Autosports Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Autosports Group Limited
ABN:	54 614 505 261
Reporting period:	For the year ended 30 June 2018
Previous period:	For the period ended 30 June 2017

2. Results for announcement to the market

The Group's current year results are for the year ended 30 June 2018. The Company was incorporated on 29 August 2016. On 16 November 2016, the Company was listed on the Australian Securities Exchange ('ASX'). On 18 November 2016, the Company acquired 15 companies ('Pre IPO Autosports Group') and an additional business ('Willims') and commenced trading as the Group from that date. The comparative period includes the Group trading from 18 November 2016 to 30 June 2017.

				$'000
Revenues from ordinary activities	up	86.7%	to	1,692,038
Profit from ordinary activities after tax attributable to the owners of Autosports Group Limited	up	114.0%	to	26,102
Profit for the year attributable to the owners of Autosports Group Limited	up	114.0%	to	26,102

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend for the period ended 30 June 2017, declared on 29 August 2017 and paid on 31 October 2017 to shareholders registered on 17 October 2017.	4.6	4.6
Interim dividend for the year ended 30 June 2018, declared on 23 February 2018 and paid on 31 May 2018 to shareholders registered on 17 May 2018.	4.2	4.2
Final dividend for the year ended 30 June 2018, declared on 27 August 2018. The final dividend will be paid on 31 October 2018 to shareholders registered on 17 October 2018.	4.8	4.8

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to $26,102,000 (30 June 2017: $12,198,000).

The results for the year was impacted by one-off items associated with the acquisitions during the year and other items as detailed below:

	Consolidated Year ended 30 June 2018 $'000	Consolidated Period ended 30 June 2017 $'000
Statutory profit after tax attributable to the owners of Autosports Group Limited	26,102	12,198
Add: Non-controlling interest (1)	332	190
Add: Income tax expense	11,011	6,035
Profit before income tax expense	37,445	18,423
Add: IPO listing expenses (2)	-	6,155
Add: Acquisition expenses (3)	1,334	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	38,779	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 expenses incurred on acquisitions during the year. Previous period relates to the stamp duty expense on Willims acquisition
(4) Share-based payment expense relating to the employee and director gift offer.

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

Please refer to the ASX announcement accompanying this Appendix 4E for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(17.17)	(3.98)

4. Audit qualification or review

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

The financial statements have been audited and an unqualified opinion has been issued.

5. Attachments

Details of attachments (if any):

The 2018 Financial Report of Autosports Group Limited for the year ended 30 June 2018 is attached.

6. Signed

Signed ____________________________ Date: 27 August 2018

Thomas Pockett
Independent Chairman
Sydney

Autosports Group Limited

ABN 54 614 505 261

2018 Financial Report

Autosports Group Limited
Contents
30 June 2018

Directors	Thomas('Tom') Pockett - Chairman Nicholas ('Nick') Pagent Ian Pagent Robert Quant Marina Go
Company secretary	Caroline Raw
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	http://autosportsgroup.com.au/
Corporate Governance Statement	The Corporate Governance Statement which is approved at the same time as the 2018 Financial Statements can be found at investors.autosportsgroup.com.au/investors

The Directors present their report, together with the financial statements, on the consolidated entity ('Autosports Group' or 'Group') consisting of Autosports Group Limited ('Company') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The following persons were directors of Autosports Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Thomas Pockett – Chairman
Nicholas Pagent – Executive director and CEO
Ian Pagent – Executive director
Robert Quant – Non-executive director
Marina Go – Non-executive director
Malcolm Tilbrook – Non-executive director (resigned on 3 July 2017)

Principal activities

During the financial year, the Group's principal activities were focused on the retail automotive industry. The core business focuses 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.

The Group's operations comprise of:

- 33 franchised dealerships selling new and used prestige and luxury motor vehicles;
- 2 used motor vehicle outlets, focused primarily on the sale of used prestige and luxury motor vehicles; and
- 4 specialist prestige motor vehicle collision repair facilities.

Brands

The Group represents the following brands and dealerships:

AUTOSPORTS GROUP BRANDS & DEALERSHIPS

Audi	VOLVO	BMW	Volkswagen	BMW Motorrad	LAMBORGHINI	Mercedes-Benz	MINI
6	5	4	4	2	2	2	2
MASERATI	BENTLEY	ALPINA	FIAT / ALFA ROMEO	HONDA	mazda	PRESTIGE AUTO TRADERS	autosports brisbane
1	1	1	1	1	1	1	1

The number below each brand is represents the number of dealerships held by the Group.

Dividends

On 27 August 2018, the directors declared a fully franked final dividend of 4.8 cents per ordinary share (2017: 4.6 cents), to be paid on 31 October 2018 to eligible shareholders on the register as at 17 October 2018. When combined with the interim dividend of 4.2 cents per share paid in May 2018, the total dividend based on 2018 earnings is 9.0 cents per share fully franked. The financial effect of the dividends declared after the reporting date are not reflected in the 30 June 2018 financial statements and will be recognised in subsequent financial reports.

Operating and financial review

How does Autosports Group generate its income

The Group 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.

FY2018 financial performance key metrics

	Statutory	Normalised
Revenue	$1.692b	$1.754b (1)
EBITDA	$59.6m	$61.0m (2)
NPAT	$26.1m	$32.1m (3)
NPATA	$30.4m	$31.7m (4)
EPS	12.99c	15.95c

(1) Movement to normalised revenue represents Original Equipment Manufacturer ('OEM') bonuses received which are included in cost of goods sold for statutory reporting purposes.
(2) Movement to normalised earnings before interest, tax, depreciations and amortisation ('EBITDA') relates to add back of one-off acquisition expenses of $1,334,000.
(3) Normalised net profit after tax ('NPAT') attributable to owners of Autosports Group Limited excludes amortisation of intangibles of $4,300,000 and one-off acquisition expenses of $1,334,000.
(4) Movement to normalised net profit after tax excluding amortisation ('NPATA') relates to one-off acquisition expenses of $1,334,000.

The following tables demonstrate the Group's statutory financial performance normalised to include non-recurring items.

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.

	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Revenues from ordinary activities	1,692,038	906,080
Profit before tax	37,445	18,423
Profit before tax excluding non-recurring items (refer below)	38,779	29,159
Profit for the year/period attributable to the owners of Autosports Group Limited	26,102	12,198

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to $26,102,000 (2017: $12,198,000).

The profit for the year was impacted by one-off items associated with acquisition expenses as follows:

	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Statutory profit after tax attributable to the owners of Autosports Group Limited	26,102	12,198
Add: Non-controlling interest (1)	332	190
Add: Income tax expense	11,011	6,035
Profit before income tax expense	37,445	18,423
Add: IPO listing expenses	-	6,155
Add: Acquisition expenses (2)	1,334	3,828
Add: Employee gift offer of shares	-	503
Add: Director gift offer of shares	-	250
Profit before tax excluding non-recurring items	38,779	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 acquisition costs (accounting and legal) and optimisation of workforce attached to acquisition.

Operational overview

Growth
Since listing Autosports Group has pursued a clear and focused strategy evenly balanced between acquisitions, organic and greenfield growth.

In the financial year, the Group acquired BMW and MINI Southbank, BMW and MINI Kingsway, Motorrad Southbank and BMW Melbourne Body Shop. This acquisition consolidated the Group's representation with the luxury brands of BMW, BMW Motorrad, MINI and ALPINA. Furthermore, it consolidated Autosports Group's move into the Victorian market, which commenced in August 2016 with the acquisition of Volvo Cars Brighton and in April 2017 the acquisition of BMW Doncaster and BMW Bundoora.

The Group expanded its BMW footprint to New South Wales acquiring Canterbury BMW in Sydney's inner South-West in April 2018.

The financial year saw continued activity in greenfields growth for the Group. In September 2017 the Group expanded its Volvo representation with the opening of Volvo Rushcutters Bay in Sydney's Eastern Suburbs. Gold Coast Bentley and Maserati is nearing the end of its showroom development and is scheduled to open in October 2018 in Southport. The Group also received approval for a greenfields MINI franchise at Canterbury. Canterbury MINI Garage is scheduled to open in November 2018.

The above activity has further diversified our brand presence across the luxury and prestige segments.

A number of facilities were upgraded during the financial year including Audi at Five Dock and Indooroopilly and Volvo Parramatta. A second service facility opened in Leichhardt for Volvo and Fiat customers and allowing for increased service capacity at the original Leichhardt facility for Volkswagen service. The Lamborghini service department relocated to a larger location in Five Dock to accommodate the service demand the Group expects to see for the popular Huracan and Urus models. In Queensland, Mercedes Benz Toowong upgraded its AMG facilities and Mercedes Benz Macgregor refurbished its showroom to cater for its new range of commercial vans.

During the financial year the Group purchased the property where the Mercedes Benz Macgregor Dealership is located. It also entered into an agreement to purchase the adjoining property (scheduled to settle in November 2018).

The Group performed well in the luxury and prestige segments despite an overall lagging new vehicle market.

Market conditions
Market conditions during the financial year were challenging seeing only modest growth in the total new vehicle sales market across the Eastern Seaboard where the Group operates and a decline in some States. Victoria saw the most growth at 3.4% against the prior year followed by Queensland with 2.7%. In New South Wales new vehicle sales fell 2.7% compared to 2017. The bulk of Autosports Group's acquisition led growth was in Victoria with BMW and MINI.

The most dominant market theme in new vehicles has been the substantial fall in some of the main volume brands. New vehicle sales for Holden and Ford fell 22.6% and 10.5%, respectively against the prior year.

SUV models continue an upward trend increasing by 25,000 units (10.7%) in the 6 months to 30 June 2018 after ending the calendar year to 31 December 2017 up 24,658 units (5.6%). SUV models' share of the total new vehicle market has increased to 43.1% from 38.9%. Autosports Group is well placed to take advantage of this growing market with the brands that the Group represents having increased their share of the SUV market from 27.3% to 29% over the 6 months to 30 June.

Operational excellence
Autosports Group strives to consistently deliver excellence. In 2018, the Group achieved:
- Audi Indooroopilly 1st place Audi Metro Dealer of the Year;
- Audi Centre Sutherland 1st place Major Metro Dealer of the Year;
- Volvo Cars Sydney 1st place Major Metro Dealer of the Year;
- Doncaster BMW 1st place Major Metro Dealer of the Year;
- MINI Garage Doncaster MINI Excellence Award (Group 2); and
- Volvo Cars Parramatta 2nd Place Major Metro Dealer of the Year.

Integration and centralisation of activities
Autosports Group has acquired numerous businesses since listing. A vital element of acquisitive growth is the ability to integrate these businesses into the broader Autosports Group network.

The Group's strategy is to develop lean and centralised head-office support at one location backed by a corporate branch in each State. This was achieved with the development of a new national head-office at Leichhardt which accommodates the Group's management team, finance, marketing, human resources and legal functions. The Group also centralised its marketing, accounting and administration teams in Victoria and Queensland.

These internal restructures have resulted in efficient use of resources and cost reductions of approximately $1.5m. In FY2019 the Group will focus on further cost saving and integration initiatives across finance and payroll.

People and diversity
Autosports Group proudly employs 1,336 people from Capalaba in Queensland to Bundoora in Victoria. During the financial year the Group appointed a new national role, 'Manager – People, Culture and Strategy'. This year the Group conducted a Gender Diversity Survey finding that most employees felt that there was equal opportunity for both men and women at Autosports Group. More than 50% of those surveyed felt that having a more gender balanced workplace was personally important to them.

After collecting the data from the Gender Diversity Survey, five think tanks were conducted across Queensland, New South Wales and Victoria. The think tanks brought together a diverse group of employees to discuss gender diversity hurdles, how the Group compares to its competitors and other industries and what the Group can do to improve gender balance.

According to the Workplace Agenda Equality Agency ('WGEA') Report prepared for the financial year, Autosports Group's gender composition was 18.6% females and 81.4% males. 58.3% of employees awarded promotions were women and 41.7% were men. Of this, 53.3% of all manager promotions were awarded to women and 66.7% of all non-manager promotions were awarded to women. This report covers 1,245 employees in the Car Retailing industry (ANZSIC Code 3911) out of a total of 1,336 employees. The full WGEA Report is available on the group's website at http://investors.autosportsgroup.com.au/investors/?page=corporate- governance. The executive team will continue its focus on gender diversity in FY2019.

Marketing and technology
Over the past couple of years, the Group has invested significantly in the development and rollout of the Salesforce Customer Relationship Management ('CRM') platform and in improving its digital footprint. This investment has enabled the Group to better manage customer data and has empowered the marketing team to deliver insights back to the business which are driving positive business outcomes. In November 2017 the Group invested in building an in-house digital marketing function which now consists of three digital specialists that are providing strategy and support for the Group. The Group will continue to invest in strengthening its digital platforms and using these to deliver increased vehicle and service sales and positive customer experiences.

Giving program
Community giving is at the core of Autosports Group's values. Autosports Group is pleased to have formally introduced a three-tiered Giving Program. The Group's support of the Audi, Mazda and Honda Foundations, have helped leading charities such as The Smith Family and R U OK Day. The Group's dealerships have supported many deserving charities during the financial year, some of which include: Australian Mitochondrial Disease Foundation; Royal Women's Hospital; MS Society; St Vincent's Hospital Curran Foundation; Food 4 Thought; The Ireland Funds Australia; Kids with Cancer Foundation; Mater Foundation; Hotels with Hearts and a number of Australian schools and sporting teams.

Likely developments and expected results of operations in future years
Organic growth will comprise:
- expansion of the Group's wholesale used vehicle business, Prestige Auto Traders, into the Victorian market;
- growth of back-end services (e.g. servicing and sale of motor vehicle spare parts);
- driving aftersales demand through consolidating parts warehousing and distribution logistics;
- capacity expansion at existing dealerships to meet demand; and
- establishment of new greenfield dealerships when the mix of brand, location and demand is right.

Acquisition growth will focus on:
- opportunities both in the Group's existing brands and in prestige and luxury brands where it does not currently have a presence; and
- collision and repair acquisitions to expand the Group's OEM approved repairer facilities to include more brands within its portfolio.

Other focus areas include:
- launch Bentley and Maserati on the Gold Coast;
- launch MINI Canterbury greenfield;
- deliver improvements in synergies and logistics across all businesses;
- continue focus on high-quality and well-priced acquisition targets on the East Coast in luxury and prestige brands;
- explore organic growth opportunities in used cars by utilising Autosports Group's used car hub model and taking advantage of the Group's growth in supply of vehicle trade-ins and business to business opportunities;
- continue to improve the performance of greenfield sites to increase margins and bring these greenfield businesses through to maturity;
- progress gender diversity initiatives;
- review work health and safety practices and procedures; and
- review and monitor environmental impact.

Risk and governance
During the financial year, the Group formalised and adopted its Risk Management and Compliance Framework. Autosports Group recognises that risk management is an essential element in the framework of good corporate governance.

The Group identified its key risk areas as:

OEM risk – The Group's supportive and collaborative approach to its relationships with OEMs has cultivated the Group's excellent reputation amongst OEMs.

Work, Health and Safety ('WHS') – The Group has a zero-risk tolerance for death and total and permanent disablement of its staff and customers. During the financial year the Group introduced Safety Navigator to centralise the dissemination of safety information and reporting across all dealerships and business units in each State. Autosports Group will continue its focus on WHS in the 2019 financial year.

Reliance on key personnel – During the financial year the Group implemented a succession plan and training initiatives to progress selected employees across the business.

Credit risk – The Group will continue to ensure it adheres to the terms of financier floorplan terms, meets the requirements of financier floorplan audits as well monitor interest rate fluctuations.

Regulatory compliance – The Group is prepared for the introduction of flex commission reforms and does not expect the changed model to have a significant impact on revenue streams for point of sale finance products. The Group has implemented procedures under the Takata airbag recall and works closely with its OEMs in this regard.

Changes to market trends – The Group continues to monitor market trends to prepare itself for changes to consumer preferences and new technologies.

Environmental regulation
The Group is committed to continually improving its operations to deliver better environmental outcomes. The Group is subject to environmental regulation and this year has implemented 15 minimum environmental standards at its dealerships and service and panel shops. These standards range from changes to LED lighting, use of recycling facilities and recyclable materials, use of water restriction fittings; monitoring air conditioner use and using low emission fuels. The Group will further review its environmental practices in FY2019.

Significant change in the state of affairs
The key changes to the business during the year included the Melbourne BMW and Canterbury BMW acquisitions discussed above and the Group's entry into the automotive property market with the purchase of a property in Macgregor, Queensland, for the purpose of automotive retailing. Refer to note 29 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 year.

Matters subsequent to the end of the financial year
Apart from the dividend declared as disclosed above, no other matter or circumstance has arisen since 30 June 2018 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.

Regulatory change
The Australian Securities and Investments Commission ('ASIC') reforms relating to flex commissions take effect in November 2018. These reforms impose restrictions on the interest rates offered to consumers on the purchase of a motor vehicle. Under the new model, lenders are required to set the interest rate which can be discounted up to 2.0 basis points by the dealer. The Group has been in discussions with its lenders and is prepared to operate under the new model. No material change to income is expected as a result of these reforms.

The Australian Competition and Consumer Commission ('ACCC') published its report on the new car retailing industry in December 2017. The key observations arising from the study related to the way consumers enforce their rights under the Australian Consumer Law, access to information and data for vehicle repair and service and the accuracy of fuel consumption and emissions performance. The ACCC has recommended that a mandatory scheme should be introduced in Australia for car manufacturers to share technical service and repair information. Autosports Group will monitor developments in this space.

New South Wales introduced the Modern Slavery Act 2018 (NSW) requiring companies with revenue exceeding $50 million to publish a modern slavery statement on the occurrence of modern slavery in their supply chain. Similar Commonwealth legislation is also under review.

In 2018 the ACCC issued a Takata airbag inflator recall notice. The recall requires all defective airbags to be replaced by 31 December 2020. The dealerships have been working closely with OEMs to carry out airbag replacements. The Group has introduced procedures across its portfolio in relation to the recall.

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 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.
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):	None
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 22 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:	38,951,855 ordinary shares held indirectly (103,389,396 ordinary shares when combined with Ian Pagent's holding for the purpose of substantial holder declarations)
Interests in options:	None
Interests in rights:	375,000 LTI performance rights convertible into 375,000 ordinary shares 43,035 STI performance rights convertible into 43,035 to ordinary shares

Ian Pagent
Title: Executive Director (appointed on 29 August 2016)

Experience and expertise:	Ian has over 49 years' experience in the motor vehicle industry across Australia, Asia and the United States. Between 1988 and 2002, Ian was co-owner and Managing 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:	Non-executive director – Friends of Mater Foundation
Former directorships (last 3 years):	None
Special responsibilities:	Executive Director
Relevant interests in shares:	64,437,541 ordinary shares held indirectly (103,389,396 ordinary shares when combined with Nick Pagent's holding for the purpose of substantial holder declarations)
Interests in options:	None
Interests in rights:	150,000 LTI performance rights convertible into 375,000 ordinary shares 17,388 STI performance rights convertible into 17,388 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 has over 35 years' experience in professional accounting in advisory and leadership roles having developed sector expertise in retail automotive and professional services. His most recent executive roles include Global Leader - Asia Pacific for Grant Thornton International Limited and CEO of Grant Thornton Australia Limited. As well as sitting on and chairing a number of private boards, he advises in the areas of strategy development and organisational change.
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 is currently the Chair of the Wests Tigers NRL Club (appointed September 2014), Non-Executive Director of Energy Australia (appointed April 2017), Non-executive director of 7-Eleven Stores Pty Ltd (appointed February 2018), Non-executive director of Pro-Pac Packaging Limited (appointed August 2018), 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. 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 University of New South Wales ('UNSW') Alumni Leader and Ambassador.
Other current directorships:	None, other than those listed above.
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.

Other key management and company secretary

Aaron Murray
Title: Chief Financial Officer

Experience and expertise:	Aaron has over 21 years' experience in accounting and the motor vehicle industry. Aaron has held the role of Autosports Group Chief Financial Officer since 2009, after joining the business in 2007. Prior to joining Autosports Group, Aaron held accounting and finance roles with Trivett Classic, McMillan Volkswagen and Audi Centre Parramatta.
Relevant interests in shares:	1,650,508 ordinary shares held indirectly
Interests in options:	None

Caroline Raw

Title: Company Secretary and General Counsel (appointed 23 February 2018)

Qualifications: Fellow of the Institute of Chartered Secretaries and Administrators, Bachelor of Laws and Bachelor of Commerce from Western Sydney University, Graduate Diploma of Applied Corporate Governance from Governance Institute

Experience and expertise: Caroline has over 13 years' experience as a corporate lawyer advising listed companies and funds on initial public offerings ('IPOs'), capital raising, funds management and mergers and acquisitions. Prior to joining Autosports Group, Caroline held a senior role at a national law firm in the equity capital markets and merger and acquisitions practice group. Caroline sat on the Capital Markets Committee of the Property Council of Australia and has previously acted as group company secretary and legal counsel for an ASX-listed property funds management company and an Australian real estate investment trust ('A-REIT').

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2018, 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
Thomas Pockett	10	10	6	6	7	7
Nick Pagent	10	10	-	-	-	-
Ian Pagent	10	10	-	-	-	-
Robert Quant	10	10	6	6	7	7
Marina Go	10	10	6	6	7	7
Malcolm Tilbrook (1)	-	-	-	-	-	-

(1) Malcolm Tilbrook resigned on 3 July 2017.

Governance

The Board has adopted a framework of corporate governance, reflected through Autosports Group's policies and practices. The Group's 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 766,340 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 ordinary shares of Autosports Group Limited issued on the exercise of options during the year ended 30 June 2018 and up to the date of this report.

Shares issued on the exercise of performance rights

In August 2018 the Board approved the issue of 10,417 ordinary shares in Autosports Group Limited in relation to the vesting of employee performance rights. These shares will be issued in September 2018. There were no other ordinary shares issued during or since the end of the financial year.

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 year, 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.

Remuneration report (audited)

Overview

This remuneration report, which is an integral part of the directors' report, sets out information about the remuneration of Autosports Group Limited key management personnel ('KMP') for the year ended 30 June 2018. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

This remuneration report has been audited in accordance with the Corporations Act 2001.

Autosports Group Limited's Board of Directors (the 'Board') has 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 three 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 a pay for performance model whereby remuneration outcomes are linked to Company performance and the long-term interests of shareholders.

It is important to note that whilst this year's remuneration report represents remuneration activity over a full 12-month period, last year's remuneration report represented remuneration activity from the date of the Company's incorporation on 29 August 2016. 7 ½.

Contents

The remuneration report is split into the following sections:

1. Remuneration essentials

What does this report cover?

The directors of Autosports Group Limited ('ASG') are pleased to introduce to shareholders the Company's remuneration report for the performance period 1 July 2017 to 30 June 2018 (financial year).

Who does this report cover?

This report sets out the remuneration arrangements for the Company's KMP. Throughout the remuneration report, KMP are referred to as either senior executives or non-executive directors.

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

Non-executive directors

Name	Position
Tom Pockett	Chair and independent non-executive director
Marina Go	Independent non-executive director
Robert Quant	Independent non-executive director
Malcolm Tilbrook (1)	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.

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 the Company and its shareholders.

The People and Remuneration Committee was established at the time of Listing in November 2016 to assist the Board with these responsibilities. The role of the People and Remuneration Committee is to review key aspects of the Group's remuneration structure and arrangements and make recommendations to the Board. In particular, the People and Remuneration 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.

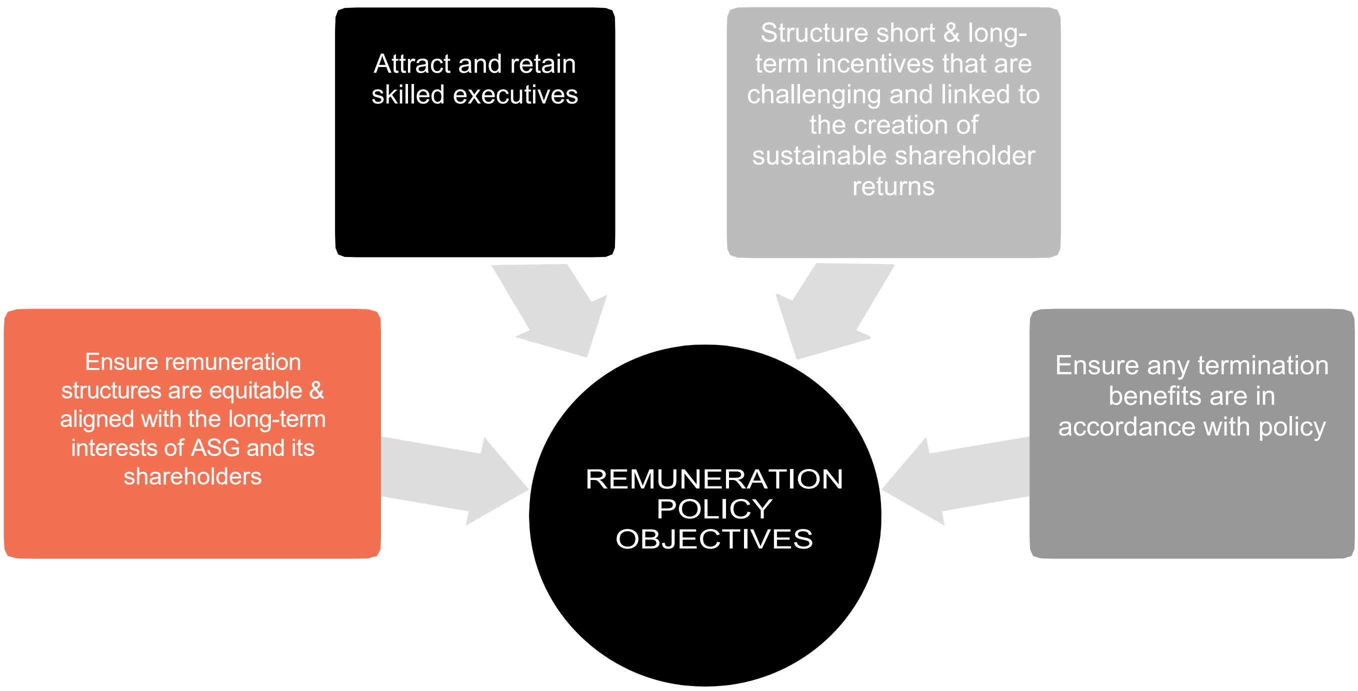
Use of remuneration consultants and other advisors

Prior to Listing on 16 November 2016 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. The Board agreed to maintain this structure for the first two years from Listing to assess the performance of the executive team on a year on year basis.

Remuneration policy and guiding principles

Executive remuneration
The Company's remuneration framework is designed to be competitive and to focus senior executives on executing the Group's strategy and achieving its 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 the Group's aims to ensure that it can attract and retain qualified and experienced directors having regard to:

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

Remuneration mix and components

The Group'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.

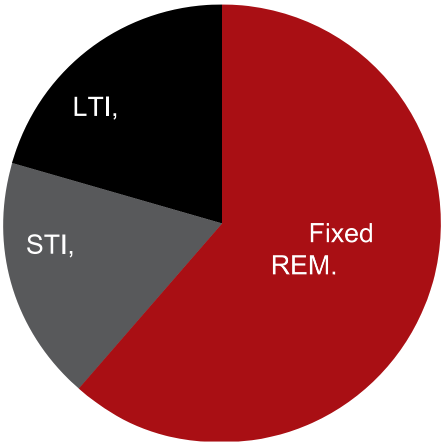
Executive remuneration framework

Fixed remuneration - Cash	Short-term incentive (at risk) - Equity	Long-term incentive (at risk) - Equity
• Base salary plus superannuation and other benefits	• STI is subject to performance hurdles (including NPAT) and other benefits	• Granted in performance rights
• Base salary was formally benchmarked at the time of Listing	• The 2018 STI award was also subject to a culture and values gateway hurdle	• Vesting subject to an EPS performance condition
• Influenced by individual performance	• Performance generally measured over 12 months	• Performance generally measured over 3 years
• Reviewed annually	• Granted in performance rights which will vest following a 12-month deferral period subject to the executive's continuous service	

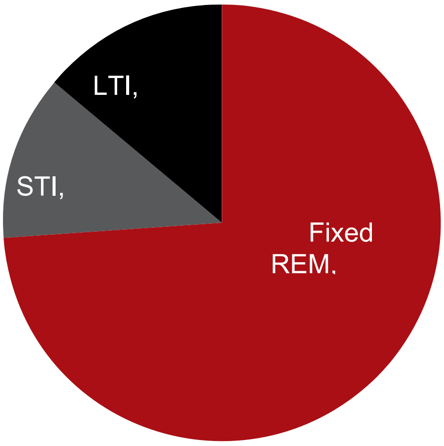
Market competitive base reward encourages sustainable performance in the medium to longer term and provides a retention element

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

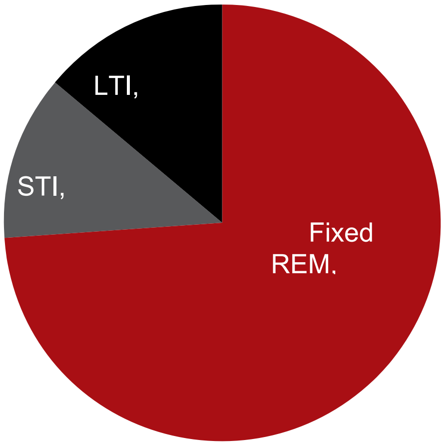
Remuneration mix at target for Nick Pagent for the financial year



Remuneration mix at target for Ian Pagent for the financial year

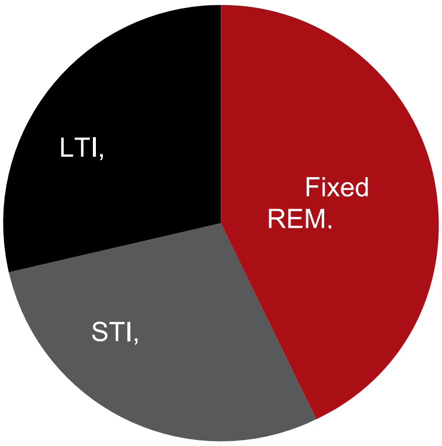


Remuneration mix at target for Aaron Murray for the financial year

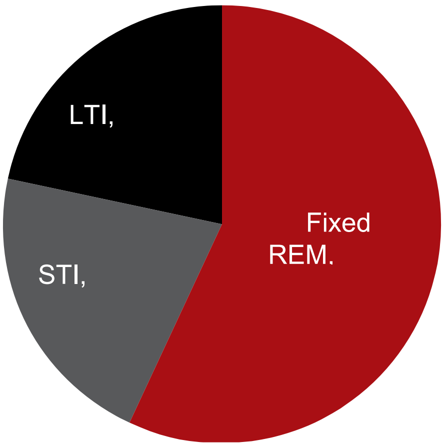


The tables below illustrate the remuneration mix for the senior executives at maximum performance.

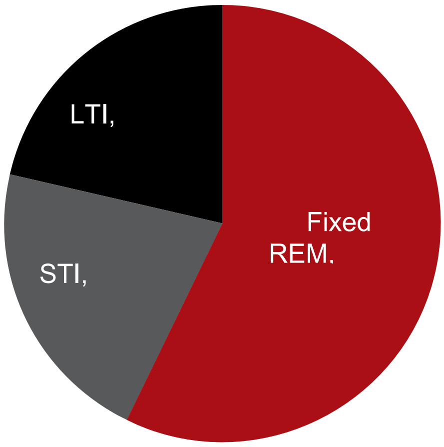
Remuneration mix at maximum performance for Nick Pagent for the financial year



Remuneration mix at maximum performance for Ian Pagent for the financial year



Remuneration mix at maximum performance for Aaron Murray for the financial year



Company performance

The Group had a solid year and achieved results in line with market expectations. The Group continued to grow organically, as well as through strategic acquisitions and the opening of an additional greenfield dealership. The Group's remuneration structure was established to drive these outcomes and, as a result, a total of 72% (2017: 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 since Listing.

	Share performance			Earnings performance			Liquidity	
	Closing share price ($)	Dividend per share (cents)	Basis EPS (cents)	EBIT $M	NPAT $M	ROE %	Cash flow from operations $M	Interest coverage (EBITDA)
2018 [1] 1 Jul 2017 - 30 Jun 2018	1.70	9.0	12.99	50.7	26.4	5.3	46.1	4.51
2017 16 Nov 17 - 30 Jun 17	2.09	4.6	6.07	23.8	12.4	2.5	24.2	5.25

(1) 2018 is a full year from 1 July 2017 to 30 June 2018 whereas 2017 is the period from Listing 16 November 2016 to 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 and other benefits associated with the provision and use of motor vehicles.

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 Autosports Group.

Short-term incentive

Overview of the STI plan	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.
Participation	Executive directors and other members of senior management are eligible to participate in the STI plan.
Performance period	1 July 2017 to 30 June 2018.
STI opportunity	The STI opportunities of the senior executives are set out below: Level of performance At target / At maximum Nick Pagent: 33% of base salary / 75% of base salary Ian Pagent: 20% of base salary / 45% of base salary Aaron Murray: 20% of base salary / 45% of base salary Each senior executive's STI opportunity is assessed against individually weighted financial and non-financial performance hurdles. In the FY2018 performance period, if performance is assessed as below target, no STI is awarded. If performance is assessed to be between target and maximum, a straight line pro- rata STI award is awarded.

	For the FY2019 performance period, the Board has determined that performance will be assessed from 95% of target whereby if performance determined to be between 95% and 100% of target, senior executives will be rewarded with 30% of the relevant individually weighted STI opportunity. As with FY2018, if performance is assessed to be between target and maximum, a straight line pro-rata STI award is awarded. Also, for the FY2019 performance period, the Board has determined that all performance matrices will exclude new or unbudgeted acquisitions.
Performance conditions	Performance conditions for the initial grant include: • a “gateway hurdle” of upholding the Company’s culture and values. If the gateway hurdle is not met, no STI is awarded; and • in addition, each senior executive has an individualised balanced scorecard that determines their STI awards. These scorecards incorporate individually weighted financial and non-financial performance hurdles determined by the Board annually. The financial hurdles primarily focus on the financial objectives of the Group and include targets measured against Revenue, EBITDA, NPBT and NPAT. The non-financial performance hurdles are aligned to each senior executive’s role and include growth, stakeholder relationships, 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.
Measurement of performance conditions	Following the end of each financial year, 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 2018 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 circumstance, 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 year

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

Senior executives	Year	Minimum potential STI bonus	Maximum potential STI bonus ($) (1)	STI award ($) (2)	Target STI award granted %	Maximum STI award granted %	Maximum STI award forfeited %
Nick Pagent	2018	-	450,000	129,115	40%	29%	71%
	2017	-	276,174	103,285	85%	37%	63%
Ian Pagent	2018	-	180,000	75,806	70%	42%	58%
	2017	-	110,465	41,732	85%	38%	62%
Aaron Murray	2018	-	168,750	48,568	40%	29%	71%
	2017	-	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 2018 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 2019, subject to continued service. As at 30 June 2018, the STI award has been calculated in accordance with AASB 2 'Share-based Payments'.

Long-term incentive

Set out below is an explanation of the terms and conditions applying to the LTI awards for senior executives during the performance period.

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 will be determined by dividing the LTI award opportunity (calculated as a percentage of the Senior Executive's base salary) 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 the Group'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 the executive's performance rights vest, the following treatment will apply, unless the Board determines otherwise: • if the executive resigns or is summarily terminated, all their performance rights will lapse; or • if the executive ceases 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 the Company 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. 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 reported 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. The Board agreed to retain the remuneration structure recommended by Egan Associates and no other advice was provided in relation to executive remuneration during the Performance Period. The Board has agreed to review the arrangements with an independent consultant in FY2019.

3. Non-executive director remuneration

Principles of non-executive director remuneration

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

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

Non-executive director remuneration in the financial year

Board fees

The current non-executive director fee pool has been set at $800,000 per annum. The non-executive directors' fees are $200,000 for the Chair and $100,000 for other non-executive directors (including superannuation) per annum.

Directors may be remunerated for reasonable travel and other expenses incurred in attending to the Group'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. The Group 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 annum for each Board Committee of which they are a Chair. Directors do not receive additional fees for being a member of a Board Committee.

Non-executive director remuneration in FY2019

In FY2019, the Board has agreed to review the base fees and terms of engagement for non-executive directors.

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 year.

		Short-term employee benefits		Post-employment benefits	Share-based payments		
	Year [1]	Cash salary and fees $	Non-monetary [2] $	Super-annuation $	Rights [3] $	Shares [4] $	Total $
Nick Pagent	2018	599,999	59,950	21,613	300,380	-	981,942
	2017	367,885	28,963	32,756	154,368	-	583,972
Ian Pagent	2018	392,307	60,980	20,049	144,312	-	617,648
	2017	246,538	36,221	21,959	62,164	-	366,882
Aaron Murray	2018	375,000	60,760	20,049	112,792	-	568,601
	2017	230,173	36,984	20,496	49,073	-	336,726
Tom Pockett	2018	182,648	-	17,351	-	-	199,999
	2017	105,374	-	10,010	-	100,000	215,384
Marina Go	2018	109,508	-	10,403	-	-	119,911
	2017	52,853	-	5,021	-	50,000	107,874
Robert Quant	2018	109,508	-	10,211	-	-	119,719
	2017	64,981	-	5,007	-	50,000	119,988
Malcolm Tilbrook [5]	2018	-	-	-	-	-	-
	2017	64,960	-	5,005	-	50,000	119,965

(1) 2018 is a full year from 1 July 2017 to 30 June 2018 whereas 2017 is the period from incorporation 29 August 2016 to 30 June 2017.

(2) 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.

(3) The value of rights granted to the senior executives is based on the fair value estimate on grant date.

(4) 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. The shares are not subject to any vesting conditions in order to preserve the directors' impartiality.

(5) Malcom Tilbrook resigned on 3 July 2017.

There were no termination benefits provided in the financial year.

Movements in performance rights held by senior executives

STI performance rights for the 2017 award were granted on 20 November 2017. Under this award, 43,035 performance rights were granted to Nick Pagent, 17,388 performance rights were granted to Ian Pagent and 12,465 performance rights were granted to Aaron Murray.

The LTI performance rights for the 2018 award were granted on 20 November 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.

The following table shows the changes in performance rights granted to senior executives during the financial year. The non-executive directors do not hold performance rights. The rights referred to in the table below include performance rights under the STI and LTI plans.

	Rights held at 1 July 2017	Rights granted during reporting period	Rights exercised during reporting period	Rights resulting from other change	Rights held at 30 June 2018
Nick Pagent					
STI	-	43,035	-	-	43,035
LTI	187,500	187,500	-	-	375,000
Total	187,500	230,535	-	-	418,035
Ian Pagent					
STI	-	17,388	-	-	17,388
LTI	75,000	75,000	-	-	150,000
Total	75.000	92,388	-	-	167,388
Aaron Murray					
STI	-	12,465	-	-	12,465
LTI	70,312	70,312	-	-	140,624
Total	70,312	82,777	-	-	153,089

There were no rights vested and or exercisable as at 30 June 2018.

KMP shareholdings

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

	Held at 1 July 2017	Received as part of remuneration	Additions	Other net Changes [1]	Held at 30 June 2018
Non-executive directors					
Tom Pockett	166,667	-	-	-	166,667
Marina Go	20,833	-	-	-	20,833
Robert Quant	62,499	-	-	-	62,499
Malcolm Tilbrook	41,666	-	-	-	41,666
Senior executives					
Nick Pagent	38,749,199	-	-	202,656	38,951,855
Ian Pagent	64,395,541	-	-	42,000	64,437,541
Aaron Murray	1,650,508	-	-	-	1,650,508

(1) On market purchase of shares

5. Transactions with KMP

Management fees

During the financial year the Group received property management fees on a salary allocation basis for administration and management of properties owned by Ian & Nick Pagent. The Group received management fees in relation to shared service technicians and 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	Management fees received $
GFB Properties Pty Ltd	Property management service	11,124
Autohaus Prestige Five Dock Pty Ltd	Property management service	24,288
Audi Parramatta Property Holdings Pty Ltd	Property management service	11,124
Audi Parramatta Properties 2 Pty Ltd	Property management service	11,124
Autosports Properties Leichhardt Pty Ltd	Property management service	23,268
New Centenary Properties Pty Ltd	Property management service	11,124
Five Dock DJC Pty Ltd	Service technicians, parts interpreters & administration services	90,000
Total		182,052

Related party leases

During the financial year the Group had operating lease agreements on commercial terms with various entities owned by Ian & Nicholas Pagent.

Related party operating leases	Property location	Rental fees paid $
GFB Properties Pty Ltd	3-7 Parramatta Rd, Five Dock NSW	834,210
Autohaus Prestige Five Dock Pty Ltd	34-36 Spencer St, Five Dock NSW & Unit C 2 Packard Ave, Castle Hill	279,360
Audi Parramatta Property Holdings Pty Ltd	49-51 Church St, Parramatta NSW	653,928
Audi Parramatta Properties 2 Pty Ltd	13 Church St, Parramatta NSW	488,639
Autosports Properties Leichhardt Pty Ltd	531-571 Parramatta Rd, Leichhardt NSW	952,946
New Centenary Properties Pty Ltd (1)	135 Moggill Rd, Toowong QLD[1]	2,291,030
Total		5,500,114

(1) During the financial year an entity owned by Ian Pagent and Nick Pagent acquired the freehold title of Toowong Mercedes-Benz & Toowong Mazda premises. The terms of the existing lease have been assumed.

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 2018, there was an amount outstanding of $505,319 which is recognised in the financial statements as a current liability. There is no interest payable on the loan.

End of remuneration report

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, 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 year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, 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 25 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.

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 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

27 August 2018

Nick Pagent
Chief Executive Officer

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Phone +61 2 9322 7000
www.deloitte.com.au

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

27 August 2018

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 year ended 30 June 2018, 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.

Member of Deloitte Touche Tohmatsu Limited

Autosports Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated Year ended 30 June 2018 $'000	Consolidated Period ended 30 June 2017 $'000
Revenue	5	1,692,038	906,080
Expenses			
Changes in inventories		46,639	8,171
Raw materials and consumables purchased		(1,472,690)	(771,635)
Employee benefits expense		(121,435)	(62,852)
Depreciation and amortisation expense	6	(8,951)	(4,613)
Occupancy costs		(29,467)	(14,304)
Acquisition expenses		(1,334)	(3,828)
Initial public offering ('IPO') listing expenses		-	(6,155)
Other expenses		(54,130)	(27,021)
Finance costs	6	(13,225)	(5,420)
Profit before income tax expense		37,445	18,423
Income tax expense	7	(11,011)	(6,035)
Profit after income tax expense for the year/period		26,434	12,388
Other comprehensive income for the year/period, net of tax		-	-
Total comprehensive income for the year/period		26,434	12,388
Profit for the year/period is attributable to:			
Non-controlling interest	20	332	190
Owners of Autosports Group Limited		26,102	12,198
		26,434	12,388
Total comprehensive income for the year/period is attributable to:			
Non-controlling interest	20	332	190
Owners of Autosports Group Limited		26,102	12,198
		26,434	12,388
		Cents	**Cents**
Basic earnings per share	32	12.99	6.07
Diluted earnings per share	32	12.95	6.06

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

Autosports Group Limited
Consolidated statement of financial position
As at 30 June 2018

autosports group

	Note	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Assets			
Current assets			
Cash and cash equivalents		14,302	14,903
Trade and other receivables	8	104,166	70,366
Inventories	9	352,658	256,213
Other assets	10	4,940	5,519
Total current assets		476,066	347,001
Non-current assets			
Property, plant and equipment	11	59,895	36,240
Intangibles	12	535,203	499,678
Deferred tax	7	7,268	3,897
Total non-current assets		602,366	539,815
Total assets		1,078,432	886,816
Liabilities			
Current liabilities			
Trade and other payables	13	75,439	65,361
Income tax payable	7	5,721	4,980
Employee benefits	14	11,012	7,530
Deferred revenue		4,547	3,724
Borrowings	15	414,013	287,477
Total current liabilities		510,732	369,072
Non-current liabilities			
Borrowings	16	65,530	23,536
Employee benefits	17	1,488	2,534
Total non-current liabilities		67,018	26,070
Total liabilities		577,750	395,142
Net assets		500,682	491,674
Equity			
Issued capital	18	475,637	475,637
Share-based payments reserve	19	894	392
Retained profits		20,612	12,198
Equity attributable to the owners of Autosports Group Limited		497,143	488,227
Non-controlling interest	20	3,539	3,447
Total equity		500,682	491,674

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

Autosports Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2018

autosports group

Consolidated	Issued capital $'000	Share-based payments Reserves $'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 18)	475,637	-	-	-	475,637
Share-based payments (notes 6 and 34)	-	392	-	-	392
Non-controlling interest arising on business combinations	-	-	-	3,257	3,257
Balance at 30 June 2017	475,637	392	12,198	3,447	491,674

Consolidated	Issued capital $'000	Share-based payments reserve $'000	Retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2017	475,637	392	12,198	3,447	491,674
Profit after income tax expense for the year	-	-	26,102	332	26,434
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	26,102	332	26,434
Transactions with owners in their capacity as owners:					
Share-based payments (notes 6 and 34)	-	502	-	-	502
Dividends paid to non-controlling interest	-	-	-	(240)	(240)
Dividends paid (note 21)	-	-	(17,688)	-	(17,688)
Balance at 30 June 2018	475,637	894	20,612	3,539	500,682

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

Autosports Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2018

autosports group®

	Note	Consolidated Year ended 30 June 2018 $'000	Consolidated Period ended 30 June 2017 $'000
Cash flows from operating activities			
Profit before income tax expense for the year/period		37,445	18,423
Adjustments for:			
Depreciation and amortisation	6	8,951	4,613
Net loss on disposal of property, plant and equipment		58	-
Share-based payments	6	502	1,145
Interest received		(58)	(46)
Interest and other finance costs	6	13,225	5,420
		60,123	29,555
Change in operating assets and liabilities:			
Increase in trade and other receivables		(33,800)	(36,262)
Increase in inventories		(46,639)	(8,171)
Decrease/(increase) in other operating assets		(159)	670
Increase in trade and other payables		9,452	25,613
Increase in employee benefits		556	421
Increase/(decrease) in deferred revenue		823	(1,510)
Increase in bailment finance		82,957	23,820
Increase/(decrease) in other operating liabilities		(392)	2,225
		72,921	36,361
Interest received		58	46
Interest and other finance costs paid		(13,225)	(5,420)
Income taxes paid		(13,636)	(6,760)
Net cash from operating activities		46,118	24,227
Cash flows from investing activities			
Net payment for the acquisition of businesses	29	(41,920)	(136,759)
Payments for property, plant and equipment		(20,524)	(10,577)
Payments for security deposits		-	(1,416)
Proceeds from release of security deposits		920	-
Net cash used in investing activities		(61,524)	(148,752)
Cash flows from financing activities			
Proceeds from issue of shares	18	-	159,380
Share issue transaction costs	18	-	(9,662)
Proceeds from borrowings	33	41,290	21,457
Repayment of borrowings	33	(8,797)	(5,973)
Dividends paid	21	(17,688)	-
Dividends paid to pre-IPO Autosports Group shareholders	21	-	(25,774)
Net cash from financing activities		14,805	139,428
Net (decrease)/increase in cash and cash equivalents		(601)	14,903
Cash and cash equivalents at the beginning of the financial year/period		14,903	-
Cash and cash equivalents at the end of the financial year/period		14,302	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 year (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 financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2018. 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. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 year.

Accounting period

The financial statements cover the financial year from 1 July 2017 to 30 June 2018. The comparatives are presented from 29 August 2016, the date of incorporation of the Company, 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 $34,666,000 as at 30 June 2018 (2017: $22,071,000).

The directors have reviewed the cash flow forecast for the Group through to 31 August 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:

- An amount of $4,547,000 (2017: $3,724,000) is included in current liabilities which relate to deferred revenue and no cash outflow is expected in relation to this amount;
- The Group generated $46,118,000 (2017: $24,227,000) of cash flow from operating activities;
- During the year the Group used $18,800,000 of available cash to fund business acquisitions and $3,000,000 in capital improvements;
- As at 30 June 2018, the Group has undrawn finance facilities amounting to $32,737,000 (2017: $36,509,000); and
- The Group has cash and cash equivalents amounting to $14,302,000 as at 30 June 2018 (2017: $14,903,000).

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.

Note 2. Significant accounting policies (continued)

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.

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 35.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Autosports Group Limited as at 30 June 2018 and the results of all subsidiaries for the year 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 delivered to the customer 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

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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

Property, 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 (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	3 - 20 years
Furniture, fixtures and fittings	3 - 20 years
Motor vehicles	4 - 8 years
Leasehold improvements	Shorter of unexpired period of the lease or the estimated useful life

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.

Note 2. Significant accounting policies (continued)

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.

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 year 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.

Note 2. Significant accounting policies (continued)

Vehicles secured under bailment plans are provided to the Group under bailment agreements with floor plan 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 floor plan liability owing to the finance providers. Floor plan 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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.

Note 2. Significant accounting policies (continued)

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.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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 year 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.

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.

Note 2. Significant accounting policies (continued)

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 year, adjusted for bonus elements in ordinary shares issued during the financial year.

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.

Comparatives

Comparatives in the notes to the financial statements have been realigned to the current period presentation. There has been no effect on the profit for the year.

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 2018. 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:

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. 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 recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 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. The Group currently does not anticipate any material provisioning for expected credit losses related to its receivables having regard to historical changes in credit risk since initial recognition to reporting date. 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, with the Group adopting this standard from 1 July 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.

Management’s assessment of the new standard are as follows:
Warranties: Used car warranty provided to customers is a performance obligation to repair or replace the product if necessary during the warranty period. As per AASB 15 the Group is required to allocate a portion of the total transaction price to the performance obligation. The impact of AASB 15 will result in deferral of revenue associated with the sale of warranties, which will need to be recognised over the life of the warranty.

The Group performed an assessment of the impact of the new standard and based on the results the standard will not have a material impact on the financial statements. The Group will adopt the standard from 1 July 2018 and the comparatives will not be restated.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. 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.

The Group expects to adopt this standard from 1 July 2019 and the impact of its adoption will be that operating leases, such as those detailed in note 27, will be brought onto the statement of financial position with a corresponding liability. The actual amount will depend on the operating leases held on the date of adoption and any transitional elections made.

Note 2. Significant accounting policies (continued)

IASB revised Conceptual Framework for Financial Reporting
The revised Conceptual Framework has been issued by the IASB and is applicable for annual reporting periods on or after 1 January 2020. The Australian equivalent is yet to be published. The application of the new definition and recognition criteria may result in future amendments to several accountings standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards may need to revisit such policies. The Group will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

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.

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.

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	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Sales revenue		
New and demonstrator vehicles	1,027,382	561,592
Used vehicles	416,176	213,648
Parts	105,387	55,486
Service	96,309	46,817
Aftermarket accessories	13,884	7,509
Finance and insurance revenue	25,810	15,984
	1,684,948	901,036
Other revenue		
Interest	58	46
Other revenue	7,032	4,998
	7,090	5,044
Revenue	1,692,038	906,080

Note 6. Expenses

	Consolidated	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	1,819	794
Plant and equipment	1,544	823
Furniture, fixtures and fittings	997	543
Motor vehicles	313	182
Total depreciation	4,673	2,342
Amortisation		
Customer relationships	4,278	2,271
Total depreciation and amortisation	8,951	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	502	392
Total share-based payments expense	502	1,145
Finance costs		
Floor plan interest	10,968	4,853
Corporate interest	2,257	567
Finance costs expensed	13,225	5,420
Rental expense relating to operating leases		
Minimum lease payments	27,204	18,217
Superannuation expense		
Defined contribution superannuation expense	9,788	7,142
Other provisions		
Inventory provision expenses	1,028	1,569

Note 7. Income tax

	Consolidated	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Income tax expense		
Current tax	14,377	5,162
Deferred tax - origination and reversal of temporary differences	(3,366)	873
Aggregate income tax expense	11,011	6,035
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	(3,366)	873
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	37,445	18,423
Tax at the statutory tax rate of 30%	11,234	5,527
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent tax differences	32	71
Share-based payments	151	128
Stamp duty on acquisitions	-	1,148
Adjustments from pre-acquisition period	-	(839)
	11,417	6,035
Current year tax losses not recognised	81	-
Prior year temporary differences not recognised now recognised	(487)	-
Income tax expense	11,011	6,035

	Consolidated	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Amounts credited directly to equity [1]		
Deferred tax assets	-	(2,899)

[1] Deferred tax assets credited directly to equity reflects the IPO offer costs (fees payable to advisors, joint lead managers and tax, accounting and legal fees) that are attributable to the issuing of new equity.

Note 7. Income tax (continued)

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised other than in equity:		
Tax losses	1,390	611
Impairment of receivables	150	75
Property, plant and equipment	1,109	-
Employee benefits	3,978	3,019
Provision for warranties	276	226
Accrued expenses	164	397
Deferred income	3,029	1,642
IPO transaction costs	1,225	907
Work in progress	(168)	(38)
Prepayments	-	(86)
Provision for inventories	(927)	(462)
Customer relationships	(4,763)	(5,258)
Other items	64	(35)
	5,527	998
Amounts recognised in equity:		
Unamortised transaction costs on share issue	1,741	2,899
Deferred tax asset	7,268	3,897
Movements:		
Opening balance	3,897	-
Credited/(charged) to profit or loss	3,366	(873)
Credited to equity	-	2,899
Additions through business combinations (note 29)	5	1,871
Closing balance	7,268	3,897

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Provision for income tax		
Provision for income tax	5,721	4,980

Note 8. Current assets - trade and other receivables

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Trade receivables	98,448	65,633
Other receivables	5,865	4,982
Less: Provision for impairment of receivables	(147)	(249)
	104,166	70,366

Note 8. Current assets - trade and other receivables (continued)

Impairment of receivables
The Group has recognised a gain of $102,000 in profit or loss in respect of reversal of impairment of receivables for the year ended 30 June 2018 (2017: loss of $315,000).

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

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
90 to 120 days overdue	39	66
Over 120 days overdue	108	183
	147	249

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

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Opening balance	249	-
Provisions recognised	-	315
Receivables written off during the year as uncollectable	-	(66)
Unused amounts reversed	(102)	-
Closing balance	147	249

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $5,565,000 as at 30 June 2018 ($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:

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Under 30 days overdue	2,354	3,367
Over 30 days overdue	3,211	3,395
	5,565	6,762

Note 9. Current assets - inventories

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
New and demonstrator vehicles - at cost	289,706	200,410
Less: Write-down to net realisable value	(3,891)	(3,018)
	285,815	197,392
Used vehicles - at cost	49,423	46,497
Less: Write-down to net realisable value	(866)	(583)
	48,557	45,914
Spare parts and accessories - at cost	16,901	12,090
Less: Write-down to net realisable value	(502)	(351)
	16,399	11,739
Other inventory - at cost	1,887	1,168
	352,658	256,213

Note 10. Current assets - other assets

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Prepayments	1,855	1,813
Security deposits	4	924
Other cash deposits	3,081	2,782
	4,940	5,519

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

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Land and buildings - at cost[1]	12,086	-
Leasehold improvements	27,271	18,605
Less: Accumulated depreciation	(2,757)	(794)
	24,514	17,811
Plant and equipment	14,747	8,616
Less: Accumulated depreciation	(2,739)	(823)
	12,008	7,793
Furniture, fixtures and fittings	7,442	5,398
Less: Accumulated depreciation	(1,523)	(543)
	5,919	4,855
Motor vehicles	2,096	1,553
Less: Accumulated depreciation	(430)	(182)
	1,666	1,371
Capital work in progress - at cost	3,702	4,410
	59,895	36,240

[1] Land and buildings represents owner occupied premises at 601 Mains Road, Macgregor, Queensland from which Macgregor Mercedes-Benz trades from.

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

Consolidated	Land and buildings $'000	Leasehold improve-ments $'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 29)	-	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
Additions	12,086	2,000	2,588	615	618	5,295	23,202
Additions through business combinations (note 29)	-	624	3,105	1,450	5	-	5,184
Disposals	-	-	(36)	(7)	(15)	-	(58)
Transfers in/(out)	-	5,898	102	3	-	(6,003)	-
Depreciation expense	-	(1,819)	(1,544)	(997)	(313)	-	(4,673)
Balance at 30 June 2018	12,086	24,514	12,008	5,919	1,666	3,702	59,895

Property, plant and equipment secured under finance leases
Refer to note 27 for further information on property, plant and equipment secured under finance leases.

Note 12. Non-current assets - intangibles

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Goodwill - at cost	519,327	482,125
Customer relationships - at cost	22,425	19,824
Less: Accumulated amortisation	(6,549)	(2,271)
	15,876	17,553
	535,203	499,678

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

Consolidated	Goodwill $'000	Customer relationships $'000	Total $'000
Balance at 29 August 2016	-	-	-
Additions through business combinations (note 29)	482,125	19,824	501,949
Amortisation expense	-	(2,271)	(2,271)
Balance at 30 June 2017	482,125	17,553	499,678
Additions through business combinations (note 29)	37,202	2,601	39,803
Amortisation expense	-	(4,278)	(4,278)
Balance at 30 June 2018	519,327	15,876	535,203

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

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:
a. Organic EBITDA growth rate;
b. Pre-tax discount rate: 12.2% (2017: 12.27%);
c. Projected growth rate of 2.5% beyond four year period (2017: 2.5%); and
d. Increase in operating costs and overheads based on current levels adjusted for inflationary increases.

For the financial year ended 30 June 2018, the recoverable amount of net assets for the CGU 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 Group's CGU carrying amount to exceed its recoverable amount.

Remaining amortisation period
The remaining amortisation period for customer relationships is 3-5 years (2017: 4-5 years).

Note 13. Current liabilities - trade and other payables

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Trade payables	53,598	45,892
Related party payable	505	297
GST payable	10,045	9,038
Accrued expenses	11,291	10,134
	75,439	65,361

Refer to note 22 for further information on financial instruments.

Note 14. Current liabilities - employee benefits

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Employee entitlements	11,012	7,530

Movements in employee entitlements are set out below:

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Carrying amount at the start of the year	7,530	-
Additions through business combinations	1,399	6,989
Movements during the year	2,083	541
Carrying amount at the end of the year	11,012	7,530

Note 15. Current liabilities - borrowings

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Bailment finance	405,095	271,736
Capital loans	7,640	14,957
Hire purchase	1,278	784
	414,013	287,477

Refer to note 16 for further information on assets pledged as security and financing arrangements.

Refer to note 22 for further information on financial instruments.

Note 16. Non-current liabilities - borrowings

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Capital loans	62,467	21,531
Hire purchase	3,063	2,005
	65,530	23,536

Refer to note 22 for further information on financial instruments.

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

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Bailment finance	405,095	271,736
Capital loans	70,107	36,488
Hire purchase	4,341	2,789
	479,543	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. The current weighted average interest rate is 3.6% (2017: 2.9%).

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. The current weighted average interest rate is 4.2% (2017: 3.8%).

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. The current weighted average interest rate is 4.7% (2017: 4.2%).

Note 16. Non-current liabilities - borrowings (continued)

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

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Total facilities		
Bailment finance	436,400	305,700
Capital loans	71,539	39,033
Hire purchase	4,341	2,789
	512,280	347,522
Used at the reporting date		
Bailment finance	405,095	271,736
Capital loans	70,107	36,488
Hire purchase	4,341	2,789
	479,543	311,013
Unused at the reporting date		
Bailment finance	31,305	33,964
Capital loans	1,432	2,545
Hire purchase	-	-
	32,737	36,509

Bailment finance - Floorplan financing will increase in line with business expectations.

Note 17. Non-current liabilities - employee benefits

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Employee benefits	1,488	2,534

Movements in employee entitlements are set out below:

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Carrying amount at the start of the year	2,534	-
Additions through business combinations	481	2,654
Movements during the year	(1,527)	(120)
Carrying amount at the end of the year	1,488	2,534

Note 18. Equity - issued capital

	Consolidated 30 June 2018 Shares	Consolidated 30 June 2017 Shares	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Ordinary shares - fully paid	201,000,000	201,000,000	475,637	475,637

Note 18. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	29 August 2016	-		-
Issue of shares on IPO capital raising	18 November 2016	66,408,274	$2.40	159,380
Issue of shares to acquire Pre-IPO Autosports Group	18 November 2016	124,902,804	$2.40	299,767
Issue of shares to acquire Willims	18 November 2016	9,375,000	$2.40	22,500
Employee gift issue of shares	18 November 2016	209,756	$2.40	503
Director gift issue of shares	18 November 2016	104,166	$2.40	250
Share issue transaction costs		-	$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
Balance	30 June 2018	201,000,000		475,637

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.

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 year.

The capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Note 19. Equity - share-based payments reserve

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Share-based payments reserve	894	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.

Note 19. Equity - share-based payments reserve (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $'000
Balance at 29 August 2016	-
Share-based payments	392
Balance at 30 June 2017	392
Share-based payments	502
Balance at 30 June 2018	894

Note 20. Equity - non-controlling interest

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

Movements in the non-controlling interest are as follows:

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Opening balance	3,447	-
Non controlling interest arising on business combinations	-	3,257
Profit after income tax expense for the year	332	190
Dividend declared to non-controlling interest	(240)	-
Closing balance	3,539	3,447

Note 21. Equity - dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Final dividend for the period ended 30 June 2017 of 4.6 cents per ordinary share	9,246	-
Interim dividend for the year ended 30 June 2018 of 4.2 cents per ordinary share	8,442	-
	17,688	-

On 27 August 2018, the directors declared a fully franked final dividend for the year ended 30 June 2018 of 4.8 cents per ordinary shares, to be paid on 31 October 2018 to eligible shareholders on the register as at 17 October 2018. This equates to a total estimated distribution of $9,648,000, based on the number of ordinary shares on issue as at 30 June 2018. The financial effect of dividends declared after the reporting date are not reflected in the 30 June 2018 financial statements and will be recognised in subsequent financial reports.

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

Note 21. Equity - dividends (continued)

Franking credits

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	22,183	15,555

The above amounts represent the balance of the franking account as at the end of the financial year, 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 22. 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.

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

Consolidated	30 June 2018 Balance $'000	30 June 2017 Balance $'000
Bailment finance	405,095	271,736
Capital loans	70,107	36,488
Cash at bank	(14,302)	(14,903)
Net exposure to cash flow interest rate risk	460,900	293,321

An official increase/decrease in interest rates of 50 (2017: 50) basis points per annum would have an adverse/favourable effect on profit before tax of $2,305,000 (2017: $1,467,000) and equity of $1,614,000 (2017: $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.

Note 22. Financial instruments (continued)

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:

	Consolidated	
	30 June 2018 $'000	**30 June 2017 $'000**
Bailment finance	31,305	33,964
Capital loans	1,432	2,545
	32,737	36,509

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 2018	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	53,598	-	-	-	53,598
Other payables	505	-	-	-	505
Interest-bearing - variable					
Bailment finance	409,470	-	-	-	409,470
Capital loans	10,400	17,823	33,683	19,705	81,611
Interest-bearing - fixed rate					
Hire purchase	1,482	1,476	1,824	-	4,782
Total non-derivatives	475,455	19,299	35,507	19,705	549,966

Note 22. Financial instruments (continued)

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	6,442	6,705	22,268	4,737	40,152
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 23. 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 24. 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 Year ended 30 June 2018 $	Consolidated Period ended 30 June 2017 $
Short-term employee benefits	1,950,660	1,234,931
Post-employment benefits	99,677	100,254
Share-based payments	557,484	515,605
	2,607,821	1,850,790

Note 25. Remuneration of auditors

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

	Consolidated	
	Year ended 30 June 2018 $	Period ended 30 June 2017 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	582,000	613,000
Other services - Deloitte Touche Tohmatsu		
Due diligence relating to the IPO	-	2,073,877
Tax compliance	100,000	75,000
Due diligence relating to acquisitions	88,000	-
	188,000	2,148,877
	770,000	2,761,877

Note 26. Contingent liabilities

	Consolidated	
	30 June 2018 $'000	30 June 2017 $'000
Bank guarantees	3,580	2,356

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

Note 27. Commitments

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	30,186	22,222
One to five years	78,980	71,942
More than five years	27,429	35,907
	136,595	130,071

	Consolidated 30 June 2018 $'000	Consolidated 30 June 2017 $'000
Hire purchase commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	1,482	864
One to five years	3,300	2,034
More than five years	-	61
Total commitment	4,782	2,959
Less: Future finance charges	(441)	(170)
Net commitment recognised as liabilities	4,341	2,789
Representing:		
Hire purchase - current (note 15)	1,278	784
Hire purchase - non-current (note 16)	3,063	2,005
	4,341	2,789

Operating lease commitments includes contracted amounts for dealership operating premises under non-cancellable operating leases expiring within one to eight 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 $4,170,000 (2017: $758,000) under finance leases expiring within one to five 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 28. Related party transactions

Parent entity
Autosports Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Note 28. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	Year ended 30 June 2018 $	Period ended 30 June 2017 $
Other income:		
Management fees received from entities owned by the directors Ian Pagent and Nicholas Pagent	182,052	149,836
Payment for other expenses:		
Management fees paid to entities related to the directors Ian Pagent and Nicholas Pagent	-	8,055
Lease payments on properties to entities owned by the directors Ian Pagent and Nicholas Pagent	5,500,114	2,424,380

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

	Consolidated	
	30 June 2018 $	30 June 2017 $
Current borrowings:		
Loans from an entity owned by the directors Ian Pagent and Nicholas Pagent	505,319	297,204

Terms and conditions
Other than the loans from entities related to Ian Pagent and Nicholas Pagent where no interest is charged or payable, all transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Business combinations

BMW Melbourne
On 1 November 2017, the Group acquired certain assets and liabilities of BMW and Mini Southbank, BMW and Mini Kingsway, Motorrad Southbank, and BMW Bodyshop from BMW Australia Limited (collectively 'BMW Melbourne'). The total consideration transferred amounted to $25,741,000. The goodwill of $21,271,000 represents profitability of the acquired business and the synergistic opportunities it offers and cross-selling opportunities that will arise from the acquisition. The acquired business contributed revenues of $127,367,000 and profit before tax of $2,461,000 to the Group for the period from 1 November 2017 to 30 June 2018.

Canterbury BMW
On 3 April 2018, the Group acquired certain assets and liabilities of Canterbury BMW from Baldacchino 888 Prestige Autohaus Pty Limited ('Canterbury BMW'). The total consideration transferred amounted to $16,179,000. The goodwill of $15,931,000 represents profitability of the acquired business and the synergistic opportunities it offers and cross selling opportunities that will arise from the acquisition. The acquired business contributed revenues of $17,301,000 and profit before tax of $926,000 to the Group for the period from 3 April 2018 to 30 June 2018.

Note 29. Business combinations (continued)

Details of the acquisition are as follows:

	BMW Melbourne Fair value $'000	Canterbury BMW Fair value $'000	Total Fair value $'000
Inventories	42,128	7,678	49,806
Prepayments	-	182	182
Plant and equipment	4,516	668	5,184
Customer contracts and relationships	2,214	387	2,601
Deferred tax asset	-	114	114
Trade payables	(524)	(102)	(626)
Deferred tax liability	(109)	-	(109)
Employee benefits	(1,477)	(403)	(1,880)
Other provisions	(133)	(19)	(152)
Bailment finance	(42,145)	(8,257)	(50,402)
Net assets acquired	4,470	248	4,718
Goodwill	21,271	15,931	37,202
Acquisition-date fair value of the total consideration transferred	25,741	16,179	41,920
Representing:			
Cash paid or payable to vendor	25,741	16,179	41,920
Acquisition costs expensed to profit or loss	728	144	872
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	25,741	16,179	41,920

Note 30. 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 2018 %	Ownership interest 30 June 2017 %
Autosports Brisbane Pty Ltd	Australia	100%	100%
Autosports Castle Hill Pty Ltd	Australia	100%	100%
Autosports Five Dock Pty Ltd	Australia	100%	100%
Autosports Leichhardt Pty Ltd	Australia	100%	100%
Autosports Prestige Pty Ltd	Australia	100%	100%
Autosports Sutherland Pty Ltd	Australia	100%	100%
Betar Prestige Cars Pty Ltd	Australia	100%	100%
Birchgrove Finance Pty Ltd	Australia	100%	100%
Modena Trading Pty Ltd	Australia	100%	100%
Mosman Prestige Cars Pty Ltd	Australia	100%	100%
New Centenary Mercedes-Benz Pty Ltd	Australia	100%	100%
Prestige Auto Traders Australia Pty Ltd	Australia	100%	100%
Prestige Group Holdings Pty Ltd	Australia	100%	100%
Prestige Repair Works Pty Ltd	Australia	100%	100%
ASG Brisbane Pty Ltd	Australia	100%	100%
ASG Melbourne Pty Ltd	Australia	100%	100%

Note 30. Interests in subsidiaries (continued)

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

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 30 June 2018 %	Ownership interest 30 June 2017 %	Ownership interest 30 June 2018 %	Ownership interest 30 June 2017 %
New Centenary Mazda Pty Ltd	Australia	Motor vehicle dealership	80%	80%	20%	20%

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

Note 31. 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'.

Note 31. Deed of cross guarantee (continued)

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	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Revenue	1,630,053	864,783
Changes in inventories	46,639	8,171
Raw materials and consumables purchased	(1,422,612)	(737,624)
Employee benefits expense	(116,811)	(60,060)
Depreciation and amortisation expense	(8,880)	(4,572)
Occupancy costs	(28,472)	(13,599)
Acquisition expenses	(1,334)	(3,828)
Initial public offering ('IPO') listing expenses	-	(6,155)
Other expenses	(50,752)	(24,962)
Finance costs	(12,710)	(5,048)
Profit before income tax expense	35,121	17,106
Income tax expense	(10,291)	(5,640)
Profit after income tax expense	24,830	11,466
Other comprehensive income for the year/period, net of tax	-	-
Total comprehensive income for the year/period	24,830	11,466

Equity - retained profits	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Retained profits at the beginning of the financial year/period	11,466	-
Profit after income tax expense	24,830	11,466
Dividends paid	(17,688)	-
Retained profits at the end of the financial year/period	18,608	11,466

Note 31. Deed of cross guarantee (continued)

Statement of financial position	30 June 2018 $'000	30 June 2017 $'000
Current assets		
Cash and cash equivalents	13,954	17,646
Trade and other receivables	102,339	66,688
Inventories	344,768	250,711
Other assets	4,956	4,362
	466,017	339,407
Non-current assets		
Other financial assets	18,342	18,342
Property, plant and equipment	59,422	35,750
Intangibles	507,276	472,934
Deferred tax	6,977	3,459
	592,017	530,485
Total assets	1,058,034	869,892
Current liabilities		
Trade and other payables	73,636	63,697
Income tax payable	5,448	4,582
Employee benefits	10,717	7,276
Deferred revenue	4,546	3,724
Borrowings	402,931	279,211
	497,278	358,490
Non-current liabilities		
Borrowings	64,129	21,373
Employee benefits	1,488	2,534
	65,617	23,907
Total liabilities	562,895	382,397
Net assets	495,139	487,495
Equity		
Issued capital	475,637	475,637
Share-based payments reserve	894	392
Retained profits	18,608	11,466
Total equity	495,139	487,495

Note 32. Earnings per share

	Consolidated Year ended 30 June 2018 $'000	Consolidated Period ended 30 June 2017 $'000
Profit after income tax	26,434	12,388
Non-controlling interest	(332)	(190)
Profit after income tax attributable to the owners of Autosports Group Limited	26,102	12,198

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	201,000,000	201,000,000
Adjustments for calculation of diluted earnings per share:		
Estimated options over ordinary shares to be issued post reporting date	525,602	187,394
Weighted average number of ordinary shares used in calculating diluted earnings per share	201,525,602	201,187,394

	Cents	Cents
Basic earnings per share	12.99	6.07
Diluted earnings per share	12.95	6.06

Note 33. Cash flow information

Non-cash investing and financing activities

	Consolidated Year ended 30 June 2018 $'000	Consolidated Period ended 30 June 2017 $'000
Acquisition of plant and equipment by means of finance leases	2,678	-
Shares issued under employee share plan	-	753
Shares issued in relation to business combinations	-	322,267
	2,678	323,020

Changes in liabilities arising from financing activities

Consolidated	Capital loans $'000	Hire purchase $'000	Total $'000
Balance at 29 August 2016	-	-	-
Net cash from/(used in) financing activities	16,105	(621)	15,484
Changes through business combinations (note 29)	20,383	3,410	23,793
Balance at 30 June 2017	36,488	2,789	39,277
Net cash from/(used in) financing activities	33,619	(1,126)	32,493
Acquisition of plant and equipment by means of finance leases	-	2,678	2,678
Balance at 30 June 2018	70,107	4,341	74,448

Note 34. 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 $502,000 (2017: $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 Group's 30 June 2018 audited full year results.

EIP is 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 over a 12 month period.

Performance conditions for the initial grant include:
- a 'gateway hurdle' of upholding the Group's culture and values of individualised attention. Operating with honesty, integrity and accountability at all times and in accordance with the Group's Code of Conduct. If the gateway hurdle is not met, no STI is awarded.
- 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 35. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	Year ended 30 June 2018 $'000	Period ended 30 June 2017 $'000
Profit/(loss) after income tax	18,145	(181)
Total comprehensive income	18,145	(181)

Note 35. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2018 $'000	30 June 2017 $'000
Total current assets	128,813	127,749
Total assets	478,868	477,804
Total current liabilities	203	98
Total liabilities	203	98
Equity		
Issued capital	477,495	477,495
Share-based payments reserve	894	392
Retained profits/(accumulated losses)	276	(181)
Total equity	478,665	477,706

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

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 31 for further details.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 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.
- Investments in associates 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 36. Events after the reporting period

Apart from the dividend declared as disclosed in note 21, no other matter or circumstance has arisen since 30 June 2018 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.

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 2018 and of its performance for the financial year 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 31 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

Thomas Pockett	Nicholas Pagent
Independent Chairman	Chief Executive Officer

27 August 2018
Sydney

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

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 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year 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 2018 and of its financial performance for the year 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 year. 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.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Carrying value of Goodwill

As at 30 June 2018 the Group has recognised goodwill of $519m of which $482m relates to acquisitions made in the financial year ended 30 June 2017.

During the financial year ended 30 June 2018, the Group further acquired BMW Melbourne and BMW Canterbury as disclosed in Note 29. Consequently, goodwill of $21m and $16m respectively were recognised on these acquisitions.

As disclosed in Note 3, the directors' 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:

• 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 Group's forecast cash flows to the board approved budget;
• Evaluating management's historical forecasting accuracy including 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
• Assessing the appropriateness of the disclosures in Note 12 to the financial statements.</td></tr>
</table>

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 year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

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 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 year 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.

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included pages 12 to 23 of the Director's Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Autosports Group Limited, for the year ended 30 June 2018, 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, 27 August 2018

The shareholder information set out below was applicable as at 1 August 2018.

The Company confirms that, for the period from admission to the ASX until 30 June 2018, 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, other than the purchase of an automotive property referred to in the directors' report.

Distribution of equity securities

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

	Number of holders of ordinary shares
1 to 1,000	124
1,001 to 5,000	178
5,001 to 10,000	79
10,001 to 100,000	122
100,001 and over	50
	553
Holding less than a marketable parcel	-

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
SASTEMPO PTY LTD	21,285,348	10.59
J P MORGAN NOMINEES AUSTRALIA LIMITED	20,782,930	10.34
LIVIST PTY LTD	15,455,897	7.69
AUDI PARRAMATTA HOLDINGS PTY LTD	15,310,969	7.62
CITICORP NOMINEES PTY LIMITED	12,835,132	6.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,710,704	5.33
NIP PARRAMATTA PTY LTD	10,401,678	5.17
NATIONAL NOMINEES LIMITED	10,200,444	5.07
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
OGLE INVESTMENTS PTY LTD	5,147,053	2.56
AALHUIZEN NOMINEES PTY LTD	4,722,374	2.35
RICGAZ PTY LTD	4,406,237	2.19
LIVERPOOL STREET INVESTMENTS	2,453,632	1.22
BNP PARIBAS NOMS PTY LTD	2,279,154	1.13
CITICORP NOMINEES PTY LIMITED	2,139,000	1.06
DANIARON PTY LTD	1,644,259	0.82
AUTOSPORTS HOLDINGS PTY LTD	1,454,269	0.72
	187,433,597	93.23

Autosports Group Limited
Shareholder information
30 June 2018

Substantial holders
Substantial holders [(1)] in the Company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
IAN AND NICHOLAS PAGENT	102,587,573	51.04
Ian Pagent	64,437,541	32.06
Nick Pagent	38,951,855	19.38
AUSTRALIAN SUPER PTY LTD [(2)]	10,087,287	5.02
COMMONWEALTH BANK OF AUSTRALIA [(3)]	10,050,854	5.00

(1) At the time of IPO the Company escrowed certain holdings of shares being 66.8% of shares that were issued . As a result, the Company is deemed to have a relevant interest however the Company does not control the voting rights of those escrowed shares.
(2) Based on substantial holder notice lodged on 27 June 2018.
(3) Based on substantial holder notice lodged on 8 May 2018.

Voting rights
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.

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 number of performance rights on issue as at the reporting date are:

Name	Number held
Nick Pagent	418,035
Ian Pagent	167,388
Aaron Murray	153,089
Other management (non KMP)	27,828
	766,340

There are no other unquoted equity securities on issue.

Buy-back

There is no current on-market buy-back.