autosports group

2017
Annual Report

Corporate **Directory**
30 June 2017

Directors	Thomas ('Tom') Pockett - Chairman Nicholas ('Nick') Pagent Ian Pagent Robert Quant Marina Go
Company secretary	Leonie Chapman
Registered office	565 Parramatta Road Leichhardt NSW 2040 Tel: +61 2 8753 2873
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Tel: 1300 554 474
Auditor	Deloitte Touche Tomatsu Grosvenor Place, 225 George Street Sydney NSW 2000
Stock exchange listing	Autosports Group Limited shares are listed on the Australian Securities Exchange (ASX code: ASG)
Website	www.autosportsgroup.com.au
Corporate Governance Statement	The Corporate Governance Statement which is approved at the same time as the Annual Report can be found at www.investors.autosportsgroup.com.au/investors

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Letter from the Chairman and CEO

Dear Shareholders,

On behalf of the Board, it is our pleasure to deliver to you our first results following our successful IPO and listing on the ASX on 16 November, 2016.

We are pleased to report Autosports Group has achieved its Prospectus forecasts on a Statutory and Pro forma basis (as set out in the Prospectus). These results include the accretive acquisition of Doncaster BMW (incorporating Doncaster BMW, Bundoora BMW, Mini Doncaster, BMW Motorrad, Bundoora BMW Bodyshop and Alpina Australia) in April 2017 which contributes $1.3m profit before tax to the result since acquisition. It is important to note that we achieved our Prospectus forecasts on EBITDA, EBIT, NPBT, NPAT and NPATA even if we exclude the Doncaster BMW acquisition.

From our listing on 16 November 2016 to 30 June 2017, Autosports Group made a Statutory Net Profit before tax of $18.4m. On a pro forma basis, the net profit before tax of the Group grew by 45% on the prior year reaching $38.7m.

Throughout the Financial Period (means the period from incorporation on 29 August 2016 to 30 June 2017) we successfully executed on our growth strategies. Upon listing we were clear in outlining our continuing focus on the Prestige and Luxury segments on the East Coast of Australia and to grow both organically and via acquisition. Our results have come on the back of a consistent and disciplined approach to the application of this strategy. We commenced in November 2016 by growing in Brisbane via the successful acquisition of the Willims Motor Group comprising Audi Centre Brisbane, Audi Indooroopilly, Bentley Brisbane, Lamborghini Brisbane and Maserati Brisbane. In October 2016 and April 2017, we respectively began opening up the Melbourne market with the acquisitions of Volvo Cars Brighton and Doncaster BMW. In Sydney, we consolidated our footprint with investments to unlock organic growth and capacity expansion at Audi Five Dock, Audi Sutherland, Volvo Cars Parramatta and Leichhardt Volkswagen.

Operationally we continue to develop Autosports Group's reputation for excellence. In 2017, ASG dealerships were again highly recognised as leaders with the following awards: Audi Centre Parramatta 1st place Audi Major Metro Dealer of the Year; Audi Centre Mosman 2nd place Audi Major Metro Dealer of the Year; Audi Five Dock 3rd place Audi Major Metro Dealer of the Year; Volvo Cars Sydney 1st place Volvo Major Metro Dealer of the Year; Volvo Cars Parramatta 2nd place Major Metro Dealer of the Year; Leichhardt Volkswagen 1st place Volkswagen Dealer of the Year; Mercedes-Benz Toowong 3rd place Mercedes-Benz Dealer of the Year.

Our outlook for FY2018 remains positive. We expect stable economic and market conditions to continue. We believe Autosports Group is well positioned to capitalise on acquisition, greenfield and organic growth opportunities. The year will commence with our development of a greenfield site for Volvo at Rushcutters Bay and the acquisition in the last quarter of the 2017 calendar year of Melbourne BMW. This acquisition (which is subject to settlement) provides the opportunity for us to consolidate our representation of the BMW group of brands and our position in the Victorian market.

The Australian Automotive Dealership industry continues to be highly fragmented and Autosports Group believes that there is a pipeline of potential acquisition targets within Prestige and Luxury brands as well as continuing organic growth opportunities.

Finally, we would like to thank our Board and our employees for their continuing dedication and operational excellence during the Financial Period. We are confident that we continue to have the right management and strategy in place and look forward to discussing these results in our AGM in November 2017.

Yours faithfully,

Tom Pockett

Independent Chairman

Nick Pagent

Chief Executive Officer

Key facts

$887m
ASSETS

34
BUSINESSES

$1.446B
FY17 PRO FORMA REVENUE

1080

EMPLOYEES

$906.1m

FY17 STATUTORY REVENUE

Highlights

September 2016

- Settled first dealership in Melbourne opening up 28% of the new car market for ASG with Volvo Cars Brighton.

October 2016

- Opened our 4th Volvo site with a greenfields site in Brisbane at Mt Gravatt

2017

February 2017

- ASG 1st, 2nd and 3rd in Audi Major Metropolitan Dealer of the Year
- ASG 1st and 2nd in Volvo Major Metropolitan Dealer of the Year

November 2016

- **18th November**
  Settled the Willims Motor Group in Brisbane adding Audi, Bentley , Maserati and Lamborghini to our Brisbane business.
- Listed on the ASX

2016

March 2017

- Completed the redevelopment of Volkswagen Leichhardt expanding aftersales and showroom capacity.

April 2017

- Completed extension of Audi Sutherland showroom facility
- Settled BMW Doncaster adding the brands of BMW, Mini, Alpina and BMW Motorcycles to our Melbourne business.

May 2017

- ASG 1st in Volkswagen Dealer of the Year

Financial highlights

PRO FORMA

Finance & Insurance revenue growth of 34.3% on prior year

Service revenue growth of 44.0% on prior year

Maturing greenfield sites and increase in demand for service and parts resulted in organic growth contributing to 57.8% of the overall revenue growth

Revenue growth of 14.2% on prior year. Revenue CAGR of 30.5% over FY14 to FY17 period.

Achieved prospectus forecast at EBITDA, EBIT, NPBT, NPAT & NPATA excluding contribution from Doncaster BMW

Gross profit increase of 21.4% on prior year period with improvement in gross margin to 14.9% exceeding prior year of 14.0%

EBITDA growth of 34.8% on prior year with a CAGR of 36.9% over FY14 to FY17 period. EBITDA Margin of 3.8% exceeding the prospectus forecast of 3.6%

Net profit before tax growth of 45.0% with a CAGR of 48.5% over FY14 to FY17 period. NPBT margin of 2.7% exceeding prospectus forecast of 2.6%

Strong cash conversion rate of 92.7%

Net Debt 40% of EBITDA (excluding floorplan finance)

Doncaster BMW acquisition contributing profit before tax of $1.3m

1,446m
REVENUE

55.1m
EBITDA

38.7m
NPBT

27.1m
NPAT

Basis of preparation: The pro forma financials have been prepared consistent with the prospectus forecast with Doncaster BMW being added to current year result from settlement date of 1st April 2017.

STATUTORY

STATUTORY HIGHLIGHTS

Exceeded prospectus forecast on all lines

Revenue of 906.1m exceeding prospectus forecast by 0.5%

Gross profit of 142.6m exceeding prospectus forecast by 11.1%

EBITDA of 28.4m exceeding prospectus forecast by 22.9%

NPBT of 18.4m exceeding prospectus forecast by 40.5%

Fully franked dividend of 4.6c per share to be paid

906m
REVENUE

28.4m
EBITDA

18.4m
NPBT

12.4m
NPAT

About Autosports Group Limited

Autosports Group Limited commenced operations in 2006 with the establishment of the Audi Autosports Dealership as a greenfield site. Through execution of a well-defined and consistent growth strategy underpinned by disciplined acquisitions and developments in strategic locations, ASG's Dealership portfolio has grown from a single Dealership to 29 franchised New Car Dealerships, two used car outlets and three collision repair workshops today diversified across 15 different brands.

The Difference

Our purpose at Autosports Group Limited is to deliver individualised attention to our customers; the automotive brands we represent and our staff. This commitment translates to operational excellence and a culture we refer to as 'The Difference'. This culture underpins the group and helps us deliver the brand, sales and experiential expectations of each of our brand partners.

Annual General Meeting

Our 2017 Annual General Meeting will be held the offices of Deloitte Touche Tomatsu at Grosvenor Place - Level 9, 225 George Street, Sydney 2000 on Friday 17 November 2017 at 2.00pm.

About this Report

This annual report is a summary of the operations, activities and financial position at 30 June 2017 of Autosports Group Limited (ABN 54 614 505 261) and its subsidiary companies. In this annual report references to "ASG", "the Group", "Group", "we", "us", "our" and "ours" refer to Autosports Group Limited unless otherwise stated. Further definitions are listed in the Glossary on page 84. ASG is committed to reducing the environmental effects of producing its annual reports and printed copies are only posted to shareholders who have elected to receive them.

Directors’ Report
30 June 2017

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the ‘Group’) consisting of Autosports Group Limited (referred to hereafter as the ‘Company’ or ‘ASG’) and the entities it controlled at the end of, or during, the period ended 30 June 2017.

The Company was incorporated on 29 August 2016 and was listed on the ASX on 16 November 2016. Therefore, the Groups Trading Results are from listing to 30 June 2017. Between 29 August 2016 and listing, the Company had minimal administrative expenses.

Directors

The following persons were directors of Autosports Group Limited since its incorporation on 29 August 2016 and up to the date of this report, unless otherwise stated:

Thomas Pockett - Chairman (appointed 29 August 2016)
Nicholas Pagent (appointed 29 August 2016)
Ian Pagent (appointed 29 August 2016)
Robert Quant (appointed 29 August 2016)
Marina Go (appointed on 28 October 2016)
Malcolm Tilbrook (appointed on 29 August 2016 resigned on 3 July 2017)

Principal activities

During the Financial Period, the Group’s principal activities were primarily focused on the retail automotive industry. The core business focusses on the sale of new and used Motor Vehicles, distribution of finance and insurance products on behalf of Retail Financiers and Automotive Insurers, sale of aftermarket products and spare parts, Motor Vehicle servicing and collision repair services. There have been no significant changes in the nature of the Group’s principal activities since listing.

The Group’s operations comprise of:

- 29 franchised Dealerships selling new and used Prestige and Luxury Motor Vehicles;
- 2 used Motor Vehicle outlets, focused primarily on the sale of Prestige and Luxury Motor Vehicles; and
- 3 specialist prestige Motor Vehicle collision repair facilities.

Brands

The Group represents the following brands:

	OEM-appointed Dealerships				
	Luxury	Prestige	Used car dealerships	Collision repair facilities	Acquisitions Greenfields FY18
OEM	Audi, Mercedes-Benz, MASERATI, BENTLEY, MINI	mazda, HONDA	PRESTIGE, autosports brisbane	Audi, Mercedes-Benz	BMW Melbourne BMW Melbourne BMW Motorrad MINI
Number of Dealerships/	22	7	2	3	

Dividends

On 29 August 2017, the directors declared a fully franked final dividend 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 $9.3m 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 $25.8m was paid to the pre-IPO Autosports Group shareholders to settle the dividend liability acquired by the Company.

Operating and Financial Review

How does ASG generate its income	ASG's generates its income from: • the sale of new and used Motor Vehicles; • the sale or distribution of ancillary products and services, such as finance, insurance and aftermarket products; • the sale of Motor Vehicle spare parts; • the provision of Motor Vehicle servicing; and • the provision of collision repair services.
What is ASG's growth strategy	ASG's strategy is to continue to grow both organically and via acquisition within Prestige and Luxury Brands. Organic growth includes: • expansion of new Motor Vehicle sales and increased sales of used Motor Vehicles; • growth of back-end services (e.g. servicing and sale of Motor Vehicle spare parts); • capacity expansion at existing Dealerships to meet demand; and • establishment of new greenfield Dealerships. • Acquisition growth will focus on opportunities both in ASG's existing brands and in Prestige and Luxury brands where ASG does not currently have a presence.
ASG's statutory and proforma financial performance	We are pleased to report a Statutory Net Profit Before Tax (NPBT) of $18.4m for the Financial Period. This result exceeded prospectus forecast NPBT of $13.1m by 40%. This covers the period from incorporation of Autosports Group Limited to the period ended 30 June 2017. Trading did not commence until listing date. Net Profit After Tax (NPAT) for the Financial Period was $12.4m, exceeding prospectus forecast of $6.1m NPAT. Earnings per share for the Financial Period were 6.07c per share.

The following tables demonstrate both our statutory financial performance and a reconciliation of the Pro forma prospectus forecast against Pro forma prospectus actual.

Profit before tax excluding non-recurring items

Profit before tax excluding non-recurring items noted below 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.

	Period ended 30 June 2017 $'000
Revenues from ordinary activities	906,080
Profit before tax excluding non-recurring items (refer below)	29,159
Profit for the period attributable to the owners of Autosports Group Limited	12,198

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:

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	**29,159**

(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 acquistion explained in note 27 to the consolidated financial statements.

(4) Share-based payment expense relating to the employee and director gift offer.

Pro forma prospectus forecast against Pro forma prospectus actual (unaudited)

The use of the term pro forma relates to the period 1 July 2016 to 30 June 2017. All acquisitions during the period have been included in the pro forma financial reports as if owned for the full period. The pro forma financial reports in the director's report have been calculated to exclude one off IPO related costs and one off acquisition costs. The directors believe the presentation of the pro forma prospectus actual is useful for the users of this financial report as the results of the business can be directly compared to the pro forma prospectus forecast. Given the change in structure of the business, comparison to the forecasts per the pro forma actual prospectus is considered to be of more relevance than the comparative statutory financial information.

	FY17 Pro Forma Prospectus Forecast $'000	FY17 Pro Forma Prospectus Actual $'000	FY17 Doncaster BMW $'000	FY17 Total ASG Group Pro Forma Prospectus Actual $'000
	(1)	(2)	(3)	(4)
Revenue & Other income	**1,445,107**	**1,394,752**	**51,443**	**1,446,195**
EBITDA	**52,410**	**52,729**	**2,405**	**55,134**
Depreciation & amortisation	(7,301)	(7,400)	(242)	(7,643)
EBIT	**45,109**	**45,328**	**2,163**	**47,491**
Floorplan & Corporate interest	(8,014)	(7,995)	(823)	(8,818)
NPBT	**37,095**	**37,333**	**1,339**	**38,673**
Income Tax Expense	(11,128)	(11,200)	(402)	(11,602)
NPAT	**25,966**	**26,133**	**938**	**27,071**
Key margins:				
EBITDA to revenue	**3.6%**	**3.8%**	**4.7%**	**3.8%**

(1) Represents the pro forma prospectus forecast on page 61 of the prospectus dated 28 October 2016.
(2) Represents the actual pro forma result using the same methodology as that determined in (1) FY17 pro forma prospectus forecast.
(3) Represents the trading result from settlement to 30 June 2017 for Doncaster BMW
(4) Represents the total of (2) FY17 proforma prospectus actual and (3) Doncaster BMW.

Non-financial Highlights

Operational excellence

Whilst ASG's focus is on building a consolidated group capable of delivering consistent standards of customer satisfaction and brand representation, individual dealership awards provide an industry wide measure of success. Some individual ASG Dealership achievements in 2017 included:

- Audi Centre Parramatta 1st place Audi Major Metro Dealer of the Year;
- Audi Centre Mosman 2nd place Audi Major Metro Dealer of the Year;
- Audi Five Dock 3rd place Audi Major Metro Dealer of the Year;
- Volvo Cars Sydney 1st place Volvo Dealer of the Year;
- Volvo Cars Parramatta 2nd Place Major Metro Dealer of the Year;
- Leichhardt Volkswagen 1st place Volkswagen Dealer of the Year; and
- Mercedes Benz Toowong 3rd place Mercedes Benz Dealer of the Year.

Other highlights

Other highlights are as follows

- Listing on the 16 November 2016
- Growth consistent with dual pillars of East Coast Major Cities and Luxury brands
- Growing in Brisbane via the successful acquisition of the Willims Motor Group comprising Audi Centre Brisbane, Audi Indooroopilly, Bentley Brisbane, Lamborghini Brisbane and Maserati Brisbane.
- Consolidation in Sydney with the greenfield appointment of Volvo Rushcutters Bay and investments to unlock organic growth and capacity expansion at Audi Five Dock, Audi Sutherland, Volvo Parramatta and Leichardt Volkswagen.
- Opening up the Melbourne market with the opening of Volvo Cars Brighton and acquisition of the In Motion Group comprising Doncaster BMW, Bundoora BMW, Doncaster Mini Garage, Doncaster Motorrad and BMW Bundoora Bodyshop.

Significant change in the state of affairs

The Company was incorporated on 29 August 2016 and listed on the ASX on 16 November 2016, with the code 'ASG' and commenced trading on listing.

On listing, the Company issued 66,408,274 ordinary shares as part of the IPO raising a total of $159.4m, before transaction costs.

On listing, the Company acquired 15 companies representing 18 Original Equipment Manufacturer ('OEM') authorised new vehicle dealerships, 2 used vehicle dealerships, 2 authorised collision repair businesses and finance brokerage (collectively referred to as the 'Pre-IPO Autosports Group') for a total consideration transferred of $349.5m. The Company also acquired an additional business representing 5 OEM authorised new vehicle dealerships (referred to as 'Willims') for a total consideration transferred of $66.9m.

Both of these acquisitions were settled by a combination of cash and issue of ordinary shares and were accounted for as business combinations.

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 $52.3m.

Refer to note 27 to the financial statements for further details relating to the acquisitions.

There were no other significant changes in the state of affairs of the Group during the Financial Period.

Matters subsequent to the end of the Financial Year

- ASG Melbourne Pty Ltd, a wholly owned subsidiary of Autosports Group Limited (**ASG**), has entered in to an agreement with BMW Melbourne Pty Ltd to purchase the businesses operating as BMW Melbourne, Mini Garage Melbourne, BMW Motorrad Melbourne, Melbourne BMW Bodyshop and Kings Way Mini Garage (BMW Melbourne businesses). ASG has guaranteed ASG Melbourne Pty Ltd's payment obligations under the agreement.

  The transaction is subject to a number of conditions prior to completion, including approval by BMW Australia Financial Services. Subject to the conditions being met, it is expected to complete in the final quarter of the 2017 calendar year.

  It operates from fully brand compliant leasehold premises in City Road, Southbank and Kings Way, South Melbourne.

We are currently expecting to pay consideration of $22.0m for the BMW Melbourne businesses in addition to fixed assets at valuation plus or minus industry standard adjustments. The acquisition will be funded by a combination of cash drawn from reserves and new debt facilities.

- On 29 August 2017, the directors declared a fully franked final dividend 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 $9.3m 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.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

On 28 August 2017, ASG Melbourne Pty Ltd. a wholly owned subsidiary of the Group, has entered into an agreement with BMW Melbourne Pty Limited to purchase the businesses operating as BMW Melbourne, Mini Garage, Southbank Motorcycles and BMW Body shop. The acquisition is expected to settle in the last quarter of calendar year 2017.

Apart from the dividend declared as disclosed in note 19, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Focus areas for FY2018

Our focus areas for FY18 are as follows:

- Delivering further EPS growth from acquisition.
- Complete the acquisition of the BMW Melbourne business and integrate this business successfully. Deliver improvements in synergies and logistics in our Victorian division.
- Continue to drive organic growth in like for like sites by expanding aftersales capacity in Sydney & Brisbane. Continued focus on targeted acquisitions on the East Coast in Luxury and Prestige Brands.
- Explore organic growth opportunities in used cars by utilising ASG's used car hub model and taking advantage of the Groups growth in supply of vehicle trade-ins and business to business opportunities.
- Continue to improve the performance of greenfield sites to richen margins and bring these greenfield businesses through to maturity.
- Launch a new Greenfields site for Volvo in Rushcutters Bay in Sydney.
- Expand our Queensland super-luxury representation with Bentley and Maserati on the Gold Coast.
- Ensure ASG complies with regulatory changes announced by ASIC in March 2016 (to be phased in by October 2018) in relation to regulatory changes in the sale of Finance and Insurance. ASG will do this through staff training and education.

Risk Management

ASG's risk management process analyses and manages business risks, based on the estimation of the potential impact and likelihood of risk occurrence on financial results. The group has set out below a summary of those risks.

Industry Outlook

ASG's revenue and growth are susceptible to contractions in the domestic economy, including those resulting from economic and regulatory changes. The group have automotive retail operations across multiple prestige and luxury brands and are geographically diversified across Eastern Australia to mitigate this risk.

Key Relationships

The group's principal activities involves key relationships with manufacturers, banks and financiers in the provision of funding facilities, including bailment finance. The financial performance of the group is susceptible to adverse changes in any of these key relationships. ASG proactively engages in maximising its key relationships to mitigate such risks.

Regulatory Change

The Federal Government has confirmed on 16 August 2017 that it has decided not to proceed with legislative changes to allow the private importing of new motor vehicles from the United Kingdom and Japan.

ASIC announced it will prohibit 'flex commissions' in the car finance market. The impact of these changes (to be phased in by October 2018) are in line with disclosures in our Prospectus dated 28 October 2016.

ACCC reviews into Consumer Guarantees are continuing.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Current directors

Thomas ('Tom') Pockett

Title: Independent Chairman (appointed to the Board on 29 August 2016)

Qualifications: Fellow of the Institute of Chartered Accountants Australia and New Zealand and a Bachelor of Commerce from the University of New South Wales

Experience and expertise:	Tom was appointed to the Board on 29 August 2016. He is the Chairman of Stockland Corporation and a Non-Executive Director of Insurance Australia Group Limited (appointed 1 January 2015), O'Connell Street Associates Limited (appointed 1 November 2014) and Sunnyfield, a not-for-profit disability services provider in New South Wales. Tom was Chief Financial Officer of Woolworths Limited from August 2002 to February 2014. He was an Executive Director of Woolworths Limited from November 2006 to 1 July 2014. He previously held the position of Deputy Chief Financial Officer at the Commonwealth Bank of Australia and prior to that held several senior finance roles within the Lend Lease Group following a successful career with Deloitte. Tom was formerly Chairman of The Quantium Group Holdings Pty Limited (September 2014 to February 2016), a Director of ALH Group Pty Ltd (September 2014 to February 2016) and Hydrox Holdings Pty Ltd (September 2014 to December 2015). Tom was a member of the Financial Reporting Council from March 2003 to March 2006 and National President of G100 from August 2000 to January 2003. Tom is a Chartered Accountant.
Other current directorships:	Chairman of Stockland Corporation Limited (ASX: SGP) (from 1 September 2014) and Non-Executive director of Insurance Australia Group (ASX: IAG) (from 1 January 2015)
Former directorships (last 3 years):	Woolworths Limited (ASX: WOW) (from 24 November 2006 to 1 July 2014)
Special responsibilities:	Chairman, Member of Audit and Risk Committee and People and Remuneration Committee
Relevant Interests in shares:	166,667 ordinary shares held directly
Interests in options:	None
Interests in rights:	None

Nicholas ('Nick') Pagent

Title: Managing Director and Chief Executive Officer (appointed on 29 August 2016)

Experience and expertise:	Nick has over 20 years' experience in the motor vehicle industry across Australia and the United Kingdom. Prior to founding Autosports Group, Nick worked in the United Kingdom in senior roles including Director of Sales and Dealer Principal with Mercedes-Benz London and Executive Audi, St Albans.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Managing Director and Chief Executive Officer
Relevant interests in shares:	38,645,474 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	187,500 rights to ordinary shares

Ian Pagent

Title: Executive Director (appointed on 29 August 2016)

Experience and expertise:	Ian has over 47 years' experience in the motor vehicle industry across Australia, Asia and the United States. Between 1988 and 2002, Ian was co-owner and director of Trivett Classic Group. During this period, he was the dealer principal for BMW, Audi, Volvo, Jaguar, Land Rover, Aston Martin, Porsche, Lamborghini, Lotus, Mazda, Honda, Peugeot, Toyota and MG Rover.
Other current directorships:	None
Former directorships (last 3 years):	None
None Special responsibilities:	Executive Director
Relevant interests in shares:	64,352,018 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	75,000 rights to ordinary shares

Robert Quant

Title:	Independent Non-Executive Director (appointed on 29 August 2016)
Qualifications:	Fellow of the Institute of Chartered Accountants Australia and New Zealand and a Bachelor of Accounting from the University of Technology, Sydney

Experience and expertise:	Robert was appointed to the Board on 29 August 2016. His executive roles included the CEO of Grant Thornton Australia Limited from 2008 to 2015. Robert has over 35 years' experience in Chartered Accounting including corporate and business advisory and taxation services supporting a range of public and private entities in the areas of professional services, property, technology and automotive retail. During his time at Grant Thornton, he was a Director and subsequently member of the global leadership team of Grant Thornton International and a Director of Grant Thornton Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Audit and Risk Committee and member of People and Remuneration Committee
Relevant interests in shares:	62,499 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Marina Go

Title: Independent Non-Executive Director (appointed on 28 October 2016)

Qualifications: Master of Business Administration from the Australian Graduate School of Management ('AGSM') and a Bachelor of Arts from Macquarie University

Experience and expertise:	Marina was appointed to the Board on 28 October 2016. She is currently the Chair of the Wests Tigers NRL Club (appointed September 2014), Non-Executive Director of Energy Australia (appointed April 2017), Chair of Office Brands, Australia's largest independent network of business supplies dealers (appointed February 2017). She is also Chair of Advisory Board – Centre for Media Transition, UTS and sits on the Australian Republican Movement advisory board. Marina's executive roles included CEO of magazine publisher Hearst Australia, CEO of Private Media and Group Publishing Director of Independent Digital Media. She has over 25 years' experience in the media industry, with a focus on global brands for the female consumer and luxury sectors across print, digital and events. Marina has also held senior roles at Fairfax and Pacific Publications. Marina is a mentor with the Women In Media and NRL Women programs and a University of New South Wales ('UNSW') Alumni Leader and Ambassador.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of People and Remuneration Committee and Member of the Audit and Risk Committee
Relevant interests in shares:	20,833 ordinary shares held directly
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former Directors

Malcolm Tilbrook

Title: Non-Executive Director (appointed 29 August 2017 and resigned 3 July 2017)

Qualifications: MBA, Graduate Diploma of Management and Graduate Certificate of Corporate Management from Deakin University.

Experience and Expertise:	Malcolm has over 30 years' experience as a senior banking executive with diverse experience in Australian, New Zealand and international markets. Malcolm was managing director of the Esanda motor vehicle finance business at ANZ and held various senior roles within ANZ and Esanda.

Other Key Management

Aaron Murray

Title: Chief Financial Controller

Experience and Expertise: Aaron has over 20 years' experience in accounting and the motor vehicle industry. Aaron has held the role of ASG CFO since 2009, after joining the business in 2007. Prior to joining ASG, Aaron held accounting and finance roles with Trivett Classic, McMillan Volkswagen and Audi Centre Parramatta.

Company Secretary

Leonie Chapman

Title: Company Secretary

Qualifications: Bachelor of Laws and Bachelor of Commerce from Flinders University and Master of Laws from the University of New South Wales

Experience and Expertise: Leonie Chapman is an experienced banking and finance lawyer specialising in consumer credit and mortgage lending, contract negotiation, trade practices and fair trading legislation, intellectual property and trademarks, and financial services. Leonie has worked in private practice and as a senior in-house lawyer for Bluestone Group Pty Ltd and Macquarie Bank Limited, and in July 2013 founded and currently operates Lawyal Solicitors, a virtual law firm supporting companies and financial institutions. Leonie was first engaged by Autosports to provide legal and compliance services in September 2013, and has continued to work with the company on a variety of matters since.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board		People and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Tom Pockett	9	9	1	1	3	3
Nick Pagent	9	9	-	-	-	-
Ian Pagent	9	9	-	-	-	-
Robert Quant	9	9	1	1	3	3
Marina Go	8	8	1	1	3	3
Malcolm Tilbrook	8	9	1	1	3	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Governance

The ASG Board has adopted a framework of corporate governance, reflected through ASG's policies and practices.
Our Corporate Governance Statement, which meets the requirements of ASX Listing Rule 4.10.3, can be viewed at: http://investors.autosportsgroup.com.au/investors/

Shares under option

There were no unissued ordinary shares of Autosports Group Limited under option outstanding at the date of this report.

Shares under performance rights

There were unissued ordinary shares of Autosports Group Limited under performance rights at the date of this report.

Shares issued on the exercise of options

There were no unissued ordinary shares of Autosports Group Limited issued on the exercise of options during the period ended 30 June 2017 and up to the date of this report.

Shares issued on the exercise of performance rights

There were ordinary shares of Autosports Group Limited issued on the vesting of performance rights during the period ended 30 June 2017 and up to the date of this report.

Indemnity and insurance of officers

The Company has entered into Deeds of Indemnity, Insurance and Access with each of the directors as well as the Company Secretary and Chief Financial Officer of the Company to indemnify them for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the Financial Period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the Financial Period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the Financial Period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the Financial Period by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the Financial Period, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor;
- the amount paid to the auditors in relation to non-audit services includes a non-recurring fee in relation to the IPO of the Group. These services were undertaken by personnel distinct from the audit team undertaking the statutory audit of the group; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Remuneration Report

Overview

The Board is pleased to present you with Autosports Group Limited's (**ASG's or the Company's**) first Remuneration Report for the Financial Period. This Remuneration Report has been audited in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**).

The 2017 Financial Period has been a significant and exciting year for ASG with the Company's listing on the Australian Securities Exchange (**ASX**) on 16 November 2016.

On listing, the Board adopted a remuneration framework for the Company that is appropriate for the listed environment and aligns with the Company's strategy. The Company's remuneration framework for the executive team comprises the following 3 key components:

(1) *fixed remuneration* - comprising base salary, superannuation contributions and other benefits;

(2) *short-term incentive* (**STI**) – an 'at risk' component of remuneration where, if individual and Group performance measures are met, senior executives are awarded performance rights which are deferred for one year and are subject to a service condition; and

(3) *long-term incentive* (**LTI**) - an 'at risk' component of remuneration where senior executives are awarded performance rights which are subject to an earnings per share (**EPS**) performance condition and a service condition.

The Board believes that this remuneration framework ensures that remuneration outcomes link to Company performance and the long-term interests of Shareholders.

ASG has had a strong performance and has achieved pro forma net profit after tax forecasts as outlined in the Prospectus. This achievement was set as a gateway for all senior executives to enter the STI reward system.

Based on this result and on subsequent satisfaction of KPIs within the CEO balanced scorecard, the CEO received 85% of his 'target' STI award, which is 37% of his 'maximum' STI award opportunity, and other senior executives received an average of 81% of their target STI award based on achievement against their individualised balance scorecards. As noted above, the STI award will be delivered in the form of equity and deferred for one year.

ASG recognises that the strong results it has achieved in the lead up to and post IPO reflect the contribution made by each and every staff member, not just the directors and executives. To recognise and reward our people and the contribution they make to the Group's success, ASG offered $1000 worth of "free" shares to each eligible employee in the IPO. This gives employees an opportunity to hold shares in the Company and directly benefit from the Group's performance in the same way as other Shareholders.

Contents

Section

1. Remuneration essentials

What does this report cover?

The directors of Autosports Group Limited are pleased to introduce to shareholders the Company's Remuneration Report for the Financial Period.

As this is the Company's first Remuneration Report as a listed entity, no comparative data is provided in the Report.

Who does this report cover?

This report sets out the remuneration arrangements for ASG's key management personnel (**KMP**). Throughout the Remuneration Report, KMP are referred to as either senior executives or non-executive directors.

The following table sets out ASG's KMP for the Financial Period. All non-executive directors and senior executives held their positions for the whole of the Financial Period (unless otherwise indicated).

Non-executive directors	
Name	**Position**
Tom Pockett	Chair and independent non-executive director
Malcolm Tilbrook[1]	Independent non-executive director[1]
Marina Go[2]	Independent non-executive director
Robert Quant	Independent non-executive director

Senior executives	
Name	**Position**
Nick Pagent	Managing Director and Chief Executive Officer (**CEO**)
Ian Pagent	Executive Director
Aaron Murray	Chief Financial Officer (**CFO**)

[1] Mr Tilbrook retired from the Board on 3 July 2017.

[2] Ms Go was appointed to the Board on 28 October 2016.

Remuneration governance and framework

Role of the Board and People and Remuneration Committee

The Board is responsible for establishing, and overseeing the implementation of, the Company's remuneration policies and frameworks and ensuring that it is aligned with the long-term interests of ASG and its shareholders.

The People and Remuneration Committee was established at the time of listing to assist the Board with these responsibilities. The role of the People and Remuneration Committee is to review key aspects of ASG's remuneration structure and arrangements and make recommendations to the Board. In particular, the Committee reviews and recommends to the Board:

- arrangements for the senior executives (including annual remuneration and participation in short-term and long-term incentive plans);
- key performance indicator (**KPI**) targets for senior executives;
- remuneration arrangements for non-executive directors;
- major changes and developments to the Company's equity incentive plans; and
- whether offers are to be made under the Company's employee equity incentive plans in respect of a financial year and the terms of any offers.

Use of remuneration consultants and other advisors

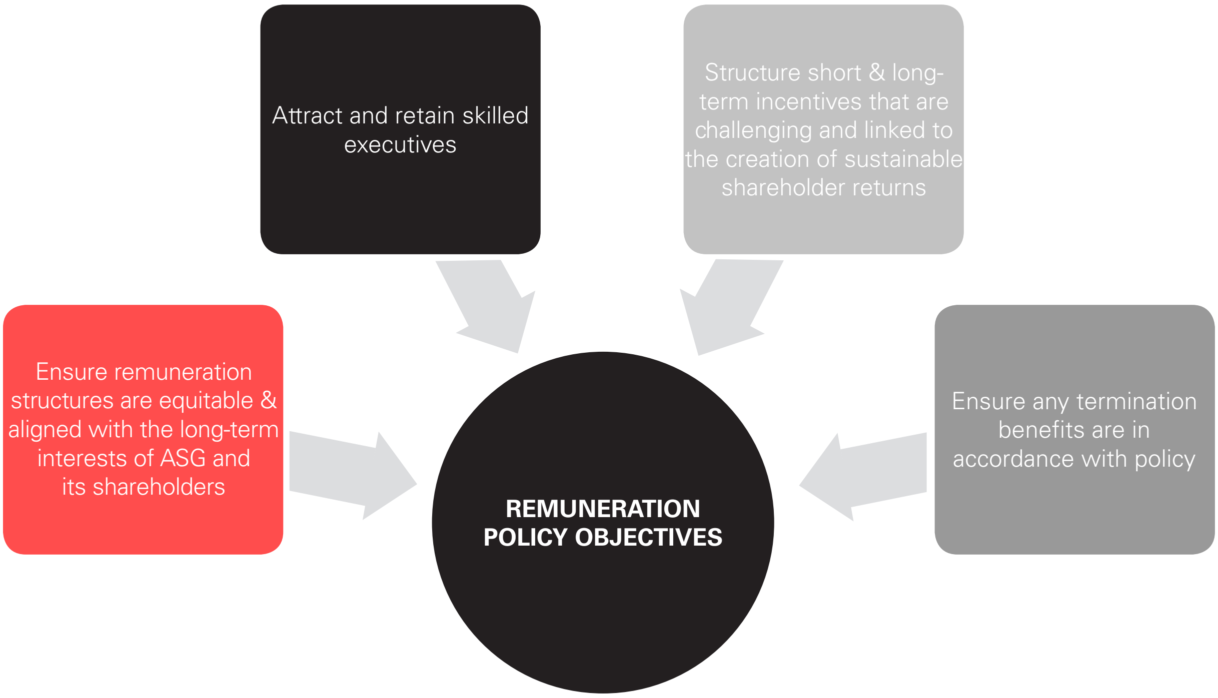
Prior to listing, the Board engaged an independent external advisor to advise on the remuneration of the senior executives. The scope of the engagement included the provision of remuneration assistance as requested by the Board, including but not limited to, providing data and commentary on market trends, industry comparisons, developing the Company's remuneration framework for the listed environment, and advising on remuneration structuring. As part of this engagement, the independent consultant provided remuneration recommendations to the Company during the Financial Period.

Remuneration policy and guiding principles

Executive remuneration

ASG's remuneration framework is designed to be competitive and to focus senior executives on executing the Group's strategy and achieving our business objective to increase shareholder value.

The Board and the People and Remuneration Committee are guided by the following objectives when making decisions regarding senior executive remuneration:



Non-executive director remuneration

In remunerating non-executive directors ASG aims to ensure that it can attract and retain qualified and experienced directors having regard to:

- the specific responsibilities and requirements for the ASG Board;
- fees paid to non-executive directors of other comparable Australian companies; and
- the size and complexity of ASG's operations.

Remuneration mix and components

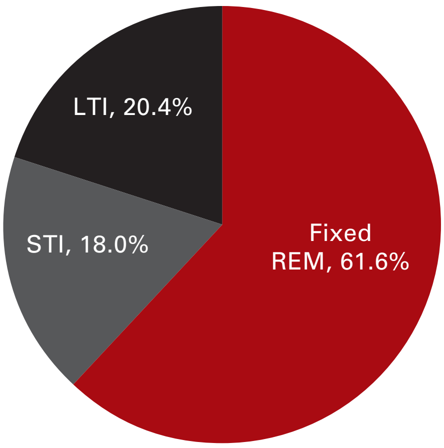
The Company's executive remuneration framework, which was put in place from listing, is summarised below and includes components of remuneration which are structured to motivate executives to deliver sustained returns through a mix of short-term and long-term incentives.

Executive remuneration framework

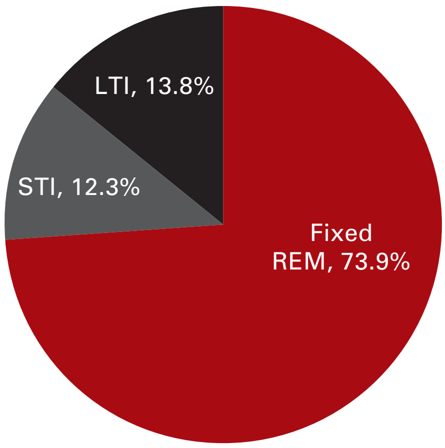
Fixed remuneration - Cash	Short-term incentive (at risk) - Equity	Long-term incentive (at risk) - Equity
• Base salary plus superannuation and other benefits • Base salary was formally benchmarked at the time of listing • Influenced by individual performance • Reviewed annually	• STI is subject to performance hurdles (including NPAT) • The 2017 STI award was also subject to a financial gateway hurdle • Performance generally measured over 12 months • Granted in performance rights which will vest following a 12 month deferral period subject to the executive's continuous service	• Granted in performance rights • Vesting subject to an EPS performance condition • Performance generally measured over 3 years
Market competitive base reward	***Encourages sustainable performance in the medium to longer term and provides a retention element***	

The tables below illustrate the remuneration mix for the senior executives at target performance.

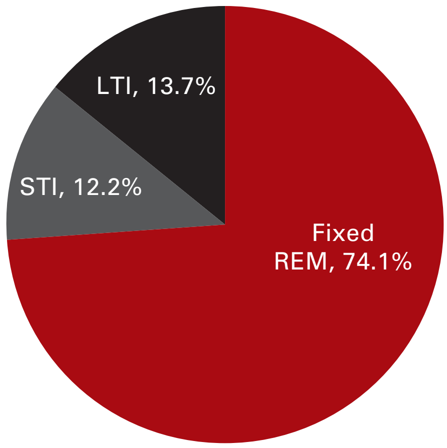
Remuneration mix at target for Nick Pagent for the Financial Period



Remuneration mix at target for Ian Pagent for the Financial Period

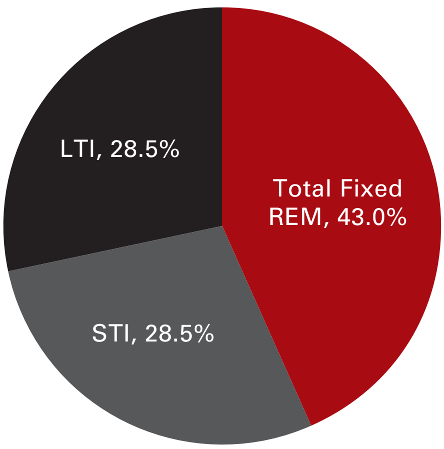


Remuneration mix at target for Aaron Murray for the Financial Period

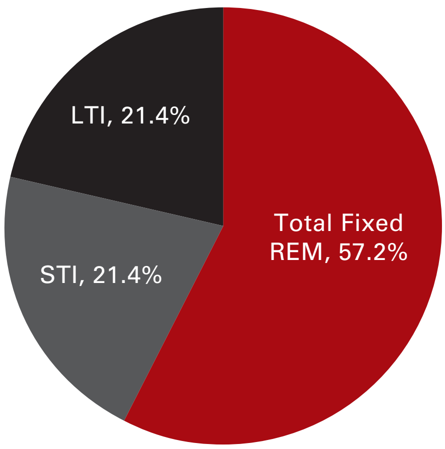


The tables below illustrate the remuneration mix for the senior executives at maximum performance.

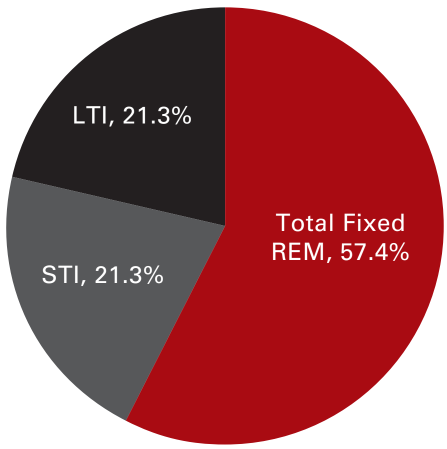
Remuneration mix at maximum performance for Nick Pagent for the Financial Period



Remuneration mix at maximum performance for Ian Pagent for the Financial Period



Remuneration mix at maximum performance for Aaron Murray for the Financial Period



Company performance

ASG has had a strong year and has achieved pro forma NPAT forecasts as outlined in the Prospectus. The Company continued to grow organically, as well as through strategic acquisitions and the opening of an additional greenfield dealership. The Company's remuneration structure was established to drive these outcomes and, as a result, a total of 81% of the target STI has been paid to senior executives.

The table below shows the Company's financial performance using a number of key measures during the Financial Period. Comparative numbers for the previous four years are not shown as this is the Company's first Remuneration Report as a listed entity.

Share Performance ($)			Earnings Performance			Liquidity	
Closing Share price[1] (A$)	Dividend per Share (c)	EPS (c)	EBIT ($m)	NPAT ($m)	ROE (%)	Cash flow from Operations ($m)	Debt Equity Ratio (%)
2.09	4.6	6.07	23.8	12.4	2.5	24.2	80.3

[1] Opening share price on listing on the ASX was $2.40. Closing share price is at 30 June 2017.

2. Executive remuneration in detail

Fixed remuneration

The remuneration of all senior executives includes a fixed component comprised of base salary and employer superannuation contributions. Other benefits include:

- motor vehicle;
- motor vehicle insurance;
- fringe benefit tax on motor vehicle; and
- fuel allowance.

Fixed remuneration is regularly reviewed by the People and Remuneration Committee with reference to each senior executive's individual performance and as appropriate, relevant comparative compensation in the market.

Benchmarking of fixed remuneration of the senior executives was conducted prior to listing against peer companies. Fixed remuneration for senior executives is market-aligned to similar roles in companies of a comparable size, complexity and scale to ASG.

Short-term incentive

The table below provides an explanation of the terms and conditions applying to the STI plan since listing.

<table>
<tr><td>Overview of the STI plan</td><td>The STI plan is an 'at-risk' component of executive remuneration whereby, if the applicable performance conditions are met, STI awards will be delivered in the form of performance rights which will vest after a further deferral of one year subject to the executive's continued service.</td></tr>
<tr><td>Participation</td><td>Executive directors and other members of senior management are eligible to participate in the STI plan.</td></tr>
<tr><td>Performance period</td><td>The initial grant was measured from listing (16 November 2016) to 30 June 2017. Future grants will be measured over a 12 month period.</td></tr>
<tr><td>STI opportunity</td><td>The STI opportunities of the senior executives are set out below:
<table>
<tr><th></th><th colspan="2">Level of performance</th></tr>
<tr><th></th><th>At target</th><th>Maximum</th></tr>
<tr><td>Nick Pagent</td><td>33% of base salary</td><td>75% of base salary</td></tr>
<tr><td>Ian Pagent</td><td>20% of base salary</td><td>45% of base salary</td></tr>
<tr><td>Aaron Murray</td><td>20% of base salary</td><td>45% of base salary</td></tr>
</table>
If performance is assessed as below target, no STI award will be awarded.</td></tr>
<tr><td>Performance conditions</td><td>Performance conditions for the initial grant include:
• a "gateway hurdle" of achieving the proforma FY2017 NPAT contained in the ASG Prospectus dated 28 October 2016. If the gateway hurdle is not met, no STI is awarded. This gateway was chosen as an entry criteria into the STI as it is a measurable financial performance criteria strongly linked to shareholder value.
• in addition, each senior executive has an individualised balanced scorecard that determines their STI awards. These scorecards primarily focus on the financial objectives of ASG and include targets measured against total revenue, EBIT, EBITDA, NPBT and NPAT. The scorecards also include operational KPIs such as sales and margin related matrices, as well as non-financial KPIs predominantly in the areas of risk and corporate governance to ensure the business continues to be well managed.
The Board has determined that the combination of financial and non-financial conditions provides the appropriate balance between short-term financial measures and the more strategic non-financial measures which in the medium to long-term will ultimately drive further growth and returns for shareholders.</td></tr>
</table>

Measurement of performance conditions	Following the end of the Financial Period, the People and Remuneration Committee assesses the performance of senior executives against the performance conditions set by the Board and determines the actual level of award for the senior executives for the initial grant and, therefore, the number of performance rights to be granted. The Board believes this method is most efficient and results in the most accurate outcomes.
Delivery of STI awards	Following measurement against performance conditions, STI awards are delivered in the form of performance rights which will vest following a deferral period of 12 months subject to a continuous service condition.
Performance rights	Upon vesting, each performance right entitles the senior executive to one ordinary share in the Company. The Board has the discretion to settle performance rights with a cash equivalent payment. Performance rights are granted for nil consideration and no amount is payable on vesting.
Number of performance rights to be granted	The number of performance rights to be granted to senior executives is determined by dividing any STI award that they become entitled to receive by the volume weighted average price (**VWAP**) of shares traded on the ASX during the 10 trading days following the release of the Group's 2017 audited results.
Dividend and voting rights	Performance rights do not carry dividend or voting rights prior to vesting. Shares allocated on vesting carry the same dividend and voting rights as other shares.
Treatment on cessation of employment	If a senior executive ceases to be employed during the 12 month deferral period, the following treatment will apply, unless the Board determines otherwise: • if they resign or are summarily terminated, all of their rights will lapse; or • if they cease employment in any other circumstances, a pro rata portion (for the portion of the performance period elapsed) of unvested rights will remain on foot and will vest in the ordinary course.
Change of control	The Board may determine that all or a specified number of a senior executive's performance rights will vest or cease to be subject to restrictions where there is a change of control event.
Clawback and preventing inappropriate benefits	The Board has broad clawback powers if, for example, the senior executive has acted fraudulently or dishonestly or there is a material financial misstatement.

Percentage of STI awarded and forfeited for senior executives during the Financial Period

Details of the STI outcomes received by senior executives during the Financial Period are outlined in the table below.

Senior executives	Minimum potential STI bonus	Maximum potential STI bonus ($)[1]	STI award ($)[2]	% of target STI award granted	% of maximum STI award granted	% of maximum STI award forfeited
Nick Pagent	-	276,174	103,285	85%	37%	63%
Ian Pagent	-	110,465	41,732	85%	38%	62%
Aaron Murray	-	103,562	29,918	65%	29%	71%

1. The maximum potential bonus is determined by reference to the maximum STI opportunity available to each executive as a percentage of their base salary.
2. 100% of the STI award will be delivered in the form of performance rights. The number of performance rights will be determined following the release of the Group's 2017 results (or in the case of the Executive Directors after the Annual General Meeting subject to shareholder approval) but will not vest until 30 June 2018, subject to continued service. As at 30 June 2017, the STI award has been calculated in accordance with AASB2.

Long-term incentive

Set out below is an explanation of the terms and conditions applying to the LTI awards for senior executives since listing.

Overview of the LTI plan	The LTI plan is an 'at-risk' equity component of executive remuneration which is subject to the satisfaction of a long-term performance condition.
Participation	Executive directors and other members of senior management are eligible to participate in the LTI plan.
Instrument	Upon vesting, each performance right entitles the senior executive to one ordinary share in the Company. The Board has the discretion to settle performance rights with a cash equivalent payment. Performance rights are granted for nil consideration and no amount is payable on vesting.
Number of performance rights to be granted	The number of performance rights granted to each senior executive for their 2017 award was determined by dividing the award amount by the offer price on listing of $2.40 per share. For future grants, the number of performance rights granted to each Senior Executive will be determined by dividing the LTI award opportunity by the VWAP of shares traded on the ASX during the 10 trading days following the release of the group's full year results for that financial year.
Performance period	The initial grant will be measured from listing (16 November 2016) to 30 June 2019. Future grants will have a three year performance period.

Performance conditions	Performance rights will be tested against the compound annual growth rate (**CAGR**) of ASG's underlying EPS. The percentage of performance rights that vest, if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Board, in its absolute discretion, considers appropriate: **CAGR of the Company's underlying EPS over the performance period** — **Percentage of performance rights that vest** Less than 7% — Nil 7% (threshold performance) — 50% Between 7% and 15% — Straight-line pro rata vesting between 50% and 100% 15% or above (maximum performance) — 100% The Board will arrange for the performance condition to be tested following the release of the Company's full year results. Any rights that remain unvested at the end of the performance period will lapse immediately. A continuous service condition also applies to the performance rights, subject to the cessation of employment provisions described below. The EPS performance condition has been chosen as it provides evidence of the Company's growth in earnings and is directly linked to shareholder returns.
Measurement and testing of performance conditions	To measure the EPS performance condition, financial results are extracted by reference to the Company's audited financial statements. The use of financial statements ensures the integrity of the measure and alignment with the true financial performance of the Company. EPS is calculated having regard to underlying profit, which measures profit from ASG's ongoing operations adjusted, where the Board considers it appropriate.
Dividend and voting rights	The performance rights do not carry dividend or voting rights prior to vesting. Shares allocated on vesting carry the same dividend and voting rights as other shares.
Treatment on cessation of employment	If an executive ceases to be employed before their performance rights vest, the following treatment will apply, unless the Board determines otherwise: • if they resign or are summarily terminated, all their performance rights will lapse; or • if they cease employment in any other circumstances, a pro rata portion (for the portion of the performance period elapsed) of their rights will remain on foot and will be tested after the end of the performance period against the performance condition.
Change of control	The Board may determine that all or a specified number of a senior executive's performance rights will vest or cease to be subject to restrictions where there is a change of control event.
Clawback and preventing inappropriate benefits	The Board has broad clawback powers if, for example, the senior executive has acted fraudulently or dishonestly or there is a material financial misstatement.

Executive service agreements

Each of the senior executives is party to a written executive service agreement with ASG which was entered into prior to listing. The key terms of these agreements are set out below.

Duration	Ongoing term
Base salary	Nick Pagent – $600,000 per annum base salary plus other benefits valued at $79,950. Ian Pagent – $400,000 per annum base salary plus other benefits valued at $80,980. Aaron Murray – $375,000 per annum base salary plus other benefits valued at $80,760.
Periods of notice required to terminate and termination payments	Nick Pagent - either party may terminate the contract by giving 12 months' notice. Ian Pagent - either party may terminate the contract by giving 12 months' notice. Aaron Murray - either party may terminate the contract by giving 3 months' notice. The Company may terminate immediately in certain circumstances, including where the relevant senior executive engages in serious or wilful misconduct.
Remuneration Consultant Fees	Prior to listing, Egan Associates was engaged to advise on the remuneration of the non-executive directors and senior executives. The scope of the engagement included the provision of remuneration assistance as requested by the Board, including but not limited to, providing data and commentary on market trends, developing the Company's remuneration framework for the listed environment, and advising on remuneration structuring. As part of this engagement, Egan Associates provided remuneration recommendations to the Company during the Financial Period. The engagement of Egan Associates was based on an agreed set of protocols that would be followed by the consultant so that it would be able to carry out its work, including information capture and the formation of its recommendations, free from undue influence by members of the KMP to whom the recommendations may relate. Under the engagement, Egan Associates reports to the Chair of the Board. The Board undertook its own inquiries and review of the processes and procedures followed by Egan Associates and is satisfied that the remuneration recommendations were made free from undue influence by members of the KMP about whom the recommendations may relate. In addition, Egan Associates has confirmed that, in its view, it was acting independently of management. Egan Associates was paid $56,910 during the Financial Period for their services. No other advice was provided by Egan Associates during the period.

3. Non-executive director remuneration

Principles of non-executive director remuneration

As outlined in section 2, in remunerating non-executive directors, ASG aims to ensure that it can attract and retain qualified and experienced directors having regard to:

- the specific responsibilities and requirements for the ASG Board;
- fees paid to non-executive directors of other comparable Australian companies; and
- the size and complexity of ASG's operations.

Non-executive director remuneration in the Financial Period

Board fees

The current non-executive director fee pool has been set by ASG at $800,000 per annum.

ASG's annual directors' fees are $200,000 for the Chair and $100,000 for other non-executive directors (including superannuation). These fees were only payable to directors following listing.

Directors may be remunerated for reasonable travel and other expenses incurred in attending to ASG's affairs and any additional services outside the scope of Board and Committee duties they provide.

In order to maintain their independence, non-executive directors do not have any 'at risk' remuneration component. ASG does not pay benefits (other than statutory entitlements) on retirement to non-executive directors.

Committee fees

Non-executive directors are paid Committee fees of $20,000 (including superannuation) per year for each Board Committee of which they are a Chair. These fees were only payable to directors following listing. Directors do not receive additional fees for being a member of a Board Committee.

One-off IPO arrangements

As disclosed in the Prospectus, on completion of the IPO, each of the non-executive directors received a one-off grant of shares in the Company.

These grants were made in recognition of the work done by the non-executive directors in the context of the IPO and achieving listing. Non-executive directors were allocated shares on 18 November 2016 equivalent in value to 50% of their annual base fees (rounded down to the nearest whole share) for nil consideration. The issue of shares further enhanced the alignment of interests between non-executive directors and shareholders.

The shares are not subject to any vesting conditions in order to preserve the directors' impartiality. Directors are free to deal with these shares, subject to the requirements of the Company's Securities Dealing Policy.

Non-executive director remuneration in FY2018

In FY2018, in line with our considered approach to remuneration, there is no intention to change the base fees for the Chairman and Non-Executive Directors or for Board committee fees.

4. Statutory remuneration disclosures

Senior executive and non-executive director remuneration

The following table sets out the statutory disclosures in accordance with the Accounting Standards for the Financial Period. Comparative numbers for the previous financial year are not shown as this is the Company's first Remuneration Report as a listed entity.

	Short-term employee benefits		Post-employment benefits	Share-based payments		Total
	Cash salary/ Fees $	Non-monetary benefits $[1]	Superannuation benefits $	Rights $[2]	Shares $	$
Nick Pagent	367,885	28,963	32,756	154,368	-	583,971
Ian Pagent	246,538	36,221	21,959	62,164	-	366,882
Aaron Murray	230,173	36,984	20,496	49,073	-	336,726
Tom Pockett	105,374	-	10,010	-	100,000	215,384
Malcolm Tilbrook	64,960	-	5,005	-	50,000	119,965
Marina Go	52,853	-	5,021	-	50,000	107,874
Robert Quant	64,981	-	5,007	-	50,000	119,988
TOTAL	**1,132,763**	**102,168**	**100,254**	**265,605**	**250,000**	**1,805,791**

1. The amounts disclosed as non-monetary benefits includes things such as motor vehicle, motor vehicle insurance, fringe benefit tax on motor vehicle and fuel allowance.
2. The value of rights granted to the senior executives is based on the fair value estimate on grant date.

There were no termination benefits provided in the Financial Period.

Movements in performance rights held by senior executives

As at 30 June 2017, no senior executive (or their related parties) held any performance rights and no performance rights were granted, vested or lapsed during the Financial Period.

The number of 2017 STI performance rights (representing the deferred STI for the period ended 30 June 2017) will be determined following the release of the Group's 2017 audited results (or in the case of the Executive Directors, after the Annual General Meeting subject to Shareholder approval).

The LTI performance rights for the 2017 award were granted on 9 August 2017. Under this award, 187,500 performance rights were granted to Nick Pagent, 75,000 performance rights were granted to Ian Pagent and 70,312 performance rights were granted to Aaron Murray.

KMP shareholdings

The following table outlines the movements in KMP ordinary shareholdings in the Company (including their related parties) for the Financial Period.

	Held at 29 August 2016	Held at listing date[1]	Shares granted in relation to IPO[2]	Received on vesting of STI	Received on vesting of LTI	Received as remuneration	Other net changes	Held at 30 June 2017
Non-executive directors								
Tom Pockett	-	125,000	41,667	-	-	-	-	166,667
Malcolm Tilbrook	-	20,833	20,833	-	-	-	-	41,666
Marina Go	-	-	20,833[1]	-	-	-	-	20,833
Robert Quant	-	41,666	20,833	-	-	-	-	62,499
Senior executives								
Nick Pagent	-	38,540,093	-	-	-	-	209,106	38,749,199
Ian Pagent	-	64,249,375	-	-	-	-	146,166	64,395,541
Aaron Murray	-	1,650,508	-	-	-	-	-	1,650,508

1. This includes shares held prior to listing as well as shares subscribed for under the IPO.
2. This reflects the one-off grant of shares in the Company to the Non-executive directors in recognition of the work done in the context of the IPO and achieving listing.

5. Transactions with KMP

Other KMP Transaction

Management fees

During the Financial Period the Group received Property management fees on a salary allocation basis for administration and management of properties owned by Ian & Nick Pagent. The Group was charged and received management fees in relation to shared service techicians & parts interpreters. The Group received administration service fees in relation to shared administration staff managing a dealership outside of the Group and owned by Ian & Nick Pagent.

Related party management fee	Fee Type	The company paid management fees $	The company received management fees $
GFB Properties Pty Ltd	Property management service	-	5,018
Autohaus Prestige Five Dock Pty Ltd	Property management service	-	9,195
Audi Parramatta Property Holdings Pty Ltd	Property management service	-	4,341
Audi Parramatta Properties 2 Pty Ltd	Property management service	-	5,012
Autosports Properties Leichhardt Pty Ltd	Property management service	-	9,195
New Centenary Properties Pty Ltd	Property management service	-	2,700
Five Dock DJC Pty Ltd	Service Technicians, Parts Interpreters & Administration services	8,055	114,375
TOTAL		**8,055**	**149,836**

Related Party leases

During the Financial Period the company had operating lease agreements on commercial terms with various entities owned by Ian & Nicholas Pagent.

Related party operating leases	Property Location	The Company Paid Rental fees $
GFB Properties Pty Ltd	3-7 Parramatta Rd, Five Dock NSW	418,804
Autohaus Prestige Five Dock Pty Ltd	34-36 Spencer St, Five Dock NSW & Unit C 2 Packard Ave, Castle Hill	291,470
Audi Parramatta Property Holdings Pty Ltd	49-51 Church St, Parramatta NSW	391,373
Audi Parramatta Properties 2 Pty Ltd	13 Church St, Parramatta NSW	292,450
Autosports Properties Leichhardt Pty Ltd	531-571 Parramatta Rd, Leichhardt NSW	293,617
New Centenary Properties Pty Ltd[1]	135 Moggill Rd, Toowong QLD[1]	736,667
TOTAL		**2,424,380**

1. During the Financial Period an entity owned by Ian Pagent & Nick Pagent acquired the freehold title of Toowong Mercedes-Benz & Toowong Mazda premises. The terms of the existing lease, which are on commercial terms have been transferred.

Related Party Loans

Prior to listing Betar Prestige Cars Pty Ltd, a wholly owned subsidiary of the company, obtained a loan from a company owned by Ian & Nick Pagent. The aggregate amount of the recognised loan was $920,000. As at 30 June 2017, there was an amount outstanding of $297,207 which is recognised in the financial statements as a current liability. There is no interest payable on the loan.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

Deloitte Touche Tohmatsu was appointed auditor during the Financial Period and continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors:

Tom Pockett

Independent Chairman

29 September 2017

Nick Pagent

Chief Executive Officer

Auditor's Independence Declaration

Deloitte.

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The Board of Directors
Autosports Group Limited
565 Parramatta Road
Leichhardt NSW 2040

29 September 2017

Dear Directors

Autosports Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Autosports Group Limited.

As lead audit partner for the audit of the financial statements of Autosports Group Limited for the financial period ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2017

	Note	Consolidated Period ended 30 June 2017 $'000
Revenue	**5**	**906,080**
Expenses		
Changes in inventories		8,171
Raw materials and consumables purchased		(771,635)
Employee benefits expense		(62,852)
Depreciation and amortisation expense	6	(4,613)
Occupancy costs		(14,304)
Acquisition expenses		(3,828)
Initial public offering ('IPO') listing expenses		(6,155)
Other expenses		(27,021)
Finance costs	6	(5,420)
Profit before income tax expense		**18,423**
Income tax expense	7	(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		**12,388**
Profit for the period is attributable to:		
Non-controlling interest	18	190
Owners of Autosports Group Limited		12,198
		12,388
Total comprehensive income for the period is attributable to:		
Non-controlling interest	18	190
Owners of Autosports Group Limited		12,198
		12,388

		Cents
Basic earnings per share	30	6.07
Diluted earnings per share	30	6.06

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

Consolidated Statement of Financial Position
As at 30 June 2017

	Note	Consolidated 30 June 2017 $'000
Assets		
Current assets		
Cash and cash equivalents		14,903
Trade and other receivables	8	70,366
Inventories	9	256,213
Other assets	10	5,519
Total current assets		**347,001**
Non-current assets		
Property, plant and equipment	11	36,240
Intangibles	12	499,678
Deferred tax	7	3,897
Total non-current assets		**539,815**
Total assets		**886,816**
Liabilities		
Current liabilities		
Trade and other payables	13	65,361
Borrowings	14	287,477
Income tax payable	7	4,980
Employee benefits		7,530
Deferred revenue		3,724
Total current liabilities		**369,072**
Non-current liabilities		
Borrowings	15	23,536
Employee benefits		2,534
Total non-current liabilities		**26,070**
Total liabilities		**395,142**
Net assets		**491,674**
Equity		
Issued capital	16	475,637
Share-based payments reserve	17	392
Retained profits		12,198
Equity attributable to the owners of Autosports Group Limited		**488,227**
Non-controlling interest	18	3,447
Total equity		**491,674**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

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**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 16)	475,637	-	-	-	475,637
Share-based payments (notes 6 and 31)	-	392	-	-	392
Non-controlling interest arising on business combinations (note 27)	-	-	-	3,257	3,257
Balance at 30 June 2017	**475,637**	**392**	**12,198**	**3,447**	**491,674**

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

Consolidated Statement of Cash Flows

For the period ended 30 June 2017

	Note	Consolidated Period ended 30 June 2017 $'000
Cash flows from operating activities		
Profit before income tax expense for the period		18,423
Adjustments for:		
Depreciation and amortisation	6	4,613
Share-based payments	6	1,145
Interest received		(46)
Interest and other finance costs paid	6	5,420
		29,555
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
		36,361
Interest received		46
Interest and other finance costs paid		(5,420)
Income taxes paid		(6,760)
Net cash from operating activities		**24,227**
Cash flows from investing activities		
Net payment for the acquisition of businesses	27	(136,759)
Payments for property, plant and equipment	11	(10,577)
Payments for security deposits		(1,416)
Net cash used in investing activities		**(148,752)**
Cash flows from financing activities		
Proceeds from issue of shares	16	159,380
Share issue transaction costs	16	(9,662)
Proceeds from borrowings		21,457
Repayment of borrowings		(5,973)
Dividends paid to pre-IPO Autosports Group shareholders	19	(25,774)
Net cash from financing activities		**139,428**
Net increase in cash and cash equivalents		**14,903**
Cash and cash equivalents at the beginning of the Financial Period		**-**
Cash and cash equivalents at the end of the Financial Period		**14,903**

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

Note 1. General information

The financial statements cover Autosports Group Limited as a consolidated entity consisting of Autosports Group Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the Financial Period (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Autosports Group Limited's functional and presentation currency.

Autosports Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

565 Parramatta Road, Leichhardt NSW 2040

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The Company was incorporated on 29 August 2016. On 16 November 2016, the Company was listed on the Australian Securities Exchange ('ASX') with the code 'ASG'. On 18 November 2016, the Company acquired 15 Companies ('Pre-IPO Autosports Group') and an additional business ('Willims') and commenced trading. Refer to note 27 for further details.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the Financial Period.

Accounting period

The relevant accounting period is from the date of Incorporation on 29 August 2016 to 30 June 2017.

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 $22,071,000 as at 30 June 2017. The funding structure results in a working capital deficiency that is consistent and as anticipated at the time of listing.

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 amounting 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 relate to deferred revenue and no cash outflow is expected in relation to this amount;
- As at 30 June 2017, the Group has undrawn finance facilities amounting to $36,509,000; 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

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

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 32.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Autosports Group Limited as at 30 June 2017 and the results of all subsidiaries for the period then ended.

Subsidiaries are all those 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

New, demonstrator and used vehicles

Revenue from the sale of vehicles is recognised when the buyer has accepted the risks and rewards of ownership, generally by taking delivery of the vehicle. Amounts disclosed as revenue are net of sales returns and trade discounts.

Parts and service

Revenue from the sale of parts is recognised when the buyer has accepted the risks and rewards of ownership, generally by taking delivery of the goods. Amounts disclosed as revenue are net of sales returns and trade discounts.

Service work on customers' vehicles is carried out under instructions from the customer. Service revenue is recognised based upon the percentage completion of the work requested. The percentage completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for the service to be performed. Revenue arising from the sale of parts fitted to customers' vehicles during service is recognised upon delivery of the fitted parts to the customer upon completion of the service.

Aftermarket accessories and other revenue

Aftermarket accessories and other revenue are recognised when they are received or when the right to receive payment is established. Aftermarket accessories relate to items fitted at the dealership and include products such as window tinting, mud flaps and paint protection.

Finance and insurance revenue

Finance and insurance commissions are recognised in the period in which the related sale or rendering of service is provided. Finance and insurance commissions are received from finance companies and insurance companies as commission payments on products sold to customers.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Commercial income and rebates

Volume related and vehicle specific bonuses and rebates are credited to the carrying value of inventory to which they relate. Once the inventory is sold, the amount is then recognised in cost of goods sold. Bonuses and rebates are recognised when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired. The Group provides 100% of trade receivables over 120 days due and 50% of trade receivables over 90 days due.

Other receivables are recognised at amortised cost, less any provision for impairment.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories

New and demonstrator vehicles

New and demonstrator vehicles are stated at the lower of cost and net realisable value. Costs are assigned on the basis of specific identification. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Note 2. Significant accounting policies (continued)

Used vehicles

Used vehicles are stated at the lower of cost and net realisable value on a unit-by-unit basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The age of the car is considered in determining selling price of used cars.

Spare parts and accessories

Spare parts and accessories are stated at the lower of cost and net realisable value. Costs are assigned to individual items on the basis of weighted average cost. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Other inventory

Other inventory includes work in progress and are stated at cost. Costs are assigned to individual customers on the basis of specific identification. Cost includes labour incurred to date and consumables utilised during the service.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the Financial Period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	Shorter of unexpired period of the lease or the estimated useful life
Plant and equipment	3 - 20 years
Furniture, fixtures and fittings	3 - 20 years
Motor vehicles	4 - 8 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years. Customer assets are made up of complementary customer relationships and databases in the servicing and parts business.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the Financial Period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

Vehicles secured under bailment plans are provided to the Group under bailment agreements with floorplan loan providers. The Group obtains title to the vehicles immediately prior to sale. Vehicles financed under bailment plans are recognised as inventory with the corresponding floorplan liability owing to the finance providers. Floorplan finance facilities are available for drawdown by specified dealerships on a vehicle by vehicle basis, with repayment as it relates to an individual vehicle required immediately after the vehicle is sold.

Finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Provision for warranties

Provision is made for the estimated claims in respect of extended warranties provided on the majority of the Group's retail new and used vehicle sales. These claims are generally expected to settle in the next financial year but some may be extended into the following year if claims are made late in the warranty period.

Deferred revenue

Deferred revenue represents finance and insurance income received in advance. It is recognised as a liability in the statement of financial position, until the revenue has been earned.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the Financial Period and no longer at the discretion of the Company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Note 2. Significant accounting policies (continued)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Autosports Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the Financial Period, adjusted for bonus elements in ordinary shares issued during the Financial Period.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2017. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities measured at fair value, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial

Note 2. Significant accounting policies (continued)

recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 June 2018 but it is not expected to significantly impact the financial statements on the basis that the main financial assets recognised represent cash and cash equivalent and trade receivables that do not carry a significant financing component and involve a single cash flow representing the repayment of principal, which in the case of trade receivables is the transaction price. Both asset classes will continue to be measured at face value. Other financial asset classes are not material to the Group. Financial liabilities of the Group are not materially impacted by this standard.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Group will adopt this standard from 1 June 2018 but it is not expected to significantly impact the Group on the basis that most of the its revenue is recognised at the time of transfer of service to customer which represents the satisfaction of the primary performance obligation.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a lease liability will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A 'right of use' asset corresponding to the lease liability will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Group will adopt this standard from 1 July 2019 and the actual impact will depend on the operating leases held by the Group as at 1 July 2019 and the transitional elections made at that time. Please refer to note 25 for commitments as at 30 June 2017.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Acquisition of the pre-IPO Autosports Group

The Group accounted for the acquisition of the pre-IPO Autosports Group on 18 November 2016 as a business combination, with Autosports Group Limited being the acquirer. The directors have determined that, as the IPO-Autosports

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Group did not constitute a group in accordance with Australian Accounting Standards, the transaction should be accounted for as a business combination rather than a group reorganisation and Autosports Group Limited was identified as the acquirer on the basis that this new entity transferred both cash and equity interests as consideration and the acquisition was conditional on the IPO.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash- generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. 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 5. Revenue

	Consolidated Period ended 30 June 2017 $'000
Sales revenue	
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
	901,036
Other revenue	
Interest	46
Other revenue	4,998
	5,044
Revenue	**906,080**

	Consolidated Period ended 30 June 2017 $'000

Note 6. Expenses

Profit before income tax includes the following specific expenses:	
Depreciation	
Leasehold improvements	794
Plant and equipment	823
Furniture, fixtures and fittings	543
Motor vehicles	182
Total depreciation	**2,342**
Amortisation	
Customer relationships	2,271
Total depreciation and amortisation	**4,613**
Share-based payments expense	
Employee gift offer of shares	503
Director gift offer of shares	250
Share-based payment incentive to directors, executives and employees	392
Total share-based payments expense	**1,145**
Finance costs	
Floorplan interest	4,853
Corporate interest	567
Finance costs expensed	**5,420**
Rental expense relating to operating leases	
Minimum lease payments	**18,217**
Superannuation expense	
Defined contribution superannuation expense	**7,142**
Other provisions	
Inventory provision expenses	**1,569**

Note 7. Income tax

Income tax expense	
Current tax	5,162
Deferred tax - origination and reversal of temporary differences	873
Aggregate income tax expense	**6,035**
Deferred tax included in income tax expense comprises:	
Decrease in deferred tax assets	873
Numerical reconciliation of income tax expense and tax at the statutory rate	
Profit before income tax expense	18,423
Tax at the statutory tax rate of 30%	5,527
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Permanent tax differences	71
Share-based payments	128
Stamp duty on acquisitions	1,148
Other items	(839)
Income tax expense	**6,035**

	Consolidated Period ended 30 June 2017 $'000

Note 7. Income tax (continued)

Amounts credited directly to equity	
Deferred tax assets	(2,899)
Deferred tax asset	
Deferred tax asset comprises temporary differences attributable to:	
Amounts recognised other than in equity:	
Tax losses	611
Impairment of receivables	75
Employee benefits	3,019
Provision for warranties	226
Accrued expenses	397
Deferred income	1,642
IPO transaction costs	907
Work in progress	(38)
Prepayments	(86)
Provision for inventories	(462)
Customer relationships	(5,258)
Other items	(35)
	998
Amounts recognised in equity:	
Transaction costs on share issue	2,899
Deferred tax asset	**3,897**
Movements:	
Charged to profit or loss	(873)
Credited to equity	2,899
Additions through business combinations (note 27)	1,871
Closing balance	**3,897**
Provision for income tax	
Provision for income tax	4,980

	Consolidated 30 June 2017 $'000

Note 8. Current assets – trade and other receivables

Trade receivables	65,633
Other receivables	4,982
Less: Provision for impairment of receivables	(249)
	70,366

Impairment of receivables

The Group has recognised a loss of $315,000 in profit or loss in respect of impairment of receivables for the period ended 30 June 2017.

The ageing of the impaired receivables provided for above are as follows:

Over 6 months overdue	249

Movements in the provision for impairment of receivables are as follows:

Provisions recognised	315
Receivables written off during the year as uncollectable	(66)
Closing balance	**249**

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $6,762,000 as at 30 June 2017.

The Group did not consider a credit risk on the aggregate balances after reviewing the credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

under 30 days overdue	3,367
over 30 days overdue	3,395
	6,762

Note 9. Current assets – inventories

New and demonstrator vehicles - at cost	200,410
Less: Write-down to net realisable value	(3,018)
	197,392
Used vehicles - at cost	46,497
Less: Write-down to net realisable value	(583)
	45,914
Spare parts and accessories - at cost	12,090
Less: Write-down to net realisable value	(351)
	11,739
Other inventory - at cost	1,168
	256,213

	Consolidated 30 June 2017 $'000

Note 10. Current assets – other assets

Prepayments	1,813
Security deposits	924
Other cash deposits	2,782
	5,519

Note 11. Non-current assets – property, plant and equipment

Leasehold improvements	18,605
Less: Accumulated depreciation	(794)
	17,811
Plant and equipment	8,616
Less: Accumulated depreciation	(823)
	7,793
Furniture, fixtures and fittings	5,398
Less: Accumulated depreciation	(543)
	4,855
Motor vehicles	1,553
Less: Accumulated depreciation	(182)
	1,371
Capital work in progress - at cost	4,410
	36,240

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 27)	13,768	7,970	4,671	1,371	225	28,005
Depreciation expense	(794)	(823)	(543)	(182)	-	(2,342)
Balance at 30 June 2017	**17,811**	**7,793**	**4,855**	**1,371**	**4,410**	**36,240**

Property, plant and equipment secured under finance leases

Refer to note 25 for further information on property, plant and equipment secured under finance leases.

	Consolidated 30 June 2017 $'000

Note 12. Non-current assets – intangibles

Goodwill - at cost	482,125
Customer relationships - at cost	19,824
Less: Accumulated amortisation	(2,271)
	17,553
	499,678

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 27)	482,125	19,824	501,949
Amortisation expense	-	(2,271)	(2,271)
Balance at 30 June 2017	**482,125**	**17,553**	**499,678**

Goodwill acquired through business combinations has been allocated to one operating segment which consists of the Group's cash-generating units ('CGU's').

The recoverable amount of the Group's goodwill has been determined by value-in-use calculations. The calculations use cash flow projections based on the business plan, prior to any future restructuring to which the Group is not yet committed, approved by management covering a four year period. Cash flows beyond the four year period are extrapolated using the estimated growth rates stated below.

Key assumptions

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:

- Pre-tax discount rate: 12.27%;
- Projected growth rate of 2.5% beyond four year period; and
- Increase in operating costs and overheads based on current levels adjusted for inflationary increases.

For the Financial Period ended 30 June 2017, the recoverable amount of net assets for the CGU's exceeded the carrying value and therefore, goodwill is not considered to be impaired.

Sensitivity analysis

Management estimates that any reasonable changes in the key assumptions would not cause the CGU's carrying amount to exceed its recoverable amount.

Remaining amortisation period

The remaining amortisation period for customer relationships is 4.38 years for pre-IPO Autosports and 4.75 years from Doncaster BMW.

	Consolidated 30 June 2017 $'000

Note 13. Current liabilities – trade and other payables

Trade payables	45,892
Related party payable	297
GST payable	9,038
Accrued expenses	10,134
	65,361

Refer to note 20 for further information on financial instruments.

Note 14. Current liabilities – borrowings

Bailment finance	271,736
Capital loans	14,957
Hire purchase	784
	287,477

Refer to note 15 for further information on assets pledged as security and financing arrangements.

Refer to note 20 for further information on financial instruments.

Note 15. Non-current liabilities – borrowings

Capital loans	21,531
Hire purchase	2,005
	23,536

Refer to note 20 for further information on financial instruments.

Total secured liabilities

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

Bailment finance	**271,736**
Capital loans	36,488
Hire purchase	2,789
	311,013

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 $'000
Total facilities	
Bailment finance	305,700
Capital loans	39,033
Hire purchase	2,789
	347,522
Used at the reporting date:	
Bailment finance	271,736
Capital loans	36,488
Hire purchase	2,789
	311,013
Unused at the reporting date:	
Bailment finance	33,964
Capital loans	2,545
Hire purchase	-
	36,509

Note 16. Equity – issued capital

	Consolidated	
	30 June 2017 Shares	30 June 2017 $'000
Ordinary shares - fully paid	201,000,000	475,637

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 (note 27)	18 November 2016	124,902,804	$2.40	299,767
Issue of shares to acquire Willims (note 27)	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**	**201,000,000**		**475,637**

(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.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 16. Equity – issued capital (continued)

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the Financial Period.

	Consolidated 30 June 2017 $'000
Note 17. Equity – share-based payments reserve	
Share-based payments reserve	**392**

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Balance at 29 August 2016	-
Share-based payments	392
Balance at 30 June 2017	**392**

Note 18. Equity – non-controlling interest

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

Note 19. Equity – dividends

Dividends

On 29 August 2017, the directors declared a fully franked final dividend 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 $9,272,000, 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.

Franking credits

	30 June 2017 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	15,555

The above amounts represent the balance of the franking account as at the end of the Financial Period, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 20. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a regular basis.

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk. Vehicles are purchased in Australian Dollars.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from its borrowings and cash at bank. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Note 20. Financial instruments (continued)

As at the reporting date, the Group had the following variable rate borrowings:

Consolidated	30 June 2017 Balance $'000
Bailment finance	271,736
Capital loans	36,488
Cash at bank	(14,903)
Net exposure to cash flow interest rate risk	**293,321**

An official increase/decrease in interest rates of 50 basis points per annum would have an adverse/favourable effect on profit before tax of $1,467,000 and equity of $1,027,000 (assuming 30% tax). The percentage change is based on the expected volatility of interest rates using market data and analyst's forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

Bailment finance	33,964
Capital loans	2,545
	36,509

Note 20. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2017	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	45,892	-	-	-	45,892
Other payables	297	-	-	-	297
Interest-bearing - variable					
Bailment finance	272,433	-	-	-	272,433
Capital loans	5,251	6,074	19,277	10,140	40,743
Interest-bearing - fixed rate					
Hire purchase	864	746	1,288	61	2,959
Total non-derivatives	**325,928**	**7,451**	**23,556**	**4,798**	**361,733**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 21. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated Period ended 30 June 2017 $
Short-term employee benefits	1,234,931
Post-employment benefits	100,254
Share-based payments	265,605
Shares issued on IPO	250,000
	1,850,791

	Consolidated Period ended 30 June 2017 $

Note 23. Remuneration of auditors

During the Financial Period the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

Audit services - Deloitte Touche Tohmatsu	
Audit or review of the financial statements	613,000
Other services - Deloitte Touche Tohmatsu	
Due diligence relating to the IPO	2,073,877
Tax compliance	75,000
	2,148,877
	2,761,877

	Consolidated 30 June 2017 $

Note 24. Contingent liabilities

Bank guarantees	2,356

All bank guarantees are to cover landlord deposits on leased property.

Note 25. Commitments

Lease commitments - operating	
Committed at the reporting date but not recognised as liabilities, payable:	
Within one year	24,008
One to five years	96,095
	120,103
Hire purchase commitments - finance	
Committed at the reporting date and recognised as liabilities, payable:	
Within one year	864
One to five years	2,034
More than five years	61
Total commitment	**2,959**
Less: Future finance charges	(170)
Net commitment recognised as liabilities	**2,789**
Representing:	
Hire purchase - current (note 14)	683
Hire purchase - non-current (note 15)	2,106
	2,789

Note 25. Commitments (continued)

Operating lease commitments includes contracted amounts for dealership operating premises under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Hire purchase commitments includes contracted amounts for various plant and equipment with a written down value of $758,000 under finance leases expiring within 2 to 6 years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 26. Related party transactions

Parent entity

Autosports Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated Period ended 30 June 2017 $
Other income:	
Management fees received from entities owned by the directors Ian Pagent and Nick Pagent	149,836
Payment for other expenses:	
Management fees paid to entities owned by the directors Ian Pagent and Nick Pagent	8,055
Lease payment on properties to entities owned by the directors Ian Pagent and Nick Pagent	2,424,380

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the reporting date.

Loans from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Loans from an entity owned by the directors Ian Pagent and Nick Pagent	297,204

Terms and conditions

All transactions were made on commercial terms.

For more detail on KMP transactions refer to note 5 of the remuneration report.

Note 27. Business combinations

Details of the acquisitions are as follows:

	Pre-IPO Autosports Group Fair value $'000	Willims Motor Group 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
Acquisition-date fair value of the total consideration transferred	**352,722**	**66,904**	**52,286**	**471,912**
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
	352,722	**66,904**	**52,286**	**471,912**
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 the Company as part of the consideration (note 16)	(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	**40,069**	**44,404**	**52,286**	**136,759**

Note 27. 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. None of the goodwill is expected to be deductible for tax purposes.

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.

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 and finance brokerage 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.

Refer to note 28 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 Motor Group

On 18 November 2016, the Group acquired certain assets and liabilities of the Willims Motor Group 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.

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.

Note 28. 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 %
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 %	Non-controlling interest Ownership interest 30 June 2017 %
New Centenary Mazda Pty Ltd	Australia	Motor vehicle dealership	80%	20%

Summarised financial information of the subsidiary with non-controlling interests has not been included as it is not material to the Group.

Note 29. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- Autosports Group Limited
- Autosports Brisbane Pty Ltd
- Autosports Castle Hill Pty Ltd
- Autosports Five Dock Pty Ltd
- Autosports Leichhardt Pty Ltd
- Autosports Prestige Pty Ltd
- Autosports Sutherland Pty Ltd
- Betar Prestige Cars Pty Ltd
- Modena Trading Pty Ltd
- Mosman Prestige Cars Pty Ltd
- New Centenary Mercedes-Benz Pty Ltd
- Prestige Auto Traders Australia Pty Ltd
- Prestige Group Holdings Pty Ltd
- Prestige Repair Works Pty Ltd
- ASG Brisbane Pty Ltd
- ASG Melbourne Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Autosports Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	Period ended 30 June 2017 $'000
Revenue	**864,783**
Expenses	
Changes in inventories	8,171
Raw materials and consumables purchased	(737,624)
Employee benefits expense	(60,060)
Depreciation and amortisation expense	(4,572)
Occupancy costs	(13,599)
Acquisition expenses	(3,828)
Initial public offering ('IPO') listing expenses	(6,155)
Other expenses	(24,962)
Finance costs	(5,048)
Profit before income tax expense	**17,106**
Income tax expense	(5,640)
Profit after income tax expense for the period	**11,466**
Other comprehensive income for the period, net of tax	-
Total comprehensive income for the period	**11,466**
Retained profits at the beginning of the Financial Period	-
Total comprehensive income for the period	11,466
Retained profits at the end of the Financial Period	**11,466**

Note 29. Deed of cross guarantee (continued)

Statement of financial position	30 June 2017 $'000
Current assets	
Cash and cash equivalents	17,646
Trade and other receivables	66,688
Inventories	250,711
Other assets	4,362
Total current assets	**339,407**
Non-current assets	
Property, plant and equipment	35,750
Intangibles	491,276
Deferred tax	3,459
Total non-current assets	**530,485**
Total assets	**869,892**
Current liabilities	
Trade and other payables	63,697
Borrowings	279,211
Income tax payable	4,582
Employee benefits	7,276
Deferred revenue	3,724
Total current liabilities	**358,490**
Non-current liabilities	
Borrowings	21,373
Employee benefits	2,534
Total non-current liabilities	**23,907**
Total liabilities	**382,397**
Net assets	**487,495**
Equity	
Issued capital	475,637
Share-based payments reserve	392
Retained profits	11,466
Total equity	**487,495**

Note 30. Earnings per share

	Consolidated Period ended 30 June 2017 $'000
Profit after income tax	12,388
Non-controlling interest	(190)
Profit after income tax attributable to the owners of Autosports Group Limited	**12,198**

	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	187,394
Weighted average number of ordinary shares used in calculating diluted earnings per share	**201,187,394**

	Cents
Basic earnings per share	6.07
Diluted earnings per share	6.06

Note 31. Share-based payments

The Group has established an Equity Incentive Plan ('EIP') to assist in the motivation, reward and retention of senior management and other employees.

The share-based payment expense for the period was $392,000. The number of performance rights to be granted is determined by dividing any STI award that they become entitled to receive by the volume weighted average price (VWAP) of shares traded on the ASX during the 10 trading days following the release of the audited results.

EIP will be delivered in the form of performance rights which will vest after a further deferral of one year subject to the executive's continued service.

The rights are measured from listing to 30 June 2017. Future grants will be measured over a 12 month period.

Performance conditions for the initial grant include:

- a 'gateway hurdle' of achieving the pro forma 2017 NPAT contained in the Company Prospectus dated 28 October 2016. If the gateway hurdle is not met, no performance right is awarded. This gateway was chosen as an entry criteria as it is a measurable financial performance criteria strongly linked to shareholder value.
- in addition, each senior executive has an individualised balanced scorecard that determines their awards. These scorecards primarily focus on the financial objectives of the Group and include targets measured against total revenue, EBIT, EBITDA, NPBT and NPAT. The scorecards also include operational KPIs such as sales and margin related matrices, as well as non-financial KPIs predominantly in the areas of risk and corporate governance to ensure the business continues to be well managed.

The Board has determined that the combination of financial and non-financial conditions provides the appropriate balance between short term financial measures and the more strategic non-financial measures which in the medium to long term will ultimately drive further growth and returns for shareholders.

Upon vesting, each performance right entitles the senior executive to one ordinary share in the Company. The Board has the discretion to settle performance rights with a cash equivalent payment. Performance rights are granted for nil consideration and no amount is payable on vesting.

If a senior executive ceases to be employed during the 12 month deferral period, the following treatment will apply, unless the Board determines otherwise:

- if they resign or are summarily terminated, all of their rights will lapse; or
- if they cease employment in any other circumstances, a pro rata portion (for the portion of the performance period elapsed) of unvested rights will remain on foot and will vest in the ordinary course.

Note 32. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent Period ended 30 June 2017 $'000
Loss after income tax	(181)
Total comprehensive income	**(181)**

Statement of financial position

Total current assets	127,749
Total assets	477,804
Total current liabilities	98
Total liabilities	98
Equity	
Issued capital	477,495
Share-based payments reserve	392
Accumulated losses	(181)
Total equity	**477,706**

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. Refer to note 29 for further details.

The parent entity had no other guarantees in relation to the debts of its subsidiaries as at 30 June 2017.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2017 other than that disclosed in Note 24.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2017.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 33. Events after the reporting period

- ASG Melbourne Pty Ltd, a wholly owned subsidiary of Autosports Group Limited (**ASG**), has entered in to an agreement with BMW Melbourne Pty Ltd to purchase the businesses operating as BMW Melbourne, Mini Garage Melbourne, BMW Motorrad Melbourne, Melbourne BMW Bodyshop and Kings Way Mini Garage (BMW Melbourne businesses). ASG has guaranteed ASG Melbourne Pty Ltd's payment obligations under the agreement.

  The transaction is subject to a number of conditions prior to completion, including approval by BMW Australia Financial Services. Subject to the conditions being met, it is expected to complete in the final quarter of the 2017 calendar year.

  It operates from fully brand compliant leasehold premises in City Road, Southbank and Kings Way, South Melbourne.

  We are currently expecting to pay consideration of $22.0m for the BMW Melbourne businesses in addition to fixed assets at valuation plus or minus industry standard adjustments. The acquisition will be funded by a combination of cash drawn from reserves and new debt facilities.

- On 29 August 2017, the directors declared a fully franked final dividend 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 $9.3m based on the number of ordinary shares on issue as at 30 June 2017.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration
30 June 2017

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the Financial Period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Tom Pockett
Chairman

Nick Pagent
Chief Executive Officer

29 September 2017
Sydney

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Independent Auditor's Report to the members of Autosports Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Autosports Group Limited (the "Company"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the period then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Identification and measurement of Intangibles

On the initial public offering ("IPO") of the Group on 17 November 2016 and for the subsequent acquisitions which took place on the 18 November 2016 ('Willims") and 20 February 2017 ("BMW Melbourne") as disclosed in note 27, the Group is required to identify and measure the fair value of intangible assets acquired in accordance with AASB 3: Business combinations.

The identification of intangible assets acquired involves judgement as to whether the intangible asset can meet the criteria as separable assets which can be reliably measured.

The measurement of intangible assets acquired involves judgement, in particular in estimating future growth rates, discount rates and the expected cash flows of the intangible assets acquired.</td><td>Our procedures included, but were not limited to the following:

• Reading the acquisition agreements to obtain an understanding of the nature of the acquisitions;
• Evaluating the competency, capabilities and objectivity of management experts used to identify and measure the fair value of intangible assets acquired;
• Evaluating the criteria applied by the management expert when identifying intangible assets acquired;
• In conjunction with our valuation specialists, assessing the valuation methodology, cash-flow assumptions including contributory asset charges, discount rates and the reasonableness of the valuation outputs; and
• Assessed the adequacy of the Group's disclosures of the acquisitions.</td></tr>
<tr><td>Carrying value of Goodwill

As detailed in note 27, the Group has recognised goodwill of $482,125,000 as at 30 June 2017 as a result of the IPO and acquisitions noted above.

As set out in note 3, the director's assessment of the recoverability of goodwill requires the exercise of significant judgement, in particular in estimating future growth rates, discount rates and the expected cash flows of the components (cash generating unit (CGU)) to which goodwill has been allocated.

Estimating the cash flows requires the exercise of judgement as to the likely impact of:

• Competitive pressures in specific markets; and
• Changes resulting from regulatory review of finance and insurance practices across the automotive industry.</td><td>Our procedures included, but were not limited to the following:

• Evaluating the Group's categorisation of CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business. This evaluation included performing an analysis of the Group's internal reporting and consultation with our accounting technical specialists;
• Comparing growth rates with 3rd party data for the motor industry;
• Comparing the Groups forecast cash flows to the board approved budget;
• Evaluating management's historical forecasting accuracy but comparing actual results to budget;
• Performing sensitivity analysis on the growth and discount rates;
• In conjunction with our valuation specialists comparing the discount rate utilised by management to an independently calculated discount rate; and
• Evaluating the adequacy of the related disclosures in the financial statements.</td></tr>
</table>

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

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- evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 25 to 40 of the director's report for the period ended 30 June 2017.

In our opinion, the Remuneration Report of Autosports Group Limited, for the period ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 29 September 2017

Shareholder Information
30 June 2017

The shareholder information set out below was applicable as at 13 September 2017.

The Company confirms that, for the period from admission to the ASX until 30 June 2017, it has used the cash and assets held in a form of readily convertible to cash which it had at the time of admission in a manner consistent with its business objectives.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	632
1,001 to 5,000	228
5,001 to 10,000	89
10,001 to 100,000	130
100,001 and over	54
	1,133
Holding less than a marketable parcel	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
JIP PARRAMATTA PTY LTD	23,199,693	11.54
J P MORGAN NOMINEES AUSTRALIA LIMITED	21,994,934	10.94
SASTEMPO PTY LTD	21,285,348	10.59
LIVIST PTY LTD	15,455,897	7.69
AUDI PARRAMATTA HOLDINGS PTY LTD	15,310,969	7.62
CITICORP NOMINEES PTY LIMITED	11,414,123	5.68
NIP PARRAMATTA PTY LTD	10,401,678	5.17
BARBIZON PTY LTD	9,375,000	4.66
PAGENT FAMILY INVESTMENTS PTY LTD	7,193,635	3.58
FIVE DOCK DJC PTY LTD	6,436,189	3.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,034,135	3.00
NATIONAL NOMINEES LIMITED	5,439,605	2.71
OGLE INVESTMENTS PTY LTD	5,147,053	2.56
CITICORP NOMINEES PTY LIMITED	4,904,789	2.44
AALHUIZEN NOMINEES PTY LTD	4,722,374	2.35
RICGAZ PTY LTD	4,406,237	2.19
BNP PARIBAS NOMS PTY LTD	2,731,536	1.36
LIVERPOOL STREET INVESTMENTS	2,453,632	1.22
BNP PARIBAS NOMINEES PTY LTD	1,839,245	0.92
DANIARON PTY LTD	1,644,259	0.82
	181,390,331	**90.24**

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
JIP PARRAMATTA PTY LTD	23,199,693	11.54
J P MORGAN NOMINESS AUSTRALIA LIMITED	21,994,934	10.94
SASTEMPO PTY LTD	21,285,348	10.59
LIVIST PTY LTD	15,455,897	7.69
AUDI PARRAMATTA HOLDINGS LTD	15,310,969	7.62
CITICORP NOMINESS PTY LIMITED	11,414,123	5.68
NIP PARRAMATTA PTY LTD	10,401,678	5.17

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted securities - Escrowed shares

Class	Expiry date	Number of shares
Ordinary shares - Ian Pagent, together with his nominated holding vehicles	On release of Company's results for 30 June 2019	64,189,522
Ordinary shares - Nick Pagent, together with his nominated holding vehicles	On release of Company's results for 30 June 2019	38,320,477
Ordinary shares - other management shareholders	On release of Company's results for 30 June 2019	22,392,805
Ordinary shares - Willims Vendors	On release of Company's results for 30 June 2019	9,375,000
		134,277,804

Performance Rights

The following performance rights unissued at reporting date:

Nick Pagent	187,500
Ian Pagent	75,000
Aaron Murray	70,312
Other management (non KMP)	70,312
	403,124

Glossary

$	means Australian currency
AASB	means the Australian Accounting Standards Board
ACCC	means Australian Competition and Consumer Commission
Arms Length	means Commercial transaction done in accordances with market values, disregarding any connection such as common ownership
Automotive Insurer	means a provider or manufacturer of Motor Vehicle related insurance products, which may include CTP greenslip and comprehensive car insurance
Autosports Group or the Company	means Autosports Group Limited ACN 614 505 261, the ultimate holding company of ASG
ASG	means Autosports Group and its subsidiaries, and where the context requires, the business conducted by those entities.
ASIC	means the Australian Securities and Investments Commission
ASX	means the Australian Securities Exchange
ASX Listing Rules	means the listing rules of ASX, as amended, modified or waived from time to time
Australian Accounting Standards or AAS	means the Australian Accounting Standards and other authoritative pronouncements issued by the AASB
Automotive Dealership or Dealership	means a business that sells new or used Motor Vehicles along with other ancillary products and services, which may include the sale of aftermarket products, provision of servicing, parts sales and collision repair services as well as distribution of finance and insurance products
Board	means the board of Directors of the Company
CEO	means Chief Executive Officer
Chairman	means the chairman of the Board
Commercial terms	means terms and conditions conducted at arms length
Constitution	means the constitution of the Company
Corporations Act	means the Corporations Act 2001 (Cth)
Dealer	means a person or entity that manages and operates one or more Dealerships
Dealer Group	means a collection of Dealerships that are owned, managed or operated under a common entity or business name
Dealer Principal	means an employee of a Dealer who is responsible for the overall management of the Dealership
Director	means each of the directors of the Company from time to time
EBIT	means earnings before interest and tax
EBITDA	means earnings before interest, tax, depreciation and amortisation
EPS	means earnings per Share
Financial Period	means the period from incorporation on 29 August 2016 to 30 June 2017
Floorplan Financier	means a provider of floorplan financing (bailment financing) to Automotive Dealers to fund Motor Vehicle inventory at a Dealership
FY2018	means the full financial year ended 30 June 2018
Group	Autosports Group Limited
Group Trading Result	means trading result for the period from listing to 30 June 2017
GST	means the goods and services tax
IFRS	means the International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board
IPO	means initial public offering
KMP	means key management personnel
Listing	means admission to Australian Securities exchange on 16 November 2016
Listing date	means the date Autosports Group Limited was listed on the ASX, being 16 November 2016.
LTI Plan	means long term incentive plan
Luxury Motor Vehicles	means Motor Vehicles manufactured by luxury branded OEMs

Glossary (continued)

Motor Vehicle or Vehicle	means a road vehicle powered by a motor or engine
NPAT	means net profit after tax attributable to shareholders
NPATA	means net profit after tax excluding amortisation pertaining to acquired intangibles
NPBT	means net profit before tax
OEM	means original equipment manufacturer
Pre-IPO Autosports Group	means the group of operating entities within the "Autosports Group" of Automotive Dealerships, being: (a) ASG Brisbane Pty Ltd ACN 614 297 684; (b) Autosports Brisbane Pty Ltd ACN 603 332 752; (c) Autosports Castle Hill Pty Ltd ACN 163 974 481; (d) Autosports Five Dock Pty Ltd ACN 118 786 762; (e) Autosports Leichhardt Pty Ltd ACN 161 160 765; (f) Autosports Prestige Pty Ltd ACN 096 909 698; (g) Autosports Sutherland Pty Ltd ACN 125 720 998; (h) Betar Prestige Cars Pty Ltd ACN 118 667 913; (i) Birchgrove Finance Pty Ltd ACN 165 682 057; (j) Modena Trading Pty Ltd ACN 140 018 015; (k) Mosman Prestige Cars Pty Ltd ACN 149 346 476; (l) New Centenary Mazda Pty Ltd ACN 168 183 800 (m) New Centenary Mercedes Benz Pty Ltd ACN 168 183 864; (n) Prestige Auto Traders Australia Pty Ltd ACN 105 105 771; (o) Prestige Group Holdings Pty Ltd ACN 073 650 512; and (p) Prestige Repair Works Pty Ltd ACN 611 760 126.
Prestige Motor Vehicles	means Motor Vehicles manufactured by prestige branded OEMs
PMA	means prime market area
Pro forma accounts	means trading results from 1 July 2016 to 30 June 2017 with the Willims and Volvo Brighton acquisitions included as if they were owned from 1 July 2016
Prospectus	means the prospectus document (including the electronic form of this Prospectus) which was lodged with ASIC on 28 October 2016 in association with the group's initial public offering
Retail Financier	means a provider of retail finance products to purchasers of Motor Vehicles
Rights	means rights to receive Shares (or an equivalent cash payment)
Share	means a fully paid ordinary share in the Company
Share Registry	means Link Market Services Limited
Shareholder	means the registered holder of a Share from time to time
Substantial Shareholder	any Shareholder with a holding greates than 5%
STI	means short term incentive plan

autosports group