autosports group

ANNUAL REPORT **2024**

Drive Endless Possibilities

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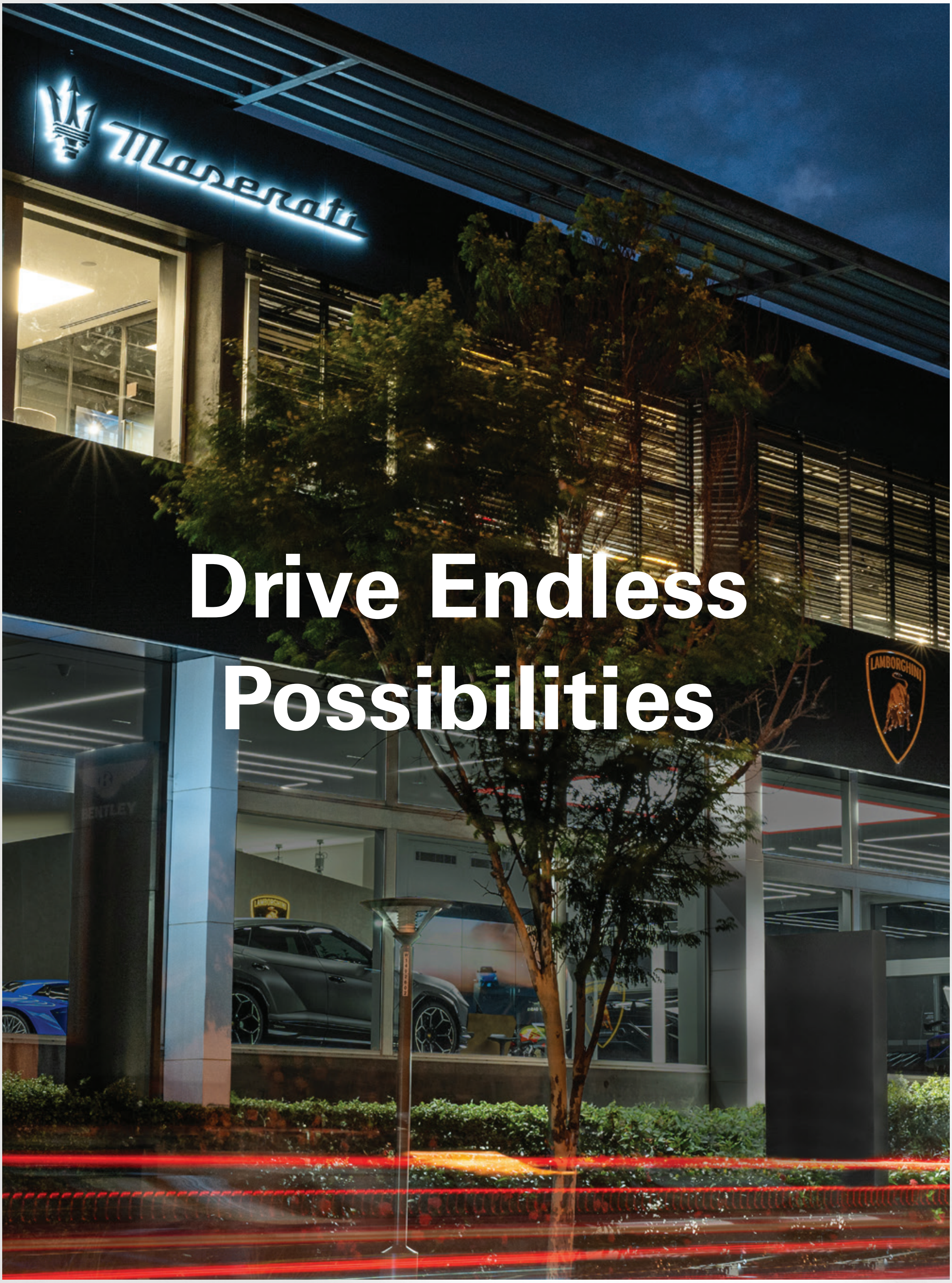


Drive Endless Possibilities

THE YEAR **AT A GLANCE**

Revenue	
$2,647 million	↑ **11.6%PCP**
Gross Profit	
$515 million	↑ **8.3%PCP**
EBITDA	
$204.5 million	↑ **6.5%PCP**
Normalised NPBT[1]	
$93.1 million	↓ **19.6%PCP**
Statutory NPAT	
$61.5 million	↓ **7.8%PCP**
FY dividend (fully franked)	
18 cents	↓ **5.3%PCP**

1. Normalised NPBT excludes acquisition and restructure costs and acquisition amortisation.

CHAIRMAN'S **LETTER**

Dear Shareholders,

I am pleased to introduce to you Autosports Group's 2024 Annual Report.

Over the past year, we have continued to remain disciplined in executing our strategy, demonstrating resilience in a complex external environment.

Economic headwinds persist, as geopolitical events continue to impact global economies with inflationary pressures and rising interest rates resulting in increased cost of living pressures on the consumer and an impact on spending. We are seeing a corresponding impact on new car sales, in particular across the broader market.

With luxury market conditions buoyant, yet competitive, the diversity of Autosports Group's business model and our mix of brands has provided some resilience against these headwinds. Pleasingly, customer orders for new vehicles have increased and we have delivered record Aftersales turnover.

The automotive industry in general continues to transform as greater numbers of consumers opt to drive battery electric vehicles (BEVs) including the luxury models represented by Autosports Group.

We continue to be well-positioned in this market segment, due to our strong relationships with the leading luxury brands, who continue to bring to market a growing range of BEVs. The regulatory landscape is rapidly evolving, notably with the New *Vehicle Efficiency Standard Act 2024* passed by Parliament during the year, and heightened focus on cyber security following the CDK Global cyber incident affecting retail car dealerships in the US in June.

We are focussed on progressively maturing our processes and procedures to keep pace with these important regulatory expectations. Further information about Autosports Group's progress in these areas is included in our Directors' Report.

FY24 performance

Against this backdrop, Autosports Group delivered $2.65 billion in revenue, up 11.6%, and Gross Profit was up 8.3% resulting in EBITDA of $204.5 million up 6.5% on last year.

Impacting our trading result was increased interest costs of $56.8 million resulting in a statutory Net Profit After Tax of $61.5 million down 7.8% on last year.

A final dividend of 8 cents per share has been determined, which brings the total dividend for FY2024 to 18 cents per share.

Further information about Autosports Group's financial results is contained within the CEO's Letter.

FY24 strategic progress

This year we continued with our consistent approach to growing the business through both organic and acquisitive strategies, which has positively contributed to this year's financial results.

After the financial year end, we entered into an agreement to acquire Stillwell Motor Group SMG for circa $55 million. The transaction is expected to settle on 1 October 2024, growing our representation of BMW, BMW Motorrad, Volvo, MINI, MG and Ducati brands and expanding our footprint in Victoria.

Corporate Governance and Board updates

In achieving our strategic objectives, we are committed to ensuring we operate within a framework of sound corporate governance. This is achieved through our commitment to continually review and improve our governance frameworks which are supported by the valuable contribution of the Board's People and Remuneration Committee and Audit and Risk Committee. Our 2024 Corporate Governance Statement sets out our approach to corporate governance in more detail.

In February and August of this year, Anna Burgdorf and Gareth Turner respectively joined the Autosports Group Board as non-executive directors and are pleased to have their skills and experience to further enhance the expertise of the Board.

Anna and Gareth have joined the Audit and Risk Committee and the People and Remuneration Committee. Both will stand for election at the 2024 Annual General Meeting.

I also wanted to take this opportunity to acknowledge the retirement of Robert Quant, a founding director of Autosports Group. Robert has made a significant contribution to the Autosports Group Board over the last 8 years, including as Chair of our Audit and Risk Committee. Robert will retire at the end of the 2024 Annual General Meeting, with our sincerest thanks and best wishes.

I would like to take this opportunity to sincerely thank our CEO, Nick Pagent, our management team, our employees and our loyal customers for their support and contribution to our solid results for FY24.

I would also like to acknowledge and thank my fellow Board members for their leadership and guidance during the year.

Our Shareholders remain a vital part of our business and growth strategy and we thank them for their continued investment.

While the external market challenges of the past year have tempered our performance, we have nonetheless continued to execute a well-considered business strategy. As we look ahead, the Board remains focused on supporting our CEO and management team to position the business for positive future expansion.

We will keep progressing our organic and acquisitive growth strategy as we partner with luxury brands, consolidate and build relationships with existing manufacturers and enter new geographic locations to build scale, and create greater efficiencies within our portfolio of businesses.

We will continue to live our values daily and be guided by our mission to 'drive endless possibilities' for our customers.

James Evans

Chairman

Dear Shareholders,

I am pleased to share with you our results for this past financial year which has been characterised by the return of pre-COVID levels of vehicle stock, price competitiveness, and rising interest rates. The return of these normalised market conditions has given our company the opportunity to 'road test' our luxury-focused business strategy.

Quality Results Achieved

Our results are both sound and indicative that we have set ourselves on the right path to continued business growth. Pleasingly, we have achieved record turnover and EBITDA and we are entering the new year with an increased order write over FY2023, along with a new vehicle order bank that is outperforming the first half of FY2024.

Last year, I reported that our 'lowest cost of acquisition' strategy for Used Vehicle stocks remained a focus, so I am pleased to report we have also achieved record results in this core area of the business. Despite volatility in pricing, we have achieved improvements in sales and will continue to drive this as a focus in the coming financial period.

Our Aftersales revenue has outperformed last year's result supported by our recent and on-going investment in capacity and driven by record new car deliveries. This strong performance is assured by the continued penetration of service plan contracts, delivering both value and security to customers and also ensuring we have a consistent stream of pre-paid customer business in the highest margin area of our company. Additionally, our eight high-tech authorised panel repair shops have also rebounded following the post-COVID consumer buoyancy and freedom that we are all enjoying.

Normalised supply conditions and another record year in Aftersales has led to record turnover of $2.65 billion, record EBITDA of $204.5 million and underlying Net Profit Before Tax[1] of $96.0 million. Unsurprisingly, the most significant drag on our net profit was the marked increase in interest costs of $23.1 million for the period although pleasingly, our high vehicle stock holdings peaked in April 2024 and are now being reduced as our luxury brand partners react to the new market dynamics with changing vehicle arrival patterns which we expect to continue this year.

Prime Positioning Secured

The new vehicle market is performing strongly, with registrations for the first 6 months of the calendar year to June 2024 up by 8.7% per VFACTS. This growth is primarily driven by the brands with a strong light commercial offering. As expected, there have been significant shifts in the New Vehicle Energy Scheme (NVES) with impressive new entrants, resulting in volatility in market share from the existing players.

Within the luxury segment the major headline continues to be the growth in the NVES. Battery Electric Vehicle (BEV) sales within the luxury brands represented by Autosports Group are up 34% YoY per VFACTS with several new models on the horizon. We see this shift as further evidence that the established luxury competitors remain extremely well-placed to respond to the changing customer landscape, and again validating our luxury-focused corporate strategy.

1. Underlying NPBT excludes impacts of AASB 16, acquisition amortisation and acquisition and restructure costs.

Investments Driving Revenue Growth

Autosports Group continues to invest in capacity. In the next few months we will open our state-of-the-art Volkswagen Dealership in Macgregor, South Brisbane enabling us to increase the yield from an existing real estate asset, exiting leased premises and increasing our Aftersales capacity and therefore our customer offer, in this market. As with last year, delivering growth from our existing resources will be a key priority in FY2025.

We were also pleased to recently announce a significant acquisition that we expect to complete in October 2024. The Stillwell Motor Group represents the BMW, BMW Motorrad, Volvo, MINI, MG and Ducati brands and adds significant additional Aftersales capacity to our business. It is an acquisition of meaningful scale contributing in excess of $345 million in annualised revenue in the blue-ribbon locations of Brighton, Doncaster, South Yarra and Mornington. It also allows us to deepen our relationship with BMW Group and Volvo Cars Australia.

The Road Ahead

Our luxury-focused corporate strategy can be articulated simply as representing the world's great luxury and prestige automotive brands, from the best locations. Acquisitive growth underpins this strategy as we continue to focus on securing sensibly priced assets with the right brands and the right locations that allow us to unlock margin improvements through our scale and our significant experience.

Importantly our strong cashflow, balance sheet strength and supportive OEM finance partners leave the business well-placed to continue our growth strategy.

We expect FY2025 to continue to present challenges however we remain confident in our strategy as we continue to see the positive signs of resilience from our luxury consumer, evidenced by increased enquiry, larger order banks and an order write that is stronger when compared to H1 2024.

Our mature back-end operations, untapped capacity and high service plan contract penetrations mean that we are poised for continued Aftersales growth in FY2025. Importantly, this provides a foundation for sustained profitability and the maintenance of our strong margin profile.

The prevailing macroeconomic environment creates opportunity for on-strategy, accretive, acquisition-led growth. Our scale, operating cash flows and luxury acquisition runway leave us well-positioned to progress our growth strategy in FY2025 with the published aim of growing by $250m in acquisition led growth annually.

Our Sincere Appreciation

In closing, I would like to pay special tribute to Robert Quant, a foundation Board Member who is retiring at the end of the AGM this year. Robert has been an outstanding contributor as Chair of the Audit and Risk Committee and the growth of Autosports Group since listing is in no small part due to his care and attention as a Non-Executive Director.

I would like to thank our OEM partners for their continued support, and the entire team at Autosports Group for their collective efforts in delivering another strong result in FY2024.

Finally, a warm Thank You to our shareholders. There is so much to look forward to in this next year as we continue to deliver on our strategy and our purpose to Drive Endless Possibilities.

Nick Pagent

Chief Executive Officer

OUR PURPOSE & **VALUES**

Strive for excellence

We set goals with clear direction and defined outcomes

We hold ourselves to account

We are proactive in our approach

We exceed expectations in everything we do

We make decisions with consideration of our key stakeholders – employees, customers, shareholders, community and manufacturers

Village

We are united in purpose through people

We coach and mentor our people to be their best

We are visible, approachable and connected across the Group

We embrace diversity and inclusion

We are part of a large Group retaining a family feel

Care

We demonstrate care towards our customers and their experience

We invest in our people for training and development

We recognise the role you play – everyone is important to our success

We do what is right by our people, customers and communities

We are eager to help each other and create a safe environment for our people

Leading change

We leverage our scale and collective intelligence to drive change

We deliver the changes required for growth

We embrace the use of technology to deliver the optimum experience for our customers and stakeholders

We move with the times – taking into account tomorrow, today

We are resilient and embrace change


THE iX1



PREMIUM DEALER

GROUP **PORTFOLIO**

GROUP **DEALERSHIPS**

ALPINA

ASTON MARTIN

AUDI

BENTLEY

BMW

BMW MOTORRAD

DUCATI

JAGUAR

KIA

LAND ROVER

LAMBORGHINI

MASERATI

MAZDA

MCLAREN

MERCEDES-BENZ

MINI

ROLLS-ROYCE

SUBARU

VOLVO

VOLKSWAGEN

This reflects our dealerships as at the date of this report and includes dealerships acquired after 30 June 2022.

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 2024.

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:

James Evans	Chairman
Nicholas Pagent	Chief Executive Officer
Anna Burgdorf	Independent Non-Executive Director (appointed on 13 February 2024)
Marina Go	Independent Non-Executive Director
Ian Pagent	Non-Executive Director
Robert Quant	Independent Non-Executive Director
Gareth Turner	Independent Non-Executive Director (appointed on 9 August 2024)

Principal activities
During the financial year, our principal activities included 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 principal activities.

Our operations comprise of:
- 54 dealerships selling new and used prestige and luxury motor vehicles;
- 3 used motor vehicle outlets, primarily on the sale of used prestige and luxury motor vehicles;
- 4 motorcycle dealerships selling new and used motorcycles; and
- 8 specialist prestige motor vehicle collision repair facilities.

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Final dividend for the year ended 30 June 2023 of 10.0 cents (2022: 9.0 cents) per ordinary share	20,100	18,090
Interim dividend for the year ended 30 June 2024 of 10.0 cents (2023: 9.0 cents) per ordinary share	20,100	18,090
	40,200	36,180

On 22 August 2024, the directors declared a fully franked final dividend for the year ended 30 June 2024 of 8.0 cents per ordinary share, to be paid on 15 November 2024 to eligible shareholders on the register as at 1 November 2024. This equates to a total estimated distribution of $16,080,000, based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of the dividends declared after the reporting date are not reflected in the 30 June 2024 financial statements and will be recognised in the subsequent financial period.

Operating and financial review
The Group generates 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.

The profit for the Group after providing for income tax and non-controlling interest amounted to $60,872,000 (2023: $65,426,000).

The following tables demonstrate the Group's financial performance normalised to exclude the impact of acquisition, impairment and restructure expenses ('other items').

The profit for the financial year was impacted by other items as follows:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Statutory profit after tax attributable to the owners of Autosports Group Limited	60,872	65,426
Add: Non-controlling interest[1]	608	1,223
Add: Income tax expense	26,878	33,652
Profit before income tax expense	88,358	100,301
Add: Intangible amortisation[2]	3,990	3,367
Add: Acquisition expenses[3]	681	4,871
Add: Restructure and relocation expenses [4]	-	1,156
Add: Property impairment [5]	-	6,004
Profit before tax excluding other items	93,029	115,699

1 Represents the 20% non-controlling interest in New Centenary Mazda Pty Ltd held by the dealer principal and 20% non-controlling interest in John Newell Holdings Pty Ltd held by the dealer principal.

2 Relates to non-cash amortisation of customer contracts arising on acquisitions made by the Group.

3 Current year expense relates to due diligence costs incurred. Prior year acquisition expenses relates to purchase taxes incurred on the acquisition of Auckland City BMW Ltd and Motorline BMW, Motorline MINI, Motorline Bodyshop, Gold Coast BMW and Gold Coast MINI.

4 Prior year restructure and relocation expenses relate to costs associated with relocation to the new Kings Way BMW dealership.

5 Prior year property impairment arose as a result of the acquisition of 586 Wickham Street, Fortitude Valley on 15 June 2023. Due to the proximity of the acquisition to year end there has been no opportunity for appreciation in value of the property and as such capitalised acquisition costs including stamp duty resulted in the carrying value of the property exceeding its valuation.

Profit before tax excluding other items noted above is a financial measure which is not prescribed by Australian Accounting Standards ('**AAS**') and represents the statutory result under AAS adjusted for certain items. The directors consider profit before tax excluding other items (being items adjusted above) to reflect the core earnings of the Group.

Operational overview

Market conditions

The Australian automotive retailing sector operated in a relatively stable economic environment during the 2024 financial year, closing the first six months of calendar year 2024 with new vehicle registrations up 8.7% according to Vfacts, as normalised market conditions returned post-covid.

The national economy experienced modest GDP growth and relatively low unemployment rates. Consumer confidence in the luxury segment remained high; reflected in increased volumes of new vehicle order writes for Autosports Group in the second half of Financial Year 2024 ('H2 FY2024').

FY2024 brought new entrants to the New Energy Vehicle (NEV) market in Australia and New Zealand, and market share volatility amongst existing brands. Within the Luxury brands represented by Autosports Group, new Battery Electric Vehicle (BEV) registrations are up 34% in calendar year 2024 (January to June) according to Vfacts, with further new models on the horizon.

Strategic acquisitions

As announced on 19 August 2024, Autosports Group has entered into an Agreement through its wholly owned subsidiary ASG Investment Holdings Pty Ltd to acquire 100% of shares in B S Stillwell Motor Group Pty Ltd, known as the Stillwell Motor Group, for approximately $55 million. The Stillwell Motor Group is a family-owned business founded in 1949 that represents the BMW, BMW Motorrad, MINI, Volvo, MG and Ducati brands with dealerships in 4 Victorian locations.

The purchase consideration consists of $45 million for goodwill and approximately $10 million for assets, plant and equipment, subject to usual adjustments. The seller of the Stillwell Motor Group can elect to receive up to 15% of the purchase consideration in the form of Autosports Group shares to be issued at a price of $2.09 per share. The cash portion of the purchase consideration will be funded by cash and new and existing debt facilities. The acquisition is expected to settle in October 2024.

Our acquisitive growth was also complemented by organic growth. Victoria is where Autosports Group acquired its first BMW dealerships at Doncaster and Bundoora in 2017. This was followed by Melbourne BMW in November 2017 which was recently upgraded to a state-of-the-art facility, the first of its kind in Australia representing BMW's latest Retail Next corporate identity. In early 2023, the Group opened Ringwood BMW in the Eastern Suburbs of Melbourne. Now, approximately six years after acquiring its first BMW dealership, post completion the Group will have grown to represent 11 BMW dealerships and 9 MINI dealerships across Victoria, New South Wales, Queensland and Auckland, New Zealand.

Another element of Autosports Group's growth strategy is to control strategically important retail sites. Supported by Original Equipment Manufacturers (OEM) financiers, over time the business is expected to benefit from capital accretion and gradually reduce occupancy costs. In the coming months Autosports Group is planning to open a new Volkswagen site in South Brisbane. The new Dealership has been built on an existing, owned location adding operational synergy, raising yields from real estate assets and allowing us to exit two leases.

Environment, social and governance

This section of our report sets out our progress in the areas of environment, social responsibility and governance.

Environment

Through our relationships with well-established vehicle manufacturers, Autosports Group has expanded the range of vehicles, catering to the growing demand for alternatives to traditional internal combustion engines.

Beyond our vehicle offering, incorporating more environmentally conscious options in our retail facility developments is an area of opportunity. One example is the newly opened Ringwood BMW Dealership which incorporated several initiatives to help reduce environmental impact, such as solar and rainwater harvesting while incorporating low-energy consumption lighting solutions. Autosports Group is currently planning for several Dealership upgrades that will incorporate more energy efficient solutions.

Social

Health and well-being
During FY2024, the safety focus progressed by further embedding our safety culture across the Group. Our safety program is supported by three Australian state-based safety committees and one in New Zealand. The Committees meet eight times a year with a focus on consulting with members of their workgroup, discussing reported hazards and their corrective actions with a view to reducing the number of incidents and meeting legislative requirements across the Group. The regular reporting of safety hazards and communicating incidents and near misses across the Group assists with keeping safety front of mind and provides shared learnings for all employees. Key learnings, incidents and hazards are shared in the Committees and at Monthly Senior Leadership meetings. We conduct regular safety inspections measuring the Group's performance against safety benchmarks with demonstrated improvement in safety practices. These regular safety inspections provide an opportunity for face-to-face discussion about safety issues and the early identification of hazards. We have continued to embed our Safe Work Procedures through training to demonstrate how work and hazardous tasks are to be carried out safely. With the introduction of Battery Electric Vehicles Autosports has engaged in additional training and PPE to ensure our team members are equipped with the right equipment and knowledge to respond in an emergency situation.

Conducting a Psychosocial risk assessment opened the discussion on wellbeing across Autosports and the need to provide additional support for both leaders and workers. Upcoming wellbeing initiatives will provide the opportunity for individuals to access information if desired. Ongoing health, safety and wellbeing programs will continue to provide positive outcomes for Autosports.

Mental health and wellbeing remained a priority on the safety agenda during the year. We continue to educate our employees with wellbeing information including webinars, a newsletter and access to our Employee Assistance Program (EAP) for themselves and their families. In FY24 we introduced a wellbeing app via our EAP provider where employees can access tools to assist and educate them on their wellbeing journey. This program offers support on a range of topics including counselling, mental health, relationships, health, and financial counselling.

People and Diversity

Career Development, Talent and Training
The senior leadership team invest time in reviewing our talent and succession plans to identify and assess our talent across the Group. This process helps identify our emerging and top talent through a consultative process engaging different parts of the business. These tools and plans are used when making decisions on talent for development programs and in our succession planning.

Diversity and Inclusion
We have prioritised Diversity and Inclusion (D&I) through our D&I Council which has developed a strategy with measurable outcomes. Our D&I Council is in its fourth year of operation and meets monthly to discuss, plan and execute activities to foster diversity and inclusion. The Council is accountable for delivering its strategy and the Council's progress is reported through various channels including to the Board.

Our Diversity and Inclusion Strategy has five key areas including:
(1) senior leaders proactively foster D&I;
(2) our people understand the importance of diversity and practise inclusive behaviour;
(3) workforce diversity increases at all levels;
(4) attract, develop and retain diverse individuals to maximise performance and adapt to market changes; and
(5) educate our business with learning initiatives around D&I.

Community and Values
Our purpose statement of 'Drive Endless Possibilities' links to our growth path and was developed to provide meaning to our employees, customers, business partners and shareholders. Our purpose statement sits alongside our values of Village, Care, Leading Change and Strive for Excellence which are embedded in our communications, performance discussions and a model for the way we strive to operate our business, including within the community. Our values are embodied in the accomplishments we achieved during the year.

Strive for Excellence
The outstanding performance of our people was recognised through the many personal and team awards achieved during the year including Audi Service Manager of the Year, Audi Parts Manager of the Year, Audi Business Manager of the Year, BMW Marketing Manager of the Year, Audi Dealer of the Year, Audi Financial Services Dealer of the Year, Mercedes-Benz Circle of Excellence, Mercedes-Benz Star Guild Sales, MINI Dealer of the Year, MINI Diamond League Sales, BMW Sustainability Dealer of the Year, BMW Digital Transformation, BMW Excellence in Financial Services, BMW Diamond League Sales Manager, Lamborghini Dealer Excellence Award APAC, McLaren Dealer of the Year ANZ, Volkswagen Premium Dealer, Volvo Retailer of the Year, Volvo Customer Champion of the Year, Mazda Master Guild Sales, Mazda Guild Service, Mazda Guild Master Technician and Rolls-Royce Digital Content Champion.

Village
Our village is our collective spirit. We celebrated various causes and events including International Women's Day, Ramadan, NAIDOC Week, Harmony Week, Lunar New Year and Pride Month celebrations. We took a snapshot of cultural demographics and representation at Autosports Group through a survey to gain better insights and drive the diversity program. Our village also includes our community. This year we participated in community partnerships and events such as Norton Street Festival, Bucklands Beach Yacht Club, MINI World Pride, Southport School, Gregory Terrace, St Joseph's Nudgee College, Big Red Bash, Lions Football Club, St Ignatius School, The Hills Police Area Command, Kings Cross Police Area Command and Parramatta Police Area Command.

Leading Change
The Diversity and Inclusion Council surveyed our female employees to help understand what they enjoyed about working at Autosports Group and importantly, what they perceived to be the barriers to females progressing in the automotive industry. The results of this survey led us to create and launch the *Women of Autosports Group Network*, to provide career support, peer and mentor connection, professional development training and facilitate the career progression of more women at Autosports Group.

Our Council drove several projects during the year to challenge stereotypes and lead change through greater understanding and awareness. These included video on accessibility which outlined the experience of one of our employees purchasing a vehicle and having it modified to accommodate a disability and *Day in the Life* videos of our staff working in various roles across the business.

Care
Over 200 Autosports Group employees took part in STEPtember in 2023, stepping their way to over $21,000 for the Cerebral Palsy Alliance, while our Volkswagen and Lamborghini businesses support Movember to raise awareness for Men's mental Health raising over $40,000. Our value of care extends to our community as we supported the following charities and events during the year - Audi Foundation, Mazda Foundation, RU OK?, Movember, Sunnyfield, Ronald McDonald House Charities, Mercy Hospice Auckland, Starship Foundation NZ, Tour De Cure, Chappel Foundation, MyRoom, Jreissati Pancreatic Centre, Rotary Club of Beaumaris & Black Rock Sports Auxiliary, Sydney Children's Hospital Foundation, Royal Flying Doctors, Children's Cancer Institute and Sydney Breast Cancer Foundation.

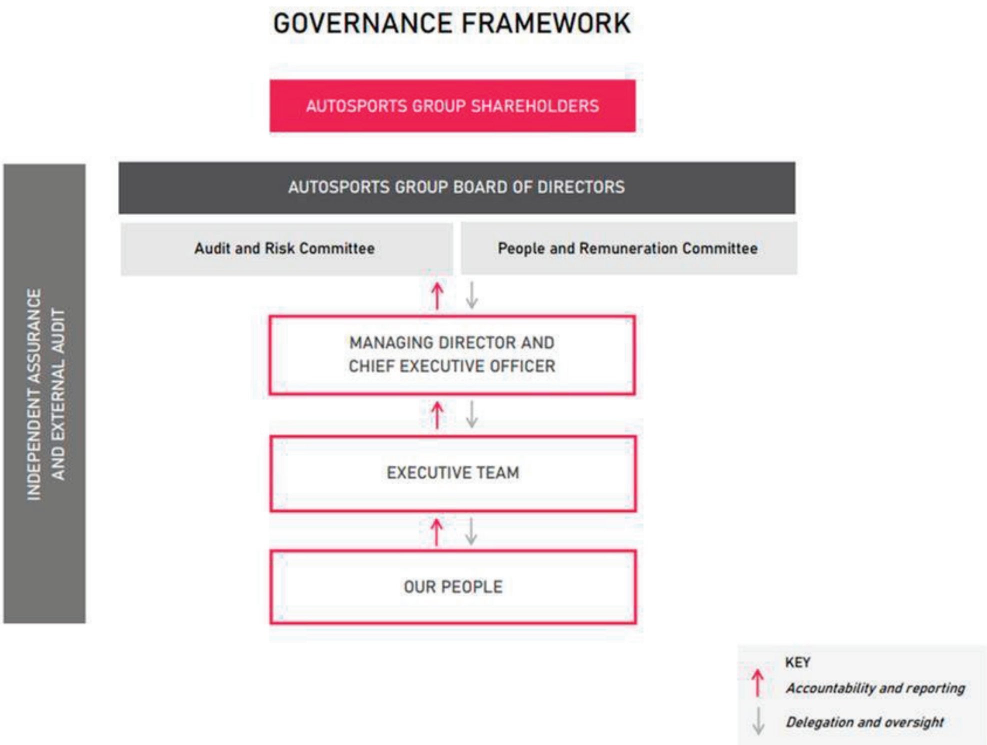
Modern slavery
The Group prepared a Modern Slavery Statement in respect of the 2024 financial year which is available at http://investors.autosportsgroup.com.au/investors/?page=corporate-governance.

Governance

The Autosports Group Board is committed to conducting the business of the Group in accordance with high standards of corporate governance and with a view to creating and delivering value for the Group's shareholders. The Board is responsible for setting and monitoring compliance with the Group's governance framework. The Board and its Committees regularly review governance arrangements and practices to ensure continued compliance with regulatory requirements, and to ensure that they continue to support business objectives. The Chief Executive Officer is responsible for the implementation of the strategic objectives and for the day-to-day management of the Group, with the support of the Executive Team.

During the year, we further strengthened our governance framework, by:

- undertaking an annual review of our Board and Committee Charters;
- reporting on our progress in addressing the matters allocated to the Board and delegated to the Committees; and
- regularly reviewing our key governance policies and reporting regulatory changes through these channels.



In FY2024, we welcomed Anna Burgdorf to the Board as a Non-Executive Director in February and Gareth Turner was most recently appointed by the Board as a new Non-Executive Director on 9 August 2024. Both Anna and Gareth are members of the Audit and Risk Committee and the People and Culture Committee. Founding Non-Executive Director Robert Quant will retire from the Board at the end of the 2024 Annual General Meeting. Profiles of all our current Directors are set out in the section 'Current Directors' and Profiles of our Executive KMP and Company Secretary are set out in the section 'Other key management personnel and company secretary' in this 2024 Annual Report.

The Board considers that the Group's corporate governance practices in FY2024 have been consistent with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (Fourth edition)*. The Group's 2024 Corporate Governance Statement is available on our website at https://investors.autosportsgroup.com.au/investors/?page=corporate-governance.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Likely developments in operations in future years

The Group's diverse revenue model supports both resilience and growth through the Financial Year 2025 ('FY25') as:

- New vehicle market is expected to remain competitive with consumer incentives and marketing initiatives in place to maintain like for like new vehicle revenue;
- Used vehicles, servicing, parts and collision repair revenue streams are expecting to grow on trend with stable margins and costs;
- Like for like vehicle inventory levels are expected to reduce as Autosports Group works with its OEM partners to improve stock turn ratios;
- Acquisition of Stillwell Motor Group is expected to complete in October 2024, adding approximately $260 million revenue in FY25 for the 9 months October 2024 to June 2025; and
- Autosports Group continues to actively assess further luxury branded acquisition opportunities.

Risk

The Group identified its key risk areas as:

Macroeconomic risks	As the products sold by Autosports Group are discretionary for many customers, the Group's financial performance can be impacted by current and future economic conditions which it cannot control. Increasing interest rates and inflationary pressure can put pressure on consumer spending and reduce purchasing power. The Group monitors the external environment and its impact on the business.
Privacy and Data Breach	The Group handles personal and sensitive information. Our Data Breach Response Plan is designed so we are ready to take prompt action to contain and address data security incidents. Our privacy management framework is built around awareness, governance and continuous improvement whilst also being inherently connected with our cybersecurity framework.
Cyber Security and Information technology ('IT') infrastructure	FY2024 saw a continuation of the Group's Cyber Security Maturity Uplift Program as cyber security risks remain a risk for businesses globally. During the year, further cyber security training was issued and progress was made in vendor security assessments and IT infrastructure risk remediation.
Work, Health and Safety ('WHS')	The Group has a zero-risk tolerance for serious safety incidents. During the financial year, the Group continued to improve its WHS practices through regular safety committee meetings, safety inspections and regular reporting to the Board. The Group commenced its own training on Electric Vehicles (EVs), additional to EV training provided by OEMs, and an audit of all Personal Protective Equipment (PPE) and the correct resources to carry out work on EVs also commenced in the reporting period.
Reliance on key personnel	The Group engaged in activities during the financial year to develop the skills and experience of potential successors as part of its succession planning initiatives.
Original equipment manufacturer ('OEM') risk	The Group relies on its relationships with OEMs to offer its range of luxury and prestige vehicles to consumers. The automotive industry is also experiencing a change in OEM business models including some manufacturers adopting an agency model. The Group's supportive and collaborative approach to its relationships with OEMs has cultivated the Group's excellent reputation amongst OEMs and we will continue to work with our business partners in this way.
Regulatory compliance	The Group is subject to a number of Australian and New Zealand laws and regulations such as consumer protection laws, consumer finance laws, laws relating to the sale of insurance products, importation laws, privacy laws and those relating to workplace health and safety. The Group monitors the regulatory landscape for regulatory change.
Changes to market trends	As consumer preferences continue to trend upward towards electric in FY2024, the Group is well positioned to take advantage of the trend as we partner with many OEMs that are delivering new ranges of electric vehicles. The Group regularly monitors market trends for changes to consumer preferences including investment in new technologies.
Supply chain	Vehicle supply shortages can arise from various factors including macroeconomic events affecting global supply chains and delays due to quarantine restrictions at Australian ports. The Group actively manages its supply chain to mitigate risk and control inventory balances.

Environmental regulation

The Group is subject to environmental regulation and is required to maintain licences and comply with local planning, State-based and federal environmental laws to operate its dealerships, service and collision facilities.

Matters subsequent to the end of the financial year

On 1 July 2024, Autosports Group acquired the 20% minority shareholding in John Newell Holdings Pty Ltd.

As announced on 19 August 2024, the Group has entered into an Agreement through its wholly owned subsidiary ASG Investment Holdings Pty Ltd to acquire 100% of shares in B S Stillwell Motor Group Pty Ltd, known as the Stillwell Motor Group, for approximately $55 million. The Stillwell Motor Group is a family-owned business founded in 1949 that represents the BMW, BMW Motorrad, MINI, Volvo, MG and Ducati brands with dealerships in four Victorian locations.

The purchase consideration consists of $45 million for goodwill and approximately $10 million for net tangible assets, subject to usual adjustments. The seller of the Stillwell Motor Group can elect to receive up to 15% of the purchase consideration in the form of the Company's shares to be issued at a price of $2.09 per share. The cash portion of the purchase consideration will be funded by cash and new and existing debt facilities. The acquisition is expected to settle in October 2024.

No other matter or circumstance has arisen since 30 June 2024 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.

Current directors

James Evans
Chairman

Nick Pagent
Chief Executive Officer

Anna Burgdorf
Independent Non-Executive Director

Marina Go
Independent Non-Executive Director

Ian Pagent
Non-Executive Director

Robert Quant
Independent Non-Executive Director

Gareth Turner
Independent Non-Executive Director

Name:	**James Evans**
Title:	Chairman
Qualifications:	Bachelor of Economics, a member of the Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia and a Fellow of the Australian Institute of Company Directors
Experience and expertise:	James has over 40 years' executive experience in retailing, and banking and financial services. Recently, James served as the Chair of Global Fund Manager Pendal Group Limited and the Chair of ME Bank, until its sale to the Bank of Queensland and was a Non-Executive Director of Investa Group, including Investa Wholesale Funds Management Limited and ICPF Holdings Limited. He was also the former Chair of Suncorp Portfolio Services Limited and a Non-Executive Director of Australian Infrastructure Fund Limited and Hastings Funds Management Limited.
Other current directorships:	None
Former directorships (last 3 years):	Independent Director of Pendal Group Limited (ASX: PDL) from 2010-2022. Chairman from 2013 - 2022
Special responsibilities:	Member of Audit and Risk Committee and People and Remuneration Committee
Interests in shares:	88,612 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Name:	**Nicholas ('Nick') Pagent**
Title:	Chief Executive Officer
Experience and expertise:	Nick has over 28 years' experience in the motor vehicle industry across Australia and the United Kingdom. Prior to founding Autosports, 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:	None
Interests in shares:	40,746,757 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	602,905 LTI performance rights and 202,495 STI performance rights convertible into ordinary shares

Name:	**Anna Burgdorf**
Title:	Independent Non-Executive Director (appointed on 13 February 2024)
Qualifications:	Bachelor of Arts from the University of Technology, Sydney
Experience and expertise:	Anna has held several senior strategic marketing roles at Flight Centre Travel Group and is currently the Global Brand and Marketing Director of its Luxury Leisure Division. Prior to this, Anna spent 21 years with German luxury automotive manufacturer, Audi Australia Pty Ltd in senior leadership positions. Anna is a founding Board Member of the Audi Foundation Australia and is a member of the Australian Institute of Company Directors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee and People and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	**Marina Go**
Title:	Independent Non-Executive Director
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 Chair of Adore Beauty and a Non-Executive Director of Energy Australia and Transurban Group. She is also a member of the UNSW Business Advisory Council, and author of the business book for women, 'Break Through: 20 Success Strategies for Female Leaders'. Marina has over 26 years’ of leadership experience in the media industry, having started her career as a journalist. She is the former Chair of Ovarian Cancer Australia and Super Netball Limited. She is also a member of the Australian Institute of Company Directors.
Other current directorships:	Chair of Adore Beauty Group Ltd (ASX: ABY) - since 2 November 2021 and Non-Executive Director - since 6 October 2020 and Non-Executive Director of Transurban Group (ASX: TCL) - since 1 December 2021.
Former directorships (last 3 years):	Non-Executive Director of Booktopia Group Limited (ASX: BKG) - resigned on 31 March 2022, Non-Executive Director of Pro-Pac Packaging (Aust) Pty Ltd (ASX: PPG) - resigned on 23 November 2021.
Special responsibilities:	Chair of People and Remuneration Committee and Member of Audit and Risk Committee
Interests in shares:	40,833 ordinary shares held directly
Interests in options:	None
Interests in rights:	None

Name:	**James ('Ian') Pagent**
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts (Hons) in Politics from Melbourne University and LLB from Sydney University
Experience and expertise:	Ian has over 54 years' experience in the motor vehicle industry across Australia, Asia and the United States of America. 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. Ian is a Co-Founder of Autosports Group.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee and People and Remuneration Committee
Interests in shares:	65,995,799 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	42,894 LTI performance rights convertible into ordinary shares

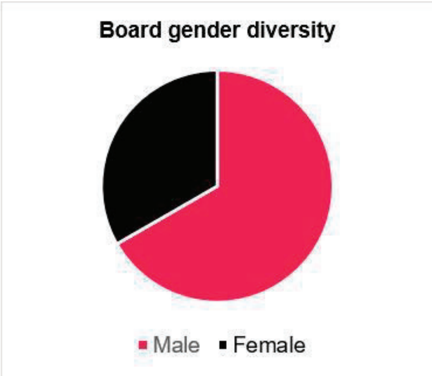
Name:	**Robert Quant**
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Business from the University of Technology, Sydney
Experience and expertise:	Robert has over 40 years' experience in professional accounting in advisory and leadership roles having developed sector expertise in retail automotive and professional services. His most recent executive roles include Global Leader - Asia Pacific for Grant Thornton International Limited and Chief Executive Officer 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
Interests in shares:	62,499 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Name:	**Gareth Turner**
Title:	Independent Non-Executive Director (appointed on 9 August 2024)
Qualifications:	Bachelor of Commerce (Hons) from the University of Natal, South Africa, and Master of Business Administration from the University of Oxford, UK.
Experience and expertise:	Gareth has over 20 years' experience in financial and leadership positions, including an executive career in Chief Financial Officer roles in the telecommunications and technology sectors. His most recent executive roles include Chief Financial Officer and Chief Commercial Officer at Infomedia Limited.
Other current directorships:	Non-Executive Director of Superloop (ASX: SLC) since 2 March 2023
Former directorships (last 3 years):	None
Special responsibilities:	Member of Audit and Risk Committee and People and Remuneration Committee
Interests in shares:	None
Interests in options:	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 three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Board composition as at 30 June 2024



*Board tenure chart excludes Chief Executive Officer.

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 2024, 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
James Evans	8	8	8	8	7	7
Nick Pagent*	8	8	8	8	7	7
Marina Go	8	8	8	8	7	7
Ian Pagent	8	8	8	8	7	7
Robert Quant	8	8	8	8	7	7
Anna Burgdorf **	3	3	3	3	3	3

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

* Whilst Nick Pagent is not members of the People and Remuneration Committee or Audit and Risk Committee, they attended each meeting.

** Anna Burgdorf was appointed a director on 13 February 2024.

Other key management and company secretary

Brent Polites
Head of Franchised Automotive

Aaron Murray
Chief Financial Officer

Caroline Gatenby
General Counsel and Company Secretary

Name:	**Brent Polites**
Title:	Head of Franchised Automotive
Qualifications:	Bachelor of Commerce from Deakin University and Master of Business Administration from the University of Melbourne
Experience and expertise:	Brent has more than 20 years' experience in automotive including more than 12 years leading some of Australia's largest dealerships. Brent has won multiple Dealer of the Year awards across different brands and States. He has a broad automotive experience that spans retail, importation and OEM wholesale.
Interests in shares:	156,752 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	142,989 LTI performance rights and 73,205 STI performance rights convertible into ordinary shares

Name:	**Aaron Murray**
Title:	Chief Financial Officer and Company Secretary (effective from 25 January 2024)
Experience and expertise:	Aaron has over 25 years' experience in accounting and the motor vehicle industry. He has held the role of Autosports Chief Financial Officer since 2009, after joining the business in 2007. Prior to joining Autosports, he held accounting and finance roles with Trivett Classic, McMillan Volkswagen and Audi Centre Parramatta.
Interests in shares:	2,070,741 ordinary shares held directly and indirectly
Interests in options:	None
Interests in rights:	219,626 LTI performance rights and 125,453 STI performance rights convertible into ordinary shares

Name:	**Caroline Gatenby**
Title:	General Counsel and Company Secretary (appointed on 20 June 2024)
Qualifications:	Bachelor of Laws (Hons) and Bachelor of Communication from the University of Technology, Sydney, Graduate Diploma from the Governance Institute of Australia.
Experience and expertise:	Caroline has over 16 years' experience as a lawyer with legal, governance and compliance experience in private practice and across retail, professional services, FMCG and healthcare. Prior to joining Autosports Group, Caroline was Global Compliance Officer and Deputy General Counsel at Cochlear Limited.

Former Company Secretary Caroline Raw resigned on 25 January 2024.

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 1,428,459 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 2024 and up to the date of this report.

Shares issued on the exercise of performance rights
No shares were issued on the exercise of performance rights during or since the end of the financial year. Instead, the Company arranged to purchase shares on-market through a facility offered by its Share Registry, Link Market Services, which satisfied vested performance rights during the financial year. 964,248 ordinary shares were provided from the shares purchased on-market during the year. 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. Chief Financial Officer and Head of Franchised Automotive 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 liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial 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; 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 (including Independence Standards) 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.

Remuneration report (audited)

Sections
The remuneration report is set out under the following main headings:

1 Remuneration essentials
2 Senior Executive remuneration in detail
3 Non-Executive Director remuneration
4 Statutory remuneration disclosures
5 Transactions with key management personnel

(1) Remuneration essentials

What does this report cover?
The directors of Autosports Group Limited are pleased to introduce to shareholders the Company's remuneration report for the performance period 1 July 2023 to 30 June 2024 ('financial year' or 'FY24'). Gareth Turner was appointed as a Non-Executive Director of Autosports Group Limited on 9 August 2024 and did not receive any compensation during the year ended 30 June 2024.

Who does this report cover?
This report sets out the remuneration arrangements for the Company's key management personnel ('**KMP**'). The term KMP 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). Throughout the remuneration report, KMP are referred to as either Senior Executives (who are members of KMP performing an executive role) or Non-Executive Directors.

The following table sets out the Company's KMP for the financial year. All KMP held their positions for the whole of the financial year, unless otherwise indicated.

Name	Position
Non-Executive Directors	
James Evans	Chairman
Marina Go	Independent Director
Ian Pagent	Non-Executive Director
Robert Quant	Independent Director
Anna Burgdorf	Independent Director (appointed on 13 February 2024)
Senior Executives	
Nick Pagent	Chief Executive Officer ('**CEO**')
Brent Polites	Head of Franchised Automotive
Aaron Murray	Chief Financial Officer ('**CFO**')

Remuneration governance and framework

Role of the Board and People and Remuneration Committee
The Board of Directors (the '**Board**') is responsible for establishing, and overseeing the implementation of, the Company's remuneration policies and frameworks and ensuring that they are aligned with the long-term interests of the Company and its shareholders.

The People and Remuneration Committee assists the Board with these responsibilities. The role of the People and Remuneration Committee is to review key aspects of the KMP 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 that align with short and long-term goals and cultural expectations;
- 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. Recommendations are made based on annual reviews of Senior Executives' performance against KPIs.

Use of remuneration consultants and other advisors

The Board recognises the need to motivate, attract and retain employees to deliver excellent business performance. In FY24, the People and Remuneration Committee commissioned a report from an independent remuneration consultant, Godfrey Remuneration Group Pty Limited, to provide guidance in relation to the Group's remuneration policy and the rewards levels for the Senior Executives and Non-Executive Directors. The report considered remuneration structures in companies with comparable size and scale across relevant sectors.

The People & Remuneration Committee and Board agreed to retain the current remuneration structure for Senior Executives and Non-Executive Directors in FY25.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from KMP. These protocols include requiring that the consultant not communicate with affected KMP without a member of the People and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected KMP. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

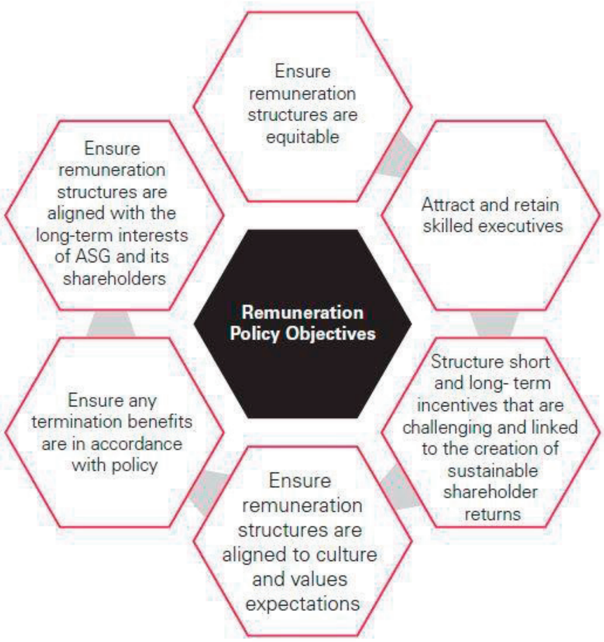
Godfrey Remuneration Group Pty Limited was paid $88,000 for its services.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 99.67% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Remuneration policy and guiding principles
In accordance with best practice corporate governance, the structure of Senior Executive and Non-Executive Director remuneration is separate.

Senior Executive remuneration
Our remuneration framework is designed to be competitive and encourage Senior Executives to execute the Group's strategy and achieve business objectives 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, we aim to ensure that we 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.

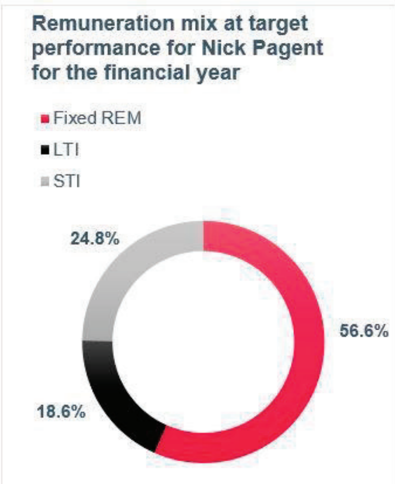
Remuneration mix and components
Our executive remuneration framework is summarised below and includes components of remuneration which are structured to motivate executives to deliver sustained returns through a mix of short-term and long-term incentives.

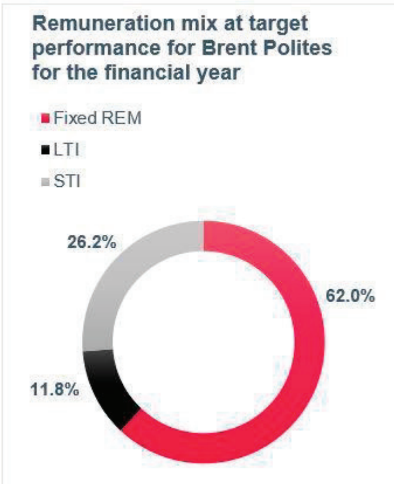
Executive remuneration framework

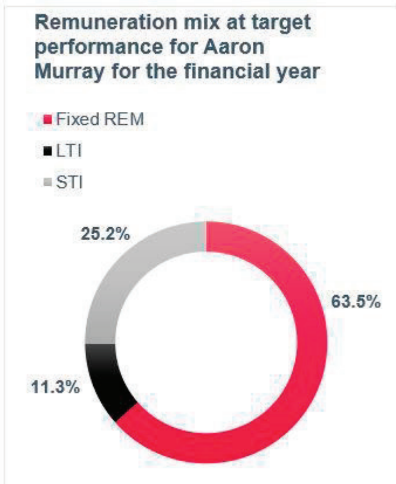
Fixed remuneration ('Fixed REM') – Cash	Short-term incentive ('STI') (at risk) – Equity	Long-term incentive ('LTI') (at risk) – Equity
Base salary plus superannuation and other benefits	STI is subject to financial and non-financial performance hurdles	Granted in performance rights at the start of the performance period
Influenced by individual skills, qualifications, experience and performance	Subject to a culture and values gateway hurdle	Vesting subject to an earnings per share ('**EPS**') performance condition
Reviewed annually	Performance measured over 12 months	Performance measured over three years
	Granted in performance rights which will vest following a 12-month deferral period subject to the Senior Executive's continuous service	

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

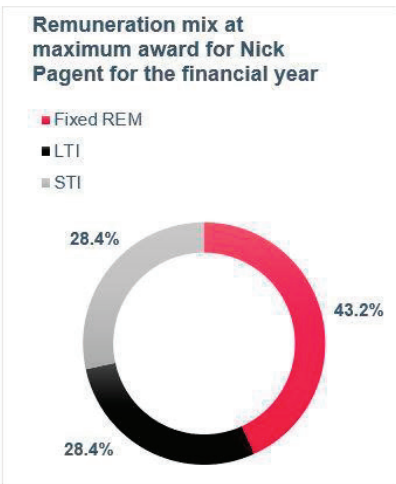
The tables below illustrate the remuneration mix for the Senior Executives at target performance.

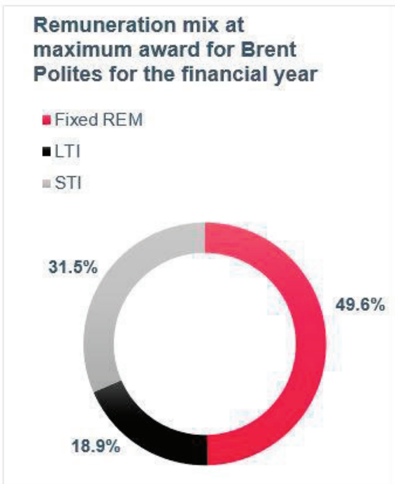


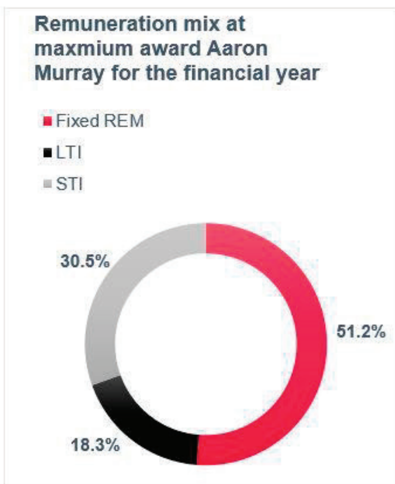




The tables below illustrate the remuneration mix for Senior Executives at maximum award.







Company performance
In FY24, revenue grew 11.6% (2024: $2.65 billion, 2023: $2.37 billion) and service and parts revenue grew 13.8% (2024: $379 million, 2023: $333 million).

Profit before tax was down 11.9% to $88.4 million. Net profit after tax was down 7.8% to $61.5 million compared to $66.6 million for the prior year.

At year end our cash at bank was $36.29 million (2023: $41.99 million) and corporate debt was $206.6 million (2023: $222.6 million).

Our remuneration structure was established to reward both short-term and long-term growth with gateway hurdles of upholding cultural and value expectations for continual improvement in corporate governance, compliance, risk management and stakeholder relationships. It is also intended to retain skilled executives in the long-term interests of the business.

The table below shows our financial performance for the last five years.

	Share performance			Earnings performance			Liquidity	
Financial year ended 30 June	Closing share price ($)	Dividend per share (cents)*	Basic earnings per share ('EPS') (cents)	Earnings Before Interest and tax ('EBIT') $M	Net profit after tax ('NPAT') $M	Return on Equity ('ROE') %	Cash flow from operations $M	Interest coverage (Earnings before interest and tax ('EBITDA'))
2024	2.17	18.0	30.28	145.1	61.5	12.3	119.5	3.60
2023	2.03	19.0	32.55	133.9	66.6	13.8	166.0	5.53
2022	1.52	16.0	26.56	96.8	54.6	10.8	135.0	9.10
2021	2.55	9.0	20.86	79.8	42.4	10.2	125.8	7.13
2020	1.17	-	(50.97)	(76.1)	(102.3)	(27.1)	83.8	3.54

* 100% franked at 30% corporate income tax.

(2) Senior Executive remuneration in detail

Fixed remuneration
The remuneration of Senior Executives includes a fixed component comprised of base salary, 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.

Fixed remuneration for Senior Executives is market-aligned to similar roles in companies of a comparable size, complexity and scale to Autosports.

Short-term incentive
Set out below is an explanation of the terms and conditions applying to the STI awards for Senior Executives during the performance period.

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 2023 to 30 June 2024
STI opportunity	The STI opportunities of the Senior Executives are set out below:

Name	Level of performance At target	Level of performance At maximum
Nick Pagent	50% of base salary	75% of base salary
Brent Polites	50% of base salary	75% of base salary
Aaron Murray	50% of base salary	75% of base salary

Each Senior Executive's STI opportunity is assessed against individually weighted financial and non-financial performance hurdles.

In relation each financial key performance indicator comprising PBT and inventory efficiency, the STI opportunity is awarded as follows:
(i) 90% - no award
(ii) > 90% and 100% - 30% of 'target' amount awarded
(iii) 100% (at target) - 100% of 'target' amount awarded
(iv) > 100% and less than 110% - straight line pro rata between 'target' and 'maximum' amount awarded
(v) 110% or greater - 'maximum' amount awarded.

Additionally, all performance metrics were assessed exclusive of new or unbudgeted acquisitions. Non-financial KPIs were assessed based on the achievement of individual strategic objectives and performance against set criteria. The Board retained its discretion to determine each Senior Executive's award including having regard to performance.

Performance conditions

Performance conditions for the initial grant include:

(i) a "gateway hurdle" of upholding our culture and values. Our culture is underpinned by our values of Village, Care, Leading Change and Strive for Excellence and, alongside our Code of Conduct, provide a framework for how we work and interact together. If this gateway hurdle is not met, no STI is awarded; and

(ii) in addition, each Senior Executive has a 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 relate to the financial objectives of the Group and include targets measured against PBT and inventory efficiency. The non-financial performance hurdles are aligned to each Senior Executive's role and include items such as reporting, safety, business and property acquisitions, culture and employee engagement, diversity, investor relations, cybersecurity, capital management, internal audit, operational management and contract management.

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 the financial year, the People and Remuneration Committee assesses the performance of Senior Executives against the performance conditions set by the Board and determines the award for the Senior Executives for the initial grant and, therefore, the number of performance rights to be granted.

Delivery of STI awards

Following measurement against performance conditions, STI awards are delivered in the form of performance rights which 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 the executive becomes 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 FY24 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: (i) if they resign or are summarily terminated, all of their rights will lapse; or (ii) 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	Maximum potential STI bonus ($)*	STI award ($)	Percentage of target STI award granted	Percentage of maximum STI award granted	Percentage of maximum STI award forfeited
Nick Pagent	2024	525,000	212,333	55%	40%	60%
	2023	525,000	514,500	100%	98%	2%
Ian Pagent	2024	-	-	-	-	-
	2023**	180,000	-	-	-	100%
Brent Polites	2024	375,000	164,167	60%	44%	56%
	2023***	187,500	186,000	100%	99%	1%
Aaron Murray	2024	318,750	152,610	67%	48%	52%
	2023	318,750	318,750	100%	100%	-

* The maximum potential bonus is determined by reference to the maximum STI opportunity available to each Senior Executive as a percentage of their base salary.
** In accordance with terms of STI Plan, Ian Pagent's entitlement to participate in the FY23 STI Plan was forfeited upon retiring from his executive position on 31 January 2023.
*** Brent Polites' participation in the STI Plan commenced on 1 January 2023.

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.
LTI opportunity	The LTI opportunity of the Senior Executives is set out below: Nick Pagent — 75% of base salary Brent Polites — 45% of base salary Aaron Murray — 45% of base salary

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	LTI grants have a three-year performance period, which commences on 1 July of the year they are granted.
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 financial performance of the Company. EPS is calculated having regard to underlying profit, which measures profit from the Group'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: (i) if the executive resigns or is summarily terminated, all their performance rights will lapse; or (ii) if the executive ceases employment in any other circumstances including retirement, 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 Senior Executive is party to a written executive service agreement with the Company. The key terms are set out below.

Base salary	Nick Pagent – $700,000 per annum base salary plus other benefits valued at $97,606. Brent Polites - $500,000 per annum base salary plus other benefits valued at $90,395. Aaron Murray – $425,000 per annum base salary plus other benefits valued at $110,387.
Periods of notice required to terminate and termination payments	Nick Pagent – either party may terminate the contract by giving 12 months' notice. Brent Polites – either party may terminate the contract by giving 6 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.

FY25 Senior Executive remuneration
A change to the STI Gateway for executive remuneration has been included for ESG Reporting for FY25. This is to establish the ESG reporting framework ahead of compulsory reporting in FY26. Board to use discretion as to the results based on the development of the framework and report compared to ASX listed peers.

(3) Non-Executive Director remuneration

Principles of Non-Executive Director remuneration
As outlined in section 2, in remunerating Non-Executive Directors, we aim to attract and retain qualified and experienced directors having regard to:
- the specific responsibilities and requirements for the Board;
- fees paid to Non-Executive of other comparable Australian companies; and
- the size and complexity of the Group's operations.

Non-Executive Director remuneration for the financial year

Board fees
The current Non-Executive Director fee pool is set at $800,000 per annum. The Non-Executive Directors' fees are $200,000 for the Chairman 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. We do 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 the Chair of each Board Committee. Directors do not receive additional fees for being a member of a Board Committee.

(4) Statutory remuneration disclosures

KMP 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	
		Cash paid salary/fees $	Non-monetary[1] $	Super-annuation $	Long service leave $	Rights[2] $	Total $
Non-Executive Directors							
James Evans	2024	180,180	-	19,820	-	-	200,000
	2023	180,989	-	19,011	-	-	200,000
Marina Go	2024	108,108	-	11,892	-	-	120,000
	2023	108,590	-	11,410	-	-	120,000
Robert Quant	2024	108,108	-	11,892	-	-	120,000
	2023	108,590	-	11,410	-	-	120,000
Ian Pagent	2024	90,090	-	9,910	-	-	100,000
	2023[3]	31,326	-	3,289	-	-	34,615
Anna Burgdorf	2024[4]	30,839	-	3,392	-	-	34,231
Senior Executives							
Nick Pagent	2024	700,000	70,207	27,399	11,282	737,333	1,546,221
	2023	700,000	62,115	25,292	11,800	1,039,500	1,838,707
Ian Pagent	2024	-	-	-	-	-	-
	2023[5]	259,357	37,489	17,492	(35,453)	(266,990)	11,895
Brent Polites	2024	500,000	62,996	27,399	8,059	389,167	987,621
	2023[6]	230,769	16,566	12,646	6,514	298,500	564,995
Aaron Murray	2024	425,000	82,988	27,399	6,850	343,860	886,097
	2023	425,000	70,126	25,292	7,167	510,000	1,037,585

1 The amounts disclosed as non-monetary benefits includes things such as motor vehicle, motor vehicle insurance, fringe benefit tax on motor vehicle and fuel allowance.
2 The value of rights granted to the Senior Executives is based on the fair value estimate on grant date.
3 Represents remuneration from 1 February 2023.
4 Represents remuneration from 13 February 2024.
5 Represents remuneration until 31 January 2023.
6 Represents remuneration from 1 January 2023.

There were no termination benefits provided in the financial year.

Movements in performance rights held by KMPs
The following table shows the changes in performance rights granted to KMPs during the financial year including the performance rights on issue and subject to exercise at a later date.

The Non-Executive Directors do not hold performance rights, except for Ian Pagent who continues to hold a pro-rated portion of performance rights that were entitled to remain in the applicable STI and LTI Plan in accordance with its terms following his retirement from his executive position.

Brent Polites was appointed as KMP on 1 January 2023 and is entitled to participate in the FY23 STI Plan and FY23 LTI Plan pro-rated for the applicable performance periods from 1 January 2023. Performance rights in respect of these plans were granted in FY24 and included in the table below.

Performance rights awarded, vested and lapsed/forfeited during the year and available for exercise in future years are detailed below.

	Grant date	Performance period	Fair value on grant date	Rights held at the start of the financial year	Rights granted	Rights exercised	Rights forfeited	Rights held at the end of the financial year
Nick Pagent								
LTI - FY21	9 Dec 2020	1 July 2020 - 30 June 2023	$1.40	350,467	-	(350,467)	-	-
LTI - FY22	15 Dec 2021	1 July 2021 - 30 June 2024	$2.18	232,419	-	-	(90,168)	142,251
LTI - FY23	16 Dec 2022	1 July 2022 - 30 June 2025	$2.05	254,028	-	-	-	254,028
STI - FY22	16 Dec 2022	1 July 2022 - 30 June 2023	$2.05	197,803	-	(197,803)	-	-
LTI - FY24	27 Oct 2023	1 July 2024 - 30 June 2026	$2.54	-	206,626	-	-	206,626
STI - FY23	27 Oct 2023	1 July 2023 - 30 June 2024	$2.54	-	202,495	-	-	202,495
				1,034,717	409,121	(548,270)	(90,168)	805,400
Ian Pagent*								
LTI - FY21	9 Dec 2020	1 July 2020 - 30 June 2023	$1.40	120,982	-	(120,982)	-	-
LTI - FY22	15 Dec 2021	1 July 2021 - 30 June 2024	$2.18	42,169	-	-	(16,360)	25,809
LTI - FY23	16 Dec 2022	1 July 2022 - 30 June 2025	$2.05	17,085	-	-	-	17,085
STI - FY22	16 Dec 2022	1 July 2022 - 30 June 2023	$2.05	40,186	-	(40,186)	-	-
				220,422	-	(161,168)	(16,360)	42,894
Brent Polites								
LTI - FY23	1 Dec 2023	1 July 2022 - 30 June 2025	$2.07	54,435	-	-	-	54,435
LTI - FY24	23 Oct 2023	1 July 2024- 30 June 2026	$2.54	-	88,554	-	-	88,554
STI - FY23	23 Oct 2023	1 July 2023 - 30 June 2024	$2.54	-	73,205	-	-	73,205
				54,435	161,759	-	-	216,194
Aaron Murray								
LTI - FY21	9 Dec 2020	1 July 2020 - 30 June 2023	$1.40	131,425	-	(131,425)	-	-
LTI - FY22	15 Dec 2021	1 July 2021 - 30 June 2024	$2.18	84,662	-	-	(32,845)	51,817
LTI - FY23	16 Dec 2022	1 July 2022 - 30 June 2025	$2.05	92,538	-	-	-	92,538
STI - FY22	16 Dec 2022	1 July 2022 - 30 June 2023	$2.05	123,385	-	(123,385)	-	-
LTI-FY24	27 Oct 2023	1 July 2023 - 30 June 2026	$2.54	-	75,271	-	-	75,271
STI - FY23	27 Oct 2023	1 July 2023 - 30 June 2024	$2.54	-	125,453	-	-	125,453
				432,010	200,724	(254,810)	(32,845)	345,079

All performance rights outstanding at year end were unvested.

* Upon Ian Pagent's retirement as an executive on 31 January 2023, Ian was entitled to retain a pro-rated number of performance rights proportionate to the part of the performance period served, and the balance was forfeited in accordance with the terms of the STI and LTI plans.

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

	Shares held at the start of the financial year	Received as part of remuneration[3]	Additions[1]	Disposals/ others[2]	Shares held at the end of financial year
Non-Executive Directors					
James Evans	88,612	-	-	-	88,612
Marina Go	40,833	-	-	-	40,833
Ian Pagent	65,834,631	161,168	-	-	65,995,799
Robert Quant	62,499	-	-	-	62,499
Anna Burgdorf	-	-	-	-	-
Senior Executives					
Nick Pagent	40,177,947	548,270	20,540	-	40,746,757
Brent Polites	156,752	-	-	-	156,752
Aaron Murray	1,890,931	254,810	-	(75,000)	2,070,741
	108,252,205	964,248	20,540	(75,000)	109,161,993

1 On-market purchase of shares.
2 On-market sale of shares
3 From the vesting of performance rights

(5) Transactions with KMP

Management fees
The Group received administration service fees in relation to shared administration staff managing properties outside of the Group that are owned by Ian and Nick Pagent.

Related party management fee	Fee type	The Group received management fees $
GFB Properties Pty Ltd	Property management service	10,737
Autohaus Prestige Five Dock Pty Ltd	Property management service	21,474
Audi Parramatta Property Holdings Pty Ltd	Property management service	10,737
Audi Parramatta Properties 2 Pty Ltd	Property management service	10,737
Autosports Properties Leichhardt Pty Ltd	Property management service	21,474
New Centenary Properties Pty Ltd	Property management service	10,737
NDI Properties Pty Ltd	Property management service	10,737
		96,633

Related party leases
During the financial year, the Group had operating lease agreements on normal commercial terms with various entities owned by Ian and Nick Pagent.

Related party operating leases	Property location	The Group paid rental fees $
GFB Properties Pty Ltd	3-7 Parramatta Rd, Five Dock NSW	1,025,457
Autohaus Prestige Five Dock Pty Ltd	34-36 Spencer St, Five Dock NSW, Unit C 2 Packard Ave, Castle Hill NSW, and 26-28 Chard Road, Brookvale NSW	884,943
Audi Parramatta Property Holdings Pty Ltd	49-51 Church St, Parramatta NSW	803,845
Audi Parramatta Properties 2 Pty Ltd	13 Church St, Parramatta NSW	600,662
Autosports Properties Leichhardt Pty Ltd	531-571 Parramatta Rd, Leichhardt NSW	1,437,497
New Centenary Properties Pty Ltd	135 Moggill Rd, Toowong QLD and 45 Dickson Avenue, Artarmon NSW	3,260,345
		8,012,749

This concludes the remuneration report, which has been audited.

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

On behalf of the directors

James Evans
Chairman

Nicholas Pagent
Chief Executive Officer

22 August 2024
Sydney

AUDITOR'S INDEPENDENCE **DECLARATION**

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower
50 Bridge Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
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22 August 2024

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

Dear Directors

Auditor's Independence Declaration to 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 report of Autosports Group Limited for the year ended 30 June 2024, 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 faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Revenue	5	2,646,763	2,371,296
Interest revenue		100	129
Expenses			
Changes in inventories		115,961	(123,069)
Raw materials and consumables purchased		(2,247,816)	(1,772,724)
Employee benefits expense		(203,996)	(188,993)
Depreciation and amortisation expense	6	(59,360)	(52,028)
Impairment of property, plant and equipment	11	-	(6,004)
Occupancy costs	6	(8,909)	(7,964)
Acquisition and restructure expenses		(681)	(6,027)
Other expenses		(96,917)	(80,657)
Finance costs	6	(56,787)	(33,658)
Profit before income tax expense		88,358	100,301
Income tax expense	7	(26,878)	(33,652)
Profit after income tax expense for the year		61,480	66,649
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	19	1,966	(579)
Other comprehensive income for the year, net of tax		1,966	(579)
Total comprehensive income for the year		63,446	66,070
Profit for the year is attributable to:			
Non-controlling interest		608	1,223
Owners of Autosports Group Limited		60,872	65,426
		61,480	66,649
Total comprehensive income for the year is attributable to:			
Non-controlling interest		608	1,223
Owners of Autosports Group Limited		62,838	64,847
		63,446	66,070
		Cents	Cents
Basic earnings per share	30	30.28	32.55
Diluted earnings per share	30	30.07	32.28

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

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Consolidated 30 June 2024 $'000	 30 June 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		36,289	41,999
Trade and other receivables	8	105,337	89,569
Inventories	9	489,716	373,755
Other assets	10	20,315	17,660
Total current assets		651,657	522,983
Non-current assets			
Property, plant and equipment	11	307,294	295,519
Right-of-use assets	12	199,854	227,846
Intangibles	13	548,603	551,638
Deferred tax	7	20,977	21,343
Total non-current assets		1,076,728	1,096,346
Total assets		1,728,385	1,619,329
Liabilities			
Current liabilities			
Trade and other payables	14	211,846	189,396
Contract liabilities		643	970
Income tax payable	7	1,310	13,723
Employee benefits	15	25,487	25,141
Borrowings	16	581,342	449,104
Lease liabilities	17	39,094	38,194
Total current liabilities		859,722	716,528
Non-current liabilities			
Trade and other payables	14	-	4,594
Deferred tax	7	-	332
Employee benefits	15	3,490	3,792
Borrowings	16	177,340	195,070
Lease liabilities	17	194,171	220,608
Total non-current liabilities		375,001	424,396
Total liabilities		1,234,723	1,140,924
Net assets		493,662	478,405
Equity			
Issued capital	18	475,637	475,637
Reserves	19	4,894	2,761
Retained profits/(accumulated losses)		14,008	(5,914)
Equity attributable to the owners of Autosports Group Limited		494,539	472,484
Non-controlling interest		(877)	5,921
Total equity		493,662	478,405

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

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022	475,637	4,506	(35,978)	5,328	449,493
Profit after income tax expense for the year	-	-	65,426	1,223	66,649
Other comprehensive income for the year, net of tax	-	(579)	-	-	(579)
Total comprehensive income for the year	-	(579)	65,426	1,223	66,070
Transactions with owners in their capacity as owners:					
Share-based payments (note 19)	-	(348)	-	-	(348)
Transfer to accumulated losses	-	(818)	818	-	-
Dividends paid (note 20)	-	-	(36,180)	(630)	(36,810)
Balance at 30 June 2023	475,637	2,761	(5,914)	5,921	478,405

Consolidated	Issued capital $'000	Reserves $'000	(Accumulated losses)/ retained profits $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	475,637	2,761	(5,914)	5,921	478,405
Profit after income tax expense for the year	-	-	60,872	608	61,480
Other comprehensive income for the year, net of tax	-	1,966	-	-	1,966
Total comprehensive income for the year	-	1,966	60,872	608	63,446
Transactions with owners in their capacity as owners:					
Share-based payments (note 19)	-	(583)	-	-	(583)
Transfer from accumulated losses	-	750	(750)	-	-
Transactions with non-controlling shareholders	-	-	-	(6,069)	(6,069)
Dividends paid (note 20)	-	-	(40,200)	(1,337)	(41,537)
Balance at 30 June 2024	475,637	4,894	14,008	(877)	493,662

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

CONSOLIDATED STATEMENT OF
CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Cash flows from operating activities			
Profit before income tax expense for the year		88,358	100,301
Adjustments for:			
Depreciation and amortisation	6	59,360	52,028
Impairment of property, plant and equipment		-	6,004
Net loss on disposal of property, plant and equipment		483	2,667
Share-based payments	6	1,828	938
Interest received		(100)	(129)
Interest and other finance costs	6	56,787	33,658
		206,716	195,467
Change in operating assets and liabilities:			
Increase in trade and other receivables		(15,768)	(25,414)
Increase in inventories		(115,961)	(123,069)
Increase in other operating assets		(2,655)	(2,443)
Increase in trade and other payables		12,341	28,913
Decrease in contract liabilities		(327)	(640)
Increase in employee benefits		44	2,539
Increase/(decrease) in bailment finance		130,594	164,275
		214,984	239,628
Interest received		100	129
Interest and other finance costs paid		(56,787)	(33,658)
Income taxes paid		(38,764)	(40,097)
Net cash from operating activities		119,533	166,002
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	27	-	(116,791)
Payments for property, plant and equipment	11	(29,179)	(133,666)
Net cash used in investing activities		(29,179)	(250,457)
Cash flows from financing activities			
Proceeds from borrowings	31	11,399	136,049
Repayment of borrowings	31	(27,485)	(25,709)
Repayment of lease liabilities	31	(36,019)	(36,861)
Dividends paid	20	(40,200)	(36,180)
Dividends paid to non-controlling interest		(1,337)	(630)
On market share purchase to settle share-based payments	19	(2,411)	(1,182)
Net cash from/(used in) financing activities		(96,053)	35,487
Net decrease in cash and cash equivalents		(5,699)	(48,968)
Cash and cash equivalents at the beginning of the financial year		41,999	90,817
Effects of exchange rate changes on cash and cash equivalents		(11)	150
Cash and cash equivalents at the end of the financial year		36,289	41,999

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:

Autosports Group Head Office
555 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 22 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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 ended 30 June 2024.

Net current asset 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 $208,065,000 as at 30 June 2024 (2023: $193,545,000).

During the financial year ended 30 June 2024, the Group made a profit after income tax expense of $61,480,000 (2023: profit after income tax expense of $66,649,000).

The directors have reviewed the cash flow forecast for the Group at least through to 30 August 2025. The forecast indicates that the Group will generate net positive operating cash inflows 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:

- during the financial year the Group generated $119,533,000 (2023: $166,002,000) of cash flow from operating activities;
- during the financial year the Group used $29,179,000 to fund additions to property, plant and equipment;
- as at 30 June 2024, the Group has undrawn capital finance facilities of $103,813,000 (2023: $15,200,000) which is available for specific purposes, including acquisitions, property construction and upgrade of existing facilities and undrawn bailment finance facilities of $277,002,000 (2023: $196,352,000);
- as at 30 June 2024, the Group has cash and cash equivalents amounting to $36,289,000 (2023: $41,999,000);
- the Group has the continuing support of its financiers.

The directors have concluded that it is appropriate to prepare the financial statements on the going concern basis, as they believe that the Group will comply with its future financial covenants and be able to pay its debts as and when they become due and payable from cash flows from operations and available finance facilities for at least 12 months from the date of approval of these 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. Material accounting policy information (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 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Autosports Group Limited as at 30 June 2024 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.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Autosports Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Material accounting policy information (continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

New, demonstrator and used vehicles

Revenue from the sale of vehicles is recognised at the point in time when the buyer obtains control of the goods, which is generally at the time of delivery of the vehicle.

Parts and service

Revenue from the sale of parts is recognised at the point in time when the buyer obtains control of the goods, which is generally at the time of delivery of the goods.

Service work on customers' vehicles is carried out under instructions from the customer. Service revenue is recognised over time based on either a fixed price or an hourly rate. Revenue arising from the sale of parts fitted to customers’ vehicles during service is recognised at the point in time upon delivery of the fitted parts to the customer upon completion of the service.

Other revenue

i) Aftermarket accessories and other revenue

Aftermarket accessories and other revenue are recognised at the point in time when they are delivered to the customer. Aftermarket accessories relate to items fitted at the dealership and include products such as window tinting, mud flaps and paint protection.

ii) Finance and insurance revenue

Finance and insurance commissions are recognised at the point in time, usually 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.

iii) Agency commission

Agency commission represents fees from third parties where the Group acts as an agent by arranging a third party to provide goods and services to a customer. In such cases, the Group is not primarily responsible for providing the underlying good or service to the customer. Agency commission is recognised on an accrual basis on completion of the referral or when the commission is received.

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 raw materials and consumables purchased (cost of goods sold) in profit or loss. 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.

Note 2. Material accounting policy information (continued)

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

The Group has applied the simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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

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

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

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

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

Inventories

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

Note 2. Material accounting policy information (continued)

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The age of the car is considered in determining the 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 held at the lower of cost and net realisable value. 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
Leasehold improvements	over the estimated useful life
Plant and equipment	3 - 10 years
Furniture, fixtures and fittings	2 - 10 years
Motor vehicles	4 - 8 years

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

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

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

Note 2. Material accounting policy information (continued)

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.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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
Trade and other payables 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.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

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

Vehicles secured under bailment plans are provided to the Group under bailment agreements with 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.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 2. Material accounting policy information (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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.

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.

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.

Note 2. Material accounting policy information (continued)

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.

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 additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

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

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

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

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

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

Rounding of amounts

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 ‘Statement of Cash Flows’. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

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. Refer to note 13 for further information.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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 and New Zealand, 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.

Refer to note 5 for information on revenue from the Group's products and services.

Major customers
There are no major customers for the Group representing more than 10% of the Group’s revenue.

Note 5. Revenue

	Consolidated	
	30 June 2024 $'000	**30 June 2023 $'000**
Revenue for contracts with customers		
New and demonstrator vehicles	1,568,050	1,435,427
Used vehicles	635,179	543,348
Parts	204,087	175,147
Service	174,629	157,508
Other revenue	64,818	59,866
Revenue	2,646,763	2,371,296

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	30 June 2024 $'000	**30 June 2023 $'000**
Geographical regions		
Australia	2,461,233	2,204,258
New Zealand	185,530	167,038
	2,646,763	2,371,296
Timing of revenue recognition		
Revenue recognised at a point in time	2,472,134	2,213,788
Revenue recognised over time	174,629	157,508
	2,646,763	2,371,296

Note 6. Expenses

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Buildings	3,085	1,454
Leasehold improvements	6,263	5,432
Plant and equipment	5,405	3,035
Furniture, fixtures and fittings	985	1,598
Motor vehicles	1,158	1,563
Right-of-use assets	38,474	35,579
Total depreciation	55,370	48,661
Amortisation		
Customer relationships	3,990	3,367
Total depreciation and amortisation	59,360	52,028
Share-based payments expense		
Share-based payment expenses in relation to directors, executives and employees	1,828	938
Finance costs		
Floor plan interest	28,117	15,126
Interest charges on lease liabilities	11,537	9,408
Corporate interest	17,133	9,124
Total finance costs expensed	56,787	33,658
Net loss on disposal		
Net loss on disposal of property, plant and equipment	-	2,667
Leases		
Variable lease payments	(32)	843
Short-term lease payments	1,829	293
Rental outgoings	7,112	6,828
	8,909	7,964
Superannuation expense		
Defined contribution superannuation expense	18,083	15,719
Other provisions		
Inventory write down/(reversal) to net realisable value	(1,015)	1,565

Included in 'raw materials and consumables' in profit or loss is $28,006,000 (2023: $25,839,000) of salaries and wages relating to direct service labour costs.

Note 7. Income tax

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Income tax expense		
Current tax	26,844	35,042
Deferred tax - origination and reversal of temporary differences	34	(1,390)
Aggregate income tax expense	26,878	33,652
Deferred tax included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	366	(1,067)
Decrease in deferred tax liabilities	(332)	(323)
Deferred tax - origination and reversal of temporary differences	34	(1,390)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	88,358	100,301
Tax at the statutory tax rate of 30%	26,507	30,090
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent tax differences	128	3,065
Share-based payments	543	281
	27,178	33,436
Prior year temporary differences now recognised	(31)	554
Tax rate differential	(59)	(114)
Other	(210)	(224)
Income tax expense	26,878	33,652

Note 7. Income tax (continued)

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Net deferred tax asset		
Net deferred tax asset comprises temporary differences attributable to:		
Amounts recognised other than in equity:		
Right-of-use assets	9,458	8,457
Employee benefits	10,107	9,821
Tax losses	776	826
Property, plant and equipment	3,849	2,915
Contract liabilities	1,403	993
Provision for warranties	515	830
Allowance for expected credit losses	276	477
Accrued expenses	109	250
Inventories	(3,163)	4
Customer relationships	(1,480)	(2,099)
Work in progress	(224)	(197)
Other items	(649)	(934)
Deferred tax asset	20,977	21,343
Movements:		
Opening balance	21,343	21,721
Credited/(charged) to profit or loss	(366)	1,067
Additions through business combinations (note 27)	-	(1,445)
Closing balance	20,977	21,343

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Net deferred tax liability		
Net deferred tax liability comprises temporary differences attributable to:		
Amounts recognised other than in equity:		
Customer relationships	-	770
Property, plant and equipment	-	(2)
Other items	-	(3)
Accrued expenses	-	(6)
Inventories	-	(116)
Right-of-use assets	-	(118)
Employee benefits	-	(193)
Deferred tax liability	-	332
Movements:		
Opening balance	332	-
Credited to profit or loss	(332)	(323)
Additions through business combinations (note 27)	-	655
Closing balance	-	332

Note 7. Income tax (continued)

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Provision for income tax		
Provision for income tax	1,310	13,723

Note 8. Trade and other receivables

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current assets		
Trade receivables	95,980	79,657
Other receivables	9,927	11,108
Less: Allowance for expected credit losses	(570)	(1,196)
	105,337	89,569

Allowance for expected credit losses
The Group has recognised a gain of $520,000 in profit or loss in respect of the expected credit losses for the year ended 30 June 2024 (2023: Loss of $141,000).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	30 June 2024 %	30 June 2023 %	30 June 2024 $'000	30 June 2023 $'000	30 June 2024 $'000	30 June 2023 $'000
Not overdue	0.01%	0.04%	85,090	68,101	11	31
0 to 2 months overdue	2.52%	6.77%	5,467	5,357	137	363
2 to 3 months overdue	0.20%	0.42%	2,712	2,513	6	11
3 to 4 months overdue	10.96%	13.57%	1,266	1,943	139	264
Over 4 months overdue	19.20%	30.26%	1,445	1,743	277	527
			95,980	79,657	570	1,196

The profile of the Group's trade debtors has improved throughout the period due to improvement of supply chains and increased level of Original Equipment Manufacturer (OEM) receivables. As a result, the calculation of expected credit loss has been revised.

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Opening balance	1,196	1,107
Provisions recognised	226	372
Receivables written off during the year as uncollectable	(106)	(52)
Unused amounts reversed	(746)	(231)
Closing balance	570	1,196

Note 9. Inventories

	Consolidated	
	30 June 2024	30 June 2023
	$'000	$'000
Current assets		
New and demonstrator vehicles - at cost	388,195	271,815
Less: Write-down to net realisable value	(5,786)	(6,361)
	382,409	265,454
Used vehicles - at cost	76,845	80,472
Less: Write-down to net realisable value	(1,659)	(1,668)
	75,186	78,804
Spare parts and accessories - at cost	28,945	27,928
Less: Write-down to net realisable value	(1,008)	(1,440)
	27,937	26,488
Other inventory - at cost	4,184	3,009
	489,716	373,755

Note 10. Other assets

	Consolidated	
	30 June 2024	30 June 2023
	$'000	$'000
Current assets		
Prepayments	7,980	5,008
Other cash deposits	12,335	12,652
	20,315	17,660

Note 11. Property, plant and equipment

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Non-current assets		
Land and buildings - at cost*	203,121	203,121
Less: Accumulated depreciation	(5,961)	(2,876)
Less: Impairment	(6,004)	(6,004)
	191,156	194,241
Leasehold improvements	94,690	84,265
Less: Accumulated depreciation	(25,891)	(19,548)
	68,799	64,717
Plant and equipment	47,434	38,044
Less: Accumulated depreciation	(23,085)	(16,748)
	24,349	21,296
Furniture, fixtures and fittings	15,630	14,699
Less: Accumulated depreciation	(6,061)	(5,251)
	9,569	9,448
Motor vehicles	6,736	6,318
Less: Accumulated depreciation	(3,301)	(2,764)
	3,435	3,554
Capital work in progress - at cost	9,986	2,263
	307,294	295,519

* Land and buildings represents owner-occupied premises at:

- 601 Mains Road, Macgregor, Queensland and the adjoining land 581, Mains Road, Macgregor, Queensland, from which Macgregor Mercedes-Benz operates;
- 120 - 124 Pacific Highway, Waitara, NSW, from which Mercedes-Benz Hornsby operates;
- 363 Nepean Highway, Brighton, Victoria, from which Brighton Jaguar Land Rover operates;
- 62 Enterprise Drive, Bundoora, Victoria 3083 from which Bundoora BMW dealership operates;
- 98 O'Riordan Street, Alexandria from which Sydney City Subaru and Sydney City Kia operates; and
- 586 Wickham Street and 10 Light Street Fortitude Valley from which Audi Centre Brisbane, Bentley Brisbane, Maserati Brisbane and Lamborghini Brisbane operate.

Note 11. Property, plant and equipment (continued)

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 1 July 2022	98,762	34,053	13,747	4,671	6,166	14,899	172,298
Additions	103,877	1,141	1,866	4,151	429	22,202	133,666
Additions through business combinations (note 27)	-	6,556	4,113	586	21	181	11,457
Disposals	-	-	(1,023)	(145)	(1,499)	-	(2,667)
Exchange differences	-	(108)	(27)	(14)	-	-	(149)
Impairment of assets	(6,004)	-	-	-	-	-	(6,004)
Transfers in/(out)	(940)	28,507	5,655	1,797	-	(35,019)	-
Depreciation expense	(1,454)	(5,432)	(3,035)	(1,598)	(1,563)	-	(13,082)
Balance at 30 June 2023	194,241	64,717	21,296	9,448	3,554	2,263	295,519
Additions	-	2,502	7,276	484	1,473	17,444	29,179
Disposals	-	(9)	(40)	-	(434)	-	(483)
Exchange differences	-	(18)	(5)	(2)	-	-	(25)
Transfers in/(out)	-	7,870	1,227	624	-	(9,721)	-
Depreciation expense	(3,085)	(6,263)	(5,405)	(985)	(1,158)	-	(16,896)
Balance at 30 June 2024	191,156	68,799	24,349	9,569	3,435	9,986	307,294

Included in capital work in progress are construction costs of a dealership on the Groups owned land at 581 Mains Road, Macgregor, Queensland. Committed future capital expenditure amounts to $9,270,000.

Note 12. Right-of-use assets

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Non-current assets		
Right-of-use asset	443,730	433,248
Less: Accumulated depreciation	(243,876)	(205,402)
	199,854	227,846

The Group leases dealership operating premises under agreements of between 1 to 16 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 12. Right-of-use assets (continued)

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

Consolidated	Property lease $'000
Balance at 1 July 2022	203,147
Additions/changes *	1,342
Additions through business combinations (note 27)	58,126
Exchange differences	810
Depreciation expense	(35,579)
Balance at 30 June 2023	227,846
Additions/changes *	10,577
Exchange differences	(95)
Depreciation expense	(38,474)
Balance at 30 June 2024	199,854

* Additions/changes include lease renewals, exercise of option and rent reviews.

For other AASB 16 lease-related disclosures refer to the following:
- note 6 for details of interest on lease liabilities and other lease expenses;
- note 17 and note 31 for details of lease liabilities at the beginning and end of the reporting period;
- note 21 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 13. Intangibles

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Non-current assets		
Goodwill - at cost	648,820	647,894
Less: Accumulated impairment	(109,174)	(109,174)
	539,646	538,720
Customer relationships - at cost	41,677	41,610
Less: Accumulated amortisation	(32,720)	(28,692)
	8,957	12,918
	548,603	551,638

Note 13. Intangibles (continued)

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 1 July 2022	438,952	6,832	445,784
Additions through business combinations (note 27)	99,771	9,454	109,225
Exchange differences	(3)	(1)	(4)
Amortisation expense	-	(3,367)	(3,367)
Balance at 30 June 2023	538,720	12,918	551,638
Exchange differences	926	29	955
Amortisation expense	-	(3,990)	(3,990)
Balance at 30 June 2024	539,646	8,957	548,603

Goodwill acquired through business combinations is allocated to one group of cash-generating unit ('**CGU**') according to the business segment, being motor vehicle retailing which is the lowest level at which management monitors goodwill.

The recoverable amount of the Group's goodwill has been determined by value-in-use calculations ('**VIU**'). 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 five year period and a terminal growth rate.

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

The following key assumptions were used in the VIU model:
(a) Earnings before interest, tax, depreciation and amortisation ('**EBITDA**');
(b) Terminal growth rate of 2.0% beyond five year period (2023: 2.0%);
(c) Post tax discount rate of 10.8% (2023: 10.7%)
(d) Pre-tax discount rate of 14.95% (2023: 14.84%); and
(e) New vehicle motor growth between FY25 to FY29 including other income and rebates of -1.6% - 12.8% (2023: 1.5% - 20.0% FY24 to FY28).

As a result of the impairment testing, management has concluded that the recoverable amount of the CGU is higher than the carrying value of the assets, and therefore goodwill is not considered to be impaired.

Sensitivity analysis
The Group has conducted an analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amount of goodwill. The recoverable amount exceeds the carrying amount by $141 million.

The directors believe that any reasonably possible change in any of the key assumptions below on which the recoverable amount is based will cause the carrying amount to equal the recoverable amount of the CGU.

Sensitivity	VIU assumptions	VIU model equals carrying amount	Change
EBITDA %	5.1% - 5.6%	4.6% - 4.9%	0.6%
Post tax discount rate	10.8%	12.4%	1.6%
Pre-tax discount rate	14.9%	17.2%	2.3%
Terminal growth rate	2.0%	-0.5%	2.5%
New vehicle motor growth (including rebates, aftermarket and finance and insurance) between FY2025 to FY2029	-1.6% - 12.8%	-3.5% - 10.1%	1.9%

Notwithstanding the above, should market conditions deteriorate further than forecast, it may cause the carrying amount of the CGU to be lower than recoverable amount at a future date, which may result in an impairment.

Note 13. Intangibles (continued)

Remaining amortisation period
The remaining amortisation period for customer relationships is 1-4 years (2023: 1-4 years).

Note 14. Trade and other payables

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current liabilities		
Trade and other payables	113,300	107,441
GST payable	43,162	37,381
Accrued expenses	50,474	44,574
Deferred consideration on business combinations	4,910	-
	211,846	189,396
Non-current liabilities		
Deferred consideration on business combinations	-	4,594
	211,846	193,990

Refer to note 21 for further information on financial instruments.

The average credit period on purchase of goods is 30 days.

Note 15. Employee benefits

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current liabilities		
Employee benefits	25,487	25,141
Non-current liabilities		
Employee benefits	3,490	3,792
	28,977	28,933

Note 16. Borrowings

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current liabilities		
Bailment finance	552,126	421,532
Capital loans	29,216	27,572
	581,342	449,104
Non-current liabilities		
Capital loans	177,340	195,070
	758,682	644,174

Note 16. Borrowings (continued)

Refer to note 21 for further information on financial instruments.

Total secured liabilities
The total secured liabilities are as follows:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Bailment finance	552,126	421,532
Capital loans	206,556	222,642
	758,682	644,174

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 6.25% (2023: 5.99%).

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 7.30% (2023: 6.49%).

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

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Total facilities		
Bailment finance	829,128	617,884
Capital loans	310,369	237,842
	1,139,497	855,726
Used at the reporting date		
Bailment finance	552,126	421,532
Capital loans	206,556	222,642
	758,682	644,174
Unused at the reporting date		
Bailment finance	277,002	196,352
Capital loans	103,813	15,200
	380,815	211,552

Unused capital loans are available for specific purposes including acquisitions, property construction and upgrade of existing facilities.

Note 17. Lease liabilities

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current liabilities		
Lease liability	39,094	38,194
Non-current liabilities		
Lease liability	194,171	220,608
	233,265	258,802

Refer to note 21 for information on the maturity analysis of lease liabilities.

Note 18. Issued capital

	Consolidated			
	30 June 2024 Shares	30 June 2023 Shares	30 June 2024 $'000	30 June 2023 $'000
Ordinary shares - fully paid	201,000,000	201,000,000	475,637	475,637

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. 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 pursuing additional investments in the short term and continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain covenants on its financing arrangements 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 2023 Annual Report.

Note 19. Reserves

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Foreign currency reserve	1,387	(579)
Share-based payments reserve	3,507	3,340
	4,894	2,761

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

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

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

Consolidated	Foreign currency reserve $'000	Share-based payments $'000	Total $'000
Balance at 1 July 2022	-	4,506	4,506
Foreign currency translation	(579)	-	(579)
Share-based payments	-	938	938
On market share purchase in the Company to settle vested long term incentives	-	(1,182)	(1,182)
Cash settled	-	(104)	(104)
Transfer to accumulated losses	-	(818)	(818)
Balance at 30 June 2023	(579)	3,340	2,761
Foreign currency translation	1,966	-	1,966
Share-based payments	-	1,828	1,828
On market share purchase in the Company to settle vested long term incentives	-	(2,411)	(2,411)
Transfer from accumulated losses	-	750	750
Balance at 30 June 2024	1,387	3,507	4,894

Note 20. Dividends

Dividends

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Final dividend for the year ended 30 June 2023 of 10.0 cents (2022: 9.0 cents) per ordinary share	20,100	18,090
Interim dividend for the year ended 30 June 2024 of 10.0 cents (2023: 9.0 cents) per ordinary share	20,100	18,090
	40,200	36,180

On 22 August 2024, the directors declared a fully franked final dividend for the year ended 30 June 2024 of 8.0 cents per ordinary share, to be paid on 15 November 2024 to eligible shareholders on the register as at 1 November 2024. This equates to a total estimated distribution of $16,080,000, based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of the dividends declared after the reporting date are not reflected in the 30 June 2024 financial statements and will be recognised in the subsequent financial period.

Note 20. Dividends (continued)

Franking credits

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	96,355	89,370

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 21. 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 the subsidiaries' functional currency being Australian dollars or New Zealand 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 risk.

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

Consolidated	30 June 2024 Balance $'000	30 June 2023 Balance $'000
Bailment finance	552,126	421,532
Capital loans	206,556	222,642
Cash at bank	(36,289)	(41,999)
Net exposure to cash flow interest rate risk	722,393	602,175

An official increase/decrease in interest rates of 50 (2023: 50) basis points per annum applied to borrowing at the reporting date would have an adverse/favourable effect on the profit before tax of $3,612,000 (2023: $3,011,000) and equity of $2,528,000 (2023: $2,108,000) (assuming 30% tax). The percentage change is based on the expected volatility of interest rates using market data and analyst's forecasts.

Note 21. 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.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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 2024 $'000	30 June 2023 $'000
Bailment finance	277,002	196,352
Capital loans	103,813	15,200
	380,815	211,552

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 2024	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	113,300	-	-	-	113,300
Deferred consideration	4,955	-	-	-	4,955
Interest-bearing - variable					
Bailment finance	553,493	-	-	-	553,493
Capital loans	43,263	57,050	126,646	21,814	248,773
Interest-bearing - fixed rate					
Lease liability	49,235	44,884	88,651	98,708	281,478
Total non-derivatives	764,246	101,934	215,297	120,522	1,201,999

Note 21. Financial instruments (continued)

Consolidated - 30 June 2023	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	107,441	-	-	-	107,441
Deferred consideration	-	4,594	-	-	4,594
Interest-bearing - variable					
Bailment finance	421,532	-	-	-	421,532
Capital loans	40,917	34,282	166,678	30,963	272,840
Interest-bearing - fixed rate					
Lease liability	48,742	45,639	102,118	114,968	311,467
Total non-derivatives	618,632	84,515	268,796	145,931	1,117,874

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

Note 22. 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 23. Contingent liabilities

All bank guarantees are provided to cover landlord deposits on leased property. Liabilities relating to landlord deposits are included in the total lease liabilities as disclosed in note 17.

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	
	30 June 2024 $	30 June 2023 $
Short-term employee benefits	2,358,516	2,230,917
Post-employment benefits	139,103	125,842
Long-term benefits	26,191	(9,972)
Share-based payments	1,470,360	1,581,010
	3,994,170	3,927,797

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, and its network firms:

	Consolidated 30 June 2024 $	Consolidated 30 June 2023 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	637,500	647,000
Other services - Deloitte Touche Tohmatsu		
Tax review and compliance	157,552	101,000
Training - leadership development program	99,761	158,000
	257,313	259,000
	894,813	906,000
Other services - network firms		
Deloitte New Zealand - due diligence	-	29,000
Deloitte New Zealand - tax compliance	25,834	15,000
	25,834	44,000

Note 26. Related party transactions

Parent entity
Autosports Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

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

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

	Consolidated 30 June 2024 $	Consolidated 30 June 2023 $
Other income:		
Management fees received from entities owned by the directors Ian Pagent and Nicholas Pagent	96,633	113,400
Payment for other expenses:		
Lease payments on properties to entities owned by the directors Ian Pagent and Nicholas Pagent	8,012,749	7,729,897
Marketing - customer events to entity controlled by Ian Pagent*	-	211,841

* The event is a luxury dining experience that Autosports Group will use to enhance customer relationships. The amount is within the current marketing budget and strategy and will also attract marketing rebates from some of the OEMs whose customers the experience is offered to.

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
There were no loans to or from related parties at the current and previous reporting date.

Note 26. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Business combinations (prior year acquisition)

Auckland City BMW Ltd ('Auckland BMW')
On 1 August 2022, the Group acquired 100% of the shares in Auckland City BMW Ltd. The total consideration transferred amounted to $61,807,000 (NZ$ 68,873,000), including a $4,487,000 (NZ$ 5,000,000) payment deferred for two years. The acquisition was funded by existing cash reserves and $12,115,000 (NZ$ 13,500,000) debt facility. The goodwill of $46,650,000 represents the future potential profits of the acquired business.

Motorline BMW, Motorline MINI, Motorline Bodyshop, Gold Coast BMW and Gold Coast MINI ('Motorline and Gold Coast')
On 1 February 2023, the Group acquired trading assets and liabilities of Motorline BMW, Motorline MINI, Motorline Bodyshop, Gold Coast BMW and Gold Coast MINI ("Motorline Group"). The total consideration transferred amounted to $65,754,000, funded by existing cash reserves and $30,000,000 debt facility. The goodwill of $53,121,000 represents the future potential profits of the acquired business.

Details of the acquisitions are as follows:

	Auckland BMW Fair value $'000	Motorline and Gold Coast Fair value $'000	Total $'000
Cash and cash equivalents	6,283	-	6,283
Trade receivables	5,424	-	5,424
Inventories	21,209	12,023	33,232
Prepayments	358	242	600
Property, plant and equipment	6,531	4,926	11,457
Right-of-use assets	24,803	33,323	58,126
Customer relationships	3,355	6,099	9,454
Trade and other payables	(5,086)	(1,682)	(6,768)
Provision for income tax	(1,692)	-	(1,692)
Deferred tax liability	(655)	(1,445)	(2,100)
Employee benefits	(884)	(1,284)	(2,168)
Bailment finance	(19,686)	(6,111)	(25,797)
Other provisions	-	(135)	(135)
Lease liability	(24,803)	(33,323)	(58,126)
Net assets acquired	15,157	12,633	27,790
Goodwill	46,650	53,121	99,771
Acquisition-date fair value of the total consideration transferred	61,807	65,754	127,561
Acquisition costs expensed to profit or loss	173	4,066	4,239
Cash paid net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	61,807	65,754	127,561
Less: cash and cash equivalents acquired	(6,283)	-	(6,283)
Less: deferred consideration payable	(4,487)	-	(4,487)
Net cash used	51,037	65,754	116,791

Note 28. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 30 June 2024 %	Ownership interest 30 June 2023 %
ASG Brisbane Pty Ltd	Australia	100%	100%
ASG Melbourne Pty Ltd	Australia	100%	100%
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 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%
Auckland City BMW Ltd	New Zealand	100%	100%
Autosports NZ Ltd	New Zealand	100%	100%

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

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 30 June 2024 %	Ownership interest 30 June 2023 %	Ownership interest 30 June 2024 %	Ownership interest 30 June 2023 %
New Centenary Mazda Pty Ltd	Australia	Motor vehicle dealership	80%	80%	20%	20%
John Newell Holdings 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 29. Deed of cross guarantee

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

Autosports Group Limited
ASG Brisbane Pty Ltd
ASG Melbourne Pty Ltd
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 Pty Ltd
Prestige Auto Traders Australia Pty Ltd
Prestige Group Holdings Pty Ltd
Prestige Repair Works 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 29. Deed of cross guarantee (continued)

Entities controlled by the Group not party to the deed of cross guarantee are New Centenary Mazda Pty Ltd, Birchgrove Pty Ltd, A.C.N 633 925 050 Pty Ltd, John Newell Holdings Pty Ltd, Auckland City BMW Ltd and Autosports NZ Ltd.

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	30 June 2024 $'000	30 June 2023 $'000
Revenue	2,341,622	2,077,256
Changes in inventories	119,330	(123,069)
Raw materials and consumables purchased	(1,994,572)	(1,528,753)
Employee benefits expense	(181,676)	(166,598)
Depreciation and amortisation expense	(51,679)	(44,587)
Impairment of property, plant and equipment	-	(6,004)
Occupancy costs	(7,725)	(6,968)
Acquisition and restructure expenses	(668)	(5,997)
Other expenses	(86,362)	(71,114)
Finance costs	(50,782)	(29,038)
Profit before income tax expense	87,488	95,128
Income tax expense	(23,489)	(27,989)
Profit after income tax expense	63,999	67,139
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	63,999	67,139

Equity - retained profits/(accumulated losses)	30 June 2024 $'000	30 June 2023 $'000
Accumulated losses at the beginning of the financial year	(11,510)	(43,287)
Profit after income tax expense	63,999	67,139
Dividends paid	(40,200)	(36,180)
Transfer from share premium reserve	(750)	818
Retained profits/(accumulated losses) at the end of the financial year	11,539	(11,510)

Statement of financial position	30 June 2024 $'000	30 June 2023 $'000
Current assets		
Cash and cash equivalents	31,110	36,879
Trade and other receivables	94,218	79,744
Inventories	451,822	338,598
Other assets	18,056	16,014
	595,206	471,235
Non-current assets		
Other financial assets	81,694	75,625
Property, plant and equipment	298,188	287,241
Right-of-use assets	156,746	178,218
Intangibles	460,940	463,629
Deferred tax	20,153	20,320
	1,017,721	1,025,033
Total assets	1,612,927	1,496,268

Note 29. Deed of cross guarantee (continued)

Statement of financial position	30 June 2024 $'000	30 June 2023 $'000
Current liabilities		
Trade and other payables	201,872	190,082
Contract liabilities	168	271
Income tax payable	871	12,899
Employee benefits	22,609	23,077
Borrowings	537,329	407,469
Lease liabilities	34,564	32,695
	797,413	666,493
Non-current liabilities		
Employee benefits	3,243	2,744
Borrowings	169,986	185,914
Lease liabilities	151,602	173,650
	324,831	362,308
Total liabilities	1,122,244	1,028,801
Net assets	490,683	467,467
Equity		
Issued capital	475,637	475,637
Reserves	3,507	3,340
Retained profits/(accumulated losses)	11,539	(11,510)
Total equity	490,683	467,467

Note 30. Earnings per share

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Profit after income tax	61,480	66,649
Non-controlling interest	(608)	(1,223)
Profit after income tax attributable to the owners of Autosports Group Limited	60,872	65,426

	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:		
Performance rights over ordinary shares	1,428,459	1,687,149
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,428,459	202,687,149

	Cents	Cents
Basic earnings per share	30.28	32.55
Diluted earnings per share	30.07	32.28

Note 31. Cash flow information

Changes in liabilities arising from financing activities

Consolidated	Capital loans $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2022	112,302	235,385	347,687
Net cash from/(used in) financing activities	110,340	(36,861)	73,479
Acquisition/changes to leases	-	1,342	1,342
Changes through business combinations (note 27)	-	58,126	58,126
Exchange differences	-	810	810
Balance at 30 June 2023	222,642	258,802	481,444
Net cash used in financing activities	(16,086)	(36,019)	(52,105)
Acquisition/changes to leases	-	10,577	10,577
Exchange differences	-	(95)	(95)
Balance at 30 June 2024	206,556	233,265	439,821

Note 32. 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 year was $1,828,000 (2023: $938,000). The number of performance rights to be granted is determined by dividing any STI or LTI 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 2024 audited full-year results. A performance right is a right to acquire a share at a nil exercise price upon the achievement of performance hurdles and the fair value was estimated by taking the market price of the Company's shares on the grant date.

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.

Note 32. Share-based payments (continued)

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 or LTI is awarded.
- in addition, each senior executive has an individualised balanced scorecard that determines their awards. These scorecards primarily focus on a combination of financial and non-financial objectives of the Group and include targets measured against total revenue, earnings before interest and taxation, EBITDA, net profit before taxation and net profit after taxation. The scorecards also include operational key performance indicators ('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 and sustainable.

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.

LTI performance is measured against the compound annual growth rate ('CAGR') of the Group's underlying EPS. The rights are measured over a 3-year period.

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.

Movements in performance rights during the year

	2024 Number	2023 Number
Balance at the beginning of the year	1,687,149	2,019,979
Granted during the year	844,930	856,942
Exercised during the year	(964,248)	(860,356)
Cancelled during the year	(139,372)	(329,416)
Balance at the end of the year	1,428,459	1,687,149

Performance rights vested and exercisable as at 30 June 2024 was 18,892 (2023: nil). As at year end, the weighted average remaining contractual life for the performance rights awarded were LTI - FY22: 0.17 years, LTI - FY23: 1.17 years and LTI - FY24: 2.17 years(2023: STI – FY23: 2.18 years; LTI FY 22 - 1.18 years and LTI – FY21: 0.17 year).

Note 33. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024 $'000	30 June 2023 $'000
Profit after income tax	42,610	32,709
Total comprehensive income	42,610	32,709

Statement of financial position

	Parent	
	30 June 2024 $'000	30 June 2023 $'000
Total current assets	74,738	70,103
Total assets	378,940	368,469
Total current liabilities	7,418	793
Total liabilities	7,418	793
Equity		
Issued capital	477,495	477,495
Share-based payments reserve	3,507	3,340
Accumulated losses	(109,480)	(113,159)
Total equity	371,522	367,676

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 2024 and 30 June 2023.

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

Contingent liabilities
The parent entity had no material contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Events after the reporting period

On 1 July 2024, Autosports Group acquired the 20% minority shareholding in John Newell Holdings Pty Ltd.

As announced on 19 August 2024, the Group has entered into an Agreement through its wholly owned subsidiary ASG Investment Holdings Pty Ltd to acquire 100% of shares in B S Stillwell Motor Group Pty Ltd, known as the Stillwell Motor Group, for approximately $55 million. The Stillwell Motor Group is a family-owned business founded in 1949 that represents the BMW, BMW Motorrad, MINI, Volvo, MG and Ducati brands with dealerships in four Victorian locations.

Note 34. Events after the reporting period (continued)

The purchase consideration consists of $45 million for goodwill and approximately $10 million for net tangible assets, subject to usual adjustments. The seller of the Stillwell Motor Group can elect to receive up to 15% of the purchase consideration in the form of the Company's shares to be issued at a price of $2.09 per share. The cash portion of the purchase consideration will be funded by cash and new and existing debt facilities. The acquisition is expected to settle in October 2024.

Apart from the dividend declared as disclosed in note 20, no other matter or circumstance has arisen since 30 June 2024 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.

CONSOLIDATED ENTITY
DISCLOSURE AGREEMENT
30 JUNE 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
A.C.N. 633 925 050 Pty Ltd	Body Corporate	Australia	100%	Australia
ASG Brisbane Pty Ltd	Body Corporate	Australia	100%	Australia
ASG Doncaster Pty Ltd	Body Corporate	Australia	100%	Australia
ASG EV Prestige Pty Ltd	Body Corporate	Australia	100%	Australia
ASG Investment Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
ASG Melbourne Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Brisbane Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Castle Hill Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Five Dock Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Leichhardt Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Prestige Pty Ltd	Body Corporate	Australia	100%	Australia
Autosports Sutherland Pty Ltd	Body Corporate	Australia	100%	Australia
Betar Prestige Cars Pty Ltd	Body Corporate	Australia	100%	Australia
Birchgrove Finance Pty Ltd	Body Corporate	Australia	100%	Australia
John Newell Holdings Pty Ltd	Body Corporate	Australia	80%	Australia
John Newell Pty Ltd	Body Corporate	Australia	80%	Australia
Modena Trading Pty Ltd	Body Corporate	Australia	100%	Australia
Mosman Prestige Cars Pty Ltd	Body Corporate	Australia	100%	Australia
New Centenary Mazda Pty Ltd	Body Corporate	Australia	80%	Australia
New Centenary Pty Ltd	Body Corporate	Australia	100%	Australia
Prestige Auto Traders Australia Pty Ltd	Body Corporate	Australia	100%	Australia
Prestige Group Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Prestige Repair Works Pty Ltd	Body Corporate	Australia	100%	Australia
Auckland City BMW Ltd	Body Corporate	New Zealand	100%	New Zealand
Autosports NZ Ltd	Body Corporate	New Zealand	100%	New Zealand

DIRECTORS' **DECLARATION**

30 JUNE 2024

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 2024 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;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29 to the financial statements; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

James Evans	Nicholas Pagent
Chairman	Chief Executive Officer

22 August 2024
Sydney

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUTOSPORTS GROUP LIMITED

Deloitte.

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Autosports Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- 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 & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

Deloitte.

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 for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Recoverability of Goodwill
 	
As disclosed in Notes 2,3 and 13, the Group has recognised Goodwill with a carrying value of $539.6 million as at 30 June 2024.
 	
The assessment of the recoverable amount of goodwill and other intangible assets allocated to the dealership group of CGUs requires management to exercise significant judgement, including:
 	
• the identification of and allocation of goodwill to the dealership group of CGUs; and
• the determination of the following key assumptions used in the calculation of the recoverable amount of the group of CGUs:
  • the dealership group of CGU cash flow forecasts approved by the directors;
  • future growth rates;
  • terminal growth factors; and discount rates.
	In conjunction with our valuation specialists, our procedures included, but were not limited to:
	
	• Obtained an understanding of management's process of evaluating the recoverable amount of goodwill and other intangible assets and approval by the board of directors;
	• Evaluated the Group's identification of CGUs and the allocation of goodwill to the carrying value of the dealership group of CGUs based on our understanding of the Group's business and the requirements of the relevant accounting standard. This evaluation included an analysis of the Group's internal reporting process;
	• Compared the Group's forecast cash flows to the board approved budget, including the consideration of relevant factors such as the impact of supply chain constraints on current and future vehicle availability;
	• Evaluated management's historical forecasting accuracy by comparing actual results to budget;
	• Compared growth rates with third party independent data for the Australian motor industry;
	• Challenged key inputs to the discount rate utilised by management to external data sources;
	• Performed sensitivity analysis on the growth and discount rates; and
	• Assessed the appropriateness of the disclosures in Notes 2, 3 and 13 to the financial statements.

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 2024, but does not include the financial report and our auditor's report thereon.

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

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

Deloitte.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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, actions taken to eliminate threats or safeguards applied.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 25 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Autosports Group Limited, for the year ended 30 June 2024, 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

Tara Hill
Partner
Chartered Accountants

Sydney, 22 August 2024

SHAREHOLDER **INFORMATION**

30 JUNE 2024

The shareholder information set out below was applicable as at 1 August 2024.

Distribution of equity securities

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

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	585	0.2
1,001 to 5,000	675	1.0
5,001 to 10,000	339	1.4
10,001 to 100,000	412	5.5
100,001 and over	58	91.9
	2,069	100.0
Holding less than a marketable parcel	144	

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 (JIP PARRAMATTA)	23,657,626	11.8
Sastempo Pty Ltd (NICHOLAS PAGENT FAMILY)	22,114,671	11.0
Citicorp Nominees Pty Limited	18,964,043	9.4
Livist Pty Ltd (VARINIA)	15,455,897	7.7
Audi Parramatta Holdings Pty Ltd (AUDI PARRAMATTA)	15,310,969	7.6
UBS Nominees Pty Ltd	12,252,578	6.1
NIP Parramatta Pty Ltd (NIP PARRAMATTA)	10,401,678	5.2
Netwealth Investments Limited (WRAP SERVICES A/C)	8,423,442	4.2
JP Morgan Nominees Australia Pty Limited	8,000,404	4.0
Pagent Family Investments Pty Ltd (PAGENT FAMILY INVESTMENT)	7,193,635	3.6
Five Dock Djc Pty Ltd	6,436,189	3.2
HSBC Custody Nominees (Australia) Limited	6,011,270	3.0
Aalhuizen Nominees Pty Ltd (RENE AALHUIZEN FAMILY)	4,442,439	2.2
Ogle Investments Pty Ltd (OGLE DISCRETIONARY UNIT)	4,000,000	2.0
Ricgaz Pty Ltd (RWG FAMILY)	2,866,808	1.4
B & F Investments Pty Ltd	2,359,305	1.2
Liverpool Street Investments (WARIMOO)	2,078,757	1.0
Daniaron Pty Ltd (DANIARON FAMILY)	1,674,863	0.8
Autosports Holdings Pty Ltd (AUTOSPORTS INVESTMENT)	1,454,269	0.7
Nick Pagent	1,377,292	0.7
	174,476,135	86.8

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Ian and Nicholas Pagent		
- Ian Pagent	65,995,799	32.8
- Nick Pagent	40,746,757	20.3
OC Funds Mgt*	14,693,475	7.3
Regal Funds Management**	17,340,570	8.6

* Based on the substantial shareholder notice lodged 19 April 2021
** Based on the substantial shareholder notice lodged on 18 June 2024

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.

Performance rights

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

Name	Number held
Nick Pagent	805,400
Ian Pagent	42,894
Brent Polites	216,194
Aaron Murray	345,079
	1,409,567

There are no other unquoted equity securities on issue.

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

Securities purchased on-market
964,248 ordinary shares were purchased on-market under or for the purposes of an employee incentive scheme, with the average price paid per ordinary share of $2.50.

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CORPORATE **DIRECTORY**

Directors	James Evans Nicholas ('Nick') Pagent Marina Go Anna Burgdorf James ('Ian') Pagent Robert Quant Gareth Turner
Company Secretary	Caroline Gatenby
Registered office	555 Parramatta Road Leichhardt NSW 2040 Telephone: +61 2 8753 2873 Website: www.autosportsgroup.com.au
Shareholder enquiries	Link Market Services Locked Bag A14 Sydney South NSW 1235 Telephone: 1300 554 474 Website: www.linkmarketservices.com.au
Auditor	Deloitte Touche Tohmatsu Quay Quarter Tower, 50 Bridge Street Sydney NSW 2000 Telephone: +61 2 9322 7000 Website: www.deloitte.com.au
Stock exchange listing	Autosports Group Limited ordinary shares are listed on the Australian Securities Exchange (ASX under code: ASG)
Corporate Governance Statement	The Corporate Governance Statement is located on our website. Visit www.autosportsgroup.com.au.
Annual General Meeting	The 2024 Annual General Meeting of Autosports Group Limited will be held on Friday 22 November 2024 at 11:00am. Further details will be provided in the Notice of Meeting, which will be provided to shareholders in mid-October 2024. The Notice of Meeting will also be available on the ASX Company Announcements Platform and Autosports Group's website, www.autosportsgroup.com.au. For the purposes of ASX Listing Rule 3.13.1 the Company gives notice that the last day to receive director nominations is 19 September 2024.

autosports group