ECL during the current period. The Directors consider the balance to be recoverable based on credit terms and post balance sheet receipts.

	Gross 2021	Impairment 2021	Gross 2020	Impairment 2020
	£000	£000	£000	£000
Trade receivables not past due	5,023	-	6,608	-
Trade receivables past due	1,007	1,007	575	575
	<u>6,030</u>	<u>1,007</u>	<u>7,183</u>	<u>575</u>

Notes to the consolidated accounts (continued)

25 Financial instruments (continued)

25 (b) Credit risk (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	£000
Balance at 1 September 2020	575
Impairment loss recognised	549
Allowance for impairment utilised	(117)
Balance at 31 August 2021	1,007

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

25 (c) Liquidity risk

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity is managed by the Group's central treasury function within policy guidelines set by the Board with prime areas of focus being liquidity and interest rate exposure. The Group is financed primarily by a Revolving Credit Facility (RCF), vehicle stocking credit lines and operating cash flow. The Directors have assessed the future funding requirements of the Group and compared them to the level of committed available borrowing facilities. At the Balance Sheet date, the Group had a committed RCF of £40m with an accordion provision for further facilities within the documents as required. These committed facilities are maintained at levels in excess of planned requirements and are in addition to short term uncommitted facilities that are also available to the Group. The assessment included a review of financial forecasts, financial instruments and cash flow projections. These forecasts and projections show that the Group, taking account of reasonably possible scenarios, should be able to operate within the level of its borrowing facilities for the foreseeable future. In addition to the RCF facility detailed above, the Group has an agreed but undrawn £10m overdraft facility.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements: Interest is payable on bank borrowings of £Nil (2020: £2,122,000) at LIBOR plus 1.20%

	2020					
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Non-derivative financial liabilities						
Revolving Credit Facility	2,122	2,122	-	-	2,122	-
Lease liabilities	8,799	9,470	2,751	2,255	3,375	1,089
Trade and other payables	117,263	117,263	117,263	-	-	-
	2021					
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to <2years £000	2 to <5years £000	5years and over £000
Non-derivative financial liabilities						
Revolving Credit Facility	-	-	-	-	-	-
Lease liabilities	6,262	6,680	2,172	1,575	2,122	811
Trade and other payables	114,782	114,782	114,782	-	-	-

Notes to the consolidated accounts (continued)

25 Financial instruments (continued)

25 (d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income or the value of its holdings of financial instruments.

Market risk - Foreign currency risk

The Group does not have any exposure to foreign currency risk.

Market risk - Interest rate risk

Profile

At the balance sheet date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2021	2020
	£000	£000
Variable rate instruments		
Cash and cash equivalents	13,126	5,645
Vehicle funding	(54,599)	(31,991)
Lease liabilities	(6,262)	(8,799)
Loans and overdrafts	-	(2,122)
	(47,735)	(37,267)

The objectives of the Group's interest rate policy are to minimise interest costs. The Group does not actively manage cash flow interest risk as the Directors believe that the underlying earnings from the retail sector in which the Group operates provides a natural hedge against interest rate movements. Consequently, it is Group policy to borrow on a floating rate basis. Lease liabilities are discounted at the Groups incremental borrowing rate at commencement of the lease where the rate implicit in any lease cannot be established.

Whilst there are no hedging instruments, the Board reviews its hedging policy on a regular basis.

Sensitivity analysis

An increase of 0.5 basis points in interest rates at the balance sheet date would have decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for comparative periods.

	2021	2020
	£000	£000
Equity		
Decrease	273	171
Profit or loss		
Decrease	273	171

Notes to the consolidated accounts (continued)

25 Financial instruments (continued)

25 (e) Capital management

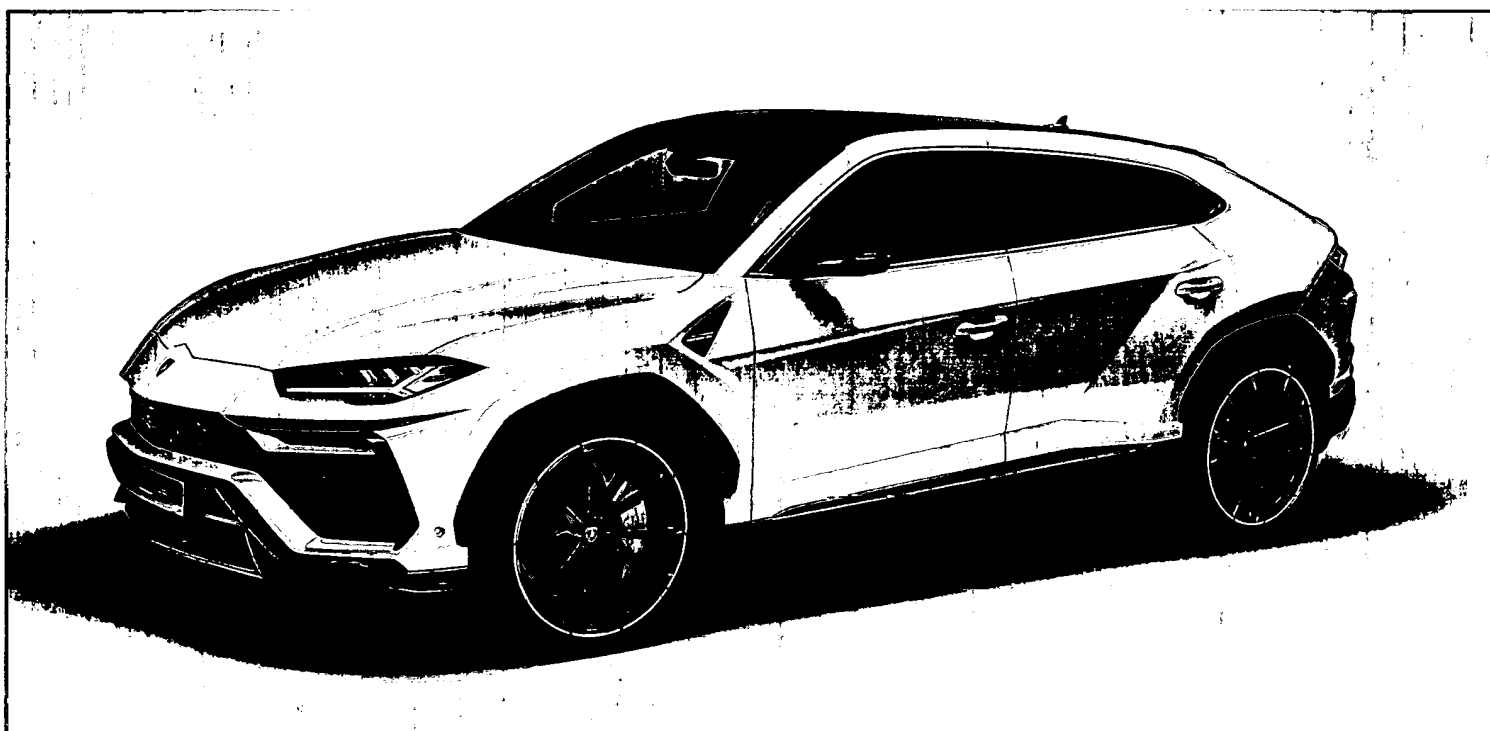
Prior to each acquisition, the Board considers its funding options and the appropriate mix of secured debt and equity.

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders. The Group must ensure that sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total shareholders' equity.

The gearing ratios for each year are as follows:

	As at 31 August 2021	As at 31 August 2020
	£000	£000
Borrowings	-	2,122
Less: cash and cash equivalents	(13,126)	(5,645)
Net deficit – before lease liabilities	(13,126)	(3,523)
Total equity	88,428	71,728
Gearing ratio – excluding lease liabilities	(14.84%)	(4.91%)
Gearing ratio – including lease liabilities	(7.76%)	7.36%



Notes to the consolidated accounts (continued)

26 Related parties

Identity of related parties with which the Group has transacted

Key management personnel are considered to be the Board of directors for the purposes of this disclosure.

Transactions with key management personnel

At the year-end, the Directors of the Company and their immediate relatives controlled 45.7% (2020: 45.7%) of the voting shares of the Company.

The compensation of key management personnel is as follows:

	2021	2020
	£000	£000
<i>Directors' emoluments</i>		
Salaries and consultancy fees	1,008	881
Annual bonus	1,042	494
Pension costs	4	5
Share related awards	24	14
	<u>2,078</u>	<u>1,394</u>

	2021	2020
	£000	£000
<i>Emoluments of the highest paid director</i>		
Salaries and consultancy fees	400	317
Annual bonus	450	240
Pension costs	1	1
Share related awards	-	-
	<u>851</u>	<u>558</u>

All directors benefited from qualifying third party indemnity provisions during the financial period.

Related party transactions

During the year Mark Lavery bought 5 vehicles from the Group and sold 5 vehicles back to the Group, James Mullins bought 5 vehicles from the Group and sold 5 vehicles back to the Group, Tim Duckers bought 4 vehicles from the Group and sold 4 vehicles back to the Group. All transactions were carried out at arm's length and there were no outstanding balances due to the Group at the year-end. William Charnley is a partner at the law firm King & Spalding, during the year the Group paid professional fees of £103,409 in relation to the legal services provided to the Group, in addition to this there was a further £800,000 committed spend with King & Spalding.

Notes to the consolidated accounts (continued)

27 Ultimate parent company and parent company of larger group

In the opinion of the Directors, the distribution of the ordinary shares and the rights attributing themselves to them means that there is no overall controlling party of the Company.

28 Subsidiaries

The undertakings included in the consolidated Group accounts are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Cambria Automobiles Group Limited	England and Wales	Holding Company	100% Ordinary
Cambria Automobiles Acquisitions Limited **	England and Wales	Investment Company	100% Ordinary
Cambria Automobiles Property Limited **	England and Wales	Property Company	100% Ordinary
Cambria Automobiles (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary & Preference
Grange Motors (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary
Thoranmart Limited *	England and Wales	Motor retailer	100% Ordinary
Cambria Vehicle Services Limited*	England and Wales	Motor retailer	100% Ordinary
Cambria Automobiles (South East) Limited*	England and Wales	Motor retailer	100% Ordinary
Grange Motors (Brentwood) Limited***	England and Wales	Motor retailer	100% Ordinary
Invicta Motors Limited***	England and Wales	Motor retailer	100% Ordinary & Preference
Invicta Motors (Maidstone) Limited*	England and Wales	Motor retailer	100% Ordinary
Deeslease Limited***	England and Wales	Dormant	100% Ordinary
Dove Group Limited***	England and Wales	Dormant	100% Ordinary
Translease Vehicle Management Limited****	England and Wales	Dormant	100% Ordinary
Repair and Maintenance Plans Limited*	England and Wales	Motor trade services	100% Ordinary
E-Warranty Limited*	England and Wales	IT Software Provider	100% Ordinary
SoGo Mobility Limited *	England and Wales	Vehicle leasing	100% Ordinary

* Owned directly by Cambria Automobiles Acquisitions Limited

** Owned directly by Cambria Automobiles Group Limited

*** Owned directly by Cambria Automobiles (South East) Limited

**** Owned directly by Dove Group Limited

The registered office of most of the Group Companies is Dorcan Way, Swindon, SN3 3RA with the exception of Repair and Maintenance Plans Limited whose registered office is Ground Floor, 21 Commerce Road, Lynch Wood, Peterborough, PE62 6LR.

29 Post balance sheet events

During the year the Group received an offer from Cambria Bidco Limited for the whole of the share capital not already owned by Mark and Nicola Lavery. Cambria Bidco Limited is a company controlled by Mark and Nicola Lavery.

The final offer of 82.5p per share was recommended by the Board. This offer became unconditional on 13 September 2021.

Following the acquisition of the company on 13 October 2021 the immediate parent company is Cambria Bidco Limited, a company registered in England and Wales.

Following the acquisition, the ultimate parent company is Cambria Investments Holdings Limited, a company registered in England and Wales.

On 11 October 2021 the name was changed by Special resolution to Cambria Automobiles Limited.

In the opinion of the directors, the overall controlling party from 13 October 2021 was M J Lavery by virtue of his shareholding in Cambria Investments Holdings Limited.

Company balance sheet

At 31 August 2021

	Note	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	5	106		157	
Investments	6	666		666	
			772		823
Current assets					
Inventories	7	378		713	
Debtors	8	19,311		19,728	
Cash at bank		-		-	
		19,689		20,441	
Creditors: amounts falling due within one year	9	(8,215)		(8,424)	
Net current assets			11,474		12,017
Total assets less current liabilities			12,246		12,840
Net assets			12,246		12,840
Capital and reserves					
Called up share capital	12		10,000		10,000
Share premium account	13		799		799
Profit and loss account	13		1,447		2,041
Shareholders' funds			12,246		12,840

The loss for the financial year dealt with in the financial statements of the parent company was £594,000 (2020 – profit of £502,000). These financial statements were approved by the Board of directors on 17 January 2022 and were signed on its behalf by:



M J J Lavery
Director

Company number: 05754547

Company Statement of changes in Equity

for the year ended 31 August 2021

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
	£000	£000	£000	£000
Balance at 31 August 2019	10,000	799	2,389	13,188
Profit for the year	-	-	502	502
Dividend paid	-	-	(850)	(850)
Balance at 31 August 2020	10,000	799	2,041	12,840
Loss for the year	-	-	(594)	(594)
Balance at 31 August 2021	10,000	799	1,447	12,246



Notes to the Company accounts

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Going concern

The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further information regarding the Company's business activities together with the factors likely to affect its future development, performance and position is set out in the Chief Executives Review on pages 5 to 7 and the Strategic report on pages 8 to 13.

Basis of preparation

These separate financial statements of Cambria Automobiles Limited, the parent undertaking, have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 September 2015 have not been restated.
- Share based payments – IFRS 2 is being applied to equity instruments that were granted after 7 November 2002 and that had not vested by 1 September 2014.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share-based payments
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies have, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2 to the consolidated accounts.

Measurement convention

The financial statements are prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 1 to the consolidated accounts except as noted below: -

Investments in subsidiaries

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment

Notes to the Company accounts (continued)

2 Remuneration of directors

	2021	2020
	£000	£000
Directors' emoluments		
Salaries	1,008	881
Annual bonus	1,042	494
Pension costs	4	5
Share related awards	24	14
	<u>2,078</u>	<u>1,394</u>

The emoluments in respect of the highest paid director were:

	2021	2020
	£000	£000
Salaries	400	317
Annual bonus	450	240
Pension costs	1	1
	<u>851</u>	<u>558</u>

All directors benefited from qualifying third party indemnity provisions during the financial period.

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	2021	2020
Number of employees		
Administration	41	48

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£000	£000
Wages and salaries	4,348	4,183
Social security costs	537	508
Other pension costs	53	39
Share related awards	35	19
	<u>4,973</u>	<u>4,749</u>

Notes to the Company accounts (continued)

4 Dividends

The aggregate amount of dividends paid and received comprises:

	2021	2020
	£000	£000
Aggregate amount of dividends paid in the financial year	-	850
Aggregate amount of dividends received in the financial year	-	-

The aggregate amount of dividends proposed but not recognised at the year-end is £Nil (2020: £Nil).

5 Tangible fixed assets

Company	Computer equipment	Total
	£000	£000
Cost		
At 1 September 2020	716	716
Additions	30	30
Disposals	(50)	(50)
Inter-group transfers	(3)	(3)
At 31 August 2021	693	693
Depreciation		
At 1 September 2020	559	559
Disposals	(50)	(50)
Inter-group transfers	(2)	(2)
Charge for year	80	80
At 31 August 2021	587	587
Net book value		
At 31 August 2021	106	106
At 31 August 2020	157	157

6 Fixed asset investments

	Shares in group undertakings
	£000
Company	
Cost and net book value	
At 1 September 2020 and 31 August 2021	666

The Directors have considered the investments in subsidiary undertakings for impairment by comparing the carrying amount to the value in use and have concluded that no impairment is required.

Notes to the Company accounts (continued)

6 Fixed asset investments (continued)

The undertakings in which the Company's interest at the year-end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Cambria Automobiles Group Limited	England and Wales	Holding Company	100% Ordinary
Cambria Automobiles Acquisitions Limited **	England and Wales	Investment Company	100% Ordinary
Cambria Automobiles Property Limited **	England and Wales	Property Company	100% Ordinary
Cambria Automobiles (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary & Preference
Grange Motors (Swindon) Limited *	England and Wales	Motor retailer	100% Ordinary
Thoramart Limited *	England and Wales	Motor retailer	100% Ordinary
Cambria Vehicle Services Limited*	England and Wales	Motor retailer	100% Ordinary
Cambria Automobiles (South East) Limited*	England and Wales	Motor retailer	100% Ordinary
Grange Motors (Brentwood) Limited***	England and Wales	Motor retailer	100% Ordinary
Invicta Motors Limited***	England and Wales	Motor retailer	100% Ordinary & Preference
Invicta Motors (Maidstone) Limited*	England and Wales	Motor retailer	100% Ordinary
Deeslease Limited***	England and Wales	Dormant	100% Ordinary
Dove Group Limited***	England and Wales	Dormant	100% Ordinary
Translease Vehicle Management Limited****	England and Wales	Dormant	100% Ordinary
Repair and Maintenance Plans Limited*	England and Wales	Motor trade services	100% Ordinary
E-Warranty Limited*	England and Wales	IT Software Provider	100% Ordinary
SoGo Mobility Limited*	England and Wales	Vehicle leasing	100% Ordinary

* Owned directly by Cambria Automobiles Acquisitions Limited

** Owned directly by Cambria Automobiles Group Limited

*** Owned directly by Cambria Automobiles (South East) Limited

**** Owned directly by Dove Group Limited

The registered office of most of the Group Companies is Dorcan Way, Swindon, SN3 3RA with the exception of Repair and Maintenance Plans Limited whose registered office is Ground Floor, 21 Commerce Road, Lynch Wood, Peterborough, PE62 6LR.

7 Inventories

	2021	2020
	£000	£000
Motor vehicles	378	713

Notes to the Company accounts (continued)

8 Debtors

	2021	2020
	£000	£000
Trade debtors	5	19
Amounts owed by group undertakings	18,352	18,744
Prepayments and accrued income	713	874
Deferred tax (note 11)	117	79
Other taxation	15	12
Corporation tax	109	-
	19,311	19,728

9 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	281	207
Bank overdraft	914	1,118
Vehicle funding	238	593
Owed to group undertakings	220	1,400
Other taxation and social security	738	988
Accruals and deferred income	5,824	4,001
Corporation tax	-	117
	8,215	8,424

The bank overdraft is secured on the assets of the Group. The vehicle funding creditor is secured on the stock to which it relates.

10 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2021	2020
	£000	£000
Creditors falling due within less than one year		
Secured bank overdraft	914	1,118
	914	1,118

Notes to the Company accounts (continued)

11 Deferred taxation

Deferred taxation asset	£000
At 1 September 2020	79
Movement in period	38
At 31 August 2021	117

The elements of deferred taxation asset are as follows:

	2021	2020
	£000	£000
Difference between accumulated depreciation and capital allowances	39	40
Other timing differences	79	39
Total deferred tax	117	79

12 Called up share capital

	2021	2020
	£000	£000
<i>Authorised</i>		
100,000,000 Ordinary shares of 10 pence each	10,000	10,000
<i>Allotted, called up and fully paid</i>		
100,000,000 Ordinary shares of 10 pence each	10,000	10,000
Shares classified in shareholder's funds	10,000	10,000

All of the shares rank pari passu, and no shareholder enjoys different or enhanced voting rights from any other shareholder. All shares are eligible for dividends and rank equally for dividend payments.

13 Share premium and reserves

	Share premium account	Profit and loss account
	£000	£000
At 1 September 2020	799	2,041
Profit for the year	-	(502)
Dividend paid	-	-
At 31 August 2021	799	1,539

Notes to the Company accounts (continued)

14 Ultimate parent company and parent undertaking of larger group

Following the acquisition of the company on 13 October 2021 the immediate parent company is Cambria Bidco Limited, a company registered in England and Wales.

Following the acquisition, the ultimate parent company is Cambria Investments Holdings Limited, a company registered in England and Wales.

In the opinion of the directors, the overall controlling party from 13 October 2021 was M J J Lavery by virtue of his shareholding in Cambria Investments Holdings Limited.

15 Contingencies

The Company is jointly and severally liable in respect of value added tax liabilities arising in other group undertakings. The related fellow subsidiary undertakings and the Company were in a net liability situation at 31 August 2021 and a net repayment situation at 31 August 2020.

In recognition of the Cambria Automobiles Limited group bank and used vehicle funding facilities, the following companies have entered into a joint agreement to guarantee liabilities with banks and finance houses of the motor manufacturers that provide new and used vehicles to the Group:

Cambria Automobiles Limited, Cambria Automobiles Property Limited, Cambria Automobiles Group Limited, Cambria Automobiles Acquisitions Limited, Cambria Automobiles (Swindon) Limited, Grange Motors (Swindon) Limited, Thoranmart Limited, Cambria Automobiles (South East) Limited, Grange Motors (Brentwood) Limited, Invicta Motors Limited, Invicta Motors (Maidstone) Limited, Cambria Vehicle Services Limited, Repair and Maintenance Plans Limited, E-Warranty Limited and SoGo Mobility Limited.

At the year-end, the total bank and used vehicle funding facilities for the group were as follows:

	2021	2020
	£000	£000
Cash and cash equivalents	13,126	5,645
Vehicle funding	(54,599)	(31,991)
Loans and overdrafts	-	(2,122)
	(41,473)	(28,468)

