

1. Company details

Name of entity:	Autosports Group Limited
ABN:	54 614 505 261
Reporting period:	For the period ended 30 June 2017

2. Results for announcement to the market

The Company was incorporated on 29 August 2016. On 16 November 2016, the Company was listed on the Australian Securities Exchange ('ASX'). On 18 November 2016, the Company acquired 15 companies ('Pre-IPO Autosports Group') and an additional business ('Willims') and commenced trading. Therefore, the Group's trading results are for the period from 18 November 2016 to 30 June 2017. Prior to the listing the operations of the Company were administrative in nature and did not trade.

	\$'000
Revenues from ordinary activities	906,080
Profit before tax excluding non-recurring items (refer below)	29,159
Profit from ordinary activities after tax attributable to the owners of Autosports Group Limited	12,198
Profit for the period attributable to the owners of Autosports Group Limited	12,198

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the period ended 30 June 2017, declared on 29 August 2017. The final dividend will be paid on 31 October 2017 to shareholders registered on 17 October 2017.	4.6	4.6

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to \$12,198,000.

The profit for the period was impacted by one-off items associated with the Initial Public Offering ('IPO'), namely, IPO offer costs, acquisition expenses and director / employee gift offer shares, as follows:

	Period ended 30 June 2017 (unaudited) \$'000
Statutory profit after tax attributable to the owners of Autosports Group Limited	12,198
Add: Non-controlling interest (1)	190
Add: Income tax expense	6,035
Profit before income tax expense	18,423
Add: IPO listing expenses (2)	6,155
Add: Acquisition expenses (3)	3,828
Add: Employee gift offer of shares (4)	503
Add: Director gift offer of shares (4)	250
Profit before tax excluding non-recurring items	<u>29,159</u>

- (1) Represents the 20% minority interest in New Centenary Mazda Pty Ltd held by the dealer principal.
- (2) Reflects the amounts expensed to profit or loss in relation to IPO offer (fees payable to advisors, joint lead managers and tax, accounting and legal fees).
- (3) Relates to the stamp duty payable on the acquired Willims acquisition explained in note 14 to the Preliminary Financial Report.
- (4) Share-based payment expense relating to the employee and director gift offer.

Profit before tax excluding non-recurring items is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the statutory profit under AAS adjusted for certain one-off items. The directors consider profit before tax excluding non-recurring items to reflect the core earnings of the Group.

3. Net tangible assets

	Reporting period Cents
Net tangible assets per ordinary security	<u><u>(3.98)</u></u>
Net assets per ordinary security amounts to 244.61 cents per share.	

4. Control gained over entities

Pre-IPO Autosports Group

On 18 November 2016, the Group acquired 100% of the ordinary shares of 14 companies and 80% of the ordinary shares in a further company (collectively referred to as the 'Pre-IPO Autosports Group') representing 18 Original Equipment Manufacturer ('OEM') authorised new vehicle dealerships, 2 used vehicle dealerships, 2 authorised collision repair businesses, a finance brokerage and a coffee / merchandise business.

In addition to the companies, the Group also acquired a number of businesses as follows:

Willims

On 18 November 2016, the Group acquired certain assets and liabilities of the Willims business representing 5 OEM authorised new vehicle dealerships (referred to as 'Willims')

Doncaster BMW

On 1 April 2017, the Group acquired certain assets and liabilities of Doncaster BMW, Bundoora BMW, BMW Motorrad Doncaster, BMW Motorrad Bundoora, Doncaster Mini Garage, Alpina Australia and Alpina Victoria (collectively referred to as 'Doncaster BMW').

Refer to note 14 to the Preliminary Financial Report for further details.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The Directors' report and annual financial statements are in the process of being audited and an unqualified opinion is expected to be issued.

6. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Autosports Group Limited for the period ended 30 June 2017 is attached.

7. Signed



Signed _____

Date: 29 August 2017

Thomas Pockett
Chairman
Sydney

Autosports Group Limited

ABN 54 614 505 261

Preliminary Financial Report - 30 June 2017

Autosports Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2017

autosports group®

	Note	Consolidated Period ended 30 June 2017 (unaudited) \$'000
Revenue	2	906,080
Expenses		
Changes in inventories		8,171
Raw materials and consumables purchased		(771,635)
Employee benefits expense		(62,852)
Depreciation and amortisation expense	3	(4,613)
Occupancy costs		(14,304)
Acquisition expenses		(3,828)
Initial public offering ('IPO') listing expenses		(6,155)
Other expenses		(27,021)
Finance costs	3	(5,420)
Profit before income tax expense		18,423
Income tax expense		(6,035)
Profit after income tax expense for the period		12,388
Other comprehensive income for the period, net of tax		-
Total comprehensive income for the period		<u>12,388</u>
Profit for the period is attributable to:		
Non-controlling interest	17	190
Owners of Autosports Group Limited		12,198
		<u>12,388</u>
Total comprehensive income for the period is attributable to:		
Non-controlling interest	17	190
Owners of Autosports Group Limited		12,198
		<u>12,388</u>
		Cents
Basic earnings per share	16	6.07
Diluted earnings per share	16	6.06

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 30 June 2017 (unaudited) \$'000
Assets		
Current assets		
Cash and cash equivalents		14,903
Trade and other receivables	4	70,167
Inventories	5	256,213
Other assets	6	5,519
Total current assets		<u>346,802</u>
Non-current assets		
Property, plant and equipment	7	36,240
Intangibles	8	499,678
Deferred tax		3,897
Total non-current assets		<u>539,815</u>
Total assets		<u>886,617</u>
Liabilities		
Current liabilities		
Trade and other payables	9	65,162
Borrowings	10	287,581
Income tax payable		4,980
Employee benefits		7,530
Deferred revenue		3,724
Total current liabilities		<u>368,977</u>
Non-current liabilities		
Borrowings	11	23,432
Employee benefits		2,534
Total non-current liabilities		<u>25,966</u>
Total liabilities		<u>394,943</u>
Net assets		<u>491,674</u>
Equity		
Issued capital	12	475,637
Share-based payments reserve		392
Retained profits		12,198
Equity attributable to the owners of Autosports Group Limited		<u>488,227</u>
Non-controlling interest		3,447
Total equity		<u>491,674</u>

Autosports Group Limited
Consolidated statement of changes in equity
For the period ended 30 June 2017

Consolidated	Issued capital \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 29 August 2016	-	-	-	-	-
Profit after income tax expense for the period	-	-	12,198	190	12,388
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	12,198	190	12,388
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 12)	475,637	-	-	-	475,637
Share-based payments (note 3)	-	392	-	-	392
Non-controlling interest arising on business combinations (note 14)	-	-	-	3,257	3,257
Balance at 30 June 2017	<u>475,637</u>	<u>392</u>	<u>12,198</u>	<u>3,447</u>	<u>491,674</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Autosports Group Limited
Consolidated statement of cash flows
For the period ended 30 June 2017

	Note	Consolidated Period ended 30 June 2017 (unaudited) \$'000
Cash flows from operating activities		
Profit before income tax expense for the period		18,423
Adjustments for:		
Depreciation and amortisation	3	4,613
Share-based payments	3	1,145
Interest received		(46)
Interest and other finance costs paid	3	5,420
		<u>29,555</u>
Change in operating assets and liabilities:		
Increase in trade and other receivables		(36,262)
Increase in inventories		(8,171)
Decrease in other operating assets		670
Increase in trade and other payables		25,613
Increase in employee benefits		421
Decrease in deferred revenue		(1,510)
Increase in bailment finance		23,820
Increase in other operating liabilities		2,225
		<u>36,361</u>
Interest received		46
Interest and other finance costs paid		(5,420)
Income taxes paid		(6,760)
		<u>24,227</u>
Net cash from operating activities		<u>24,227</u>
Cash flows from investing activities		
Net payment for the acquisition of businesses	14	(136,759)
Payments for property, plant and equipment	7	(10,577)
Payments for security deposits		(1,416)
		<u>(148,752)</u>
Net cash used in investing activities		<u>(148,752)</u>
Cash flows from financing activities		
Proceeds from issue of shares	12	159,380
Share issue transaction costs	12	(9,662)
Proceeds from borrowings		21,457
Repayment of borrowings		(5,973)
Dividends paid to pre-IPO Autosports Group shareholders	13	(25,774)
		<u>139,428</u>
Net cash from financing activities		<u>139,428</u>
Net increase in cash and cash equivalents		14,903
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
Cash and cash equivalents at the end of the financial period		<u><u>14,903</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Operating segments

The Group's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The Directors have determined that there is only one operating segment identified and located in Australia, being motor vehicle retailing. The information reported to the CODM is the consolidated results of the Group. The segment results are therefore shown throughout these financial statements and not duplicated here.

Note 2. Revenue

	Consolidated Period ended 30 June 2017 (unaudited) \$'000
<i>Sales revenue</i>	
New and demonstrator vehicles	561,592
Used vehicles	213,648
Parts	55,486
Service	46,817
Aftermarket accessories	7,509
Finance and insurance revenue	15,984
	<u>901,036</u>
<i>Other revenue</i>	
Interest	46
Other revenue	4,998
	<u>5,044</u>
Revenue	<u><u>906,080</u></u>

Note 3. Expenses

**Consolidated
Period ended
30 June 2017
(unaudited)
\$'000**

Profit before income tax includes the following specific expenses:

<i>Depreciation</i>	
Leasehold improvements	794
Plant and equipment	823
Furniture, fixtures and fittings	543
Motor vehicles	182
	<hr/>
Total depreciation	2,342
<i>Amortisation</i>	
Customer relationships	2,271
	<hr/>
Total depreciation and amortisation	4,613
<i>Share-based payments expense</i>	
Employee gift offer of shares	503
Director gift offer of shares	250
Share-based payment incentive to directors, executives and employees	392
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Total Share-based payments expense	1,145
<i>Finance costs</i>	
Interest and finance charges paid/payable	5,420
	<hr/>
<i>Rental expense relating to operating leases</i>	
Minimum lease payments	18,217
	<hr/>
<i>Superannuation expense</i>	
Defined contribution superannuation expense	7,142
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Note 4. Current assets - trade and other receivables

**Consolidated
30 June 2017
(unaudited)
\$'000**

Trade receivables	65,633
Other receivables	4,783
Less: Provision for impairment of receivables	(249)
	<hr/>
	70,167
	<hr/> <hr/>

Note 5. Current assets - inventories

	Consolidated 30 June 2017 (unaudited) \$'000
New and demonstrator vehicles - at cost	200,410
Less: Write-down to net realisable value	<u>(3,018)</u>
	<u>197,392</u>
Used vehicles - at cost	46,497
Less: Write-down to net realisable value	<u>(583)</u>
	<u>45,914</u>
Spare parts and accessories - at cost	12,090
Less: Write-down to net realisable value	<u>(351)</u>
	<u>11,739</u>
Other inventory - at cost	<u>1,168</u>
	<u><u>256,213</u></u>

Note 6. Current assets - other assets

	Consolidated 30 June 2017 (unaudited) \$'000
Prepayments	1,813
Security deposits	924
Other cash deposits	<u>2,782</u>
	<u><u>5,519</u></u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated 30 June 2017 (unaudited) \$'000
Leasehold improvements	18,605
Less: Accumulated depreciation	(794)
	<u>17,811</u>
Plant and equipment	8,616
Less: Accumulated depreciation	(823)
	<u>7,793</u>
Furniture, fixtures and fittings	5,398
Less: Accumulated depreciation	(543)
	<u>4,855</u>
Motor vehicles	1,553
Less: Accumulated depreciation	(182)
	<u>1,371</u>
Capital work in progress - at cost	<u>4,410</u>
	<u><u>36,240</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Leasehold improvements \$'000	Plant and equipment \$'000	Furniture, fixtures and fittings \$'000	Motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
Balance at 29 August 2016	-	-	-	-	-	-
Additions	4,837	646	727	182	4,185	10,577
Additions through business combinations (note 14)	13,768	7,970	4,671	1,371	225	28,005
Depreciation expense	(794)	(823)	(543)	(182)	-	(2,342)
Balance at 30 June 2017	<u>17,811</u>	<u>7,793</u>	<u>4,855</u>	<u>1,371</u>	<u>4,410</u>	<u>36,240</u>

Note 8. Non-current assets - intangibles

	Consolidated 30 June 2017 (unaudited) \$'000
Goodwill - at cost	482,125
Customer relationships - at cost	19,824
Less: Accumulated amortisation	(2,271)
	<u>17,553</u>
	<u><u>499,678</u></u>

Note 8. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Goodwill \$'000	Customer relationships \$'000	Total \$'000
Balance at 29 August 2016	-	-	-
Additions through business combinations (note 14)	482,125	19,824	501,949
Amortisation expense	-	(2,271)	(2,271)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017	<u>482,125</u>	<u>17,553</u>	<u>499,678</u>

Note 9. Current liabilities - trade and other payables

	Consolidated 30 June 2017 (unaudited) \$'000
Trade payables	45,892
Related party payable	99
GST payable	9,038
Accrued expenses	10,133
	<hr/>
	<u>65,162</u>

Note 10. Current liabilities - borrowings

	Consolidated 30 June 2017 (unaudited) \$'000
Bailment finance	271,736
Capital loans	14,957
Hire purchase	888
	<hr/>
	<u>287,581</u>

Assets pledged as security

Refer to note 11 for assets pledged as security.

Note 11. Non-current liabilities - borrowings

	Consolidated 30 June 2017 (unaudited) \$'000
Capital loans	21,531
Hire purchase	1,901
	<hr/>
	<u>23,432</u>

Note 11. Non-current liabilities - borrowings (continued)

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated 30 June 2017 (unaudited) \$'000
Bailment finance	271,736
Capital loans	36,488
Hire purchase	2,789
	<hr/>
	311,013
	<hr/> <hr/>

Bailment finance

Bailment is provided largely by the Original Equipment Manufacturer finance companies on a vehicle by vehicle basis and secured over the underlying vehicle.

Capital loans

Capital loans are secured by a fixed and floating charge over the assets of the Group, except for certain entities within the Group whereby security interest is held by a charge over the inventory and the proceeds from the sale of that inventory.

Hire purchase

The hire purchase liabilities are effectively secured over the hire purchase assets, recognised in the statement of financial position, revert to the financier in the event of default.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 30 June 2017 (unaudited) \$'000
Total facilities	
Bailment finance	305,700
Capital loans	38,933
Hire purchase	2,789
	<hr/>
	347,422
	<hr/>
Used at the reporting date	
Bailment finance	271,736
Capital loans	36,488
Hire purchase	2,789
	<hr/>
	311,013
	<hr/>
Unused at the reporting date	
Bailment finance	33,964
Capital loans	2,445
Hire purchase	-
	<hr/>
	36,409
	<hr/>

Note 12. Equity - issued capital

	Consolidated	Consolidated
	30 June 2017	30 June 2017
	(unaudited)	(unaudited)
	Shares	\$'000
Ordinary shares - fully paid	<u>201,000,000</u>	<u>475,637</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	29 August 2016	-		-
Issue of shares on IPO capital raising	18 November 2016	66,408,274	\$2.40	159,380
Issue of shares to acquire Pre-IPO Autosports Group	18 November 2016	124,902,804	\$2.40	299,767
Issue of shares to acquire Willims	18 November 2016	9,375,000	\$2.40	22,500
Employee gift issue of shares	18 November 2016	209,756	\$2.40	503
Director gift issue of shares	18 November 2016	104,166	\$2.40	250
Share issue transaction costs (1)		-	\$0.00	(9,662)
Income tax relating to share issue transaction costs		-	\$0.00	2,899
Balance	30 June 2017	<u>201,000,000</u>		<u>475,637</u>

(1) Reflects the IPO offer costs (fees payable to advisors, joint lead managers and tax, accounting and legal fees) that are attributable to the issuing of new equity.

Note 13. Equity - dividends

On 29 August 2017, the directors declared a fully franked final dividend for the year ended 30 June 2017 of 4.6 cents per ordinary share, to be paid on 31 October 2017 to eligible shareholders on the register as at 17 October 2017. This equates to a total estimated distribution of \$9,246,000, based on the number of ordinary shares on issue as at 30 June 2017. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2017 financial statements and will be recognised in subsequent financial reports.

During the financial period \$25,774,000 was paid to the pre-IPO Autosports Group shareholders to settle the dividend liability acquired by the Company.

Note 14. Business combinations

Pre-IPO Autosports Group

On 18 November 2016, the Group acquired 100% of the ordinary shares of 14 companies and 80% of the ordinary shares in a further company (collectively referred to as the 'Pre-IPO Autosports Group') representing 18 Original Equipment Manufacturer ('OEM') authorised new vehicle dealerships, 2 used vehicle dealerships, 2 authorised collision repair businesses, a finance brokerage and a coffee / merchandise business, for the total consideration transferred of \$349,465,000. These car dealerships sell new and used prestige and luxury motor vehicles across Sydney, Brisbane and Melbourne. The acquired businesses contributed revenues of \$715,549,000 and profit before tax of \$15,701,000 to the Group for the period from 18 November 2016 to 30 June 2017.

Refer to note 15 for the companies that represent the Pre-IPO Autosports Group. Included in the Pre-IPO Autosports Group business combination was the Volvo Brighton business, which was acquired by Autosports Castle Hill Pty Ltd in October 2016, prior to the acquisition by the Group.

Willims

On 18 November 2016, the Group acquired certain assets and liabilities of the Willims business representing 5 OEM authorised new vehicle dealerships for the total consideration transferred of \$66,904,000. These car dealerships sell new and used prestige and luxury motor vehicles in Brisbane. The acquired business contributed revenues of \$140,609,000 and profit before tax of \$1,383,000 to the Group for the period from 18 November 2016 to 30 June 2017.

Note 14. Business combinations (continued)

Doncaster BMW

On 1 April 2017, the Group acquired certain assets and liabilities of Doncaster BMW, Bundoora BMW, BMW Motorrad Doncaster, BMW Motorrad Bundoora, Doncaster Mini Garage, Alpina Australia and Alpina Victoria from The In Motion Group Pty Ltd and Bundoora Prestige Panels Pty Ltd (collectively referred to as 'Doncaster BMW'). The total consideration transferred amounted to \$52,286,000. The acquired business contributed revenues of \$49,922,000 and profit before tax of \$1,339,000 to the Group for the period from 1 April 2017 to 30 June 2017. If the acquisition had taken place on 18 November 2016, revenue would have been \$127,540,000 and profit before tax of \$2,702,000.

Details of the acquisitions are as follows:

	Pre-IPO Autosports Group Fair value \$'000	Willims Fair value \$'000	Doncaster BMW Fair value \$'000	Total Fair value \$'000
Cash and cash equivalents	10,007	-	-	10,007
Trade receivables	33,907	-	-	33,907
Inventories	172,643	44,776	30,622	248,041
Prepayments	2,292	80	111	2,483
Security deposits	2,177	113	-	2,290
Property, plant and equipment	19,580	4,653	3,772	28,005
Customer relationships	13,969	3,540	2,315	19,824
Deferred tax asset	6,287	903	629	7,819
Trade payables	(28,269)	(774)	(376)	(29,419)
Other payables	(7,417)	(258)	(230)	(7,905)
Provision for income tax	(6,579)	-	-	(6,579)
Deferred tax liability	(4,190)	(1,062)	(696)	(5,948)
Employee benefits	(6,951)	(875)	(1,817)	(9,643)
Dividends payable	(25,774)	-	-	(25,774)
Bailment finance	(174,377)	(46,082)	(27,458)	(247,917)
Capital loans	(20,383)	-	-	(20,383)
Bank overdraft	(378)	-	-	(378)
Lease liability	(933)	(2,478)	-	(3,411)
Other provisions	(5,232)	-	-	(5,232)
Net assets/(liabilities) acquired	(19,621)	2,536	6,872	(10,213)
Goodwill	372,343	64,368	45,414	482,125
	<u>352,722</u>	<u>66,904</u>	<u>52,286</u>	<u>471,912</u>
Representing:				
Acquisition-date fair value of the total consideration transferred	349,465	66,904	52,286	468,655
Non-controlling interest	3,257	-	-	3,257
	<u>352,722</u>	<u>66,904</u>	<u>52,286</u>	<u>471,912</u>
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred	349,465	66,904	52,286	468,655
Less: shares issued by company as part of consideration	(299,767)	(22,500)	-	(322,267)
Less: cash and cash equivalents acquired	(10,007)	-	-	(10,007)
Add: Bank overdraft acquired	378	-	-	378
Net cash used	<u>40,069</u>	<u>44,404</u>	<u>52,286</u>	<u>136,759</u>

Note 14. Business combinations (continued)

The goodwill of \$482,125,000 represents profitability of the acquired business and the synergistic opportunities it offers and intangible assets that do not qualify for separate recognition.

The non-controlling interest (20% ownership interest in New Century Mazda Pty Ltd) recognised at acquisition date was measured at fair value and amounted to \$3,257,000. Fair value of the non-controlling interest was determined by using the market value of the 80% interest acquired by the Group adjusted for a discount to reflect the lack of control and marketability of the non-controlling interest.

Acquisition-related costs amounting to \$6,155,000 have been excluded from the consideration transferred and have been recognised in Initial public offering ('IPO') expenses in profit or loss, together with \$3,828,000 relating to the Doncaster BMW acquisition that has been recognised in Acquisition expenses in profit or loss.

Note 15. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2017 (unaudited) %
Autosports Brisbane Pty Ltd *	Australia	100%
Autosports Castle Hill Pty Ltd *	Australia	100%
Autosports Five Dock Pty Ltd *	Australia	100%
Autosports Leichhardt Pty Ltd *	Australia	100%
Autosports Prestige Pty Ltd *	Australia	100%
Autosports Sutherland Pty Ltd *	Australia	100%
Betar Prestige Cars Pty Ltd *	Australia	100%
Birchgrove Finance Pty Ltd *	Australia	100%
Modena Trading Pty Ltd *	Australia	100%
Mosman Prestige Cars Pty Ltd *	Australia	100%
New Centenary Mercedes-Benz Pty Ltd *	Australia	100%
Prestige Auto Traders Australia Pty Ltd *	Australia	100%
Prestige Group Holdings Pty Ltd *	Australia	100%
Prestige Repair Works Pty Ltd *	Australia	100%
ASG Brisbane Pty Ltd	Australia	100%
ASG Melbourne Pty Ltd	Australia	100%

* Pre-IPO Autosports Group

The consolidated financial statements also incorporates the assets, liabilities and results of the following subsidiary with non-controlling interests:

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest 30 June 2017 (unaudited) %	Non- controlling interest Ownership interest 30 June 2017 (unaudited) %
New Centenary Mazda Pty Ltd *	Australia	Motor vehicle dealership	80%	20%

* Pre-IPO Autosports Group

Note 16. Earnings per share

	Consolidated Period ended 30 June 2017 (unaudited) \$'000
Profit after income tax	12,388
Non-controlling interest	<u>(190)</u>
Profit after income tax attributable to the owners of Autosports Group Limited	<u><u>12,198</u></u>
	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	201,000,000
Adjustments for calculation of diluted earnings per share:	
Estimated options over ordinary shares to be issued post reporting date	<u>187,394</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>201,187,394</u></u>
	Cents
Basic earnings per share	6.07
Diluted earnings per share	6.06

Note 17. Non-controlling interest

The non-controlling interest represents the 20% minority interest in New Centenary Mazda Pty Ltd held by the dealer principal.

Note 18. Working capital deficiency

The directors have prepared the financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The statement of financial position reflects an excess of current liabilities over current assets of \$22,175,000 as at 30 June 2017.

The directors have reviewed the cash flow forecast for the Group through to 30 June 2019. The forecast indicates that the Group will generate net positive operating cash flows and operate within its overall finance facilities and that the Group will therefore be able to pay its debts as and when they fall due after considering the following factors:

- Included in current liabilities, are capital loans amount to \$14,957,000, whilst are repayable on demand, are not expected to require settlement in full within the next 12 months;
- An amount of \$3,724,000 is included in current liabilities which relates to deferred revenue and no cash outflow is expected in relation to this amount;
- As at 30 June 2017, the Group had undrawn finance facilities amounting to \$36,409,000; and
- The Group has cash and cash equivalents amounting to \$14,903,000 as at 30 June 2017.

The directors have concluded that it is appropriate to prepare the financial statements on the going concern basis, as they are confident that the Group will be able to pay its debts as and when they become due and payable from positive cash flows from operations and available finance facilities for at least 12 months from the date of signing the financial statements.