BBD Parentco Limited
Annual Report and Accounts
for the period ended 29 March 2020

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COMPANY INFORMATION

BBD PARENTCO LIMITED

Directors

T G Lampert	appointed 7 November 2019
T J H Large	appointed 10 June 2019
M A Stephens	appointed 10 June 2019

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STRATEGIC REPORT

The Directors present their Strategic Report for BBD Parentco Limited for the period from 10 June 2019 to 29 March 2020.

COMPANY BACKGROUND

BBD Parentco Limited ('Parentco', or the 'Company') was incorporated on 10 June 2019 along with its subsidiary, BBD Bidco Limited ('Bidco'). On 6 November 2019 Bidco acquired BCA Marketplace plc ('BCAM') and its subsidiaries (the 'BCAM Group') and subsequently Parentco and Bidco are holding companies to the BCAM Group. Parentco and its subsidiaries are referred to in this report as the 'Group' or 'BCA'.

The Company's ultimate controlling party is TDR Capital LLP ('TDR'), a UK Limited Liability Partnership registered in England and Wales. TDR is an international private equity firm, managing capital on behalf of institutional, government and private investors worldwide. TDR has an experienced team of investment professionals and operating partners and has a low volume investment strategy based on principles developed by the investment team over the past decade.

In order to present its financial position in the most meaningful way, Parentco changed its year end on 10 June 2019 from 30 June to 31 March and will prepare its accounts to a Sunday within seven days of 31 March. The consolidated financial statements of BBD Parentco Limited for the period to 29 March 2020 includes Parentco and Bidco from their incorporation at 10 June 2019, and BCA Marketplace plc and its subsidiaries from acquisition on 6 November 2019. The consolidated financial statements are presented on pages 52 to 99.

ACQUISITION OF BCA

BCA is a leading operator in the automotive industry. The BCAM Group was previously a constituent of the UK's FTSE 250, with shares traded on the London Stock Exchange until its acquisition for £1.9bn.

On 29 July 2019, the Board of Directors of BCAM announced the passing of resolutions, at a Court Meeting and General Meeting of BCAM shareholders held on the same date as the announcement, approving the recommended acquisition of BCAM by Bidco to be implemented by way of a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006.

Receipt of the relevant regulatory approvals was announced on 22 October 2019 and the court sanctioned the scheme on 5 November 2019 with the court order and completion occurring on 6 November 2019.

ABOUT BCA

BCA operates across the post-factory automotive value chain, providing physical and digital solutions at scale to our customers.

Once a new vehicle leaves its place of manufacture, we provide a comprehensive range of services including single and bulk vehicle collections and deliveries, inspection checks, customs management, storage, refurbishment, vehicle preparation, finance, pricing data and used vehicle buying. Our digital and physical auction platforms bring together OEMs, leasing companies, fleet operators, retail dealers and buyers to efficiently transfer the ownership of vehicles while protecting value.

We are a key facilitator and link to the entire value chain in automotive, whether that is the manufacturer, the dealer, the vehicle financier or the end consumer. BCA facilitates the UK and European vehicle market, enabling vehicles to be moved, bought and sold, thereby providing liquidity and choice.

BCA AT A GLANCE

VEHICLE REMARKETING

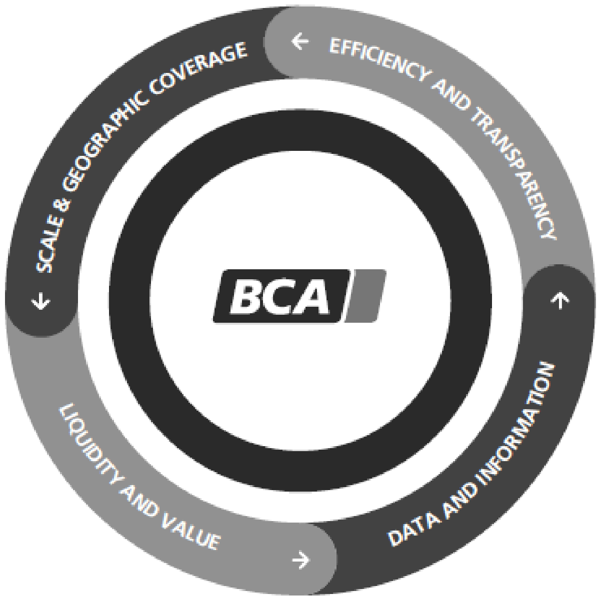
Vehicle Remarketing facilitates efficient changes of vehicle ownership through digital and physical auctions in the UK and Europe. Our marketplace brings together vendors and buyers. It provides speed of vehicle disposal, access to the latest market pricing for vendors and an unrivalled choice of consistently graded available stock for buyers.

Vehicle Remarketing operates across 23 auction centres in the UK and 31 auction centres in Europe.

VEHICLE BUYING

WeBuyAnyCar provides a trusted, convenient disposal channel for consumers in the UK, operating from 315 sites at March 2020.

Across Europe, International Vehicle Buying provides efficient disposal of batches of vehicles for OEMs and dealers.



AUTOMOTIVE SERVICES

Vehicle Refurbishment centres
Our refurbishment centres provide reconditioning, storage and management of vehicles for fleet operators. Work is carried out to manufacturer accredited standards.

Our expertise covers all aspects of fleet management including demonstration, press, VIP events, and pool and company cars.

New Vehicle sites
Our network of integrated sites provides a suite of services for manufacturers that differentiate BCA from others in the market.

Our port and factory compounds support manufacturers with storage, fitment and pre-delivery inspection services. Using technologies including drones, RFID and active lane management we are able to securely store and load vehicles for fulfilment.

Logistics services
Connecting the automotive industry through bulk and single vehicle movements.

Our fleet of transporters, the largest in the UK, connect the physical marketplace and link the physical integration between divisions.

Our same day inspect and collect service streamlines the process of vehicle inspection, handover, collection and delivery of single vehicle movements for our customers.

GROUP OPERATING REVIEW

BBD Parentco Limited ('Parentco', or the 'Company') was incorporated on 10 June 2019 along with its subsidiary, BBD Bidco Limited ('Bidco'). On 6 November 2019 Bidco acquired BCA Marketplace plc ('BCAM') and its subsidiaries (the 'BCA Group') by way of a scheme of arrangement (see Acquisition of BCA on page 4 and Acquisitions note 18). Parentco and its subsidiaries are referred to in this report as the 'Group' or 'BCA'. Following the acquisition, the Group delivered strong financial performance which continued during the first half of March, prior to trading disruption from covid-19 measures in the second half of March.

During March, national governments across Europe responded to the pandemic and implemented restrictions including social distancing lockdown arrangements, resulting in a cessation of physical auctions, the closure of the WeBuyAnyCar retail estate and a significant reduction in the movement and inspection of vehicles within Automotive Services. This had a significant impact on financial performance during March as a large element of the Group's operating costs relate to payroll, property and transporter leases. Given the speed at which restrictions were imposed, it was not possible to reduce costs at the same rate as the reduction in operating activity. The Group furloughed over 80% of employees, and utilised government initiatives across Europe to support employment costs, retail premises rents and business rates. Management negotiated with landlords to reduce or defer rental payments, to maximise liquidity throughout the restrictions. At the period end, management recognised an exceptional covid-19 related goodwill impairment. This reflected the impact of the time value of money on earnings and growth, following the suppression of the Group's operational activities as a result of the pandemic.

Non-GAAP measures

Key Performance Indicator – adjusted EBITDA

Management uses an adjusted profit measure to monitor the ongoing profitability of the Group, which is defined as Earnings before interest, taxation, depreciation and amortisation ('EBITDA') adjusted for significant or non-recurring items ('SONR'). The SONR items that are excluded from EBITDA to calculate adjusted EBITDA are as follows:

- income and expenses that are significant, non-recurring or non-trading in nature, including business closure costs and restructuring costs;
- impairment charges and accelerated depreciation and amortisation on property, plant and equipment, intangibles and goodwill;
- amortisation of intangible assets arising on acquisition;
- acquisition expenses and gains and losses on business combinations, disposals and changes in ownership.

The Directors primarily use the adjusted EBITDA measure when making decisions about the Group's activities as it is the most reliable and relevant profit measure across all segments. Amortisation of intangible assets arising on acquisition are excluded because they reflect the nature of the acquisition accounting, and are not reflective of underlying business performance. As this is a non-GAAP measure, adjusted EBITDA measures used by other entities may not be calculated in the same way and hence may not be directly comparable.

All non-GAAP measures are reconciled back to statutory equivalents. They are provided with the clear intention to aid understanding of performance.

GROUP OPERATING REVIEW *continued*

In order to provide a meaningful comparison of performance, the operating results have been presented alongside the published 2019 results of the BCAM Group. The H2 2019 results shown represent the 6 months (182 days) ended 31 March 2019, while the Group accounts represent the full period of the Company (with no significant costs prior to the acquisition) and trading of the BCAM Group for the period from 6 November 2019 to 29 March 2020 (145 days, including the negative impact of covid-19). The presented comparatives are the pro rata results representing 145/182 days of the H2 2019 BCAM Group result.

Divisional results are presented in this section on an IAS 17 basis to aid comparison, as the 2019 BCAM results were not restated on adoption of IFRS 16 Leases[1]. Given the Group's financing arrangements, which include frozen GAAP reporting for leases, this remains the most meaningful measure of performance. The impact of IFRS 16 on the current period performance has been presented below. Further details are shown in note 4 accounting policies and note 6 segmental reporting.

Divisional Results summary

	BCA period ended 29 March 2020		Pro rata BCAM Group 145 days ended 31 March 2019		BCAM Group 6 months ended 31 March 2019		BCAM Group year ended 31 March 2019	
	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA
	£m	£m	£m	£m	£m	£m	£m	£m
UK Vehicle Remarketing	546.0	46.5	526.5	43.0	660.9	54.0	1,242.5	109.4
International Vehicle Remarketing	78.8	13.1	78.0	14.3	97.9	17.9	184.3	33.7
Vehicle Buying	682.4	8.8	508.5	9.2	638.2	11.5	1,219.8	24.1
Automotive Services	153.3	8.5	160.4	8.5	201.3	10.7	381.4	19.1
Group costs[2]	0.1	(8.9)	-	(6.1)	-	(7.6)	-	(14.4)
IAS 17 basis	**1,460.6**	**68.0**	**1,273.4**	**68.9**	**1,598.3**	**86.5**	**3,028.0**	**171.9**
IFRS 16 EBITDA impact		21.1		N/A		N/A		N/A
IFRS 16 basis		**89.1**		**N/A**		**N/A**		**N/A**

Adjusted EBITDA under IFRS 16 of £89.1m has been reconciled to the statutory operating loss for the period ended 29 March 2020 of £293.2m on page 11.

[1] *The period ended 29 March 2020 is presented on an IAS 17 basis in the Group operating review to aid comparison. The statutory results are reported under IFRS 16 and this analysis is shown in the segmental note to the financial statements in note 6. The BCAM Group results for the year ended 31 March 2019 are presented on an IAS 17 basis as reported in the BCA Marketplace plc Annual Report and Accounts 2019.*

[2] *Group costs in the period ended 29 March 2020 include revenue and costs for cinch of £0.1m and £5.2m respectively (BCA Group 2019: £0.0m and £2.5m) that do not represent underlying comparative performance.*

GROUP OPERATING REVIEW *continued*

DIVISIONAL PERFORMANCE REVIEW

Since acquisition, the Group delivered revenue of £1,460.6m (pro rata BCAM Group 2019: £1,273.4m) and IAS 17 EBITDA of £68.0m (pro rata BCAM Group 2019: £68.9m), stated after cinch costs of £5.2m (pro rata BCAM Group 2019: £2.5m). The period-on-period growth in revenue of 14.7% has been driven by increased sales of vehicles by the Vehicle Buying division and strong performance in outsourced remarketing contracts (where the Group typically accounts for the full vehicle value within revenue – see note 4a revenue accounting policy), which continued to deliver growth in vehicle sold volumes. Increased sales, control over variable operating costs and overhead efficiency from greater volume throughput contributed to IAS 17 EBITDA growth of 2.5% excluding cinch costs. This strong trading performance has been delivered despite the disruption to trading during the latter half of March 2020 and after taking into account additional provisions against vehicle values as a result of covid-19. On a statutory basis, including IFRS 16 accounting and the start-up costs of cinch, adjusted EBITDA on an IFRS 16 basis was £89.1m.

UK Vehicle Remarketing

The division traded strongly during the period with a small increase in volume despite the impact of the temporary cessation of physical auctions in March as a result of government restrictions. Our integrated transport, grading and imaging capabilities allowed us to move and present vehicles online for customers in a controlled manner in line with the working regulations allowed through the period.

Revenue increased by £19.5m (3.7% growth on pro rata BCAM Group 2019) as a result of increased volumes including an extended sales programme during the Christmas period. Auction activity throughout the period was driven by strong volumes from the Vehicle Buying division (WeBuyAnyCar) and outsourced remarketing contracts. This was supported by BCA Partner Finance penetration, which continues to increase, with 12.7% of UK Vehicle Remarketing sales in the year to March funded by Partner Finance (BCAM Group 2019: 12.1%). The Partner Finance proposition, which includes branded auctions, part exchange financing and funding 100% of the hammer price plus fees and transport of purchases, continues to support dealer customers through the liquidity it provides. At the end of the period the resultant asset backed loan book stood at £203.4m (BCAM Group 31 March 2019: 171.8m)

The IAS 17 EBITDA increase of 8.1% to £46.5m was driven primarily by increased remarketing volume, increased profitability of services, and operational leverage driving a higher profit per unit.

International Vehicle Remarketing

The division performed strongly in the period to the start of March with continued growth in remarketing volumes compared to the equivalent weeks for the BCAM Group in the prior year.

Revenue for the period was £78.8m (pro rata BCAM Group 2019: £78.0m), an increase of 1.0% predominantly driven by increased fees and including a higher proportion of cross border sales.

Demand for cross-border sourcing of vehicles in Europe continues to rise year on year (cross-border volume increased over 30% compared to BCAM Group 2019) and is supported by the Group's BCA 1Europe Transport network of accredited partners. The BCA 1Europe Centre in Lisbon uses BCA tools to identify cross-border opportunities for our buyers and vendors to add value to their remarketing and sourcing decisions.

GROUP OPERATING REVIEW *continued*

DIVISIONAL PERFORMANCE REVIEW *continued*

International Vehicle Remarketing *continued*

BCA Norway, which commenced trading in April 2019, has generated good volumes focusing on remarketing of electric vehicles. Norway has the highest penetration of electric vehicles with c.56% of new vehicles sold being electric vehicles.

From the second week of March national restrictions for covid-19 were implemented across Europe, starting with Italy and France, which were amongst the first to implement full lockdown. While all European countries were impacted, those with lighter social distancing measures, for example Denmark, Sweden, Netherlands and Germany, allowed trading at greater scale through March.

Adjusted EBITDA for the period was £13.1m (pro rata BCAM Group 2019: £14.3m), due to the impact of these restrictions, and additional related provisions against inventory given suppressed values in lockdown.

Vehicle Buying

WeBuyAnyCar maintained double-digit volume growth with an expanded network of 315 sites providing increased convenience for consumers. During the period, a record 10,200 vehicles were purchased in a single week by WeBuyAnyCar. Philip Schofield's role as Brand Ambassador has been continued, with a refreshed advertising campaign based on trust and convenience launched to coincide with our continued sponsorship of Dancing on Ice.

Cars in the supermini sector accounted for approximately a quarter of all purchases made. The oldest vehicle purchased was a Volkswagen Transporter registered in 1973.

The division supplies a controlled and diverse range of vehicles across all makes and marques, to support the UK Vehicle Remarketing division auction sales programme. Inventory at 29 March 2020 was £44.2m compared to 31 March 2019 of £29.3m, reflecting the continued growth in the business.

In line with government guidelines WeBuyAnyCar closed its retail estate from 23 March 2020 preventing the purchase of vehicles from consumers. The online channels of the UK Vehicle Remarketing division have continued to sell vehicles that were already held by WeBuyAnyCar. At the period end management made additional provisions against inventory given the price uncertainty as a result of the pandemic.

Within Europe, Vehicle Buying focusses on opportunities to raise awareness of auction, purchasing batches of vehicles that enrich the remarketing programmes for both vendors and buyers. The European buying operation is managed to cover operating costs.

European car buying operations were paused as the impact of covid-19 became evident, resulting in an operating loss of £1.7m due to costs associated with holding vehicles, and the impact of vehicles sold below purchase price due to temporarily reduced demand.

Overall the division delivered revenue growth in the period of 34.2% to £682.4m (pro rata BCAM Group 2019: £508.5m) due to increased volumes and average price of vehicles purchased (and sold) in both the UK and Europe. Divisional adjusted EBITDA decreased by 4.3% as a result of the loss in European Vehicle Buying, and inventory provisioning in WeBuyAnyCar.

DIVISIONAL PERFORMANCE REVIEW *continued*

Automotive Services

The Automotive Services division brings together the Group's automotive logistics, new and used vehicle storage, preparation, handover, enhancement and refurbishment, providing a comprehensive suite of services in an integrated manner. The division continues to increase the penetration of internal moves and refurbishment completed for UK Vehicle Remarketing and WeBuyAnyCar, driving increased internal efficiency and reducing costs.

In the period since acquisition, the services business performed well with increased demand for manufacturer accredited refurbishment capability and retail ready vehicles driven by online sales channels. New and used vehicle storage has continued throughout lockdown, but the higher value inspection, preparation, refurbishment and handover services have been adversely impacted by lockdown arrangements. The interruption to the automotive sector has had a significant adverse impact on the seasonal new car peak in March which impacted BCA Automotive through lower vehicle moves. Traditionally March is the busiest month for BCA Automotive vehicle movements.

Overall, divisional revenue for the period of £153.3m was 4.4% lower (pro rata BCAM Group 2019: £160.4m) and adjusted EBITDA of £8.5m was in line with the comparative period as a result of the impact of covid-19 on the last month of the period.

Group Costs

Group costs include the development of cinch, a new classified platform for consumers, which launched in the summer of 2019. Development started in December 2018 and further costs of development and implementation have been incurred during the period. cinch delivered revenue of £0.1m from trial partnerships with dealer groups as functionality was tested and the value for enhanced leads was demonstrated. Reported costs in the period of £5.2m (pro rata BCAM Group 2019: £2.5m) primarily relate to brand awareness and development.

Other Group costs reflect the management capacity required to deliver joined up solutions across divisions for OEMs and major corporates, and excluding cinch were £3.7m in the period (pro rata BCAM Group 2019: £3.6m).

Divisional outlook

By June, national governments across Europe had lifted restrictions on car dealerships. We have seen strong demand from customers on our digital platforms, enabled by our continued investment in these platforms over previous years, including Buyer App. Our grading and mechanical checks have provided certainty for remote customers, and following year end vehicle pricing has rebounded to pre lockdown levels.

GROUP OPERATING REVIEW *continued*

Financial Performance review

The following table sets out the statutory financial performance of the Group including the results of the Company since incorporation (reported under IFRS 16).

	For the period 10 June 2019 to 29 March 2020 £m
Revenue	**1,460.6**
Adjusted EBITDA	
UK Vehicle Remarketing	56.6
International Vehicle Remarketing	14.9
Vehicle Buying	9.0
Automotive Services	17.5
Group Costs	(8.9)
Adjusted EBITDA	**89.1**
Depreciation and Amortisation	(28.2)
Adjusted operating profit	**60.9**
Significant or non-recurring items:	
Amortisation of acquired intangibles	(28.9)
Covid-19 related goodwill impairment	(266.4)
Transaction costs	(57.6)
Restructuring costs	(1.2)
Operating loss	**(293.2)**
Finance income	0.4
Finance costs	(58.4)
Significant or non-recurring items:	
Transaction related finance costs	(0.5)
Share of loss of associate	(0.1)
Loss before income tax	**(351.8)**
Income tax	(16.7)
Loss for the period	**(368.5)**

Significant or non-recurring items

As defined in the non-GAAP measures, management exclude significant or non-recurring ('SONR') items from adjusted operating loss as these are not representative of underlying trading performance.

Acquisition costs of £57.6m were incurred in completing the acquisition of the BCAM Group. Since acquisition, a purchase price allocation exercise has been performed and following identification of the separately identifiable assets, £28.9m of amortisation was recognised on acquisition related intangible assets. Restructuring costs of £1.2m following the BCAM reregistration as a private company were also incurred in the period.

Due to the impact of covid-19, management have reassessed the Group's growth forecast and have recognised an exceptional covid-19 related goodwill impairment of £266.4m. The impairment charge represents a change in the timing of vehicle volumes and associated cash flows expected through the marketplace over the short term as economic activity recovers.

Significant or non-recurring items *continued*

Management does not consider the markets in which the Group operates to be significantly impacted in the long run by the outbreak of covid-19. Auctions have historically shown robust performance during economic weakness as they provide the best source of liquidity for sellers. The used car market is similarly less impacted as consumers look for value in their mobility choices. While the fundamentals of the business remain solid, the growth trajectory has been delayed through reduced trading and liquidity available for investment in growth, following the actions taken protecting the business through lockdown and the weaker general macroeconomic conditions.

Finance costs

Finance costs in the period of £58.4m comprise £27.1m of interest charged on the finance facility, £18.3m of foreign exchange losses, £10.0m of IFRS 16 lease interest costs, £2.4m amortisation of debt issue costs and unwind of original issue discount, and £0.6m unwind of interest on other liabilities. Foreign exchange losses include £19.9m recognised on retranslation of the €534.5m facility at 29 March 2020.

The transaction related finance costs of £0.5m includes capitalised debt issue costs on the previous finance facilities that were written off on refinancing, offset by a foreign exchange gain arising on translation of Euro denominated balances at acquisition.

Taxation

The tax charge of £16.7m includes a £10.9m net tax charge in relation to SONR items. This includes a £6.0m credit relating to amortisation of acquired intangible assets, and an offsetting tax charge of £17.9m relating to the revaluation of deferred tax liabilities on acquired intangibles resulting from the change in the UK corporation tax rate from 17.0% to 19.0% from April 2020.

Included within SONR costs are certain permanently disallowable expenses incurred relating to the acquisition of the BCAM Group, including stamp duty on the acquisition of the shares, and the impairment of goodwill in the period of £266.4m. Under Regulation 3 of The Loan Relationships and Derivative Contracts (Disregard and Bringing into Account of Profits and Losses) Regulations 2004, foreign exchange losses of £24.1m arising on the translation of external Euro debt have been matched and treated as non-deductible in the period.

This resulted in an effective tax rate (‘ETR’) for the period of (4.7%). Excluding the impact of the amortisation of acquired intangibles, the rate change on the intangibles, impairment of goodwill, transaction costs and other SONR items in the period, the Group had an underlying effective tax rate of 199.4%. Excluding the impact of the non-deductible foreign exchange movements results in an adjusted underlying effective tax rate of 21.4%.

The underlying ETR is higher than the standard rate of corporation tax in the UK 19.0%. The ETR is reflective of the Group’s geographic mix of profits, with a combination of higher rates in our European markets and lower rates in the UK, and the effect of permanently disallowable items.

Permanently disallowable items comprise expenditure incurred that does not qualify for a tax deduction in the territory in which it arises, and includes depreciation on assets not qualifying for tax deductions and current period movements on provisions for uncertain tax positions.

Tax framework

In line with the Group’s published tax strategy, BCA is committed to paying the right amount of tax, when it is due, in the jurisdictions in which it arises, and views the payment of its tax liabilities as an integral part of maintaining high standards of corporate social responsibility.

GROUP OPERATING REVIEW *continued*

Tax framework *continued*

The Group is committed to being fully compliant with all statutory obligations and ensuring an appropriate relationship with the tax authorities.

The Chief Financial Officer has executive responsibility for tax matters. The Group seeks to structure its affairs on sound commercial principles and in accordance with relevant tax legislation. Where there are areas of uncertainty, the Group has strong relationships with professional advisers and utilises in-house specialists to ensure that tax risks are appropriately considered.

Loss after Tax

The loss after tax of £368.5m was stated after charging £354.1m of SONR costs, £0.5m of transaction related finance costs, £0.1m of share of loss of associate, and taxation of £16.7m. On an adjusted basis, excluding SONR and non-recurring finance costs, adjusted profit before income tax was £2.9m.

Financing and liquidity

In order to partially fund the acquisition of the BCA Group, and to refinance the BCA Group's finance facilities, the Company negotiated a £1,122m Senior Term and Revolving Credit Facility and a £265m Second Lien Facility on 25 June 2019 which are repayable on dates between November 2025 and November 2027. The Group manages its liquidity through a mix of long term and short term (revolving) debt, and the use of an overdraft and cash pool to manage its day to day liquidity.

The facilities are denominated in GBP and Euros, and attract variable interest based on LIBOR / EURIBOR plus margin, with customary margin ratchets and prepayment options. The Revolving Credit Facility ('RCF') is subject to a covenant test from the quarter ending September 2020, only if, at the end of a quarter, more than 40% of the total RCF facility is drawn in revolving loans.

On 29 April 2020, the Group agreed and drew an additional Senior Liquidity Facility of €67m. This facility ranks *pari passu* with the existing Senior Term and Revolving Credit Facility and provides increased liquidity and capacity for future investment and vehicle buying.

Cash flow

The Group generated operating cash in the period of £102.6m and generated inflows from the Partner Finance loan book of £4.9m. After accounting for tax, lease interest and finance costs, net cash inflow from operating activities before acquisition related cash flows was £63.8m.

During the period, Parentco received consideration of £1,015.3m from the issue of shares and the Group drew £1,248.4m from the new debt facility, net of £31.6m financing fees. This funded the £1,853.8m acquisition of the BCA Group (£1,762.4m net of acquired cash of £91.4m), repayment of existing debt of £357.7m, and acquisition costs of £52.2m.

During March, the Group drew the total available RCF of £115.0m to provide increased liquidity and flexibility throughout the early stages of the UK lockdown. The Group held cash of £247.2m at 29 March 2020.

Strategic Report and Group operating review

The Strategic Report (which comprises the Company background, Acquisition of the BCA Group, About BCA, BCA at a glance, Group operating review, Business model, Strategy, Stakeholder information and Risk management sections) was approved by the Board of Directors on 14 July 2020 and signed on its behalf.

T G Lampert

BUSINESS MODEL

Remarketing services are central to the Group's business model, facilitating vehicle transactions between vendors and buyers. This is complemented by a comprehensive range of value enhancing services. At each physical and digital touch point throughout the business, the Group's systems capture vehicle information. The data and analytics provide insight enabling us to optimise our services and achieve improved results for our customers. Knowledge of a vehicle's history and condition allows for efficient scheduling of refurbishment, repair and remarketing, enhancing the change of ownership for all participants.

OUR RESOURCES

Digital

- **Electronic - Auction**

A suite of electronic solutions to facilitate vehicle transactions, including BCA Live Online, eAuction Bid Now and Buy Now platforms

- **Vehicle information**

BCA Buyer app, Auction View and cinch provide customers with a sophisticated digital experience to help them search, find, review, track and ultimately buy vehicles.

- **Grade and condition**

Using machine learning to optimise refurbishment decisions and data driven algorithms to provide consistent and accurately graded vehicles.

- **Vehicle pricing**

Using the latest data captured through auction transactions and multiple vehicle touch points to provide predictive valuations based on age, mileage and condition.

- **Inventory management**

BCA Dealer Pro designed to make the part exchange process efficient and predictable with integrated inventory management.

Physical

- **Remarketing Centres**

Appraising, imaging, storing and remarketing vehicles at scale; the variety and consistency of inventory ensures our centres attract the greatest number and variety of buyers.

- **Transport**

Moving new and fleet vehicles for customers, transporting vehicles to and from refurbishment centres and providing transport for Vehicle Remarketing customers.

- **Refurbishment centres**

Storing, inspecting, refurbishing and managing fleet vehicles on behalf of dealers, fleet operators and manufacturers.

- **New vehicle services**

Inspecting, storing, managing and preparing new vehicles at storage locations around the UK prior to distribution.

- **Car retail estate**

Our expanded network of accessible, convenient and trusted local car buying locations make it easy for consumers to transact with WeBuyAnyCar.

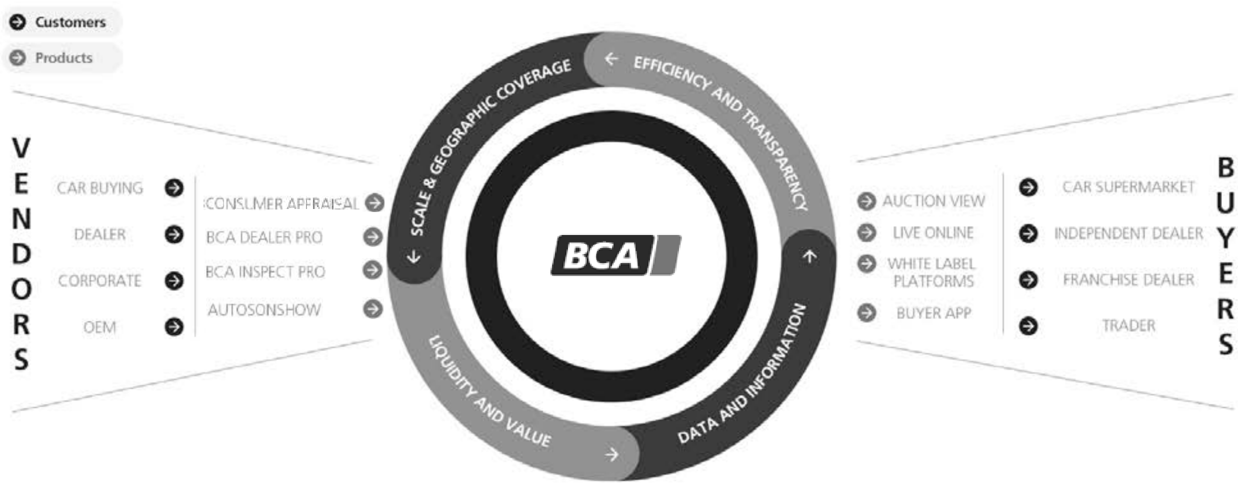
VEHICLE REMARKETING BUSINESS MODEL

Vehicle Remarketing is the marketplace for vehicles through digital and physical auctions in the UK and Europe. Auction centres are located across the UK and Europe, close to accessible transport routes.

BCA's marketplace brings together vendors and buyers. It provides vendors access to the latest market pricing, speed of vehicle disposal for vendors and an unrivalled choice of consistently graded available stock for buyers.

The Vehicle Remarketing divisions facilitate the sale of almost 1.5m vehicles a year, operating in two distinct markets: the UK trading right-hand drive vehicles and the international markets trading primarily left-hand drive vehicles.

In the UK, dealers and corporates utilise auctions as the primary volume disposal channel. In Europe, where auction is less well established, there is a significant opportunity to increase market penetration. Across Europe buyers can source cars from all BCA auction markets as BCA 1Europe Transport manages quick, reliable, cross-border vehicle reregistrations and transport.



VEHICLE REMARKETING BUSINESS MODEL *continued*

Digital
Online auctions allow buyers to participate in auctions across multiple locations concurrently.

BCA offers a number of online auction solutions:
- BCA Live Online operates online vehicle auctions simultaneously with, or independently of, physical auctions
- eAuction provides exclusively online auctions with a physical auctioneer
- Bid Now provides time limited online auctions which are not run alongside physical auctions or with a physical auctioneer
- Buy Now enables the instant purchase of vehicles from our online catalogue

Digital vehicle information, available via the BCA Buyer app and electronic sales guides, gives buyers the capability to search for and track vehicles, notifying them prior to the vehicle being offered for sale. A dedicated messaging service generates engagement with the auction clerk during the sale, along with instant visibility of the proxy bid.

BCA's digital auction services enable buyers to purchase online with the same confidence as at a physical auction. In France, Sweden, Denmark, Norway and Switzerland, BCA operates auctions exclusively online.

Social distancing regulations for covid-19 have encouraged broader adoption of digital interactions with an enthusiastic response from buyers.

Services
BCA provides a range of services that enhance the marketability of vehicles by improving the information available to buyers, offering clarity regarding the vehicle's condition:
- Inspection and grading
- Valuation
- Imaging and video
- Collection and delivery
- BCA Assured
- BCA Partner Finance

Physical
BCA's physical auctions are a core element of the marketplace, bringing a wide range of consistently graded and presented vehicles together in each location. This creates an environment where buyers can quickly assess and purchase vehicles.

Remarketing solutions
Our remarketing solutions enable OEMs, fleet and leasing companies to choose from a range of services to remarket their vehicle fleets, selecting the elements of vehicle processing that they wish to undertake. Remarketing channels include:
- physical and digital auctions
- our Buy Now proposition offers direct sales of vehicles prior to their allocation into other remarketing channels
- white label platforms allowing franchised dealers to view, access and purchase available stock from the franchise network
- closed auctions enabling vendors to offer vehicles to a closed group of selected buyers
- driver sales supporting direct sales of vehicles coming off lease

BCA outsourced remarketing solutions takes this one step further whereby a fleet owner can sell all vehicles or significant batches of vehicles to BCA directly, leaving BCA to manage inspection, damage estimation, handover, refurbishment, multi channel digital marketing and onward sale.

Our services include end of lease inspection, damage estimation, vehicle handover and collection, multi-channel digital marketing and telesales to allocate volume to a variety of remarketing channels, all supported by BCA's portfolio of tools and capabilities that are used to optimise performance in the used vehicle marketplace.

VEHICLE BUYING BUSINESS MODEL

BCA offers a simple route of vehicle disposal for consumers in the UK, through WeBuyAnyCar, and for corporates in Europe.

Within the UK WeBuyAnyCar is the largest car buying service, assisting more than 1.8 million customers to sell their cars since 2006, continuing to grow both volume, market share and customer base, in spite of the efforts of new participants within the market.

WeBuyAnyCar was introduced as an alternative channel for the disposal of used vehicles (the third disposal channel) freeing consumers from the inconvenience of private sale and the potential inefficiency of part-exchange (particularly when consumers are changing vehicle make). WeBuyAnyCar purchases used vehicles in the UK direct from the consumer and disposes of them through the UK Vehicle Remarketing division. With the third disposal channel only accounting for 3% of used car transactions there is significant potential to increase market share.

As the market leader in consumer vehicle buying, WeBuyAnyCar continues to attract new customers and provide a positive user experience with a 5* Trustpilot rating. The number of repeat customers continues to grow, demonstrating the consumer trust in the brand and the satisfaction around the value attached to the vehicle disposal process.

Through a varied auction programme across the country, the average WeBuyAnyCar vehicle is sold within 10 calendar days of purchase, minimising the Group's exposure to the risk of price changes.

WeBuyAnyCar continues to improve our network of sites, to provide a convenient, accessible and safe service for customers, with longer opening hours and more sites opening seven days a week. Continued investment in additional retail locations has led to an additional 45 site openings in the year bringing the total to 315 across the UK. A consumer is able to conclude the sale of their car within 60 minutes of obtaining a quote online with an average drive time of under 13 minutes to reach their local WeBuyAnyCar branch.

In Europe, vehicle buying focuses on purchasing batches of vehicles from corporates, adding mix and diversity to auction inventory in the International Vehicle Remarketing division.

AUTOMOTIVE SERVICES BUSINESS MODEL

With our national network of sites and significant physical infrastructure, including the UK's largest transporter fleet, BCA operates the largest automotive transport, refurbishment, storage and fulfilment capability in the UK through:

- BCA Automotive
- BCA Logistics
- BCA Vehicle Services
- BCA Fleet Solutions

BCA has industry leading capacity and the ability to provide solutions and economies of scale spanning new vehicle, fleet solutions and de-fleet services.

BCA Automotive

BCA Automotive handles bulk vehicle movements with a fleet of over 830 transporters, moving 2.3m vehicles a year. BCA Automotive delivers vehicles to and from ports, manufacturing centres, PDI facilities, storage and refurbishment centres, auction sites and dealerships.

Continued investment has resulted in a modern and efficient fleet of transporters, improving operational comfort for our employees and reliability for our customers.

BCA Logistics

BCA Logistics offers:

- Single vehicle movements
- Customer handover specialists
- Vehicle inspection and collection services
- LCV trade plate movements

BCA Vehicle Services

Provides new vehicle support to customers from port of entry or factory gate to fleet or retail availability. Services include:

- Reception, customs management and handling at port or factory gate
- Pre-delivery inspection ('PDI') and new vehicle preparation
- Accessory fitment and customisation
- Warranty and servicing
- Storage and compound management

BCA Fleet Solutions

Specialises in fleet management, de-fleet and refurbishment.

Our fleet management expertise gives us the capabilities to offer customers full service fleet management solutions, providing consistently high levels of customer service and peace of mind for fleet customers, including:

- Booking, management and administration
- Preparation, maintenance and storage
- Document management
- Handover, inspection and collection services

De-fleet and refurbishment are delivered at scale to exacting and consistent standards, allowing BCA to be cost effective. We provide:

- Inspection and estimating services
- Refurbishment to wholesale or retail ready standards
- Service and warranty
- Studio quality imaging
- Valet and secure storage
- Wheel refurbishment

CINCH BUSINESS MODEL

A key part of our strategy is to continue to broaden our service offering from ‘change of life’ to include ‘in-life’ services and to deliver value added services to a vehicle’s keeper; the consumer. Over recent years BCA has spent time observing, researching and questioning how people go about finding their next car. The current market continues to be characterised by online catalogues that presume the consumer knows the make and model that will most suit them. We know from our interactions, (selling, pricing, buying, moving and preparing cars) how difficult it is to understand all the alternatives; particularly given the quality and variety of great cars that are available. The launch of cinch in summer 2019 flagged the start of how BCA can help the consumer.

BCA has unrivalled vehicle data; of the 7.8 million used car transactions in the year, over 1 million of these cars pass through our auctions while many more are moved by our market leading transporter fleet, inspected or refurbished by our experts. We have a trusted relationship with people who are thinking of selling their current vehicle, with WeBuyAnyCar receiving more than 21 million unique website visits each year.

cinch was developed for an estimated 3.4 million consumers that wanted a more intuitive search. Online experiences across retail, gaming and even financial services have evolved significantly and traditional classified listings no longer match expectations. We spend time understanding what people need from their car, enabling them to find a car that suits their requirements. If a consumer knows exactly what car they want, cinch accommodates that too with free-form search capabilities. Put simply we aim to remove the faff that consumers feel exists today.

We look to work with progressive car dealers and currently feature over 100,000 vehicles on the site.

Our continued investment enables us to continue to develop the cinch platform and we will continue to increase our investment in both systems development and consumer marketing over the coming financial periods, to ensure that cinch evolves to meet the needs of consumers, dealers and our shareholders.

STRATEGY

BCA's strategy is to create value for stakeholders through organic growth, acquisitions and partnerships in the automotive sector in the UK and Europe. We continue to work with all major market participants to develop and adapt integrated solutions to solve and meet the needs of the participants across the automotive sector, maximising value for all stakeholders.

Short term
BCA will build upon the strengths of our fulfilment capabilities, physical real estate, knowledge and automotive relationships to enhance our operations and integrated solutions in both the UK and Europe. We continue to focus on reducing costs by optimising efficiency at each of our locations, integrating and streamlining operations for improved operating performance underpinned by connected data. Our car refurbishment centres will continue to play an increasing role in our strategy as we offer a greater variety of retail ready stock. Innovation will continue to be embraced to bring further insightful trusted information in a convenient manner to vehicle sellers and through cinch, to vehicle buyers. We will continue to create a winning culture, investing in our people to create and maintain high performing, technically specialist and data-orientated teams.

Medium term
The Group will continue to develop our operations through both organic growth and tactical acquisitions, with a focus on the intelligent use of data and other innovations. We will use cinch as a key platform to drive efficiencies and deliver value to B2B and B2C customers, whilst seeking to deepen the in-life service relationship. Our International Vehicle Remarketing business will look to develop deeper customer relationships across an expanded geographical footprint.

Long term
BCA will focus on activities that are non-core to OEMs, vehicle sellers and vehicle owners, providing solutions at scale. Opportunities arising out of change in the automotive industry will continue to be a fundamental pillar of BCA's success.

Our divisions each have a detailed dashboard of key performance indicators that we use to track and evaluate our performance. These cover commercial, operations, health & safety, people, costs and digital footprint. Given the commercial sensitivity, these operational KPIs are not published but they are designed to support the financial KPIs that we focus on in this report.

STAKEHOLDER INFORMATION

BCA's strategy is to create value for stakeholders through organic growth, acquisitions and partnerships in the automotive sector in the UK and Europe. BCA recognises the full range of stakeholders in the business. The Group categorise these as customers, suppliers and business partners, employees, community and charity, environment, and shareholders and finance providers.

CUSTOMERS, SUPPLIERS AND BUSINESS PARTNERS

Defining the way we engage with customers and create value

Integrators
Bringing together critical support services and products

Enablers
Putting ourselves in our customers' shoes

Specialists
Recognised experts in what we do

Guardians
Taking care to protect the value of our customers' products and relationships

Connecting the marketplace

BCA provides joined up, aggregated solutions to support the efficient change of vehicle ownership. Our solutions include:

	OEMs	Leasing, fleet & rental companies	Dealers	Buyers	Consumers
Transport	✓	✓	✓	✓	✓
Storage and dock facilities	✓	✓	✓	✓	✓
Inspection	✓	✓	✓	✓	✓
Preparation	✓	✓	✓	✓	✓
Remarketing	✓	✓	✓	✓	
Vehicle buying	✓	✓			✓
Fleet & inventory management	✓	✓	✓		
Vehicle enhancement & refurbishment	✓	✓			

- Vehicles diminish in value throughout their life and have high holding costs. BCA provides connected integrated services to our customers, reducing the remarketing cycle time, shortening our customers' working capital cycle, increasing liquidity and maximising their return from remarketed vehicles.

- Our remarketing buyer fees are tiered and do not hold a 1:1 relationship with vehicle value, thereby minimising the commercial impact of marginal changes in vehicle values on the business.

- BCA only takes title to vehicles through our outsourced remarketing contracts and within the vehicle buying businesses. Our exposure to residual pricing risks is minimised due to the short holding period of the vehicles and the accuracy of our pricing tools.

STAKEHOLDER INFORMATION *continued*

CUSTOMERS, SUPPLIERS AND BUSINESS PARTNERS *continued*

How we add value for customers, suppliers, and business partners

Remarketing buyers

Fulfilling sourcing needs via the largest aggregation of stock, providing choice, convenience and value.

- Availability of a wide choice of stock across marques, models, ages and conditions
- Clarity of vehicle condition providing buying confidence
- Market leading aggregator showing all stock with comprehensive vehicle information including guide pricing, giving confidence to buy online
- Excellent vehicle presentation
- Full calendar of sales throughout the year
- Stock funding service, through BCA Partner Finance, for managing cash flow and as an additional source of lending
- Delivery of vehicles
- Assistance with onward vehicle marketing e.g. imagery

Remarketing vendors

Optimised price performance and sale conversion rates of used vehicles through a method that maximises financial return, speed and convenience.

- Integrated services optimising returns to vendors
- Promotion of vehicles including BCA Search and online aggregation of all vehicles
- Comprehensive vehicle descriptions including age, mileage, specification, condition, guide pricing and images
- Full portfolio of auction services for best presentation of vehicles including appraisal, valeting and BCA Assured
- Bidding/buying demand achieved through buyer base diversity
- Efficient valuation, collection and refurbishment services

Corporate owners (OEMs, fleet operators and lease providers)

Ability to fully outsource vehicle management, conditioning, driver contact and logistical moves.

- Large scale physical estate for storage
- Integrated real-time tracking of vehicles
- Geographical coverage reducing logistics costs
- Reduced time and depreciation to vehicle sale
- Transportation network allowing efficient collection and delivery
- Refurbishment and preparation capabilities to retain value

WeBuyAnyCar customers

An alternative disposal option to part-exchange or private sale.

- Trusted service
- Accessible, online used vehicle valuation
- Transparent process
- Any make, model or condition purchased
- Quick and efficient on-site process
- Convenient locations and opening hours
- Secure payment available within two hours

Suppliers and business partners

Working with suppliers and business partners in the manner in which we would expect to be treated.

- Operate in a fair, reasonable and trusted manner
- Interact with transparency, honesty and integrity
- Co-operation with suppliers and business partners leading to confidence and respect

STAKEHOLDER INFORMATION *continued*

EMPLOYEES

At BCA, we believe our people are the best in the business. They are friendly, expert and professional, and they understand that providing excellent service to our customers is how we grow the Group and really enjoy our work; because our employees are so important to us, we treat them properly and seek to engage with them in meaningful ways.

We try to make working for BCA rewarding in every sense, to create exciting work career opportunities for all and to offer training and development for our employees to enable them to reach their full potential.

Colleague Engagement Team
As the Group continues to grow and develop under new ownership we recognise the importance of keeping our people engaged so they understand the opportunities for them and the business and can help one another achieve success. In 2019 BCA established a Colleague Engagement Team ('CET') to provide structure and focus and to enable the sharing of information, and the engagement programme has continued to expand.

The engagement programme is designed to:

- Serve as a basis for constructive engagement that represents meaningful, two-way dialogue between the Group and our employees
- Ensure feedback is representative of the views of employees relative to its composition across the range of divisions, grades, geographical locations and business functions
- Collect feedback in a manner which can be disseminated into clear and useful management information for the Board and senior management
- Collect feedback which provides insight into the interests of employees in relation to key decisions taken by the Board during the financial year

In the current period the CET has engaged with a cross-section of the Group's employees through town hall meetings around the Group's UK and European sites and reported feedback from these sessions to the Board. Employee engagement levels at the meetings have been high and the CET have seen a thirst for knowledge about the business from colleagues across the Group, as well as being a welcome focal point for feedback on both local matters and the wider business.

The CET comprises:

- Mary Clark, Sales & Operations Support Manager (a former BCA Graduate Development Programme member)
- Nigel Glenn, Managing Director, BCA Automotive
- Kathy Horsey, Client Services Director, UK Vehicle Remarketing

These employees are well known within their divisions and were selected for their honest communication and mutual respect amongst the workforce. Given the varied nature of the BCA workforce, bridging our digital and physical environments, it is important to have a range of experiences across the team to engage with our colleagues in a meaningful and relevant way.

The CET provide regular reports to the Board during the year to ensure the communication between employees and the Board is timely, and relevant, with the latest report in October 2019.

EMPLOYEES *continued*

Employee Learning and Development
BCA is an innovative, co-operative and motivating place to work and we look to attract and retain the best employees, providing them with rewarding careers and opportunities for training, development and progression. Our commitment to training and development is demonstrated in our Graduate Development Programme and our apprenticeship opportunities.

Apprenticeship schemes
As at 29 March 2020, 219 of our employees were studying for apprenticeships, including a large number studying practical vehicle-related apprenticeships in our Automotive Services division.

The range of apprenticeships offered to staff spans the entire business; ranging from Level 2 (equivalent to GCSE standard) to Level 7 (equivalent to professional qualifications standard) supplied by leading training providers. During the period we also welcomed our first employees who are studying for a three-year Management Degree (Level 6) apprenticeship in conjunction with the Open University.

Apprenticeships are not only open to new joiners. We are committed to supporting staff throughout their careers. We currently have a number of experienced employees undertaking apprenticeships as an integral part of their ongoing career development in areas including LGV driving, paralegal work and recruitment resourcing.

Graduate Development Programme
The Graduate Development Programme provides a structured opportunity for commercially or operationally minded graduates from a variety of backgrounds to gain in-depth experience across different areas of our business.

The graduate programme includes management training, workshops and frequent engagement with senior management. All graduates are assigned a senior mentor and a previous graduate to provide personalised support throughout the year.

On the programme, there is a commitment to further learning opportunities from day one. As part of this commitment, all graduates will complete an Improvement Technician (Level 3) apprenticeship during the year.

The vision of BCA is to develop automotive expertise and nurture its future business leaders. Previous members of the Graduate Development Programme are now in integral roles within operations, auction branches, business efficiency, human resources, recruitment, digital auctions, customer support, business analysis and data analytics. We recruited nine graduates in the period, and continue to see our Graduate Development Programme as an important element of developing the Group's leadership of the future.

Employee recognition
Employee's long service
Every year, numerous employees reach long service milestones with the Group. In the last year we celebrated the following long service milestones:

45 years – 1 employee
40 years – 1 employee
35 years – 5 employees
30 years – 10 employees
25 years – 19 employees

STAKEHOLDER INFORMATION *continued*

EMPLOYEES *continued*

Employee recognition *continued*

We value our employees and their commitment and engagement to deliver excellent service for our customers. Our employees are important to us and we are committed to treating them fairly and with respect. In addition to the CET, we share the Group's vision and performance throughout the year through meetings, written and electronic communications and staff training, and have this year developed a Corporate Group Induction programme for new employees to outline the breadth and scope of our operations across all our divisions.

At our annual conference we recognise employees for their achievements including great performance, loyalty and commitment across different areas of the business.

The value of our people in practice

The skill and experience of BCA's management and employees was recognised as key to the ongoing success of the Group when the BCAM Group was acquired in November 2019. As set out in the Scheme of Arrangement document, other than limited restructuring arising from the de-listing of the BCA Marketplace plc shares and the resignation of the non-executive members of the previous Board, no material changes in respect of the employees or management of the BCA Group has been undertaken following the acquisition.

The ownership structure of the Group should have little impact on our employees' day to day roles and the transition from public to private was worked through with minimal distraction.

Employee diversity

We try to make working for BCA rewarding in every sense, including a positive work environment and exciting career opportunities. BCA always aims to recruit competence and potential and then support this with the training and development necessary for the employee to reach their full potential.

The Group encourages diversity and recognises the benefits that diversity brings to the organisation. BCA is committed to providing equal opportunities within the workplace with a genuinely inclusive culture, maintaining a workplace that is fair, respectful and free from discrimination. BCA treats its employees and job applicants fairly and equally in accordance with its employment practices, policies and procedures and irrespective of age, disability, sex, sexual orientation, gender reassignment, race, colour, ethnic or national origin, religion or belief, marriage or civil partnership, pregnancy and maternity or paternity, or membership or non-membership of a trade union.

The table below sets out the gender diversity as at 29 March 2020:

Gender diversity as at 29 March 2020	Female	Male	Total
Board of Directors[3]	1	4	5
Senior managers	13	94	107
Other senior staff, department heads and unit and regional managers	46	166	212
All employees	1,936	5,574	7,510

[3] See Governance page 31

STAKEHOLDER INFORMATION *continued*

EMPLOYEES *continued*

Gender pay
Following the decision by the Government Equalities Office and the Equality and Human Rights Commission to suspend the requirement for companies to publish gender pay reports in light of the covid-19 outbreak, the Group has not published a report for the 5 April 2019 period for its six qualifying subsidiary companies. Gender pay reports for the periods at 5 April 2017 and 2018 are available online and can be accessed on the Company's website at www.bcamarketplace.com/corporate-responsibility/gender-pay-gap-report.

Employment policies
All applications for employment with the Group are considered equally based on their merits, and the Group seeks to provide appropriate facilities to help applicants with a disability with their application and attendance for interview, such that they have an equal opportunity to be selected. An employee's needs can change whilst employed by the Group and, where this is the case, the Group will investigate, in consultation with the employee, the possibility of making reasonable and appropriate adjustments to enable them to remain in the Group's employment and to undertake their role in accordance with those needs.

Whistleblowing
At BCA we are committed to a culture of openness and honesty. For straightforward queries or concerns, staff are encouraged to talk to their line manager or HR. Specialists are available should employees have a technical question about what the right thing to do is in a specific situation. If these options are not appropriate, a confidential whistleblowing hotline is available. The hotline is specifically set up to respond to genuine concerns regarding suspected ethical breaches and/or where there is a need for an issue to be handled confidentially.

ANTI-BRIBERY AND ANTI-CORRUPTION
The Group operates to high professional standards and requires all officers, employees, agents and others acting on behalf of BCA to act with integrity in all interactions with customers, suppliers and third parties. BCA takes a zero-tolerance approach to bribery and corruption and requires any suspicion of bribery or corruption to be reported to management or escalated via the confidential help-line.

MODERN SLAVERY
BCA has a zero-tolerance approach to modern slavery. We act ethically and with integrity. We have systems and procedures to try to ensure modern slavery and human trafficking does not take place within our business or our suppliers. To help facilitate compliance with this practice employees, contractors and suppliers are encouraged to use the confidential help-line to report any activity they are concerned about in any part of the Group's business or its suppliers. The Group's statement in respect of the Modern Slavery Act 2015 is published on the website.

For more information visit www.bcamarketplace.com.

STAKEHOLDER INFORMATION *continued*

COMMUNITY AND CHARITY

Pedal to Bruges

In September 2019, a group of 70 cyclists and support crew from BCA and the wider motor industry successfully completed the 240 miles of the 2019 BCA Cycle Challenge, from the Group's site at Paddock Wood to Bruges.

This year's event raised in excess of £140,000 of funds for Action for A-T, the chosen charity, and was the third year running that BCA has staged its Cycle Challenge event, raising over £330,000 in total. Thanks to our sponsors that included ACE, Ancaster, Arnold Clark, Aston Lark Limited, Cambria Autos, Eden, FG Barnes, Jardine, JCT600, Lex Autolease, Lookers, NetSol, Motorline, Renault Retail, Steven Eagell, Sytner, TC Harrison, Trade Centre Group, Trust Ford and Thrifty.

Ben

BCA continues to work with Ben, the not-for profit organisation supporting automotive industry employees and their families with problems they are facing. Ben provides a wide range of confidential services, including information, advice and support at no cost including highly regarded care centres at various locations throughout the UK. Further details can be found at ben.org.uk

ENVIRONMENT

The Group strives to conduct business in a safe, secure, legal and ethical manner, for all interested stakeholders. The Group aims to maintain its assets, properties, land and boundaries in a condition that does not adversely affect or endanger its neighbours and the surrounding communities. The Group abides by the law and local planning requirements and considers and responds promptly to issues or concerns raised by its neighbours regarding the operation of its business.

The Group's locations integrate environmental management into their operational systems and procedures. Environmental performance, in relation to the emission and discharge of pollutants into the air and water, is monitored as part of the Group's operations.

Highlights for the period include:

- Recent completion of Energy Savings Opportunity Scheme (ESOS) phase 2 ensuring that the business met its compliance responsibilities and was supported by an independent report which provided support to a number of initiatives already being undertaken to drive worthwhile financial savings and enhance the business' green credentials.
- Continued investment in the Group's transporter fleet means that 88% of the current fleet and all new transporter purchases are compliant with the very latest emission standards. Transporters incorporate energy efficient technology such as Opticruise, Eco-Roll and automated start-stop during loading to reduce emissions, reduce carbon footprint and improve fuel efficiency.
- Continued auction dedication to low emission vehicles with a 47% increase in Electric cars and 21% increase in hybrid cars sold in FY20.
- Removal of hard copy entry forms in the UK auction business during FY20 will have the effect of taking out over one million pieces of paper from the business each year.

STAKEHOLDER INFORMATION *continued*

GREENHOUSE GAS REPORTING

The Group is required by the Companies Act 2006 (Strategic report and Directors' report) Regulations 2013 to measure and report its direct and indirect greenhouse gas ('GHG') emissions.

Direct GHG emissions are from sources that are owned or controlled by the Group. Indirect GHG emissions are a consequence of the activities of the Group that occur from sources owned or controlled by other entities.

Scope 1 emissions: Direct emissions controlled by the Group arising from the combustion of fuel that results from the Automotive Services fleet and company cars. This is regardless of whether the vehicles are owned or leased as the Group is responsible for their emissions.

Scope 2 emissions: Indirect emissions attributable to the Group due to its consumption of purchased electricity and gas.

Scope 3 emissions: Indirect emissions attributable to the Group, which occur at sources which are not owned or controlled and which are not classed as Scope 2 emissions. These emissions arise from business travel in employee-owned vehicles where BCA is responsible for purchasing the fuel.

The methodology used to calculate emissions is based on the GHG Protocol's Corporate Accounting and Reporting Standard approach. Emission factors used are from UK government ('DEFRA') conversion factor guidance applicable to the period reported.

The report sets out the Group's emissions for the period ended 29 March 2020.

Absolute carbon emissions (tonnes of CO_2)	2020
Scope 1	36,823
Scope 2	3,828
Scope 3	165
	40,816

Carbon intensity (tonnes of CO_2 per £m/employee)		2020
Revenue	*£1,460.6m*	27.9
Adjusted EBITDA	*£89.1m*	458.1
Average employees	*7,554*	5.4

STAKEHOLDER INFORMATION *continued*

HEALTH AND SAFETY

The health and safety of our employees, contractors, suppliers and visitors to our premises is taken with utmost seriousness by the Group.

The Group's Vehicle Remarketing divisions operate from over 50 locations across the UK and Europe, selling approximately 1.5 million vehicles per annum. In addition, the Group operates at 315 locations in the UK to support the Vehicle Buying division. With large numbers of vehicles stored and prepared for sale at these sites and at the auction centres, the Group's employees and members of the public come into close contact with vehicles as they move to and from the auction hall.

The Group's employed and contracted drivers collect and deliver vehicles across both the UK and continental Europe and operate a fleet of more than 830 vehicle transporters. Consequently, the Group's operations are subject to stringent regulations requiring adequate precautions to prevent injuries arising from collisions and impacts with obstacles or other vehicles moving within the Group's locations and on public roads.

BCA is committed to providing a safe working environment wherever it operates, employing a proactive network of health and safety personnel, who share knowledge and experience with the aim of fostering best practice and ensuring consistently high standards of safety across the Group. Health and Safety managers and committees are responsible for monitoring and reporting adherence to the Group's health and safety protocols to their divisional leaders and the Health and Safety Executive Committee which ultimately reports on health and safety matters to the Board.

STAKEHOLDER INFORMATION *continued*

SHAREHOLDERS & FINANCE PROVIDERS

TDR acquired the Group in 2019 taking the company private for the first time since 2015. Working in partnership with management TDR focuses on operational excellence to drive returns by combining ambitious operational plans with a rigorous focus on capital preservation.

The Company has a number of unique and compelling credit strengths for its finance providers, including:

- Market leading positions in all divisions which underpins multiple high barriers to achieving scale for new entrants
- Attractive, stable and underpenetrated market with consistent growth
- Superior business model supported by superior data collection which drives strong cash generation in what is a capital-light model
- Strong and resilient financial profile as evidenced by increased volumes and profitability during the global financial crisis and continued earnings growth in the last 15 years
- Unique platform for accelerated growth supported by key strategic initiatives
- Experienced management consistently delivering organic and inorganic growth

Throughout the covid-19 disruption, lenders have received regular proactive updates on how the situation has impacted the Group's trading and liquidity. The Group has successfully withstood these challenges so far, and is emerging from the lockdown with strong trading prospects and liquidity.

GOVERNANCE

At incorporation on the 10 June 2019 Parentco's board constituted two Directors. Following the acquisition of BCAM the differing requirements of public and private ownership have necessitated a review of governance arrangements.

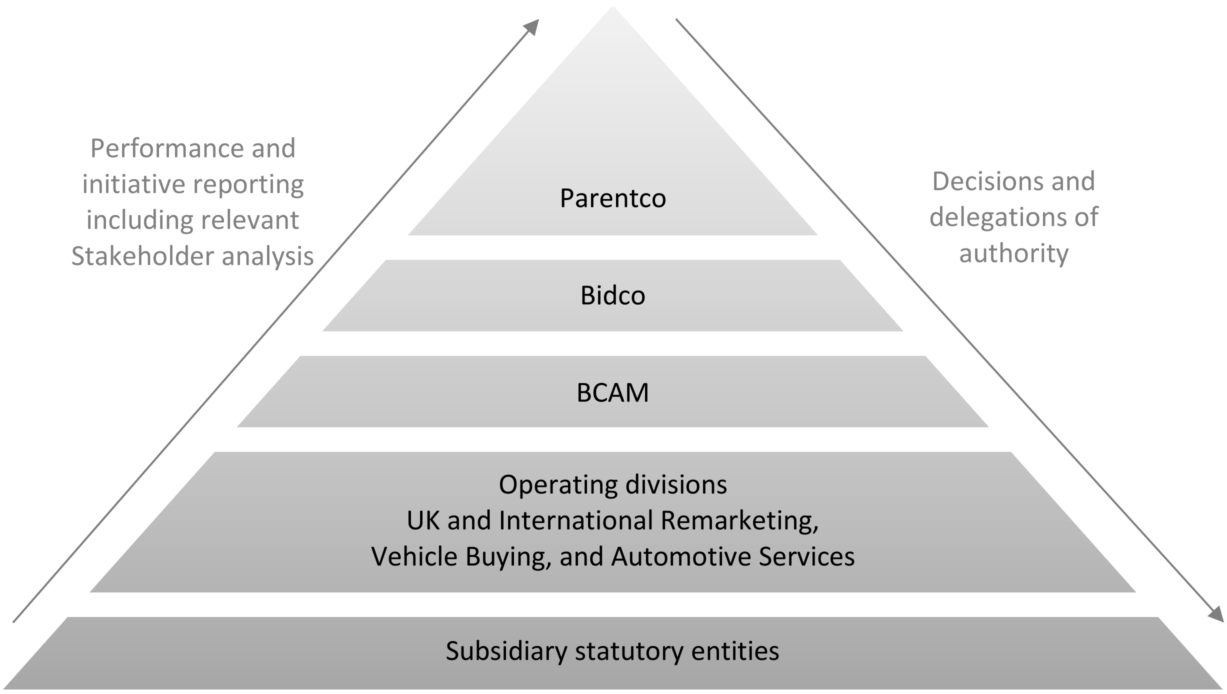
Prior to acquisition on the 6 November 2019 the legacy BCA Marketplace plc (now BCA Marketplace Limited, 'BCAM') had a Premium Listing and was required to comply or explain any non-compliance with the UK Corporate Governance Code. Following the acquisition each of the non-executive members of the BCAM board resigned as intended in the scheme of arrangement papers and the Nominations, Remuneration and Audit and Risk committees disbanded.

The size of the acquisition, the percentage of the business conducted in the UK and the number of UK employees qualifies Parentco for the enhanced annual reporting disclosure obligations placed upon portfolio companies and private equity in conformity with the Guidelines for Disclosure and Transparency in Private Equity 'The Walker Guidelines'. Throughout this annual report we have included the required disclosures.

Regulation 14 of The Companies (Miscellaneous Reporting) Regulations 2018 applies to companies of a certain size to make a statement in the directors' report summarising the corporate governance arrangements applied by the company. While Parentco does not fall into scope for this regulation it does have one subsidiary, British Car Auctions Limited, that meets the criteria. Given the structure of the Group's governance arrangements, the expectations of users of the accounts as to where they may see such disclosures and the overlap with certain Walker Guideline disclosures an outline of arrangements is provided below.

STRUCTURE OVERVIEW

The Governance position within the structure previously held by BCAM has been superseded by its direct parent entities Bidco and Parentco.



The Parentco board is a subset of the broader Bidco 'Board'.

GOVERNANCE *continued*

The Group's core values underpin a robust framework of governance and compliance. Our values drive a culture of openness and transparency and, by promoting trust and fairness in the marketplace, we approach our business ethically and in the right way. In turn, we expect the same high standards from those we work with including suppliers, contractors and our business partners.

The Board meets regularly and standing matters considered by the Board are: business and financial performance, outlook, health & safety, key initiatives and strategy. Where by exception the board does not meet, written reports giving updates on the performance of the business and operational matters are provided.

Guidance on policies over key areas are provided by the board to the Operating divisions. Such policies include the following:

- Risk & Compliance
- Health & Safety policy
- Anti-Bribery & Corruption policy
- Business Entertainment & Gifts policy
- Conflict of Interest policy
- Whistleblowing policy
- Anti-Money Laundering/Counter Terrorist Financing policy
- Data Protection policy

Our Group comprises a number of Operating divisions, all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. The governance framework delegates authority for local decision-making at business unit level up to defined levels of cost and impact which allows the individual businesses to take account of the needs of their own stakeholders in their decision-making. This delegation includes the practical implementation and monitoring of the policies over key areas.

Active trading subsidiary statutory entity boards contain representation from the Operating division's leadership team. The leadership teams are charged with making decisions in line with the Group values and with a long term view in mind. On significant decisions the Board and Operating division leadership take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take.

On an annual basis the boards of large active trading subsidiaries formally reflect on Operating division matters and ensure their own local stakeholder relationship and engagement needs have been appropriately taken account of.

FRAMEWORK

The revised structures, policies and procedures the Company and Group have in place are summarised below using the framework principles identified in the Wates guidance published by the Financial Reporting Council in December 2018.

GOVERNANCE *continued*

PRINCIPLE ONE: PURPOSE AND LEADERSHIP

Purpose

Our purpose is to provide trusted innovative solutions to facilitate the change of ownership of vehicles.

Vehicle remarketing services are at the core of the Group's business model, facilitating vehicle transactions between vendors and buyers. This is complemented by a broad range of value enhancing services. For consumers WeBuyAnyCar provides the quickest and most hassle-free car buying service available. At every physical and digital touch point through the business, the Group's systems capture vehicle information. The data and analytics provide insight to optimise our services to achieve improved results for our customers. Knowledge of a vehicle's history and condition allows for efficient scheduling of refurbishment, repair and remarketing, enhancing the change of ownership for participants.

Values and Culture

We aim for excellence in what we do through the application of the following core values:

These values are key to how we interact with our stakeholders to build a clear sense of purpose and collective vision. For further details see the stakeholder information on pages 21 to 30.

Strategy

BCA's strategy is to create value for stakeholders through organic growth and supplemental tactical acquisitions in the automotive sectors in the UK and Europe. We continue to work with all major market participants to develop and adapt integrated solutions to solve and meet the needs of the participants across the automotive sector, maximising value for all stakeholders. For further details see the strategy information on page 20.

Effective ownership

The Company's ultimate controlling party is TDR Capital LLP ('TDR'), a UK Limited Liability Partnership registered in England and Wales.

The ultimate parent entity is BBD Topco Sarl which has effective ownership of 85% of the immediate parent BBD Group Sarl.

GOVERNANCE *continued*

PRINCIPLE TWO: BOARD COMPOSITION

Parentco is controlled by the board of Directors on behalf of the shareholders and the Board provides leadership. The board comprises three Directors operating in a flat structure, two of whom represent TDR. Matters reserved to the board include financing, reporting and putting in place key policy frameworks.

BBD PARENTCO LIMITED DIRECTORS

	Appointment date	Career and experience	Skills and competencies
Tim Lampert Chief Financial Officer	7 November 2019	Tim started his career in manufacturing companies before joining a division of Bombardier Inc. in finance roles in the UK and Middle East. He joined Autologic Holdings Plc in 1997 and held various roles including Finance, Logistics, Projects and Managing Director. He was also involved in a number of acquisitions and disposals and ultimately, the successful sale of this company. Tim is a fellow of the Association of Chartered Certified Accountants.	Tim was instrumental in the Haversham Holdings plc acquisition of the BCA Group and has in-depth sector knowledge. He has extensive experience of finance roles and leading teams responsible for significant budgets. Tim has a strong track record of delivering operational excellence.
Thibaut Large TDR	10 June 2019	Thibaut joined TDR Capital in November 2009. Prior to joining TDR, he spent five years at Apax Partners, where he focussed on leveraged buyouts in the media sector.	Thibaut received an MBA from Harvard Business School, as a Baker Scholar, and an MEng in Aeronautical Engineering, with first class honours, from Imperial College.
Mark Stephens TDR	10 June 2019	Mark joined TDR Capital in September 2012. Prior to joining TDR, Mark worked at Morgan Stanley in London as an Associate in its Private Equity fund and previously as an Analyst in its UK Investment Banking team.	Mark received a degree in Business and Legal Studies, with first class honours, from University College Dublin.

The Company's immediate subsidiary Bidco has a Board comprising the same Directors and two further Directors Avril Palmer-Baunack and Manjit Dale. The combined Board, led by Avril Palmer-Baunack, is an industry-leading management team with significant experience in the automotive sector, operations and M&A.

This broader Board meets regularly and considers the Group's strategy, trading and financial performance, risk, outlook, stakeholder considerations and M&A opportunities. For those months where the Board does not meet face to face monthly written reports giving updates on the performance of the business and operational matters are circulated.

GOVERNANCE *continued*

ADDITIONAL BBD BIDCO LIMITED DIRECTORS

	Board appointment	Career and experience	Skills and competencies
Avril Palmer-Baunack Executive Chairman	7 November 2019	Avril has over 20 years executive experience with leading businesses in the automotive, support services, industrial engineering and insurance services sectors. Her automotive services sectors. Her automotive operational experience spans vehicle salvage, car hire, auctions, transportation, distribution, logistics, vehicle processing and infrastructure. Avril was previously Executive Chairman and Deputy CEO of Stobart Group plc, one of the largest British multimodal logistics companies with interests in transport, distribution and infrastructure. Prior to this Avril was CEO of Autologic Holdings Plc, the largest finished vehicle logistics company in the UK and Europe. She joined Autologic from Universal Salvage Plc, where she held the position of CEO from March 2005 until the sale of the company to Copart UK Ltd in June 2007. Avril is currently Non-Executive Chairman of Redde Northgate plc (formerly Northgate plc) and Safe Harbour plc. She was previously Non-Executive Chairman at Redde plc.	Through a number of high profile industry roles, Avril has acquired significant experience of delivering operational improvements and implementing business turnarounds, executing organic and acquisitive growth strategies with a proven track record of delivering shareholder value in a public environment.
Manjit Dale TDR	7 November 2019	Manjit founded TDR Capital with Stephen Robertson in 2002, with whom he had previously worked at DB Capital Partners. He has over 25 years' experience in private equity, leveraged finance and consulting. Previously Manjit was Managing Director and Head of DB Capital Partners Europe and predecessor firm BT Capital Partners, which he joined in 1994.	He started his career in the Management Consultancy division of Arthur Andersen and moved into private equity in 1989 with 3i plc, and later with NM Rothschild. Manjit holds a Masters degree in Economics from Cambridge University.

GOVERNANCE *continued*

PRINCIPLE TWO: BOARD COMPOSITION *CONTINUED*

Parentco Directors were appointed as Bidco Directors on the same date as their Parentco appointment.

Day to day operational management of the Group is delegated to the executive Directors and the Group's businesses through their divisional and functional managers.

The Wates Principles outline that consideration should be given to separating the roles of the chair and chief executive to ensure a balance of power and effective decision making. Following the acquisition of the BCAM Group the role of Executive Chair continues to be held by Avril Palmer-Baunack. Avril's engagement and relationships with the Group's major stakeholders, her significant and unique expertise, knowledge and industry relationships in the UK and Europe, demonstrably contribute to the successful integration, evolution and management of the Group's business.

The Board believes its flat structure, size and composition is the right approach at this stage of the Group's development and remains in the best interests of the Company and its shareholders. The Board is fully aware of the need for succession planning and appropriate plans are in place for the Board and the senior divisional and functional management team.

Board members may take independent professional advice at the Company's expense provided that they give notice to the Executive Chairman.

As the Company continues to evolve, the structure and composition of the Board will continue to be reviewed to ensure it remains fit for purpose.

Diversity

The Group encourages diversity and recognises the benefits that diversity brings to the organisation. The Board is generally opposed to the use of quotas. Arbitrary quotas restrict the pool of available talent for consideration with regard to a particular role and may therefore leave the business exposed. The Board considers that quotas do not pay due regard to the needs of the business and the development of its existing management and, as such, may not be in the best interests of its stakeholders.

The Company values the range of perspectives, ideas and experiences that diversity provides whether that diversity relates to gender, race, sexual orientation, disability, cultural background, religion or age. We believe that as an inclusive organisation we are able to attract and retain good people which adds value to our business. There is commitment to equal opportunities within the workplace with a genuinely inclusive culture, maintaining a workplace that is fair, respectful and free from discrimination.

For further details on gender diversity and gender pay see the stakeholder employee information on pages 21 to 30.

PRINCIPLE THREE: DIRECTORS RESPONSIBILITIES

Our core values underpin a robust framework of governance and compliance. Each member of the Board has a clear understanding of their accountability and responsibilities.

Integrity of information

There is an established framework for internal control, the main elements of which comprise:

- Management of each division and Group function is responsible for maintaining adequate internal controls over financial reporting;
- The Group Accounting and Reporting Manual ('GARM') sets out the Group's accounting policies and expected controls;
- All business units provide monthly consolidated management accounts with relevant, reliable and up-to-date financial and non-financial information to management and are summarised in monthly reporting to the Board which analyses the differences between actual and budgeted results. Annual plans, forecasts, performance targets and long-range financial plans allow management to monitor the key business and financial activities, and progress towards achieving the financial objectives;
- There are clearly identified and defined lines of accountability;
- The Group's IT organisation is responsible for the establishment of IT controls and information security;
- Management have put in place business continuity planning, including preventative and contingency measures, back-up facilities and capabilities. In addition, the Group carries insurance to mitigate against a range of conceivable risk events;
- Parentco has formalised and published its tax strategy which covers tax compliance, tax planning and risk management; and
- There are formal procedures by which staff can, in confidence, raise concerns about possible improprieties in financial administration and other matters, under the Group's whistleblowing policy.

PRINCIPLE FOUR: OPPORTUNITY AND RISK

Opportunity

The Board seeks out opportunity whilst mitigating risk.

Risk

Like all businesses, the Group faces a diverse range of risks and uncertainties which could have an adverse effect on its success if not managed. Successful management of our current and emerging risk is paramount to the long term sustainability of the Group's strategic objectives. To achieve these, and given the Group's growth plans, we are prepared to accept a certain level of risk in order to remain competitive and to continue operating in ever changing markets. The Board is clear about the specific risks faced by the business and the level of risk that it is prepared to accept in each part of the business.

Responsibilities

The Group's risk management process continues to be a core part of operations in the business. Risks are identified and reviewed at operational, functional and Group levels culminating in a Group risk register, which identifies the risk area, the likelihood of the risk occurring, the impact if it does occur and the actions being taken to manage the risk to the desired level. The Board reviews the principal risks identified and the heat maps prepared by management showing how these risks were being managed. The Group's principal risks and uncertainties are set out on pages 40 to 45.

PRINCIPLE FIVE: REMUNERATION

Setting remuneration

In setting senior remuneration, the primary objective is to ensure the enhancement of the Group's resources by securing and retaining quality senior management who can deliver the Group's strategic ambitions in a manner consistent with both its purpose and the interests of shareholders.

Following the year end, a management incentive plan was established to ensure these objectives are met.

Policy for remuneration of employees more generally

The Group aims to provide a remuneration package that is competitive and which is appropriate to promote long term success. The Group intends to apply this policy fairly and consistently and does not intend to pay more than is necessary to attract and motivate staff.

In respect of senior remuneration, a greater proportion of the remuneration package is 'at risk' and is determined by shareholder value delivered. Key management remuneration is disclosed in the notes to the financial statements.

Employment policies

All applications for employment within the Group are considered equally based on their merits, and the Group seeks to provide appropriate facilities to help applicants with a disability with their application and attendance for interview, such that they have an equal opportunity to be selected. An employee's needs can change whilst employed by the Group and, where this is the case, the Group will investigate, in consultation with the employee, the possibility of making reasonable and appropriate adjustments to enable them to remain in the Group's employment to undertake their role in accordance with those needs.

PRINCIPLE SIX: STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

External impacts

The Group aims to conduct business in a safe, secure, legal and ethical manner, for all interested stakeholders.

Stakeholders

We categorise our stakeholders into the following Groups:

- Customers, suppliers and partners
- Shareholders
- Employees including community and charity
- Environment and Health & Safety

Across pages 21 to 30 of the Annual Report you can learn more about how we engage with these parties for mutual long term benefit.

The Board is also advised of stakeholder views in a number of different ways, including:

- The monthly Board report
- Business updates
- Business development analysis and justifications
- Colleague Engagement Team updates
- The Group's annual conference
- Briefings during annual strategy meetings
- The annual budget and business planning process
- Corporate governance and regulatory development updates

Collectively these engagements ensure that information presented to all stakeholders represents a fair, balanced and understandable assessment of the Company's position and prospects.

RISK MANAGEMENT

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces a range of risks and uncertainties which could have an adverse effect on its success if not managed. These may be specific to the sectors that the Group trades in or wider macroeconomic risks in the different regions of operation. The Group designed and embedded a risk management system to identify and monitor all relevant current, potential and emerging risks and uncertainties, and to develop mitigation plans to reduce the likelihood and/or impact of the risks to the lowest extent possible. The Board takes overall responsibility for overseeing the effectiveness of the risk management process, with a particular focus on determining the nature and extent of the risks it is willing to take to achieve its strategic objectives.

Coronavirus (covid-19)

At the time of publication of our annual report, the covid-19 outbreak has significantly impacted the UK, European and Global markets and governments are starting to release the lockdowns imposed. Our primary focus during the crisis, and remains going forward, is ensuring the safety and well being of our employees, customers and everyone else that comes into contact with the different parts of the Group. Operationally, we were able to invoke our business continuity plans and digital services early to provide core services to support our customers, maintain required services and ensure that the return to normal business is carried out successfully. Financially, with the support of government measures we were able to address our cost base to minimise short term cash flows and protect liquidity. We will continue monitoring and assessing the risks and uncertainties of covid-19 in all our divisions and markets as they emerge.

Brexit

Following the exit of the UK from the EU on 31 January 2020, uncertainties continue to exist around the extended market, economic and regulatory impact. The availability of skilled labour throughout these changes remains important. As developments progress the Board continues to track possible impacts.

Our approach to principal and emerging risks

The Board is clear about the specific risks faced by the businesses and the level of risk that it is prepared to accept in each part of the business.

Risk registers specific to each business unit and support function are maintained by senior management responsible for those areas and inform the Group view. Each risk register has been compiled following comprehensive assessment of the Group and its competitive environment. Appropriate responses and controls for all risks have been determined to, where possible, eliminate, but more usually mitigate, the impact and likelihood of the risks. Mitigation may include the introduction of additional controls, changes in procedures, increased insurance cover and commercial changes.

Description	Management actions
Economic environment	
The wider macroeconomic and geopolitical environment in the UK and the rest of Europe are beyond the control of the Group. Activity levels in the automotive industry can be affected by such factors as the availability of consumer credit, the growth of average wages and the level of unemployment, amongst others, which in turn could impact (over time) the volume of vehicles handled by the Group. Due to the relative size of the UK business, compared to Europe, the Group is more exposed to changes in the UK economic environment.	Management seeks to analyse market conditions on an ongoing basis through the planning and reporting processes. Appropriate actions are developed and implemented to mitigate any adverse impact on the Group. Consideration is given to scalability, adaptability and the provision of a wide range of automotive services throughout the vehicle lifecycle to provide responsiveness and resilience. Management is particularly focused on the emerging macroeconomic uncertainties around covid-19 and how it is impacting operations. Used car sales are historically more stable than new car sales and the Group has some strong countercyclical characteristics in a downturn. **Risk Tolerance** In managing the uncertainties around covid-19 and the long term impact this will cause, we have a low to moderate tolerance.
Strategic	
The Group's future operating results are dependent, in part, on its success in implementing its strategic initiatives. The Group's strategic initiatives are focused on expanding its Vehicle Remarketing operations and platforms, its Vehicle Buying division and its Partner Finance business together with expanding the Group's services businesses. The Group continually seeks to provide an increasingly digital and dynamic future by developing innovative solutions that operate at scale. For more detail see Strategy on page 20. These initiatives require extensive planning and management attention and therefore entail execution risk. The Group's growth has, in part, been attributable to the acquisition of other businesses, and the Group may continue to expand its business through acquisitions and other business combinations in the future. Diversification of the Group through adding new business activities brings increased complexity and requires additional management resources and skills in order to execute the Group's strategy of developing a more extensive automotive support services business.	Extensive strategic planning, due diligence and integration modelling are conducted to ensure alignment and fit of acquisitions. Acquisition and organic business development are focused on services complementary to the Group's existing offerings. Investment is made in management capability and sector expertise. **Risk Tolerance** In pursuit of our strategy to be innovative in our product offering we have a moderate to high tolerance for risk.

Description	Management actions
Commercial	
The Group's business is dependent on the flow of vehicles through its services. The Group's key customers provide significant volumes. The loss of a number of these customers, or a significant adverse change in the structure of the marketplace as regards the normal terms of business, could have a material negative impact on the Group's future performance.	The Group's experienced commercial team uses performance monitoring tools and key performance indicators to maintain strong commercial relationships with its customer base, anticipating and solving issues as they arise. Management works constantly to develop improved digital and physical services to meet customer needs. **Risk Tolerance** In managing our commercial risk, we have a low to moderate tolerance for risk in this area.
Operational	
The Group incurs significant employment costs and competes with other employers to recruit and retain people. Within the UK, high employment levels could lead to a scarcity of staff. It may be necessary to increase the wages and salaries required to attract and retain suitable employees in the future. In addition, future legislative changes could lead to an increase in payroll costs. Availability of suitable land for the storage and handling of vehicles is required to meet the Group's growth plans. The Group undertakes significant marketing activities in its consumer facing activities, in particular for its Vehicle Buying division and cinch, and any material increase in advertising costs could increase the Group's marketing expenses. The Group incurs significant fuel costs in its logistics operations that may escalate. If the Group is unable to pass on future cost increases to its customers, its operating profit margin could be impacted.	Management monitors market rates for wages and salaries, reviews employee turnover and through exit interviews collates information on the appropriateness of the Group's remuneration structure. Management works with real estate advisers to identify, lease and manage suitable sites. Management reviews marketing investment options on an ongoing basis, and undertakes price negotiations appropriate to the scale of the business to allow the Vehicle Buying division to control cost increases and to achieve good value for marketing activities. Fuel escalation and statutory wage increase clauses are included in customer contracts, where possible, to protect the business from material changes in fuel and employment costs. **Risk Tolerance** In managing our operational risk, we have a low to moderate tolerance for risk in this area.

Description	Management actions
Competition	
The loss of market share to competitors would have an adverse impact on volume, impacting the operational and financial performance of the Group, and as the Group extends its offerings and ventures into new markets, new competitors will emerge.	Management works to maintain a strong market position by ensuring very high standards for each of the services provided by the Group, offering a wide portfolio of well situated sites that provide efficient solutions for customers and the ability to store and manage significant volumes of vehicles. The UK market is characterised by competitors who do not have the same breadth of service that the Group provides its customer to ease the change in ownership. Management also strives to position the Group as a market leader in innovation through technology to maintain a competitive advantage as new remarketing and distribution channels are created and trialled. The Group continues to invest in its current products as well as developing new offerings to our customers. **Risk Tolerance** In managing our competition risk, we have a moderate to high tolerance for risk in this area.
IT systems and information security	
The Group is highly dependent on its IT infrastructure and systems to operate the business and that of its customers. It is therefore essential to business and operational performance that key systems, software and hardware are operational at all times. Failure of these for more than a short period could impact the ability of the Group to support its businesses and have contractual implications which could lead to penalties or other liabilities. Cyber security attacks continue to increase in both prevalence and sophistication throughout the digital world with the potential to corrupt, affect or destroy key systems and data (such as email and customer records), denial of service attacks and business interruption. Cyber security receives significant focus to ensure the protection of data and systems. A cyber attack could potentially impact the Group's operational performance and reputation leading to penalties, fines and/or regulatory action.	Group IT continues with a strategic programme to remove and upgrade legacy infrastructure following a risk assessed approach to ensure greater resilience leading to a modern, agile platform that will allow for a more secure digital growth. Management employs specialist resources within the Group's IT function to monitor information security, recommending and adopting improvements as necessary. During 2019 this was further strengthened with the introduction of a Security Operational Centre, increased network protection services and heightened denial of service protection. The Group maintains robust business continuity plans and disaster recovery capabilities that are regularly tested. The Group undertakes weekly vulnerability scanning and core systems have annual penetration tests. Despite taking these measures, it is recognised that a cyber attack on the Group could cause significant disruption and reputational damage. **Risk Tolerance** In managing our IT systems and information security risk, we have a low tolerance for risk in this area.

Description	Management actions
Intellectual property and brand	
The Group has established names and brands in many of the markets in which it operates. Any significant damage to these could have an adverse impact on the Group's performance. The Group's intellectual property rights include proprietary technology relating to online auction systems as well as trademarks of the Group's brands, business knowledge and copyrights.	The Group's intellectual property ('IP') rights are protected legally, where possible, in every country in which the Group's products and services are distributed, deployed or made available. Management works with appropriate media to ensure the best coverage across the different media platforms. **Risk Tolerance** In managing our IP and brand risk, we have a moderate tolerance for risk in this area.
Management	
A significant change in the Group's senior management could weaken the Group's business and its ability to execute its strategy. The Group's senior management has extensive experience in the industry in which the Group operates and has skills that are critical to the operation of the Group's businesses and the execution of its strategy.	The Board regularly review the senior management remuneration policy and engagement to ensure that both are market appropriate and motivational. Given the scale and success of the business, the Group is confident that it is capable of attracting and retaining management resources of the highest quality. **Risk Tolerance** In managing our management risk, we have a moderate tolerance for risk in this area.
Financial and liquidity	
The Group reports its results in Sterling but operates in the UK and continental Europe and is therefore exposed to foreign currency exchange rate fluctuations. The Group's strategy involves, amongst other things, growing areas of the business that include providing credit facilities to vehicle buyers and buying and holding vehicles in different countries as inventory, on a short term basis, prior to resale through the Group's remarketing centres. The Group relies on its finance providers to provide adequate debt to enable the Group to execute its strategies. The Group's financing is all held at floating interest rates. A significant portion of the Group debt is denominated in Euro reflecting lender market demand. The Group operates in multiple taxation regimes which increases the complexity and risk of compliance with certain indirect taxes such as VAT or its equivalent.	Management monitors the macroeconomic and legislative changes in the markets in which it operates. Credit provided to customers is monitored closely, with additional security taken under a risk-based approach. Regular dialogue is held with the Group's banks. Systems, procedures and controls are regularly reviewed to identify, detect and remediate any transactional issues. **Risk Tolerance** In managing our financial and liquidity risk, we have a low tolerance for risk in this area.

Description	Management actions
Regulation and legislation	
The political and legislative environment within which the Group operates is constantly changing. The Group must comply with an extensive range of regulation and legislation in order to provide its services and solutions both in the UK and across continental Europe, including laws relating to vehicle brokerages and auctions, data protection, competition, consumer protection, health and safety, money laundering, bribery and taxation. Non-compliance to the required standards could lead to significant legal cases and could have an adverse effect on the reputation and performance of the Group. The Automotive industry is also subject to legislation around environmental issues. These can impact vehicle supply and demand as well as impacting operational activities with increased emission zones that limit the locations where our older transporters can operate. Policies and procedures are in place throughout all areas of the Group to ensure systems, business and central operations all comply with relevant areas of legislation and compliance.	Management continues to ensure that the central legal function plays a key role within the Group and retains external specialist legal advisers as necessary to support the businesses in the countries in which they operate. The Group has detailed health and safety procedures and processes in place and employs health and safety teams across the Group. Changes in ownership of vehicles can benefit the Group as all buyers trade up the cascade. The Group regularly invests in more modern transporters to improve environmental efficiency. **Risk Tolerance** In managing our legal and regulatory risk we have an extremely low tolerance for risk in this area.
Physical damage	
Natural events, such as hailstorms and flooding or other events such as terrorism, major accidents or theft may impact the Group's physical auction facilities or affect vehicles stored on the Group's property awaiting sale or other activity.	Management monitors possible causes of physical damage on each site and risks and concerns are reported to ensure that there is full visibility of any potential issues that might occur. Where remedial or preventative action is recommended, management considers the appropriateness of such actions on a commercial basis. Insurance cover is in place to moderate risk. **Risk Tolerance** In managing our physical damage risk, we have a moderate tolerance for risk in this area.

DIRECTORS' REPORT

FOR THE PERIOD FROM 10 JUNE 2019 TO 29 MARCH 2020

The Directors present their report and audited consolidated financial statements for the period ended 29 March 2020.

The Strategic report can be found on pages 4 to 30 and 40 to 45 and is included by reference in this Directors' report. The Strategic report sets out the development and performance of the Group's business during the financial period, the position of the Group at the end of the period, a description of the principal risks and uncertainties facing the Group, indications of future developments in the business, disclosures around employment, information on stakeholder engagement and reporting of Greenhouse Gas Emissions. The Group's Governance report can be found on pages 31 to 39 and is included by reference in this Directors' report.

The Group's business activities are set out in more detail in the Strategic report on pages 4 to 30 and 40 to 45.

POST BALANCE SHEET EVENTS

On 29 April 2020, the Group agreed and drew an additional Senior Liquidity Facility of €67m. This facility ranks *pari passu* with the existing Senior Term and Revolving Credit Facility and provides increased liquidity and capacity for future investment and vehicle buying.

On 22 May 2020, the Group purchased a vehicle preparation site in Corby for £19.7m.

On 16 June 2020, Parentco allotted and issued 1,000 ordinary shares for consideration of £10.0m.

NON-FINANCIAL REPORTING STATEMENT

Non-financial reporting is included within the Strategic report on pages 4 to 30. Stakeholders are set out in the business model and on pages 21 to 30. The stakeholder section sets out further information on the Group's policies in respect of employment, modern slavery, anti-corruption, anti-bribery, environmental and community matters. Risks to the business in relation to the above areas are considered within the principal risks and uncertainties section of the Strategic report.

DIVIDENDS

There were no dividends paid in the period. The directors do not propose a final dividend.

POLITICAL DONATIONS

During the period the Group did not make any donations to political parties or other political organisation and did not incur any political expenditure within the meaning of Sections 362 to 379 of the Companies Act 2006.

INDEPENDENT AUDITORS

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

EMPLOYEE, SUPPLIER AND CUSTOMER RELATIONSHIPS

Information on how the Company engages with its stakeholders is included in the Strategic report on pages 21 to 30.

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions disclosure is included in the Strategic report on page 28.

DIRECTORS’ REPORT *continued*

GOING CONCERN

The Group maintains a mixture of short to medium term debt, committed credit facilities, finance lease arrangements and cash reserves, which together are designed to ensure that the Group has sufficient available funds to finance its operations. The Board reviews forecasts of the Group’s liquidity requirements based on a range of scenarios to ensure it has sufficient cash to meet operations needs while maintaining sufficient headroom in its committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The covid-19 pandemic has led to some short term disruption to business activity, however the Directors do not consider the markets in which the Group operates to be significantly impacted in the long term.

After making appropriate enquiries and having considered the business activities and the Group’s principal risks and uncertainties, the Directors are satisfied that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

FINANCIAL RISK MANAGEMENT

The financial risks the Company is exposed to are set out in the Strategic report on pages 40 to 45.

DIRECTORS

The Directors of the Company who were in office during the period and up to the date of signing the financial statements can be seen in the Governance section on pages 31 to 39.

DIRECTORS' INDEMNITY

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group and company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

DIRECTORS' REPORT *continued*

DIRECTORS' RESPONSIBILITIES STATEMENT *CONTINUED*

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

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each person who was a Director at the time this report was approved confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

The Directors of the Company have a duty under Section 172 of the Companies Act to promote the success of the Company. It is set out in the Strategic report on pages 4 to 30 and 40 to 45 and in the Governance section on pages 31 to 39 how the directors have addressed elements of the Section 172 requirements in the fulfilment of their duties.

GUIDELINES FOR DISCLOSURE AND TRANSPARENCY IN PRIVATE EQUITY

The Directors consider the Annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

This report was approved by the Board of Directors on 14 July 2020 and signed on its behalf.

T G Lampert

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BBD PARENTCO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, BBD Parentco Limited's Group financial statements and Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 29 March 2020 and of the Group's loss and the Group's and the Company's cash flows for the period (the 'period') then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the consolidated and company balance sheets as at 29 March 2020; the consolidated income statement and consolidated statement of comprehensive income, the consolidated and company cash flow statements, and the consolidated and company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *continued*

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the period ended 29 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 47, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *continued*

Responsibilities for the financial statements and the audit *continued*

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Andrew Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
14 July 2020

CONSOLIDATED INCOME STATEMENT

	Note	£m	For the period 10 June 2019 to 29 March 2020[1] £m
Revenue	6		1,460.6
Cost of sales			(1,260.7)
Gross profit			199.9
Operating costs	7		(493.1)
Operating loss			(293.2)
Finance income			0.4
Finance costs	9		(58.9)
Share of loss of associate			(0.1)
Loss before income tax			(351.8)
Income tax	11		(16.7)
Loss for the period			(368.5)
Attributable to:			
Equity owner of the Company			(368.7)
Non-controlling interests			0.2
			(368.5)

Operating loss			**(293.2)**
Add:	Depreciation and amortisation	6	28.2
	Covid-19 related goodwill impairment	6	266.4
	Amortisation of acquired intangibles	6	28.9
	Transaction costs	6	57.6
	Restructuring costs	6	1.2
Adjusted EBITDA			**89.1**
Less:	Depreciation and amortisation		(28.2)
	Finance costs		(58.9)
	Finance income		0.4
Add:	Transaction related finance costs		0.5
Adjusted profit before income tax			**2.9**

[1] *No comparative provided – first accounting period*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the period 10 June 2019 to 29 March 2020[1] £m
Loss for the period	(368.5)
Other comprehensive (expense)/income:	
Items that will not be reclassified to the income statement	
Remeasurements on defined benefit schemes, including deferred tax	(2.5)
Items that may be subsequently reclassified to the income statement	
Foreign exchange translation	15.3
Total other comprehensive income, net of tax	12.8
Total comprehensive loss for the period	(355.7)
Attributable to:	
Equity owner of the Company	(355.9)
Non-controlling interests	0.2
	(355.7)

[1] *No comparative provided – first accounting period*

CONSOLIDATED BALANCE SHEET

	Note	As at 29 March 2020[1] £m
ASSETS		
Non-current assets		
Intangible assets	19	2,036.5
Property, plant and equipment	20	115.8
Right of use assets	21	417.0
Investment in associate	18	1.7
Deferred tax assets	11	12.1
Total non-current assets		2,583.1
Current assets		
Inventories	13	94.7
Trade and other receivables	14	406.1
Cash and cash equivalents	12	247.2
Total current assets		748.0
Total assets		3,331.1
LIABILITIES		
Non-current liabilities		
Bank borrowings	22	(1,239.0)
Lease liabilities	16	(464.3)
Net pension deficit	25	(15.1)
Provisions	17	(0.2)
Deferred tax liabilities	11	(215.4)
Total non-current liabilities		(1,934.0)
Current liabilities		
Bank overdrafts	12	(33.4)
Bank borrowings	22	(115.0)
Partner Finance borrowings	23	(159.4)
Lease liabilities	16	(36.4)
Trade and other payables	15	(388.6)
Current tax		(2.6)
Provisions	17	(1.3)
Total current liabilities		(736.7)
Total liabilities		(2,670.7)
Net assets		660.4
Equity shareholder's funds		
Share capital	24	0.1
Share premium	24	1,015.2
Foreign exchange reserve		15.3
Retained earnings		(371.2)
Equity shareholder's funds		659.4
Non-controlling interests		1.0
Total shareholder's funds		660.4

[1] *No comparative provided – first accounting period*

The financial statements on pages 52 to 99 were approved by the Board on 14 July 2020 and were signed on its behalf by:

T G Lampert
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

	Note	For the period 10 June 2019 to 29 March 2020[1] £m
Cash flows from operating activities		
Loss for the period		(368.5)
Adjustments for:		
Income tax charge		16.7
Net finance costs		58.5
Depreciation and amortisation		57.1
Profit on sale of property, plant & equipment		(0.1)
Covid-19 related goodwill impairment		266.4
Share of loss from associate		0.1
Retirement benefit obligations		(2.1)
Significant or non-recurring items		57.6
Changes in working capital:		
Inventories		(26.9)
Trade and other receivables		79.2
Trade and other payables		(37.3)
Provisions		1.9
Cash generated by operations		102.6
Partner Finance loan book		4.9
Net interest paid		(27.0)
Lease interest paid		(10.0)
Income tax paid		(6.7)
Net cash inflow from operating activities before acquisition related cash flows		63.8
Acquisition related cash flows		(52.2)
Net cash inflow from operating activities		11.6
Cash flows from investing activities		
Purchase of property, plant and equipment		(23.3)
Purchase of intangible assets		(4.2)
Proceeds from sale of property, plant and equipment		7.4
Acquisition of subsidiary undertaking, net of cash acquired		(1,762.4)
Investment in associate		(1.8)
Net cash outflow from investing activities		(1,784.3)
Cash flows from financing activities		
Proceeds from shares issued		1,015.3
Proceeds from borrowings		1,363.4
Repayments of borrowings		(357.7)
Financing fees paid		(31.6)
Proceeds from sale and leaseback		5.0
Principal element of lease payments		(19.5)
Partner Finance borrowings		9.8
Net cash inflow from financing activities		1,984.7
Net increase in cash and cash equivalents		212.0
Foreign exchange on cash held		1.8
Cash and cash equivalents at incorporation		-
Cash and cash equivalents at period end	12	213.8

[1] *No comparative provided – first accounting period*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to equity owner of the Company						
		Share capital	Share premium	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Note	£m	£m	£m	£m	£m	£m	£m
Balance on incorporation at 10 June 2019		-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period								
(Loss)/profit for the period		-	-	-	(368.7)	(368.7)	0.2	(368.5)
Other comprehensive income		-	-	15.3	(2.5)	12.8	-	12.8
Total comprehensive (loss)/income for the period		-	-	15.3	(371.2)	(355.9)	0.2	(355.7)
Contributions and distributions								
Net proceeds from shares issued	24	0.1	1,015.2	-	-	1,015.3	-	1,015.3
Changes in ownership interest								
Acquisition of subsidiary with non-controlling interest		-	-	-	-	-	0.8	0.8
Total transactions with owner		0.1	1,015.2	-	-	1,015.3	0.8	1,016.1
Balance at 29 March 2020		0.1	1,015.2	15.3	(371.2)	659.4	1.0	660.4

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

BBD Parentco Limited ('Parentco', the 'Company') was incorporated as a UK private company limited by shares on 10 June 2019 with a subsidiary entity, BBD Bidco Limited ('Bidco'). No comparative is presented as this is the first accounting period. Parentco and its subsidiaries are referred to in this report as the 'Group'. The Company's ultimate controlling party is TDR Capital LLP ('TDR'), a UK Limited Liability Partnership registered in England and Wales. TDR is a leading international private equity firm, managing capital on behalf of institutional, government and private investors worldwide. TDR has an experienced team of investment professionals and operating partners and has a low volume investment strategy based on principles developed by the investment team over the past decade.

The Group financial statements consolidate those of the Company and its subsidiaries. The Parentco company financial statements present information about the Company as a separate entity and not about its Group, and can be found on pages 100 to 105.

Following the acquisition of the BCA group, the Company changed its accounting reference date to 31 March and its accounts are prepared to a Sunday within seven days of that date.

2. BASIS OF PREPARATION

These consolidated financial statements for the period ended 29 March 2020 have been prepared on a going concern basis in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') interpretations as adopted by the European Union ('Adopted IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through profit or loss.

The financial statements and the notes to the financial statements are presented in millions of Pounds Sterling ('£m') except where otherwise indicated.

Judgements made by the Directors in the application of the accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial period are discussed in note 5.

Going concern

The Group maintains a mixture of short to medium term debt, committed credit facilities, finance lease arrangements and cash reserves, which together are designed to ensure that the Group has sufficient available funds to finance its operations. The Board reviews forecasts of the Group's liquidity requirements based on a range of scenarios to ensure it has sufficient cash to meet operations needs while maintaining sufficient headroom on its committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

After making appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties, the Directors are satisfied that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method, where the Group's investment is initially recognised at cost and subsequently adjusted to recognise the Group's share of profit and losses, which are included in the consolidated income statement. Dividends received are recognised as a reduction in the carrying amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS *continued*

2. BASIS OF PREPARATION *continued*

Basis of consolidation *continued*

Losses applicable to equity-accounted investments are recognised against the carrying value of the investment only to the extent that the losses do not exceed the carrying value. The Group does not recognise further losses unless it incurs obligations or makes payments on behalf of the associate. Losses applicable to non-controlling interests are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

The functional currency of the Company and the majority of entities within the Group is Pounds Sterling because that is the currency of the primary economic environment in which they operate. The Group's presentation currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the respective functional currency of Group entities using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of unsettled monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or costs. All other foreign exchange gains and losses are presented in the income statement within other income or other operating costs.

Consolidation of Group companies

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities including goodwill, intangible assets arising on acquisition and fair value adjustments arising on consolidation for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and are accumulated in the foreign exchange translation reserve or non-controlling interest.

On disposal of a foreign subsidiary the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the foreign exchange translation reserve is recognised in the income statement when the gain or loss on disposal is recognised.

The exchange rates used for the translation of other currencies in Pounds Sterling that have the most significant impact on the Group results are shown in note 26.

NOTES TO THE FINANCIAL STATEMENTS *continued*

3. NEW STANDARDS AMENDMENTS AND INTERPRETATIONS

New standards and interpretations not yet adopted

Standards and interpretations which are issued but not yet effective and have not been early adopted by the Group are summarised in the table below.

Standard	Applicable from	Amendments	Expected impact
IFRS 16 Amendment Covid-19 related rent concessions	Periods beginning on or after 1 June 2020	Additional practical expedient provided to relieve lessees from assessing whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and from applying the lease modification requirements to those concessions.	Not expected to have a material impact if early adopted for the period ended 29 March 2020
IFRS 3 Definition of a business	Periods beginning on or after 1 Jan 2020	New definitions provided to assist companies in determining if an acquisition is a business combination or an asset acquisition	No change to current accounts expected. IFRS will continue to be consulted when acquisitions are made
IAS 1 & IAS 8 Definition of material	Periods beginning on or after 1 Jan 2020	The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."	No expected impact
Amendments to References to the Conceptual Framework in IFRS Standards	Periods beginning on or after 1 Jan 2020	Predominantly updates references in various standards to Conceptual Framework published in March 2018	No expected impact
IFRS 9, IAS 39 & IFRS 7 Interest Rate Benchmark Reform	Periods beginning on or after 1 Jan 2020	Clarification provided that entities would not need to change hedge accounting requirements as a result of interest rate benchmark reform	No expected impact
Amendments to IAS 1 Classification of Liabilities as Current or Non-Current	Periods beginning on or after 1 Jan 2022	Additional guidance on whether to classify debt and other liabilities with an uncertain settlement date as current or non-current	Low expected impact

4. ACCOUNTING POLICIES

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Vehicle auction revenue represents vendor and buyer fees for vehicles sold by the Group together with fees for related services including transportation, inspection, valeting and mechanical checks. Revenue is recognised at the time the service is provided, which is predominantly at the point the vehicle is sold at auction. Revenue represents the fees for the auction service not the value of the vehicle sold, as the Group does not control the vehicle before being transferred from vendor to buyer, and does not incur the significant risks and rewards of ownership as part of the transaction.

In the ordinary course of business at vehicle auctions, in certain circumstances BCA will purchase a vehicle from a vendor in order to honour a sale where, for example, a buyer has reneged on the purchase or there was an error in the sales process. The subsequent resale vehicle proceeds are recognised in full as takeover revenue on the date of resale.

Revenue from outsourced remarketing contracts, where the Group obtains control and takes legal title to certain vehicles based on contractual agreements, represents the vehicle sale proceeds obtained when the vehicle is sold and is recognised on the date of sale. Where the Group does not obtain control, revenue represents the fees for the outsourced remarketing services provided and not the value of the vehicle sold.

Interest and loan origination fees earned in respect of the provision of Partner Finance loans are recognised over the term of the funding and are included within revenue. Fees charged by Partner Finance are recognised evenly over the period that the relevant service is provided.

Vehicle buying revenue represents the vehicle sale proceeds obtained when the vehicle is sold and is recognised on the date of sale. Transaction fees charged to customers are recognised on the purchase invoice date and treated as a reduction in the cost of inventory and therefore in the cost of sales.

Revenue for other services, including logistics and automotive services, is recognised once the contracted service has been provided. For transportation or delivery services this is deemed to be when the customer has received the vehicle; for storage services this is deemed to be once an activity has been completed, such as receiving and parking a vehicle, and generally on a daily basis for storage charges; for vehicle repair and vehicle enhancement work this is deemed to be when work has been completed to a stage that can be invoiced to the customer; and for fleet services management this is deemed to be over the period the service is provided on a straight line basis.

(b) Advertising and marketing costs

The Group carries out a variety of advertising and marketing activities. These include advertising activities which correlate to the number of vehicles that are acquired by the Group through the Vehicle Buying division and for subsequent sale through the Group's auctions for which revenue is recognised. These direct advertising costs are therefore recognised as a cost of sale. All other indirect advertising and marketing costs are recognised within operating costs.

The cost of advertising design is expensed as incurred and the expense of advertising campaigns is expensed in the income statement in the period in which the advertising space or air time is utilised.

(c) Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings, direct transaction costs, unwinding of the discount on provisions and lease liabilities, net interest cost of defined benefit pension arrangements and foreign exchange losses on finance balances. Transaction costs and original issue discount are amortised over the expected life of the debt using the effective interest method.

Finance income

Finance income comprises interest receivable on funds invested and foreign exchange gains on finance balances. Interest income is recognised in the income statement as it accrues using the effective interest method.

4. ACCOUNTING POLICIES *continued*

(d) Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with any conditions attaching to them; and that the grants will be received.

The Group recognises income from government grants in the consolidated income statement as a reduction to the expense which the grants are intended to compensate, and recognises the income as the underlying costs are incurred.

(e) Income tax

Income tax for the period presented comprises current and deferred tax. Tax is recognised in the income statement, except to the extent it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

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

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

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

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

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

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(g) Offsetting financial instruments

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

4. ACCOUNTING POLICIES *continued*

(h) Inventories

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

(i) Financial assets

Classification

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

Loans and receivables

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

Impairment of financial assets

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

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

(j) Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost using the effective interest method.

(k) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised in finance costs.

Dilapidations

Provisions for dilapidations are made in respect of property leases on a lease by lease basis and are based on the Group's best estimate of the likely committed cash outflow. Where relevant, these estimated outflows are discounted to net present value.

NOTES TO THE FINANCIAL STATEMENTS *continued*

4. ACCOUNTING POLICIES *continued*

(l) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis at fair value of the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

(m) Impairment of non-financial assets

Goodwill has an indefinite useful life and is not subject to amortisation. As a result it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows ('cash generating units'), which are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Intangible assets

Intangible assets comprise internally generated software, acquired computer software, and intangible assets such as customer relationships and brand arising as part of the assessment of assets on the acquisition of a business. These are carried at cost less accumulated amortisation and any recognised impairment loss.

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

Amortisation and impairment are charged to operating costs in the period in which they arise. Amortisation is calculated on a straight line basis from the date on which the assets are brought into use, with useful lives as indicated below:

Customer relationships	12 - 20 years
Brand	15 - 25 years
Software – Internally generated	3 - 10 years
Software – Acquired	3 - 7 years, or the licence term if shorter

Assets acquired through business combinations are amortised over the remaining useful life at acquisition.

Amortisation periods and methods are reviewed annually and adjusted if appropriate. For the Group's impairment policy on non-financial assets see (m) Impairment of non-financial assets.

4. ACCOUNTING POLICIES *continued*

(o) Goodwill

Goodwill arises on the acquisition of subsidiaries and is recognised initially as the excess of the consideration transferred, over the Group's interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash generating units, which are no higher than an operating segment prior to aggregation, and is not amortised but is tested annually for impairment.

An impairment charge is recognised in the income statement for any amount by which the carrying value of goodwill exceeds its recoverable amount. Goodwill that is not denominated in Sterling is retranslated at each balance sheet date.

(p) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and when the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Assets under construction

The costs of assets that are being constructed are capitalised as described in the Owned assets paragraph above. Assets under construction are not depreciated until the asset is deemed to be available for use. For the asset to be available for use it has to be in the location and condition necessary for it to be capable of operating in the intended manner. Once the asset is available for use it is no longer classified as an asset under construction and is instead depreciated like any other item of property, plant and equipment.

Depreciation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land and assets under construction are not depreciated. The rates of depreciation are as follows:

Land and buildings	50 years
Fixtures, fittings and equipment	2 - 10 years
Plant, machinery and motor vehicles	3 - 25 years

Assets acquired through business combinations are depreciated over the remaining useful life at acquisition. The residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. For the Group's impairment policy on non-financial assets see (m) Impairment of non-financial assets.

4. ACCOUNTING POLICIES *continued*

(q) Leases

The Group as a lessee

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

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

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

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

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

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

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

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

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

4. ACCOUNTING POLICIES *continued*

(q) Leases *continued*

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to some of its properties. These are classified as operating leases unless the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee.

Where the Group is an intermediate lessor, the head lease and sublease are accounted for separately.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs and original issue discounts incurred. Borrowings are subsequently carried at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. Fees and discounts are amortised using the effective interest rate method based on the expected future cash flows. The impact of changes in expected cash flows are recognised as a profit or loss within finance costs in the period in which the expectation of future flows change.

(s) Share capital

Ordinary shares are classified as equity.

(t) Employee benefits

Pension obligations

The Group operates defined contribution and defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The defined benefit plans operated by the Group in the United Kingdom are closed to new members. The costs of providing benefits under the plans are determined using the projected unit credit actuarial valuation method.

The current service cost is included in operating costs in the consolidated income statement. Past service costs are similarly included where the benefits have vested, otherwise they are amortised on a straight line basis over the vesting period. Administrative scheme expenses associated with the plans are recorded within operating costs when incurred in line with IAS 19. Net interest income or interest cost relating to the funded defined benefit pension plans is included within finance income or finance costs as relevant in the consolidated income statement.

Changes to the retirement benefit obligation or asset due to experience and changes in actuarial assumptions are included in the consolidated statement of comprehensive income, presented as remeasurements of the defined benefit scheme in full in the period in which they arise.

Where scheme assets exceed the defined benefit obligation the net asset is only recognised to the extent that an economic benefit is available to the Group in accordance with the terms of the scheme and where consistent with relevant statutory requirements.

5. CRITICAL JUDGEMENTS AND ESTIMATES

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

Certain of the Group's significant accounting policies are considered by the Directors to be critical because of the level of complexity, judgement or estimation involved in their application and their impact on the consolidated financial statements. Unusual or significant transactions in the period that require judgement are identified in the related note. Existing judgements, where applicable, are contained within the accounting policies.

Details of the accounting estimates and judgements can be found in the following notes:

Page			Estimate	Judgement
72	Note 11	Taxation	✓	
76	Note 14	Trade and other receivables	✓	
77	Note 16	Lease liabilities	✓	
79	Note 18	Acquisitions	✓	✓
81	Note 19	Intangible assets	✓	
86	Note 25	Pensions and other post-retirement benefits	✓	

RESULTS FOR THE PERIOD

The following pages provide information about the financial performance for the period on a segmental and Group basis.

A detailed narrative regarding Group and divisional performance has been provided in the Group operating review section on pages 6 to 13. The key performance indicators and adjusted EBITDA are presented and defined in note 6. These are considered key performance indicators because management use these measures to assess long and short term performance of the Group on a periodic basis.

This section also provides details of the primary operating and finance costs, as well as providing analysis on employee related information and taxation.

6. SEGMENTAL REPORTING

Non-GAAP measures

Key Performance Indicator – adjusted EBITDA

Management uses an adjusted profit measure to monitor the ongoing profitability of the Group, which is defined as Earnings before interest, taxation, depreciation and amortisation ('EBITDA') adjusted for significant or non-recurring items ('SONR'). The SONR items that are excluded from EBITDA to calculate adjusted EBITDA are as follows:

- Income and expenses that are significant or non-recurring or non-trading in nature, including business closure costs and restructuring costs;
- Impairment charges and accelerated depreciation and amortisation on property, plant and equipment, intangibles and goodwill;
- Amortisation of intangible assets arising on acquisition;
- Acquisition expenses and gains and losses on business combinations, disposals and changes in ownership.

The Directors primarily use the adjusted EBITDA measure when making decisions about the Group's activities as it is the most reliable and relevant profit measure across all segments. Amortisation of intangible assets arising on acquisition are excluded because they reflect the nature of the acquisition accounting, and are not reflective of underlying business performance. As this is a non-GAAP measure, adjusted EBITDA measures used by other entities may not be calculated in the same way and hence may not be directly comparable.

All non-GAAP measures are reconciled back to statutory equivalents. They are provided with the clear intention to aid understanding of performance.

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used both to assess performance and make strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 Operating Segments.

The Board of Directors consider the business to be split into the four main revenue-generating divisions: UK Vehicle Remarketing, International Vehicle Remarketing, Vehicle Buying and Automotive Services. Group Costs comprise central head office functions and any costs not directly attributable to the segments.

Information on segment assets and liabilities is not regularly reported to the Board of Directors and is therefore not disclosed.

RESULTS FOR THE PERIOD *continued*

6. SEGMENTAL REPORTING *continued*

	For the period 10 June 2019 to 29 March 2020					
	Vehicle Remarketing		Vehicle Buying	Automotive Services	Group Costs	Total
	UK £m	International £m	£m	£m	£m	£m
Revenue						
Total revenue	548.0	79.2	682.4	167.5	0.2	1,477.3
Inter-segment revenue	(2.0)	(0.4)	-	(14.2)	(0.1)	(16.7)
Total revenue from external customers	546.0	78.8	682.4	153.3	0.1	1,460.6
Sale of goods	391.7	-	681.5	-	-	1,073.2
Rendering of services	147.2	78.8	0.9	153.3	0.1	380.3
Interest	7.1	-	-	-	-	7.1
Total revenue from external customers	546.0	78.8	682.4	153.3	0.1	1,460.6
Adjusted EBITDA	56.6	14.9	9.0	17.5	(8.9)	89.1
Depreciation and amortisation	(10.5)	(3.1)	(0.7)	(13.4)	(0.5)	(28.2)
	46.1	11.8	8.3	4.1	(9.4)	60.9
Amortisation of acquired intangibles	(18.8)	(6.0)	(3.8)	(0.3)	-	(28.9)
Covid-19 related goodwill impairment	(154.6)	-	(111.8)	-	-	(266.4)
Transaction costs	-	-	-	-	(57.6)	(57.6)
Restructuring costs	-	(1.2)	-	-	-	(1.2)
Operating loss	(127.3)	4.6	(107.3)	3.8	(67.0)	(293.2)
Finance income						0.4
Finance costs						(58.9)
Share of loss of associate						(0.1)
Loss before taxation						(351.8)
Additions to non-current assets						
Investment in associate	-	1.8	-	-	-	1.8
Capital expenditure	10.5	4.7	1.4	17.2	6.1	39.9
Underlying capital expenditure	7.6	2.2	1.3	9.0	1.0	21.1

Underlying capital expenditure excludes right of use asset additions and the purchase of transporters that were subject to sale and leaseback.

Revenue with external customers in the UK and Ireland represents £1.3bn, with the other £0.2bn being generated within Europe. Revenue by type is shown above.

RESULTS FOR THE PERIOD *continued*

7. OPERATING COSTS

	For the period 10 June 2019 to 29 March 2020 £m
Employment costs	64.4
Short term lease expense	2.4
Low value lease expense	0.2
Variable lease expense	1.4
Depreciation of PPE and right of use assets in operating costs	20.3
Amortisation of intangible assets	32.7
Covid-19 related goodwill impairment	266.4
Income from sub-leasing right of use assets	(0.3)
Other operating costs	105.6
Operating costs	493.1

8. EMPLOYEES AND DIRECTORS

Staff costs for the Group during the period:

	For the period 10 June 2019 to 29 March 2020 £m
Wages and salaries	97.0
Pension costs	4.5
Social security costs	11.8
Total gross employment costs	113.3
Staff costs capitalised	(1.8)
Total employment cost expense	111.5

Average monthly number of people employed (including Executive Directors) by reportable segment:

	For the period 10 June 2019 to 29 March 2020 Number
UK Vehicle Remarketing	2,279
International Vehicle Remarketing	970
Vehicle Buying	747
Automotive Services	3,487
Group	71
Total employee numbers	7,554

The employee numbers reflect the average number of employees since acquisition.

Retirement benefits

The Group offers membership of defined contribution schemes in the UK and Europe. The pensions cost in the period to 29 March 2020 was £4.0m.

In addition, the Group operates the BCA Pension Plan and the Automotive Plan. The BCA Pension Plan and the Automotive Pension Plan are defined benefit schemes closed to new members. Further information is set out in note 25.

RESULTS FOR THE PERIOD *continued*

9. FINANCE COSTS

	Note	For the period 10 June 2019 to 29 March 2020 £m
Interest payable		29.5
Interest expense on lease liabilities		10.0
Net interest expense on retirement benefit obligations	25	-
Unwinding of discount on liabilities		0.6
Foreign exchange		18.3
Transaction related finance costs		0.5
Finance costs		58.9

Foreign exchange mainly arises on revaluation of cash and cash equivalents and borrowings, which can be seen in note 26.

Transaction related finance costs includes significant or non-recurring items which were incurred in relation to the acquisition of BCA Marketplace plc, including the write off of debt fees in relation to the previous facilities of £2.2m, partially offset by foreign exchange gains on forward contracts obtained as part of the acquisition financing arrangements of £1.7m.

10. AUDITOR'S REMUNERATION

During the period the Group (including its overseas subsidiaries) obtained the following services from the Group auditor with fees as detailed below:

	For the period 10 June 2019 to 29 March 2020 £m
Fees payable to the Group auditor and its associates for the audit of the Parent Company and consolidated financial statements	0.1
Fees payable to the Group auditor and its associates for other services:	
– The audit of Group subsidiaries	0.9
– Other services	1.1
Total auditor's remuneration	2.1

Included in fees payable to the Group auditor and its associates for the audit of the Parent Company and consolidated financial statements is £0.1m relating to the audit of the Company's financial statements. Other services in the period primarily reflect costs in relation to the acquisition.

RESULTS FOR THE PERIOD *continued*

11. TAXATION

Current taxation	For the period 10 June 2019 to 29 March 2020 £m
Current tax on loss for the period	5.4
Total current tax charge	5.4
Deferred taxation	
Origination and reversal of temporary differences	(6.3)
Changes in recognition of deferred tax	17.6
Total deferred tax charge	11.3
Income tax charge	16.7

Critical accounting estimates – taxation

Accruals for current tax and amounts payable under local indirect taxes such as sales taxes and VAT are based on management's interpretation of country specific tax law, and require judgements about the likelihood that tax positions taken will be sustained. Management estimates the amount of taxes payable based upon their analysis and determines whether provision should be made for potential settlement of disputed positions which are under negotiation. Any estimated exposure to interest on tax liabilities is provided for in the related tax amount.

Current tax

The tax charge for the period differs from the standard rate of corporation tax in the UK of 19.0%. The differences are explained below:

	For the period 10 June 2019 to 29 March 2020 £m
Loss on ordinary activities before tax	(351.8)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 19.0%	(66.8)
Effects of:	
Expenses not deductible for tax purposes	65.7
Changes in recognition of deferred tax	17.6
Effect of different tax rates on profits earned outside the UK	0.2
Total taxation charge	16.7

The Group has operations across Europe, however, the principal location of trading where the majority of business profits are derived is the UK. The effective tax rate has therefore been referenced to the UK corporation tax rate of 19.0% for the period.

RESULTS FOR THE PERIOD *continued*

11. TAXATION *continued*

Effective tax rate

The effective tax rate for the period of (4.7%) is different to the standard rate of corporation tax in the UK principally as a result of the following differences:

- Permanently disallowable expenditure incurred in relation to the acquisition of BCA Marketplace plc in the period and on the impairment of goodwill on consolidation;
- The revaluation of deferred tax liabilities in respect of acquired intangibles arising from the change in the UK corporation tax rate from 17.0% to 19.0% from April 2020; and
- Non-deductible foreign exchange losses arising on the Group's external Euro borrowings.

Excluding the impact of significant or non-recurring items in the period and the revaluation of deferred tax balances, the Group has an underlying tax rate of 199.4%. Excluding the impact of the hedged foreign exchange movements results in an adjusted underlying effective tax rate of 21.4%.

The Group is routinely subject to audit by tax authorities in the territories in which it operates. Where points are investigated, the Group considers each issue on its merits and, where appropriate, holds a provision in respect of the potential tax liability which may arise. Provisions for uncertain tax positions are recognised when the Group has a present obligation as a result of a past event and management judge that it is probable that there will be a future outflow of economic benefits to settle the obligation. Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that the Group operates, and are measured as appropriate on an expected value or most likely outcome method, in line with the interpretation issued in IFRIC 23. There are no provisions that are individually or collectively material.

RESULTS FOR THE PERIOD *continued*

11. TAXATION *continued*

Deferred tax

Critical accounting estimates – deferred tax

Deferred tax assets and liabilities represent management's best estimate in determining the amounts to be recognised. When assessing the extent to which deferred tax assets should be recognised, consideration is given to the timing and level of future taxable income.

Deferred tax assets	Property, plant and equipment £m	Lease liabilities £m	Pension deficit £m	Losses carried forward £m	Other £m	Total £m
At incorporation on 10 June 2019	-	-	-	-	-	-
Acquired through business combinations	2.8	4.0	2.4	0.1	1.5	10.8
Credited/(charged) to the income statement	0.2	0.4	(0.2)	0.1	0.2	0.7
Credited to other comprehensive income	-	-	0.6	-	-	0.6
At 29 March 2020	3.0	4.4	2.8	0.2	1.7	12.1

Deferred tax liabilities	Property, plant and equipment £m	Intangible Assets £m	Pension surplus £m	Other £m	Fair value adjustments on PPE £m	Total £m
At incorporation on 10 June 2019	-	-	-	-	-	-
Acquired through business combinations	(0.6)	(197.8)	-	(0.9)	(2.2)	(201.5)
Credited/(charged) to the income statement	(0.3)	(11.9)	-	0.2	-	(12.0)
Exchange difference	-	(1.9)	-	-	-	(1.9)
At 29 March 2020	(0.9)	(211.6)	-	(0.7)	(2.2)	(215.4)

Deferred tax on losses not recognised

A deferred tax asset relating to tax losses of £4.2m has not been recognised as at 29 March 2020. Due to the nature of the losses and resulting restrictions on their use it is not expected that the asset will reverse in future periods based on current forecasts.

WORKING CAPITAL AND PROVISIONS

This section details the assets and liabilities that are directly generated through the Group's trading activities. This includes cash and cash equivalents, inventories, trade and other receivables, and trade and other payables. It also includes provisions, commitments and contingencies.

In respect of the Vehicle Remarketing divisions, trade receivables includes the gross auction proceeds due from buyers, regardless of whether the vehicle was owned by the Group. Gross auction proceeds represent the full value of the vehicles sold, not just the fees recognised in the income statement. Correspondingly, trade payables also includes the auction proceeds due to external vendors of vehicles.

Inventories includes vehicles only where the Group holds the risk and rewards of ownership, as detailed in accounting policy (h). This mainly relates to the Vehicle Buying division and outsourced remarketing contracts with the UK Vehicle Remarketing division.

12. CASH AND CASH EQUIVALENTS

	As at 29 March 2020 £m
Gross amount of recognised financial assets: Cash at bank and in hand	247.2
Gross amount of recognised financial liabilities: Bank overdrafts	(33.4)
Net cash at bank and in hand	213.8

The Group has a legal right of offset over specified bank accounts but does not intend to settle these balances on a net basis, and therefore has presented cash and cash equivalents gross of overdrafts at the balance sheet date.

13. INVENTORIES

	As at 29 March 2020 £m
Gross inventories	102.4
Inventory provision	(7.7)
Net inventories	94.7

Inventories recognised as an expense and charged to cost of sales for the period to 29 March 2020 were £1.1bn. Write-down of inventories recognised as an expense in the period to 29 March 2020 amounted to £3.0m.

WORKING CAPITAL AND PROVISIONS *continued*

14. TRADE AND OTHER RECEIVABLES

	As at 29 March 2020 £m
Trade receivables not past due	257.4
Trade receivables past due	74.7
Loss allowance	(5.2)
Net trade receivables	326.9
Other receivables	30.4
Accrued income	30.3
Prepayments	18.5
Total trade and other receivables	406.1

As at 29 March 2020 £203.4m of trade receivables were due from customers under Partner Finance arrangements and are secured on vehicles held by those customers. Trade and other receivables are presented as current assets and there is no difference between the carrying amount and the fair value. Trade and other receivables are considered past due once they have passed their contracted due date. Movements on loss allowances for trade receivables are as follows:

	£m
At incorporation on 10 June 2019	-
Acquired through business combinations	(4.1)
Increase in loss allowance recognised during the period	(1.5)
Utilisation of loss allowance during the period	0.3
Unused amounts reversed	0.2
Foreign exchange movements	(0.1)
At 29 March 2020	(5.2)

Critical accounting estimates – trade and other receivables

Loss allowances for trade receivables due from customers under Partner Finance arrangements are recognised under the expected credit loss model on initial recognition of the receivable. Management are required to develop estimates of credit risk using the best available information about past events, current conditions and forecasts of economic conditions. Partner Finance receivables are asset backed, providing a level of protection based on the value and recovery of the asset. Management apply judgement in assessing whether there is a significant change in credit risk which would impact the expected credit loss allowance recognised.

The creation and release of loss allowances on trade receivables in the period has been included in operating costs in the income statement.

The ageing of receivables is as follows:

	As at 29 March 2020 £m
Not past due and not impaired	257.4
Up to 30 days overdue and not impaired	59.5
Up to 30 days overdue and impaired	0.2
Past 30 days overdue and not impaired	9.9
Past 30 days overdue and impaired	5.1
Total trade receivables	332.1
Loss allowance	(5.2)
Net trade receivables	326.9

WORKING CAPITAL AND PROVISIONS *continued*

15. TRADE AND OTHER PAYABLES

	As at 29 March 2020 £m
Trade payables	244.7
Social security and other taxes	29.3
Accruals and other payables	114.6
Total trade and other payables	**388.6**

16. LEASE LIABILITIES

Critical accounting estimates – leases

Management use a lease specific incremental borrowing rate to discount the future lease liabilities, where the interest rate implicit in the lease is not readily available. Using an incremental borrowing rate requires Management to estimate the rate of interest that would be paid to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment.

The Group leases various properties and other assets under lease agreements. The leases have varying terms, including escalation clauses, renewal rights and purchase options. None of these terms represent unusual arrangements.

	As at 29 March 2020 £m
Current lease liabilities	36.4
Non-current lease liabilities	464.3
Total lease liabilities	500.7

As at 29 March 2020, there were commitments to future undiscounted lease payments of £0.1m in respect of leases which had not yet commenced.

The total cash outflow for leases including short term leases, low value leases and variable payments was £33.5m.

WORKING CAPITAL AND PROVISIONS *continued*

17. PROVISIONS, COMMITMENTS AND CONTINGENCIES

Provisions

	Other £m
At incorporation on 10 June 2019	-
Provision acquired through business combination	(1.9)
Additional provisions	(0.7)
Utilisation of provision during the period	1.1
At 29 March 2020	(1.5)

Analysis of maturity profile:	As at 29 March 2020 £m
Current provisions	(1.3)
Non-current provisions	(0.2)
Total provisions	(1.5)

Other provisions

The balance primarily relates to dilapidations provisions, which was made in order to make good any defects within leasehold buildings used within the business.

Capital commitments

Capital commitments at 29 March 2020 were £7.7m.

Contingencies

At any point in time the Company and its subsidiaries may be party to various legal proceedings, some of which may involve claims for damages. The outcome of such proceedings cannot be readily foreseen. Management believes that there are no disputes with any third parties that would result in a material liability for the Group.

LONG TERM ASSETS

This section outlines the acquisitions made by the Group in the period, as well as the tangible and intangible assets held by the Group.

Tangible assets include the physical assets which are used by the Group in the course of business which generate, or contribute to the generation of, revenue and profit. Tangible assets include the property, plant and equipment owned by the Group as well as right of use assets available to the Group through lease arrangements. These assets include property and property improvements used by our divisions, equipment used by our employees, and our fleet of transporters and other motor vehicles.

Intangible assets are non-physical assets which contribute to, or generate, revenue and profit. These assets include goodwill, customer relationships and brands, acquired through business combinations. This also includes software, which can be purchased, acquired through business combinations, or generated internally based on bespoke requirements and demands in the business. This includes a comprehensive suite of digital tools which are used by internal and external stakeholders to facilitate and coordinate our business activities.

18. ACQUISITIONS

Critical accounting judgements – acquisition accounting

For all acquisitions in the period, management are required to apply judgement to determine the business combination accounting, and in relation to the identification of separable assets and liabilities arising on acquisition.

Critical accounting estimates – acquisition accounting

Management make estimates of future cash flows to value the assets and make estimates in determining the useful economic life of intangible assets.

Acquisition of BCA Marketplace plc

On 6 November 2019 the Group acquired 100% of the Ordinary shares of BCA Marketplace plc ('BCAM'), a leading operator in the automotive industry with shares traded on the London Stock Exchange as a constituent of the UK's FTSE 250.

The total outstanding BCAM share capital was acquired by BBD Bidco Limited, a subsidiary of the Group, for cash consideration of £2.3635 per share. The acquisition was completed through a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006. Following the acquisition, BCAM re-registered from a public company to a private limited company.

This has resulted in the acquisition of a number of identified intangible assets including existing brands and customer relationships and goodwill arising due to the unique position that BCAM has in the automotive sector, including the value of the geographical presence and assembled workforce in place, significant barriers to entry for competitors, and access to significant automotive market data and knowledge.

LONG TERM ASSETS *continued*

18. ACQUISITIONS *continued*

The acquisition also included the identification of fair value adjustments on certain assets and liabilities acquired, and remaining assets and liabilities that were acquired at book value.

	Provisional fair value £m
Intangible assets identified	
- Brand	204.2
- Customer relationships	860.9
- Software net book value	26.4
- Software fair value uplift	17.4
Property, plant and equipment	110.5
Right of use assets	420.6
Inventories	67.4
Cash	91.4
Trade and other receivables	280.5
Trade and other payables	(422.7)
Lease liabilities	(506.5)
Partner Finance loan book	208.3
Partner Finance borrowings	(149.2)
Deferred tax liability	(190.7)
Post-retirement benefit obligations	(14.1)
Borrowings	(356.2)
Net assets acquired	648.2
Non-controlling interests	(0.8)
Goodwill acquired	1,206.4
Consideration	1,853.8

The fair value of acquired trade and other receivables was £175.7m. The gross contractual amounts receivable of £179.7m at the acquisition date included £4.0m of contractual cash flows that were not expected to be received.

Due to the material nature of the acquisition by an otherwise dormant Group, the entire revenue and adjusted EBITDA of the Group represent the results of the acquisition. Had the acquisition been effective from incorporation of the Company, estimated revenue for the period would have been £2,850.0m. It is not possible to estimate the profit for the period since incorporation due to the significant impact of financing arrangements on the Group's profits.

Investment in associate – Proov Station S.A.S

During February 2020 the Group acquired a 22.02% holding in Proov Station, an automated service inspection provider, for total consideration of £1.8m. This investment has been identified as an associate because the Group has significant influence but not control of Proov Station. As a result the investment in associate has been accounted for using the equity method. The Group has recognised a £0.1m loss for its share of the result between acquisition and 29 March 2020. This loss has been recognised against the carrying value of the investment held. Further details are provided in note 29.

LONG TERM ASSETS *continued*

19. INTANGIBLE ASSETS

	Goodwill £m	Customer relationships £m	Brands £m	Software £m	Total £m
Cost					
At incorporation on 10 June 2019	-	-	-	-	-
Acquisitions through business combinations	1,206.4	860.9	204.2	43.8	2,315.3
Additions	-	-	-	4.2	4.2
Disposals	-	-	-	(0.1)	(0.1)
Exchange difference	9.2	6.3	0.4	0.3	16.2
At 29 March 2020	1,215.6	867.2	204.6	48.2	2,335.6
Accumulated amortisation					
At incorporation on 10 June 2019	-	-	-	-	-
Charged in the period	-	22.1	5.4	5.2	32.7
Impairment	266.4	-	-	-	266.4
Disposals	-	-	-	(0.1)	(0.1)
Exchange difference	-	0.1	-	-	0.1
At 29 March 2020	266.4	22.2	5.4	5.1	299.1
Net book value					
At incorporation on 10 June 2019	-	-	-	-	-
At 29 March 2020	949.2	845.0	199.2	43.1	2,036.5

Amortisation charges have been treated as operating costs in the income statement.

Critical accounting estimates – impairment of goodwill and intangible assets

An impairment review has been conducted on all goodwill and intangible assets held by the Group. The impairment review is performed on a value in use basis, which requires estimation of future net operating cash flows, the time period over which they will occur, an appropriate discount rate and an appropriate growth rate. Specifically, the future cash flows are sensitive to the assumptions made about the revenue growth, EBITDA margin and the long term growth rate of the relevant market. Given the degree of subjectivity involved, actual outcomes could vary significantly from these estimates.

Goodwill

Goodwill acquired in a business combination is allocated to the cash generating unit ('CGU') or group of CGUs that are expected to benefit from the synergies associated with that business combination. These CGU groups represent the lowest level within the Group at which the associated goodwill is monitored for management purposes. Goodwill is monitored by management at an operating segment level and has been allocated to operating segments as follows:

	Goodwill £m
UK Vehicle Remarketing	555.2
International Vehicle Remarketing	239.2
Vehicle Buying	91.3
Automotive Services	63.5
	949.2

LONG TERM ASSETS *continued*

19. INTANGIBLE ASSETS *continued*

Goodwill is tested annually for impairment, or whenever there is an indication that the asset may be impaired, by comparing the carrying amount of these assets with their recoverable amounts, which is derived from a value in use calculation. Where the recoverable amount exceeds the carrying amount of the assets, the assets are considered as not impaired.

Cash flow forecasts use the budget and 3 year strategic plan forecasts, plus future growth rates. These form the basis of the cash flow projections for each CGU, and are the basis for the remaining forecast financial years. The forecast reflects management's expectations of the medium term operating performance of each CGU and growth prospects in the CGU's markets and regions, and are based on the Strategic plan.

Other key assumptions in the value in use calculation are shown below:

	Vehicle Remarketing		Vehicle Buying	Automotive Services
	UK	International		
Growth rate applied beyond approved forecast period	2.0%	2.0%	1.6%	1.8%
Pre-tax discount rate	12.6%	13.1%	14.5%	10.5%

Growth rates used do not exceed expectations of long term growth in the local market.

The discount rate is estimated by the Group using a range of equity costs for similar companies and external market data, with samples chosen where applicable from the same markets or territories as the CGU.

The calculation of value in use for goodwill is sensitive to the following key assumptions:

- Operating cash flow
- Discount rate

Covid-19 related goodwill impairment

During the period, the Group recognised an impairment charge in operating costs of £266.4m. This was spilt across two cash generating units: Vehicle Remarketing UK (£154.6m) and Vehicle Buying (£111.8m). These cash generating units are reportable segments as defined in IFRS 8.

In March 2020, the World Health Organisation declared the outbreak of covid-19 a global pandemic and the governments of many of our markets entered into social distancing lockdown arrangements, which significantly impacted the Group's ability to operate as usual.

The impairment charge represents a change in the timing of vehicle volumes expected to flow through the marketplace over the short term as economic activity recovers. The Group has tested goodwill in reference to its value in use, which is based on forecasts of the Group in its current condition and therefore does not include inflows expected from improving or enhancing the performance of its assets that was expected to arise following the acquisition, to which the Group is not yet committed.

The used vehicle marketplace, particularly auctions, is historically resilient in periods of economic turbulence.

Management does not consider the markets in which the Group operates to be significantly impacted in the long run by the outbreak of covid-19.

The recoverable amounts of Vehicle Remarketing UK and Vehicle Buying are £1,387.7m and £226.6m, respectively. These amounts are based on value in use calculations using a pre-tax discount rate of 12.6% and 14.5%, respectively.

LONG TERM ASSETS *continued*

20. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Fixtures, fittings and equipment £m	Plant, machinery and motor vehicles £m	Total £m
Cost				
At incorporation on 10 June 2019	-	-	-	-
Acquired through business combinations	74.5	14.7	21.3	110.5
Additions	3.9	2.4	15.6	21.9
Disposals	(0.2)	(0.1)	(12.3)	(12.6)
Exchange difference	1.3	0.1	0.1	1.5
At 29 March 2020	79.5	17.1	24.7	121.3
Accumulated depreciation				
At incorporation on 10 June 2019	-	-	-	-
Charge for the period	1.1	2.2	2.5	5.8
Disposals	-	(0.1)	(0.2)	(0.3)
Exchange difference	-	-	-	-
At 29 March 2020	1.1	2.1	2.3	5.5
Net book value				
At incorporation on 10 June 2019	-	-	-	-
At 29 March 2020	78.4	15.0	22.4	115.8

Land and buildings include investment property, which has been accounted for using the cost model.

21. RIGHT OF USE ASSETS

	Land and Buildings £m	Plant, machinery and motor vehicles £m	Total £m
Cost			
At incorporation on 10 June 2019	-	-	-
Acquired through business combinations	359.9	60.7	420.6
Additions	8.5	5.3	13.8
Exchange difference	1.3	-	1.3
At 29 March 2020	369.7	66.0	435.7
Accumulated depreciation			
At incorporation on 10 June 2019	-	-	-
Charge for the period	12.2	6.4	18.6
Exchange difference	0.1	-	0.1
At 29 March 2020	12.3	6.4	18.7
Net book value			
At incorporation on 10 June 2019	-	-	-
At 29 March 2020	357.4	59.6	417.0

CAPITAL STRUCTURE AND FINANCING

This section details the Group's capital structure, financing and any associated distributions. This includes amounts available and utilised in the form of external borrowings. Partner Finance borrowings and lease liabilities are asset-backed facilities and are therefore presented separately to bank borrowings.

The Group utilises a combination of shareholder equity, bank loans and flexible revolving facilities to manage the Group's capital and liquidity requirements, to meet strategic objectives and fund investment opportunities. This section also includes the capital transactions which have occurred during the period.

22. BANK BORROWINGS

	As at 29 March 2020 £m
Non-current	
Bank borrowings	1,239.0
Current	
Bank borrowings	115.0

In November 2019 the Group refinanced, putting in place a Senior Term facilities agreement and a Second Lien facility. The Senior facilities agreement comprises Facility B1 £525.0m, Facility B2 €534.5m and a £155.0m revolving facility. The Second Lien facility comprises Facility F1 £265.0m.

The term facilities were drawn down in full at inception. The facilities were net of arrangement fees of £25.3m and original issue discount of £6.4m.

The transaction costs, together with the interest expense and original issue discount, are being allocated to the income statement over the expected duration of the facility at a constant rate on the carrying amount. The fair value of bank borrowings is equal to the nominal value of the bank loan.

At 29 March 2020, the Group had issued letters of credit in the ordinary course of business of £4.3m, had drawn down £115.0m on the revolving facility and had utilised £33.4m of overdraft, leaving the following as undrawn borrowing facilities:

	As at 29 March 2020 £m
Floating rate borrowings	
Expiring beyond one year	2.3

23. PARTNER FINANCE BORROWINGS

The Group has an asset-backed finance facility to fund the Partner Finance business. During November 2019, Partner Finance completed the syndication and extension of the BCA Partner Finance facility, increasing the facility to £250.0m on comparable terms. The amount is advanced solely to a Partner Finance subsidiary in respect of specific receivables. Interest is charged on the drawn down element of the facility at a variable rate of interest, based on the Bank of England base rate. At 29 March 2020 the borrowings were £159.4m.

CAPITAL STRUCTURE AND FINANCING *continued*

24. SHARE CAPITAL AND RESERVES

	Number of £1 Ordinary shares issued and fully paid	Nominal value £m	Share premium £m
At incorporation on 10 June 2019	1	0.0	-
Net proceeds from shares issued on 13 November 2019	100,000	0.1	1,009.2
Net proceeds from shares issued on 6 December 2019	1,000	0.0	6.0
At 29 March 2020	101,001	0.1	1,015.2

The holders of Ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. The movements in share capital are described below:

- Net proceeds from shares issued – relate to the issue of shares on and following the acquisition of BCA Marketplace. All of these shares rank *pari passu* with the existing Ordinary shares in issue.

The following describes the nature and purpose of each reserve within shareholder's funds:

Share premium

The value of the net proceeds from shares issued above the nominal value of the shares issued.

Other reserves

Foreign exchange reserve

Represents the cumulative difference arising from changes to foreign exchange rates upon assets and liabilities of overseas subsidiaries.

Retained earnings

Cumulative net gains and losses recognised in the Group income statement. This does not include retained earnings held in subsidiaries which could be remitted to the Parent through dividends.

PENSIONS AND OTHER INFORMATION

25. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The Group participates in several defined contribution schemes and two defined benefit schemes ('the BCA Pension Plan' within British Car Auctions Limited and 'the Automotive Plan' within Walon Limited).

The BCA Pension Plan provides benefits based on final pensionable salary. The plan is closed to new members. The valuation used for these accounts is based on the results of an actuarial valuation carried out as of 5 April 2017 and updated to the period end date by Capita, independent consulting actuaries, in accordance with IAS 19.

The Automotive Plan provides benefits based on final pensionable salary. The plan closed to future accrual from 1997. The valuation used for these accounts is based on the results of an actuarial valuation carried out as of 5 April 2016 and updated to the period end date by JLT, independent consulting actuaries, in accordance with IAS 19.

The defined benefit plans are registered with HMRC and comply fully with the regulatory framework published by the UK pensions regulator. Benefits are paid to the members from a separate fund administered by independent trustees. The BCA Pension Plan has five trustees, three of whom are appointed by the Group and two chosen by scheme members. The Automotive Plan has four trustees, two of whom are appointed by the Group and two chosen by scheme members. The Trustees are required to act in the best interests of the members and are responsible for making funding and investment decisions in conjunction with the Group.

As part of the acquisition an additional contribution of £2.0m was made to the BCA Pension Plan, which is included within employer contributions paid in the period.

Critical accounting estimates – pensions

The Group's net retirement benefit obligation, which is reviewed by management using assessments from independent actuaries each period, is based on key assumptions, including discount rates, inflation, future salary increases and pension costs. These assumptions may be different to the actual outcome.

The principal assumptions used for the BCA Pension Plan and the Automotive Plan are as follows:

	As at 29 March 2020	
	BCA	Automotive
Rate of increase in salaries	2.75%	n/a
Rate of increase in deferred pensions	1.75%	1.75%
Rate of increase in pensions:		
LPI (5.0% Cap)	2.70%	n/a
LPI (2.5% Cap)	1.95%	n/a
Fixed	3.00%	-
Discount rate	2.25%	2.25%
Rate of inflation:		
Retail price index	2.75%	2.75%
Consumer price index	1.75%	1.75%

Assumptions regarding future mortality experience are set based on published statistics and experience.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

25. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *continued*

The mortality assumptions adopted imply the following expected future lifetimes from age 65:

	As at 29 March 2020	
	BCA Age (current 65 year olds)	Automotive Age (current 65 year olds)
Males	22.7	20.8
Females	24.9	22.6

Changes in the fair value of the defined benefit liability in the BCA Pension Plan are as follows:

	Plan assets £m	Plan liabilities £m	Total £m
At 10 June 2019	-	-	-
Acquired through business combinations	77.6	(88.7)	(11.1)
Income statement expense:			
Current service cost	-	(0.5)	(0.5)
Interest income/(expense)	0.7	(0.7)	-
Total amount charged to the income statement	0.7	(1.2)	(0.5)
Remeasurements:			
Actuarial gains due to changes in financial assumptions	-	10.1	10.1
Actuarial losses due to changes in demographic assumptions	-	(2.6)	(2.6)
Experience gains and losses	(12.3)	0.8	(11.5)
Total amount recognised in other comprehensive income	(12.3)	8.3	(4.0)
Cash:			
Employer contributions	2.4	-	2.4
Employee contributions	0.1	(0.1)	-
Benefits paid	(1.1)	1.1	-
Net cash	1.4	1.0	2.4
At 29 March 2020	67.4	(80.6)	(13.2)

PENSIONS AND OTHER INFORMATION *continued*

25. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *continued*

Changes in the fair value of the defined benefit asset in the Automotive Pension Plan are as follows:

	Plan assets £m	Plan liabilities £m	Total £m
At 10 June 2019	-	-	-
Acquired through business combinations	15.3	(18.3)	(3.0)
Income statement expense:			
Interest income/(expense)	0.2	(0.2)	-
Total amount charged to the income statement	0.2	(0.2)	-
Remeasurements:			
Actuarial gains due to changes in financial assumptions	-	1.4	1.4
Actuarial gains due to changes in demographic assumptions	-	0.8	0.8
Experience losses	(1.3)	-	(1.3)
Total amount recognised in other comprehensive income	(1.3)	2.2	0.9
Cash:			
Employer contributions	0.2	-	0.2
Benefits paid	(0.3)	0.3	-
Net cash	(0.1)	0.3	0.2
At 29 March 2020	14.1	(16.0)	(1.9)

Amount recognised in the balance sheet liability represented by:

	As at 29 March 2020		
BCA plan	67.4	(80.6)	(13.2)
Automotive plan	14.1	(16.0)	(1.9)
Total	81.5	(96.6)	(15.1)

At the end of the reporting period the plan assets by category had been invested as follows:

	As at 29 March 2020		
	BCA £m	Automotive £m	Total £m
Equities (quoted)	26.8	6.3	33.1
Corporate bonds (quoted)	27.1	2.0	29.1
Government bonds (quoted)	4.1	5.3	9.4
Diversified growth funds (quoted)	7.3	-	7.3
Other	2.1	0.5	2.6
Total plan assets	67.4	14.1	81.5

25. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *continued*

Risk management

These defined benefit plans expose the Group to actuarial risks, such as mortality risk, interest rate risk and market investment risk. The investment policies of each scheme are described below:

Asset volatility	Plan liabilities, in respect of defined benefit obligations, are calculated on a discounted basis using a discount rate which is set with reference to corporate bond yields. If the plan assets underperform this yield, then this will create a deficit. The trustees of each plan, and their advisers, carry out regular reviews of asset allocations within each plan and consider the need to switch assets in line with the investment strategies. Currently the plans hold approximately 40% of assets as defensive assets (government and corporate bonds) with the intention of mitigating significant changes in yields. As each plan matures, the level of investment risk is reduced by investing more in government and corporate bonds that better match the liabilities. However, the Group believes that due to the long term nature of the scheme liabilities, a level of continuing equity investment is an appropriate element of the long term investment strategy. In respect of Guaranteed Minimum Pension ('GMP') obligations, the strategy has the objectives of achieving an overall rate of return that is sufficient to meet pensioners' reasonable expectations, reduce investment return volatility over the short term period to retirement where this is possible and to invest in assets that are liquid such that they enable switching between asset classes. In order to achieve these objectives, the strategy is to invest in a mixture of on-risk assets (including equities) and off-risk assets (including bonds, gilts and cash), with the proportionate allocation of the latter increasing according to an agreed profile as members approach their normal retirement date.
Inflation	The plans' pension liabilities in deferment are linked to inflation. Higher inflation will lead to higher liabilities, although in the majority of cases there are caps on the level of inflationary increases to be applied to pension obligations in order to protect the plans from extreme inflation. The BCA Pension Plan holds approximately 6% of the plans' assets in index-linked bonds (including government bonds) to partially hedge against this risk. The remainder of the plans' assets are either unaffected by or loosely correlated with inflation, and so an increase in inflation can lead to an increase in the plan deficit.
Mortality	The plans' obligation is to provide a pension for the life of their members, so realised increases in life expectancy will result in an increase in the plans' benefit payments. Whilst future mortality rates cannot be predicted with certainty the plans adopt up to date mortality assumptions and review the overall risk as part of the triennial actuarial valuations.
Bond yields	Plan assets are likely to decrease following an increase in the interest rate. This is due to an increase in interest rates having the effect of a decrease in value of the defensive assets held by the plans. This risk is partially mitigated by the measurement of plan liabilities being linked to bond yields. An increase in interest rates has the effect of increasing bond yields, which in turn decreases plan liabilities. If interest rates decrease the opposite is true for both plan liabilities and assets.
Salary changes	The calculation of the BCA Pension Plan liabilities uses the future estimated salaries of plan participants. Increases in the salary of plan participants above that assumed will increase the plan liabilities. The Automotive Plan is closed to future accruals, so is not exposed to this risk.

PENSIONS AND OTHER INFORMATION *continued*

25. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *continued*

Sensitivity analysis

The disclosures above are dependent on the assumptions used. The table below demonstrates the sensitivity of the defined benefit obligations to changes in the significant assumptions used for the schemes.

Impact on the defined benefit obligations:

	BCA	Automotive	BCA	Automotive
	£m	£m	% of liability	% of liability
Discount rate: +0.25%	(3.2)	(0.7)	(4.0%)	(4.3%)
Inflation and related assumptions: +0.25%	1.6	-	2.0%	0.2%
Mortality: reduced by 10%	2.4	n/a	3.0%	n/a
Mortality: long term rate of longevity improvement: +0.25%	n/a	(0.5)	n/a	(3.1%)

The above analysis is based on a change in an assumption while holding all other assumptions constant, and in practice this is unlikely to occur. The above variances have been used as they are believed to be reasonably possible fluctuations.

Expected future cash flows

The Group expects the employer contributions to be made to its defined benefit plans in the 2020/21 financial year to be £1.5m. The Group's management do not expect any material changes to the annual cash contributions over the next three years; however it keeps contributions under review in the light of movements in the funding position of the schemes.

The defined benefit obligations are based on the current value of expected benefit payment cash flows to members over the next several decades. The average duration of the liabilities is approximately 17 years for the BCA Pension Plan and 18 years for the Automotive Plan.

26. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Categories of financial instruments

	As at 29 March 2020 £m
Financial assets	
Loans and receivables	604.5
Financial liabilities	
Amortised cost	2,436.1

Loans and receivables include trade receivables, other receivables and cash and cash equivalents. Expected credit loss allowances on trade and other receivables are shown in note 14. Included in financial liabilities at amortised cost are trade and other payables, lease liabilities, bank borrowings, bank overdrafts and Partner Finance borrowings.

26. FINANCIAL INSTRUMENTS – RISK MANAGEMENT *continued*

Reconciliation of liabilities arising from financing activities

				Non cash changes			
	As at 10 June 2019 £m	Acquired through business combinations £m	Cash flows £m	Additions £m	Foreign exchange movements £m	Finance charge £m	As at 29 March 2020 £m
Long term borrowings	-	256.2	959.0	-	19.6	4.2	1,239.0
Short term borrowings	-	100.0	15.0	-	-	-	115.0
Bank overdrafts	-	-	33.4	-	-	-	33.4
Partner Finance borrowings	-	149.2	9.8	-	-	0.4	159.4
Lease liabilities	-	506.5	(29.5)	12.4	1.3	10.0	500.7
Total liabilities from financing activities	-	1,011.9	987.7	12.4	20.9	14.6	2,047.5

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The responsibility for monitoring the effectiveness of risk management is carried out by the Board.

Market risk

Market risk is the risk that changes in market prices (principally exchange rates and interest rates) will affect the Group's income or the value of its holdings of financial instruments.

Foreign exchange risk

The Group operates in the UK and continental Europe (Belgium, France, Germany, Italy, Netherlands, Portugal, Spain, Denmark, Norway, Poland, Sweden, and Switzerland) and is therefore exposed to foreign exchange risk. Foreign exchange risk arises primarily on recognised assets and liabilities and net investments in foreign operations. These overseas operations' revenues and costs are mainly denominated in the currencies of the countries in which the operations are located. The most significant of these is the Euro. The Euro to Sterling exchange rates used by the Group are shown below:

	For the period ended 29 March 2020
Euro – opening (period start)	1.1213
Euro – acquisition	1.1625
Euro – average	1.1464
Euro – closing	1.1176

The functional currencies of the revenue and adjusted EBITDA of the Group's operations are as follows:

	For the period ended 29 March 2020			
	GBP	Euro	Other	Total
Revenue (£m)	1,330.4	115.2	15.0	1,460.6
Revenue (%)	91.1%	7.9%	1.0%	100.0%
Adjusted EBITDA (£m)	73.1	14.4	1.6	89.1
Adjusted EBITDA (%)	82.0%	16.2%	1.8%	100.0%

The Group does not have significant transactional foreign currency cash flow exposures. The Group monitors its exposure to currency fluctuations on an ongoing basis. The Group maintains part of its debt in Euro to reflect the currency in which its EBITDA is generated.

PENSIONS AND OTHER INFORMATION *continued*

26. FINANCIAL INSTRUMENTS – RISK MANAGEMENT *continued*

Foreign exchange risk *continued*

The Group has not hedged profit translation exposures. During the period and as at 29 March 2020 the Group did not have any hedges in place.

For the period ended 29 March 2020, if Sterling had strengthened by 10% on average against the Euro with all other variables held constant, adjusted EBITDA for the year would have been £1.3m lower as a result of a reduction of the equivalent value in Sterling of profits denominated in Euros.

Details of the currencies in which the Group's cash, trade and other receivables, trade and other payables and loans and overdrafts are denominated are set out below:

	As at 29 March 2020			
	GBP £m	Euro £m	Other £m	Total £m
Cash	151.0	51.8	11.0	213.8
Trade and other receivables	348.3	50.0	7.8	406.1
Trade and other payables	(261.2)	(106.8)	(20.6)	(388.6)
Borrowings (including Partner Finance borrowings)	(1,042.6)	(470.8)	-	(1,513.4)
Net	(804.5)	(475.8)	(1.8)	(1,282.1)

Interest rate risk

The Group's interest rate risk arises from the Group's borrowings as disclosed in note 22. Interest rates have been historically low and stable in terms of both LIBOR and EURIBOR rates and consequently no structured hedging has been implemented in the current period. The Group will continue to monitor interest rates and assess the requirement for hedging in the future. All of the Group's finance leases are at fixed rates of interest.

For the period ended 29 March 2020, if the average rate on floating rate borrowings had been 50 basis points higher with all other variables held constant, post-tax profit for the period would have been £6.6m lower.

Credit risk

Credit risk is the risk of financial loss in the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally through trade receivables from customers and cash balances.

The Group has policies in place to ensure that services are only provided to clients with an appropriate credit history.

Customers who have an account with BCA Partner Finance are able to finance vehicles acquired through UK Vehicle Remarketing. Prior to opening an account and subsequently, a credit assessment is completed and appropriate security is obtained. In addition, legal title of the vehicle remains with the Group until the outstanding balance is settled in full.

Cash and cash equivalents are held with reputable institutions. The cash required for working capital is held with reputable banks in each country of operation as appropriate. All other material cash balances are deposited with financial institutions whose credit rating is at least Standard and Poor's A- or equivalent.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Finance monitors forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group minimises the risk of breaching borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plan and covenant compliance requirements on its borrowings.

The Group has a £155.0m revolving facility. At 29 March 2020 £115.0m of the facility had been drawn, £35.0m of ancillary RCF as overdraft, as well as £4.3m of the facility having been utilised to provide guarantees to third parties. This revolving facility is considered by management to provide adequate flexibility given the current liquidity of the business.

26. FINANCIAL INSTRUMENTS – RISK MANAGEMENT *continued*

Liquidity risk *continued*

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows:

As at 29 March 2020	Carrying amount	Contractual Total	Within 1 year	Between 1 and 5 years	Over 5 years
	£m	£m	£m	£m	£m
Bank borrowings	1,354.0	1,383.3	115.0	-	1,268.3
Bank overdrafts	33.4	33.4	33.4	-	-
Partner Finance borrowings	159.4	159.4	159.4	-	-
Lease liabilities	500.7	735.4	60.9	211.0	463.5
Trade and other payables	388.6	352.9	352.9	-	-

Capital risk management

The Board's policy is to maintain a strong capital base (which comprises share capital, reserves and debt) so as to maintain stakeholder confidence and to sustain future development of the business. This includes consideration of the Group's debt financing plan and covenant compliance requirements on its borrowings.

Fair value

The fair values of all financial instruments are equal to their carrying value.

27. RELATED PARTY TRANSACTIONS AND DIRECTORS EMOLUMENTS

The Group has a related party relationship with its key management personnel, Group associates, ultimate controlling party and other entities also controlled by the ultimate controlling party.

Key management personnel

The Group considers key management personnel, as defined under IAS 24 Related Party Disclosures, to be Executive members of the Board. The remuneration for key management personnel for the period was as follows:

	For the period 10 June 2019 to 29 March 2020 £m
Short term employee benefits	0.9
Post-employment benefits	0.1
	1.0

Included in the amounts above are the following paid to the highest paid Company director in respect of qualifying services:

	For the period 10 June 2019 to 29 March 2020 £m
Directors remuneration	0.4
Company contributions to pension schemes	-
	0.4

PENSIONS AND OTHER INFORMATION *continued*

27. RELATED PARTY TRANSACTIONS AND DIRECTORS EMOLUMENTS *continued*

As at 29 March 2020, the Group held £nil in respect of balances related to key management personnel. There were no other transactions during the period with key management personnel.

Group associates

The Group has a related party relationship with its associate investments.

Group associate	Sales to related party £m	Purchases from related parties £m	Amounts owed by related parties £m	Amounts owed to related parties £m	Management recharges £m
Proov Station S.A.S	-	-	-	-	-
Total	-	-	-	-	-

Ultimate controlling party

The Company's ultimate controlling party is TDR Capital LLP ('TDR'), a Limited Liability Partnership incorporated in England and Wales. TDR is a leading international private equity firm, managing capital on behalf of institutional, government and private investors worldwide. TDR has an experienced team of investment professionals and operating partners and has a low volume investment strategy based on principles developed by the investment team over the past decade.

TDR Nominees 2016 Limited, a 100% subsidiary of TDR Capital LLP, acts as a nominee company and holds the entire share capital of BBD Topco Sarl as legal owner. BBD Topco Sarl in turn owns 85% of the immediate parent BBD Group Sarl, a company incorporated in Luxembourg.

These consolidated accounts are the largest and smallest group which include the results of BBD Parentco Limited and its subsidiaries.

28. EVENTS AFTER THE REPORTING PERIOD

On 29 April 2020, the Group agreed and drew an additional Senior Liquidity Facility of €67m. This facility ranks *pari passu* with the existing Senior Term and Revolving Credit Facility and provides increased liquidity and capacity for future investment and vehicle buying.

On 22 May 2020, the Group purchased a vehicle preparation site in Corby for £19.7m.

On 16 June 2020, Parentco allotted and issued 1,000 ordinary shares for consideration of £10.0m.

PENSIONS AND OTHER INFORMATION *continued*

29. LIST OF GROUP UNDERTAKINGS

All companies are 100% owned unless otherwise stated.

Name and Address	Nature of business
Austria	
Börsegasse 10/5, 1010 Wien	
BCA Autoauktionen GesmbH	Non-trading
Belgium	
Rue de l'Hospice Communal 35 - 1170 Watermael-Boitsfort	
BCA Autoveiling – Enchères Autos S.A.	Motor Vehicle Remarketing
Parc de l'Alliance, Boulevard de France 9 A, 1420, Braine l'Alleud	
BCA Europe Transport Solutions S.A.	Logistics Services for the Automotive Sector
Denmark	
Auktionsvej 8, DK-7120, Vejle	
BCA Autoauktion A/S	Motor Vehicle Remarketing
T4g One Europe ApS	Vehicle Sale and Purchase
England and Wales	
Headway House, Crosby Way, Farnham, Surrey GU9 7XG	
Autolink Limited	Non-trading
Autos on Show Limited	Non-trading
Autotrax Limited (76%)	Property Leasing
BBD Bidco Limited	Intermediate Parent
BCA Automotive Ltd	Intermediate Parent
BCA Central Limited	Intermediate Parent and Management Service Company
BCA Europe Limited	Intermediate Parent and Management Service Company
BCA Fleet Solutions Limited	Motor Vehicle Processing Services
BCA Fleet Solutions 2 Limited	Non-trading
BCA Group Europe Limited	Intermediate Parent
BCA Holdings Limited	Intermediate Parent
BCA Logistics Limited	Logistics Services for the Automotive Sector
BCA Limited	Non-trading
BCA Marketplace Limited	Intermediate Parent
BCA Osprey Finance Limited	Non-trading
BCA Osprey I Limited	Intermediate Parent
BCA Osprey II Limited	Intermediate Parent
BCA Outsource Solutions Limited	Vehicle Sale and Purchase
BCA Pension Trustees Limited	Non-trading
BCA Remarketing Group Limited	Intermediate Parent
BCA Remarketing Solutions Limited	Motor Vehicle Remarketing
BCA Trading Limited	Intermediate Parent
BCA Vehicle Finance Limited	Motor Vehicle Finance
BCA Vehicle Services Limited	Motor Vehicle Processing Services

PENSIONS AND OTHER INFORMATION *continued*

29. LIST OF GROUP UNDERTAKINGS *continued*

Name and Address	Nature of business
England and Wales *continued*	
Headway House, Crosby Way, Farnham, Surrey GU9 7XG	
British Car Auctions Limited	Motor Vehicle Remarketing
Carland.com Limited	Motor Vehicle Remarketing
Cinch Cars Limited	Vehicle Sale and Purchase
Expedier Catering Limited	Non-trading
Expert Remarketing Limited	Non-trading
Life on Show Limited	Motor Vehicle Photographic Services
Myauto Limited	Vehicle Sale and Purchase
Paragon Automotive 2009 Limited	Property Leasing
Paragon Automotive Logistics Ltd	Logistics Services for the Automotive Sector
Paragon Automotive Limited	Non-trading
Paragon Automotive Services Limited	Property Leasing
Paragon Fleet Solutions Limited	Non-trading
Paragon Remarketing Services Limited	Motor Vehicle Remarketing
Paragon Vehicle Services Limited	Non-trading
Pennine Metals B Limited	Intermediate Parent
Scottish Motor Auctions (Holdings) Limited	Intermediate Parent
Sensible Automotive Limited	Logistics Services for the Automotive Sector
SMA Vehicle Remarketing Limited	Non-trading
Smart Prepared Systems Limited	Non-trading
Supreme Wheels Direct Ltd (75%)	Motor Vehicle Processing Services
TF1 Limited	Intermediate Parent
The British Car Auction Group Limited	Intermediate Parent
Tradeouts Limited	Non-trading
VAM UK Acquisition Corporation Limited	Intermediate Parent
Walon Automotive Services Limited	Non-trading
Walon Limited	Logistics Services for the Automotive Sector
We Buy Any Car Limited	Vehicle Sale and Purchase
Hill View, The Common, Woodgreen, Fordingbridge, SP6 2BQ	
Automotion Events Limited (30%)[1]	Automotive events management
Boundary Way, Lufton Trading Estate, Yeovil, Somerset BA22 8HZ	
Magna Motors Limited	Non-trading
France	
5 rue Charles de Gaulle - 94140 Alfortville	
BC Remarketing S.A.	Motor Vehicle Remarketing
BCAuto Enchères S.A.	Motor Vehicle Remarketing
99 rue du Président Edouard Herriot, 69002 Lyon	
Proov Station S.A.S (22.02%)	Inspection services for the Automotive Sector

29. LIST OF GROUP UNDERTAKINGS *continued*

Name and Address	Nature of business
France *continued*	
zone Industrielle, Saint-Ustre 86220 Ingrandes	
Centre de Rénovation de Véhicules d'Occasion Ingrandes (CRVO) S.A.S (50%)[2]	Motor Vehicle Processing Services
Germany	
Alsfelder Str.23, 36272 Niederaula	
Fleet Control Monitor GmbH (76%)	Vehicle Inventory Management
Flosshafenstrasse 5, 41460 Neuss, Germany	
BCA Auctions GmbH	Motor Vehicle Remarketing
BCA Autoauktionen GmbH	Motor Vehicle Remarketing
BCA Automotiv GmbH & Co. KG	Motor Vehicle Remarketing
BCA Automotiv Verwaltungs GmbH	Intermediate Parent
BCA Europe GmbH	Intermediate Parent
CarTrade2B GmbH	Vehicle Sale and Purchase
Königsallee 106, 40216 Düsseldorf	
ZABATUS Gründstucks – Vermietungsgesellschaft GmbH & Co. Objekt BCA Neuss KG (94%)	Property Leasing
Hungary	
1061 Budapest, Andrássy út 36. 2. em. 5. , Magyarország	
BCA Hungária Gépjármű-aukciós Kft.	Non-trading
Italy	
Via Emilia 143/A, Lodi 26900	
BCA Italia SRL	Motor Vehicle Remarketing
Jersey	
One Waverley Place, Union Street, St Helier, Jersey JE1 1AX	
H.I.J. Limited	Intermediate Parent
Netherlands	
De Landweer 4, 3771 LN Barneveld	
BCA Administratie B.V.	Vehicle Sale and Purchase
BCA Auctions Holdings B.V.	Intermediate Parent
BCA Autoveiling B.V.	Motor Vehicle Remarketing
FleetSelect B.V.	Motor Vehicle Remarketing
Norway	
c/o Econpartner AS, Dronning Mauds gate 15, 0250 Oslo	
BCA Bilauksjon AS	Motor Vehicle Remarketing

PENSIONS AND OTHER INFORMATION *continued*

29. LIST OF GROUP UNDERTAKINGS *continued*

Name and Address	Nature of business
Poland	
Rabowicka 9, 62-020 Swazędze, Poland	
BCA Polska Sp. z o.o.	Motor Vehicle Remarketing
Portugal	
Av. Antonio Augusto de Aguiar, 38 - 6º, 1050-016 Lisboa	
G – Grupo – Investimentos e Participações, S.A.	Intermediate Parent
S.P.L.A. – Sociedade Portuguesa de Leliões de Automóveis, S.A.	Motor Vehicle Remarketing
Romania	
Bucharest, 1st district, Buzesti St. no. 50-52, module 12, 11th floor	
BC Autolicitatii România - S.R.L	Non-trading
Scotland	
BCA Kinross, Bridgend, Kinross KY13 8EN	
BCA 100 Limited	Non-trading
Motor Auctions (Properties) Limited	Property Leasing
Scottish Motor Auctions Limited	Non-trading
Spain	
Sagasta, 15 Planta 2 puerta Izquierda 28004 Madrid	
BCA España Autosubastas de Vehículos SL	Motor Vehicle Remarketing
BCA Management de Vehiculos SL	Vehicle Sale and Purchase
BCA Servicios Inmobiliarios SL	Property Leasing
Sweden	
Box 5208, 151 13 Södertälje	
BCA Vehicle Remarketing AB	Motor Vehicle Remarketing
CarTrade2B AB	Vehicle Sale and Purchase
Switzerland	
Industriepark / LC2, CH – 6246 Altishofen	
BCA AutoRemarketing Schweiz AG	Motor Vehicle Remarketing

[1] Acquired 6 July 2020

[2] Acquired 10 June 2020

PENSIONS AND OTHER INFORMATION *continued*

29. LIST OF GROUP UNDERTAKINGS *continued*

Investment in associates accounted for using the equity method

The table below provides summarised financial information for Proov Station S.A.S, an associate of the Group. The information disclosed reflects the amounts presented in the financial statements of the associate and not the Group's share of those amounts. They are shown as at the date of the associate's most recent financial statements, which is not coterminous to the Group.

	As at 31 December 2019 €m
Proov Station S.A.S	
Non-current assets	0.9
Current assets	0.8
Current liabilities	(1.4)
Net assets	**0.3**

	Note	For the year ended 31 December 2019 €m
Proov Station S.A.S		
Operating income		1.1
Operating costs		(1.3)
Operating loss		(0.2)
Income tax		0.2
Result for the period		**-**
Reconciliation to carrying amounts:		£m
Acquisition of investment in the period	18	1.8
Share of loss from associate since acquisition		(0.1)
Carrying amount of investment at 29 March 2020		**1.7**

COMPANY FINANCIAL STATEMENTS

COMPANY BALANCE SHEET

	Note	As at 29 March 2020[1] £m
Non-current assets		
Investments	3	687.6
Total non-current assets		687.6
Current assets		
Trade and other receivables	4	338.9
Total current assets		338.9
Total assets		1,026.5
Net assets		1,026.5
Equity shareholder's funds		
Share capital	5	0.1
Share premium	5	1,015.2
Retained profit		11.2
Total shareholder's funds		1,026.5

[1] *No comparative provided – first accounting period*

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company profit and loss account and the related notes. The profit for the Parent Company for the period ended 29 March 2020 was £11.2m.

The financial statements on pages 100 to 105 were approved by the Board on 14 July 2020 and were signed on its behalf by:

T G Lampert

Chief Financial Officer

COMPANY CASH FLOW STATEMENT

	For the period 10 June 2019 to 29 March 2020[1] £m
Cash flows from operating activities	
Profit for the period	11.2
Adjustments for:	
Net finance income	(11.2)
Cash utilised by operations	-
Net interest received	11.2
Net cash inflow from operating activities	11.2
Cash flows from investing activities	
Acquisition of subsidiary undertaking, net of cash acquired	(687.6)
Net cash outflow from investing activities	(687.6)
Cash flows from financing activities	
Proceeds from shares issued	1,015.3
Amounts loaned to subsidiary undertakings	(338.9)
Net cash inflow from financing activities	676.4
Net increase in cash and cash equivalents	-
Cash and cash equivalents at incorporation	-
Cash and cash equivalents at period end	-

[1] *No comparative provided – first accounting period*

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total £m
Balance on incorporation at 10 June 2019		-	-	-	-
Total comprehensive income for the period					
Profit for the period		-	-	11.2	11.2
Total comprehensive income for the period		-	-	11.2	11.2
Contributions and distributions					
Net proceeds from shares issued	5	0.1	1,015.2	-	1,015.3
Total transactions with owner		0.1	1,015.2	-	1,015.3
Balance at 29 March 2020		0.1	1,015.2	11.2	1,026.5

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

These Company financial statements for the period ended 29 March 2020 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') interpretations as adopted by the European Union ('Adopted IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements have been prepared under the historical cost convention.

The financial statements and the notes to the financial statements are presented in millions of Pounds Sterling ('£m') except where otherwise indicated.

The accounting policies applied in the preparation of these Company financial statements are the same as those set out in note 4 of the Annual Report and Accounts 2020, with the exception of note 2 'Basis of consolidation' and the policy on investments in subsidiaries, which are stated at cost less impairment.

2. EMPLOYEES AND DIRECTORS

There were no employees of the Company during the period to 29 March 2020.

3. INVESTMENTS IN SUBSIDIARIES

	Total £m
Cost	
At incorporation on 10 June 2019	-
Additions	687.6
At 29 March 2020	687.6

At 29 March 2020 the Company owns 100% of the issued share capital of BBD Bidco Limited and owns indirectly the subsidiary undertakings listed in note 29 of the Annual Report and Accounts 2020.

4. TRADE AND OTHER RECEIVABLES

	As at 29 March 2020
	£m
Amounts owed by subsidiary undertakings	338.9
Total trade and other receivables	338.9

Amounts owed by subsidiary undertakings are unsecured, repayable on demand and bear interest at 9.05% per annum.

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

5. SHARE CAPITAL AND RESERVES

The details of the Company's share capital and the nature of the reserves are disclosed in note 24 of the Annual Report and Accounts 2020.

6. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk. The responsibility for monitoring the effectiveness of risk management is carried out by the Board.

Market risk

Market risk is the risk that changes in market prices (principally exchange rates and interest rates) will affect the Company's income or the value of its holdings of financial instruments.

Foreign exchange risk

The Company has no direct significant interaction with foreign currency. Members of the Group in which the Company holds its investment operate in continental Europe, which means that through its investment the Company has some indirect exposure to foreign exchange risk.

Interest rate risk

The Company has no external debt and therefore has no significant exposure to interest rate risk.

Credit risk

Credit risk is the risk of financial loss in the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally through receivables from Group companies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company currently meets all liabilities from intercompany loans. The Company's liability for operating expenses is monitored on an ongoing basis to ensure cash resources are adequate to meet liabilities as they fall due.

Capital risk management

The aim of the Company is to maintain sufficient funds to enable it to make suitable investments and incremental acquisitions whilst minimising recourse to bankers and/or shareholders.

Fair values

The fair values of all financial instruments are equal to their carrying values.

NOTES TO THE COMPANY FINANCIAL STATEMENTS *continued*

7. RELATED PARTY TRANSACTIONS

Remuneration of the Directors' who constitute key management personnel of the Company has been disclosed in note 27 of the Annual Report and Accounts 2020.

8. COMMITMENTS AND CONTINGENCIES

Capital commitments

There are no capital commitments to disclose in this report.

Contingencies

There are no disputes with any third parties that would result in a material liability for the Company.

The Company has entered into an agreement over various bank loans and overdrafts of certain Group undertakings and has granted as security a fixed and floating charge over all its present and future assets.