

**Autosports Group Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Autosports Group Limited
ABN:	54 614 505 261
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

**2. Results for announcement to the market**

			\$'000
Revenues from ordinary activities	up	16.3% to	1,978,415
Profit from ordinary activities after tax attributable to the owners of Autosports Group Limited	up	140.9% to	41,932
Profit for the year attributable to the owners of Autosports Group Limited	up	140.9% to	41,932

*Dividends*

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2021, declared on 24 February 2021. The interim dividend was paid on 31 May 2021 to shareholders registered on 17 May 2021.	2.0	2.0
Final dividend for the year ended 30 June 2021, declared on 30 August 2021. The final dividend will be paid on 15 November 2021 to shareholders registered on 1 November 2021.	7.0	7.0

*Comments*

The profit for the Group after providing for income tax and non-controlling interest amounted to \$41,932,000 (30 June 2020: loss of \$102,446,000).

The profit/(loss) for the financial year was impacted by other items as follows:

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Revenue	1,978,406	1,701,688
Statutory profit/(loss) after tax attributable to the owners of Autosports Group Limited	41,932	(102,446)
Add: Non-controlling interest <sup>1</sup>	480	149
Add: Income tax expense	19,241	4,544
Profit/(loss) before income tax expense	61,653	(97,753)
Add: Impairment of goodwill <sup>2</sup>	-	109,174
Add: Intangible amortisation <sup>3</sup>	5,416	4,907
Add: Acquisition expense <sup>4</sup>	746	566
Add: Restructure expenses <sup>5</sup>	1,308	17
Add: Closure of franchise <sup>6</sup>	917	999
Profit before tax excluding other items	70,040	17,910

## Autosports Group Limited

### Appendix 4E

### Preliminary final report

- 1 Represents the 20% non-controlling interest in New Centenary Mazda Pty Ltd held by the dealer principal and 24% non-controlling interest in A.C.N. 633 925 050 Pty Ltd.
- 2 The Group conducted a review of its goodwill carrying value in respect of the financial year ended 30 June 2021. Following completion of the impairment testing process, the Group recognised a non-cash goodwill impairment charge of \$Nil (2020: \$109,174,000) for the financial year ended 30 June 2021.
- 3 Intangible amortisation relating to non-cash amortisation of customer contracts arising on acquisitions made by the Group.
- 4 Relates to acquisition expenses on the Trivett Alexandria business and Brighton Jaguar Land Rover during the financial year. Previous year relates to Mercedes-Benz Hornsby and Trivett Alexandria acquisitions.
- 5 Restructure expenses relate to redundancies made during the financial year along with loss on disposal of assets in relation to redevelopment of Kings Way BMW dealership.
- 6 Reflects closure of Volvo Cars Mt Gravatt and Volvo Cars Brighton both of which ceased trading on 31 October 2020. Previous year relates to Alfa Romeo and Fiat franchise.

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 the impact of acquisition, impairment and restructure expenses) to reflect the core earnings of the Group.

Please refer to the Australian Securities Exchange ('ASX') announcement accompanying this Appendix 4E for further commentary.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(2.66)	(23.86)

Net tangible assets include the right-of-use assets of \$215,784,000 (30 June 2020: \$165,731,000) and the lease liabilities of \$243,962,000 (30 June 2020: \$190,071,000) in the above calculation.

### 4. Audit qualification or review

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

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

### 5. Attachments

*Details of attachments (if any):*

The Annual Report of Autosports Group Limited for the year ended 30 June 2021 is attached.

### 6. Signed

As authorised by the Board of Directors



Signed \_\_\_\_\_

Date: 30 August 2021

Thomas Pockett  
Independent Chairman  
Sydney

# **Autosports Group Limited**

**ABN 54 614 505 261**

**Annual Report - 30 June 2021**

# Autosports Group Limited

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## Autosports Group Limited

### Directors' report

### 30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Autosports Group', 'ASG' or the 'Group') consisting of Autosports Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

### Directors

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

Thomas Pockett – Independent Non-Executive Chairman  
 Nicholas Pagent – Executive Director and Chief Executive Officer  
 Ian Pagent – Executive Director  
 Robert Quant – Non-Executive Director  
 Marina Go – Non-Executive Director  
 James Evans - Non-Executive Director (appointed on 5 August 2021)

### Principal activities

During the financial year, the Group's principal activities were focused on the retail automotive industry. The core business focuses on the sale of new and used motor vehicles, distribution of finance and insurance products on behalf of retail financiers and automotive insurers, sale of aftermarket products and spare parts, motor vehicle servicing and collision repair services.





























There have been no significant changes in the nature of the Group's principal activities.

The Group's operations comprise of:

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

### Brands

The Group's portfolio of dealerships include:

LUXURY ( 36 )	PRESTIGE ( 7 )	USED CAR DEALERSHIPS ( 3 )	COLLISION REPAIR FACILITIES ( 6 )
 6  3  2	 4	 3	 1  1
 3  4  2	 2		 1
 3  2  1	 1		 2
 2  1  1			 1  1
 2  3  1			 1  1
			 1

The number next to each brand represents the number of dealerships/facilities held by the Group.

# Autosports Group Limited

## Directors' report

### 30 June 2021

## Dividends

Dividends paid during the financial year were as follows:

	Consolidated	
	30 June 2021 \$'000	30 June 2020 \$'000
Final dividend for the year ended 30 June 2020 of Nil cents (2019: 3.0 cents) per ordinary share	-	6,030
Interim dividend for the year ended 30 June 2021 of 2.0 cents (2020: Nil cents) per ordinary share	4,020	-
	4,020	6,030

On 30 August 2021, the directors declared a fully franked final dividend for the year ended 30 June 2021 of 7.0 cents per ordinary share, to be paid on 15 November 2021 to eligible shareholders on the register as at 1 November 2021. This equates to a total estimated distribution of \$14,070,000, based on the number of ordinary shares on issue as at 30 June 2021. The financial effect of the dividends declared after the reporting date are not reflected in the 30 June 2021 financial statements and will be recognised in the subsequent financial period.

## Operating and financial review

The Group generates its income from:

- the sale of new and used motor vehicles;
- the sale or distribution of ancillary products and services, such as finance, insurance and aftermarket products;
- the sale of motor vehicle spare parts;
- the provision of motor vehicle servicing; and
- the provision of collision repair services.

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

The profit for the Group after providing for income tax and non-controlling interest amounted to \$41,932,000 (2020: loss of \$102,446,000).

The profit/(loss) for the financial year was impacted by other items as follows:

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## Autosports Group Limited

### Directors' report

### 30 June 2021

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## Operational overview

### Market conditions

During the financial year, lockdown restrictions had eased along the Eastern States of Australia bringing a welcomed change to trading conditions with strong consumer demand for new and used vehicles. Year on year the Vfacts data showed a consistent increase in new car registrations with 8 consecutive months of growth between November 2020 and June 2021. The overall new vehicle sales market was up 28.3% during the first half of the Financial Year 2021 ('FY21'). The prestige segment was up 27.8% and similarly the luxury segment up 17.3% in the same period.

A combination of Federal Government stimulus measures, removal of lockdown in most States across the country for the majority of FY21, high consumer demand levels, increased buying power due to growth in disposable income as a result of lockdowns, inability to travel internationally and shortage of supply, is the likely explanation for strong sales figures in the automotive industry in FY21.

The Group observed a bounce-back phenomenon with a sharp uptick in sales post-lockdown. This was experienced in New South Wales after the initial lockdown in the calendar year 2020. Similarly, the Group's Victorian operations after enduring protracted lockdowns experienced a similar bounce back in sales in a post-lockdown trading environment.

The prestige and luxury markets continue to outperform the total market with the prestige segment leading the pack growing 27.8% in the period January to June 2021. Demand for used cars was a highlight in FY21 driven by consumer reservations about using public transport due to the likely transmissibility of the COVID-19 virus. The knock-on effect of high consumer demand coupled with limited supply was the unprecedented delivery wait times experienced by consumers during the year, with some high-end brands currently out of stock and reporting the earliest estimated delivery times of December 2021.

### Operations and consumer demand

The Group's strategy and operations focus on the luxury and prestige portion of the Australian market, which has witnessed a particularly high demand in the second half of FY21.

The first half of FY21 varied by State with Queensland operations stable, New South Wales experiencing strong sales off the back of the April/May 2020 lockdown but Victoria in the clutches of a 16-week lockdown as it became the heart of Australia's second wave of COVID-19 in August 2020. The 112 days Stage 4 lockdowns in the State, saw some of the strictest lockdown measures introduced in Australia to date which stunted the bounce-back of the Victorian market in early FY21. Whilst maintaining strict COVID-19 protocols in line with public health regulations in force at the time, the Group's Victorian sales department persevered with contactless sales and revenue from service and panel which could remain open.

The lifting of restrictions had the greatest impact on front-end new vehicle sales and revenue as demonstrated by the Vfacts data noted above. In the months following November 2020, majority of the Eastern States were out of lockdown and demand for new and used vehicles at its strongest. In the financial period, revenue was consistent with the previous financial year but the biggest driver of profit was the new car gross margins. Similarly, used vehicle prices increased with demand exceeding supply as households preferences changed to travel by car over using public transport due to fears of contracting the COVID-19 virus.

Another positive impact of the high demand but limited supply environment was a reduction in interest expense by \$3.5 million due to the reduced floorplan expense. These savings were also mirrored in insurance costs. The Group maintained its discipline of controlling expenses through the period.

The Group has reached an agreement with the owner of the property to redevelop the Melbourne BMW Kings Way site which is expected to take place over the next 12 months. The project will consolidate the Group's Melbourne BMW operations from two sites to one.



## **Autosports Group Limited**

### **Directors' report**

### **30 June 2021**

Development of a greenfield BMW dealership at Ringwood has commenced as part of an agreement with the landlord to redevelop the existing site. Construction is expected to be completed in late 2022.

The Group is building a Volkswagen dealership on its existing land in McGregor. Following completion, the Group will move its Volkswagen operations to the new dealership and exit the existing lease for its Volkswagen McGregor dealership.

#### **Strategic acquisitions and divestments**

Whilst the Victorian lockdown had its challenges, it also brought about opportunity. In February 2021, the Group acquired Brighton Jaguar Land Rover in Victoria from the Stillwell Group for \$3.2 million. Brighton Jaguar Land Rover is the Group's second Jaguar Land Rover dealership and the first Jaguar Land Rover dealership for the Group in Victoria. This acquisition was completed in February 2021, around 12 months after it acquired its first Jaguar Land Rover business in Alexandria, New South Wales.

During the year, the Group conducted a review of its operations and in consultation with Volvo Cars Australia, agreement was reached to cease operations at Volvo Mt Gravatt in Queensland and Volvo Brighton in Victoria. The Group continues to represent this important luxury brand and maintains a strong Volvo presence in New South Wales at Rushcutters Bay, Five Dock and Parramatta.

#### **COVID-19 resilience**

The past year was particularly challenging for the Group's Victorian operations. After emerging from the national lockdowns full of hope for the coming months, the State was sent back into lockdown due to an aggressive and unrelenting outbreak of COVID-19. Despite challenging conditions created by the prolonged lockdown, which spanned over a period of approximately four months, the team in Victoria embraced work permits and police checkpoints to continue to provide essential services and keep customers safe in their vehicles. The Group's Victorian sites developed innovative work practices, allowing for the continuation of the operation of its businesses in accordance with the Group's COVID-safe plan.

The Group introduced resources to help employees manage mental and physical wellbeing, flexible working arrangements, continued to provide support for employees working from home who were able to do so and sent regular emails to all staff with Government updates.

As a result, the business expanded its strategies and resources to create and provide staff with greater opportunities. The commitment and the resilience of the Group's Victorian workforce has been instrumental in achieving the group's FY21 results under very testing and unique circumstances.

#### **Health and wellbeing**

The Group prioritises the health and safety of its employees, customers and the community.

During FY21, there was significant focus on leading the safety agenda by leveraging the existing safety culture across the business. This included developing and implementing a National Safety Council which delivered meaningful actions and change to the business's safety practice, emphasising the importance of safety culture. The Group introduced the Workplace online platform for all employees where regular health and safety communications have been disseminated to the workforce, along with monthly training and awareness topics. With improvements made to our existing safety framework, the Group has increased the quality and sophistication of safety reporting and specifically, the effective management of workers compensation matters and return to work programs.

Operationally, the business has continued to keep abreast of all State-based Government advice on COVID-19 directives and restrictions. The Group's businesses remained adaptable despite the evolving restrictions, continued to maintain customer satisfaction and interaction during these challenging conditions. Each site has implemented customer check-in requirements and has maintained operational adjustments to protect staff, visitors and customers. Adjustments include hand sanitisation stations, contactless vehicle drop-offs, modified vehicle delivery arrangements, regular disinfection of vehicles and QR code check-ins.

In consideration of the demands and strain the COVID restrictions have placed on the business and staff, the business rolled out mental health and awareness training to all supervisors and managers in March 2021. The Group recognised that upskilling the workforce will provide them with adequate tools and know-how to support their workforce.

#### **People and Diversity**

The Group conducted its annual employee engagement survey in FY21. Since June 2021, the Group has committed to offering upskilling of qualifications for both new and existing employees at no cost to staff members. These courses are delivered by registered training organisations and are predominantly delivered online. The Group has received a positive uptake of this opportunity. The Group anticipates further enrolments during the course of FY22.

The Group launched a communications platform 'Workplace' by Facebook. This has become the centralised communications platform for Group announcements. This also gives each site the ability to form site-based and department-based groups, to share site-specific details and information amongst team members. All new and existing employees have access to a comprehensive knowledge library, where the Group's company policies, procedures and forms are stored for internal use.



## Autosports Group Limited

### Directors' report

### 30 June 2021

The Group has continued to recognise the importance of diversity and has strived over the past twelve months to meet set diversity targets. Multiple diversity milestones have been met as a result of a three-month recruitment campaign to employ women in the Group's sales and service functions. This campaign involved a successful application to the Anti-Discrimination Commission (NSW) to advertise specifically for female employees and revising how the Group sources and selects talented women. Sixteen new female consultants and sales trainees were nationally employed during this period, exceeding the Group's gender diversity targets in both sales and service. The Group's emerging leaders program is composed of 21% female participants which again reinforces the Group's values and commitment to diversity.

#### Governance and compliance

As the Group matures along its journey as a listed entity, the Group has gradually and consistently worked through its environmental, social and governance obligations. The Group established an ESG working group with a cross-section of members representing different States and business areas to consider environmental, social and governance issues affecting the Group. Through its own internal initiatives and backed up by a structured internal audit process, the business has constantly challenged itself to improve internal processes and controls. The Group undertook a group-wide survey of environmental compliance of its service departments and collision repair facilities. The purpose of the review was to develop a uniform risk-based approach to environmental compliance which can be integrated with the Group's work health and safety initiatives. The Group progressed its anti-slavery initiatives and carried out a board-approved plan to review its recruitment supply chains. Modern slavery training was made available to all employees through the new Workplace platform to build awareness.

#### Privacy and cybersecurity

Privacy and cybersecurity was a major focus in FY21 as it is for most Australian organisations battling the modern-day war of cyber-crime. During the financial period, a group-wide survey was conducted in relation to privacy and information handling processes across our dealerships in order to identify gaps and tighten controls. Privacy Awareness Month featured in November 2020 with daily trivia, privacy, cybersecurity and data breach training for all employees. The Group's Data Breach Response Plan, Privacy Policy and other privacy-related initiatives were reviewed by the Board during the year. The Group observed an overall improvement in awareness of these issues amongst employees. A review of the Group's cybersecurity resilience was conducted during the period which is a continued focus area in FY22. The year was rounded out with an internal audit review conducted in relation to data privacy so that the Group can strengthen its internal controls to further protect the security of personal information of our employees and customers.

#### Operational excellence

Once again, in FY21 the Group received and celebrated individual and team achievements across all areas of the business, which included one of its most junior members of the business, an Apprentice Technician at Melbourne BMW receiving the Automotive Apprentice of the Year Award from the Kangan School. Leichhardt Volkswagen made the metro dealer board for Aftersales NPS in 2020. Our people were recognised for Select Manager of the Year winner and Parts Manager, Major Metro Runner Up at Volvo 2020 Excellence Awards. Audi Centre Mosman placed at the Major Metro 2020 Award and Rolls-Royce Motor Cars Sydney was awarded the Ownership Services Dealer of the Year in Asia Pacific.

#### Marketing and technology

The Group's Salesforce Customer Relationship Management platform has driven improvements in customer data and lead management. In early 2021 the Salesforce platform was rolled out to the Group's BMW dealers providing better visibility of lead and customer data across the Group. The Salesforce ecosystem was extended with the adoption of the Datorama Marketing Analytics tool delivering improvements to marketing ROI and allowing the team to quickly adapt to rapidly changing market conditions. The marketing team has also continued to focus on delivering programs to drive customer retention. The Group continues to focus on developing our online and offline customer experience to ensure the Group is meeting changing customer needs.

#### Likely developments in operations in future years

The Group achieved strong profits in FY21. However, the trading environment remains uncertain as most Eastern States were forced into lockdown by July 2021. Currently, New South Wales and Victoria are the most affected with the future uncertain. The Group acknowledges that it must remain vigilant and agile in the manner that it controls its operations. The strategy and focus for FY22 will remain similar to that which was carried out in the second half of FY20. This includes preserving cash, reducing expenses and securing the future of its employees.

More specifically, the Group intends to:

- continue to focus on the health of our staff and customers especially in locked-down markets;
- maintain the focus on gross margin across all revenue streams on the available revenue;
- settle Bundoora BMW property acquisition and integrate the John Newell Mazda business;
- drive further fixed expense reductions by advancing our site consolidation strategy;
- maintain conservative cash and liquidity disciplines during COVID-19 uncertainty; and
- position the business for a strong rebound post New South Wales and Victoria COVID-19 lockdowns.

## Autosports Group Limited

### Directors' report

### 30 June 2021

## Risk and governance

The Group identified its key risk areas as:

**COVID 19** – The Group continued to respond promptly and strategically to the ongoing and rapidly changing impact of COVID-19 related risks. The Group is equipped to quickly adapt to changing public health regulations and has developed better ways to continue operating in a COVID-safe manner including sales through click and collect and contactless service operations. With appropriate cost reduction measures and support from other States that were not in lockdown, the Group managed the impact of the Victorian lockdowns efficiently.

**Macroeconomic risks** – As the products sold by the Group are discretionary for many customers, the Group's financial performance can be impacted by current and future economic conditions which it cannot control. The Group stays abreast of these conditions and focuses on its internal controls to help manage this risk.

**Privacy and Data Breach** – The Group handles personal and sensitive information. The Group is dedicated to keeping its workforce appropriately trained and updated with privacy and data breach training and initiatives. Throughout the financial year, the Group issued training to all staff in relation to privacy, cybersecurity and data breaches. The Group held a Privacy Awareness Month and participated in Privacy Awareness Week held by the Office of the Australian Information Commissioner as a sponsor between 3-9 May 2021.

**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 by using the existing safety culture across the business to continue to develop and train its workforce on WHS matters. The Group formed a National Safety Council to provide for a dedicated safety resource for the business and review the implications of emerging risks and provide input on safety policy, prepare reporting and review incident statistics.

**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.

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

**Original equipment manufacturer ('OEM') risk** – The Group's supportive and collaborative approach to its relationships with OEMs has cultivated the Group's excellent reputation amongst OEMs.

**Regulatory compliance** – The Group is subject to a number of Australian laws and regulations such as consumer protection laws, consumer finance laws, laws relating to the sales of insurance products, importation laws, privacy laws and those relating to workplace health and safety. In addition, COVID-19 has resulted in a flood of new laws and public health directives that impact the business.

**Changes to market trends** – The Group regularly monitors market trends to prepare for changes to consumer preferences and new technologies.

**Cybersecurity and Information technology ('IT') infrastructure** – During the year, the Group conducted a review of its cybersecurity resilience and is in the process of working with an external consultant to implement its improved cybersecurity and IT infrastructure plan.

## Environmental regulation

The Group is committed to continually improving its operations to deliver better environmental outcomes. The Group is subject to environmental regulation and applies minimum environmental standards at its dealerships and service and collision facilities. The Group has also conducted a review of its environmental compliance at its service centres and collision repair facilities. A risk management plan was implemented for its Victorian operation to facilitate compliance with the new general environmental duty. The Group's work in environmental compliance is a continued focus in FY22.

## Significant changes in the state of affairs

On 15 February 2021, the Group acquired certain assets and liabilities of Brighton Jaguar Land Rover and the underlying property at 363-407 Nepean Highway, Brighton East, Victoria for \$3,162,000 and \$24,727,000 respectively.

Refer to note 28 to the financial statements for further details relating to the acquisitions.

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

## Matters subsequent to the end of the financial year

The Group completed the acquisition of an 80% interest in John Newell Mazda, Alexandria on 1 July 2021 for \$12,126,000. The purchase price was cash funded by the Group using existing cash reserves.

The Group entered into an agreement to purchase the property at 62 Enterprise Drive, Bundoora, Victoria from which the Group's BMW Bundoora dealership trades, for \$18,350,000. The acquisition will be funded through a combination of debt and existing cash reserves. Settlement is expected to occur in mid-November 2021.

## **Autosports Group Limited**

### **Directors' report**

### **30 June 2021**

All of the Eastern States of Australia have had varying degrees of lockdowns due to the Delta strain of the COVID-19 virus. New South Wales is impacted most having been in lockdown since 26 June 2021 which has been extended to 30 September 2021. Victorian operations are also affected by a similar lockdown. Whilst the public health regulations are constantly changing, the indication is that restrictions will ease once vaccination rates of 70% and higher are achieved. Our sales departments continue to operate through contactless click and collect, whilst our service departments and collision repair facilities remain open under strict COVID-safe protocols.

The directors have assessed the impact of health restrictions and lockdowns on continuing operations and note they do not pose a significant impact at this stage on the overall Group and its liquidity.

### **Regulatory change**

The Privacy Act 1988 is currently under review, with proposed changes intended to strengthen the Australian regulatory compliance framework around consumer data privacy issues. The reforms will impose higher penalties for breaches of privacy, stricter requirements for obtaining valid consent and for collection notices, enable individuals to directly litigate a breach of privacy and bring Australian privacy obligations in line with other jurisdictions, such as the European Union under the General Data Protection Regulation ('GDPR'), that operate under stricter requirements.

The Franchising Code has been reformed to provide greater protections for consumers and franchisees. The reforms announced by the Federal Government increase penalties for breaches of the Franchising Code, introduces mandatory best practice framework, which made the existing voluntary principles under the Franchising Code compulsory, to ensure compliance by multinational manufacturers, recognise that dealers operate as a manufacturer's agent in relation to new vehicles sales and, ensure appropriate protections are made for automotive dealerships to protect them from unfair contract terms in agreements with manufacturers.

A number of OEMs in the automotive industry are moving from the dealership model to the agency model. As part of the reforms to the Franchising Code, the Federal Government has broadened the definition of 'motor vehicle dealership' to incorporate the agency model for new car sales, ensuring that the Code applies equally to the agency model.

The Financial Sector Reform (Hayne Royal Commission Response) Act 2020 gives ASIC the power to set a cap on the commission payable for add-on risk products supplied in connection with the sale of vehicles. Whilst ASIC has not yet determined the cap, the National Credit Code imposes a 20% cap on commissions provided in connection with consumer credit insurance. The other recommendation relating to a deferred sales model for add-on insurance products has been introduced and takes effect from 5 October 2021. The deferred sales model implements a 4-day pause between entering into a contract to purchase a vehicle and when a customer can be offered an add-on insurance product, such as consumer credit insurance or tyre and rim insurance.

Legislation has been introduced authorising the sharing of vital OEM service and repair information with independent auto repairers. The Motor Vehicle Service and Repair Information Sharing Scheme is scheduled to come into effect in July 2022.

The Federal Government sought submissions on a discussion paper called 'Strengthening Australia's cyber security regulations and incentives'. It is intended to strengthen protection against the increasing risk that cyberattacks are causing for companies in recent times. The Government's areas of focus include, setting clear cyber security expectations through cyber security standards for corporate governance, better protection of personal information and smart devices against attacks and companies implementing software vulnerability disclosure policies and health checks.

The Group operates a credit licensed entity. Currently, Australian Credit Licensees do not need to comply with breach reporting obligations. With effect from 1 October 2021, credit licensees must report significant breaches to ASIC.

Victoria introduced a general environmental duty from 1 July 2021 which is a risk-based approach to environmental compliance. Victorian businesses also have a duty to notify the EPA of contamination affecting the land on which it operates.

**Autosports Group Limited**  
**Directors' report**  
**30 June 2021**

**Current directors**



**Tom Pockett**  
Independent Chairman



**Nick Pagent**  
Managing Director and Chief Executive Officer



**Ian Pagent**  
Executive Director



**Robert Quant**  
Independent Non-Executive Director



**Marina Go**  
Independent Non-Executive Director



**James Evans**  
Independent Non-Executive Director

<b>Name:</b>	<b>Thomas ('Tom') Pockett</b>
<b>Title:</b>	Independent Chairman (appointed to the Board on 29 August 2016)
<b>Qualifications:</b>	Fellow of the Institute of Chartered Accountants Australia and New Zealand and a Bachelor of Commerce from the University of New South Wales
<b>Experience and expertise:</b>	Tom is the Chairman of Stockland Corporation and a Non-Executive Director of Insurance Australia Group Limited, O'Connell Street Associates Limited and Sunnyfield, a not-for-profit disability services provider in New South Wales. Tom was Chief Financial Officer of Woolworths Limited (2002 to 2014) and Executive Director (2006 to 2014). He previously held the position of Deputy Chief Financial Officer at the Commonwealth Bank of Australia and prior to that held several senior finance roles within the Lend Lease Group following a successful career with Deloitte.
<b>Other current directorships:</b>	Chairman of Stockland Corporation Limited (ASX: SGP) (from 1 September 2014) and Non-Executive Director of Insurance Australia Group (ASX: IAG) (from 1 January 2015)
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chairman, Member of Audit and Risk Committee and People and Remuneration Committee
<b>Interests in shares:</b>	166,667 ordinary shares held directly
<b>Interests in options:</b>	None
<b>Interests in rights:</b>	None



## Autosports Group Limited Directors' report 30 June 2021

<b>Name:</b>	<b>Nicholas ('Nick') Pagent</b>
<b>Title:</b>	Managing Director and Chief Executive Officer (appointed on 29 August 2016)
<b>Experience and expertise:</b>	Nick has over 25 years' experience in the motor vehicle industry across Australia and the United Kingdom. Prior to founding Autosports Group, Nick worked in the United Kingdom in senior roles including Director of Sales and Dealer Principal with Mercedes-Benz London and Executive Audi, St Albans. Co-Founder of Autosports Group.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Managing Director and Chief Executive Officer
<b>Interests in shares:</b>	39,332,149 ordinary shares held indirectly (104,798,952 ordinary shares when combined with Ian Pagent's holding for the purpose of substantial holder declarations)
<b>Interests in options:</b>	None
<b>Interests in rights:</b>	938,486 LTI performance rights convertible into 938,486 ordinary shares
<b>Name:</b>	<b>James ('Ian') Pagent</b>
<b>Title:</b>	Executive Director (appointed on 29 August 2016)
<b>Experience and expertise:</b>	Ian has over 52 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. Co-Founder of Autosports Group.
<b>Other current directorships:</b>	Non-Executive Director – Friends of Mater Foundation and Audit Foundation
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Executive Director
<b>Interests in shares:</b>	65,466,803 ordinary shares held indirectly (104,798,952 ordinary shares when combined with Nick Pagent's holding for the purpose of substantial holder declarations)
<b>Interests in options:</b>	None
<b>Interests in rights:</b>	550,042 LTI performance rights convertible into 550,042 ordinary shares
<b>Name:</b>	<b>Robert Quant</b>
<b>Title:</b>	Independent Non-Executive Director (appointed on 29 August 2016)
<b>Qualifications:</b>	Fellow of the Institute of Chartered Accountants Australia and New Zealand and a Bachelor of Business from the University of Technology, Sydney
<b>Experience and expertise:</b>	Robert has over 38 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.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	Chair of Audit and Risk Committee and member of People and Remuneration Committee
<b>Interests in shares:</b>	62,499 ordinary shares held indirectly
<b>Interests in options:</b>	None
<b>Interests in rights:</b>	None

## Autosports Group Limited Directors' report 30 June 2021

**Name:** Marina Go  
**Title:** Independent Non-Executive Director (appointed on 28 October 2016)  
**Qualifications:** Master of Business Administration from the Australian Graduate School of Management ('AGSM') and a Bachelor of Arts from Macquarie University  
**Experience and expertise:** Marina Go is Chair of Suncorp Super Netball and Ovarian Cancer Australia, a Non-Executive Director of EnergyAustralia, 7-Eleven, Pro-Pac, and The Walkley Foundation, Member of the UNSW Business Advisory Council, a director of PwC's Diversity Advisory Board, 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. Marina is the former Chair of the Wests Tigers NRL Club and Private Media CEO. She is a member of the Australian Institute of Company Directors.  
**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**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 Evans  
**Title:** Independent Non-Executive Director (appointed on 5 August 2021)  
**Qualifications:** Bachelor of Economics, a member of the Chartered Accountants of 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 Evans is currently the Chair of global fund manager, Pandal Group Limited and a Non-Executive Director of Investa Group, including Investa Wholesale Funds Management Limited and ICPF Holdings Limited. Most recently, James served as the Chair of ME Bank, up until its sale to the Bank of Queensland. Previously, James was Chair of Suncorp Portfolio Services Limited and a Non-Executive Director of Australian Infrastructure Fund Limited and Hastings Funds Management Limited. He has over 40 years' executive experience in retailing, and in banking and financial services. James held senior executive positions at Lendlease in property investment and Commonwealth Bank of Australia (CBA). During his 10 years at CBA, James was the CFO of the retail bank whilst his most recent position was the Chief Risk Officer of Wealth Management and held directorships on the Bank's funds management, general insurance, life insurance and lease financing Boards. James is the current chairman of JO Hambro Capital Group Limited (London based wholly-owned subsidiary of Pandal Group Limited), Director of ICPF Holdings Limited and Director of Investa Wholesale Funds Management Limited.  
**Other current directorships:** Chairman of Pandal Group Limited (ASX: PDL) (date of board appointment - 2 June 2010).  
**Former directorships (last 3 years):** None  
**Interests in shares:** None  
**Interests in options:** None  
**Interests in rights:** None

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

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

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**Other key management and company secretary**



**Aaron Murray**  
Chief Financial Officer



**Caroline Raw**  
Company Secretary and General Counsel

**Name:** Aaron Murray  
**Title:** Chief Financial Officer  
**Experience and expertise:** Aaron has over 24 years' experience in accounting and the motor vehicle industry. Aaron has held the role of Autosports Group Chief Financial Officer since 2009, after joining the business in 2007. Prior to joining Autosports Group, Aaron held accounting and finance roles with Trivett Classic, McMillan Volkswagen and Audi Centre Parramatta.  
**Interests in shares:** 1,697,763 ordinary shares held indirectly  
**Interests in options:** None  
**Interests in rights:** 351,932 LTI performance rights convertible into 351,932 ordinary shares

**Name:** Caroline Raw  
**Title:** Company Secretary and General Counsel (appointed on 23 February 2018)  
**Qualifications:** Fellow of the Institute of Chartered Secretaries and Administrators, Bachelor of Laws and Bachelor of Commerce from Western Sydney University, Graduate Diploma of Applied Corporate Governance from Governance Institute  
**Experience and expertise:** Caroline has over 16 years' experience as a corporate lawyer advising listed companies and funds on initial public offerings ('IPOs'), capital raising, funds management and mergers and acquisitions. Prior to joining Autosports Group, she held a senior role at a national law firm in the equity capital markets and merger and acquisitions practice group. Caroline sat on the Capital Markets Committee of the Property Council of Australia and has previously acted as group company secretary and legal counsel for an ASX-listed property funds management company and an Australian real estate investment trust.  
**Interest in shares:** 17,208 ordinary shares held directly  
**Interest in options:** None  
**Interest in rights:** None

**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 2021, and the number of meetings attended by each director were:

	Full Board		People and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Thomas Pockett	10	10	7	7	12	12
Nick Pagent*	10	10	7	7	12	12
Ian Pagent*	10	10	7	7	12	12
Robert Quant	10	10	7	7	12	12
Marina Go	10	10	7	7	12	12



## **Autosports Group Limited**

### **Directors' report**

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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 and Ian Pagent are not members of the People and Remuneration Committee or Audit and Risk Committee, they attended each meeting.

### **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 1,840,460 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 2021 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. There were no other ordinary shares issued during or since the end of the financial year.

### **Indemnity and insurance of officers**

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against 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 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.

# Autosports Group Limited

## Directors' report

### 30 June 2021

## 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

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

## 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 KMP

### (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 2020 to 30 June 2021 ('financial year' or 'FY21').

#### 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) of the Group. Throughout the remuneration report, KMP are referred to as either senior executives or Non-Executive Directors.

The following table sets out the Company's KMP for the financial year. All Non-Executive Directors and senior executives held their positions for the whole of the financial year, unless otherwise indicated.

Name	Position
<i>Non-Executive Directors</i>	
<b>Tom Pockett</b>	Chair and Independent Non-Executive Director
<b>Marina Go</b>	Independent Non-Executive Director
<b>Robert Quant</b>	Independent Non-Executive Director
<i>Senior executives</i>	
<b>Nick Pagent</b>	Managing Director and Chief Executive Officer ('CEO')
<b>Ian Pagent</b>	Executive Director
<b>Aaron Murray</b>	Chief Financial Officer ('CFO')

#### Changes since the end of the financial year

James Evans was appointed as Non-Executive Director on 5 August 2021.

## 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 it is aligned with the long-term interests of the Company and its shareholders.

## Autosports Group Limited Directors' report 30 June 2021

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 Group's remuneration structure and arrangements and make recommendations to the Board. In particular, the People and Remuneration Committee reviews and recommends to the Board:

- arrangements for the senior executives (including annual remuneration and participation in short-term and long-term incentive plans);
- key performance indicator ('KPI') targets for senior executives that align with the Company's 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 executive's performance against KPIs.

### Use of remuneration consultants and other advisors

In FY21, the Company engaged a remuneration consultant to provide guidance in relation to the Company's remuneration policy and reward levels for the senior executives.

### Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')

At the 2020 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

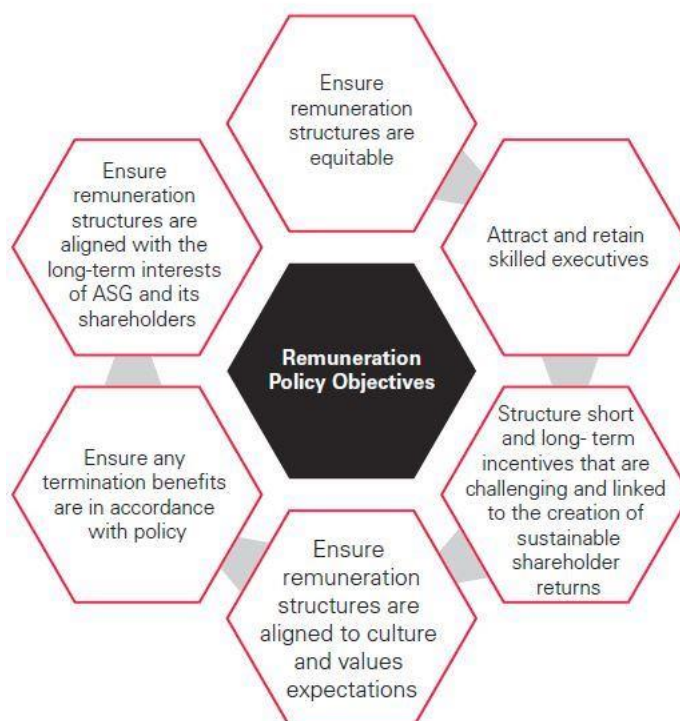
### Remuneration policy and guiding principles

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

#### Executive remuneration

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

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



#### Non-Executive Director remuneration

In remunerating Non-Executive Directors, the Group aims to ensure that it can attract and retain qualified and experienced directors having regard to:

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

## Autosports Group Limited Directors' report 30 June 2021

### Remuneration mix and components

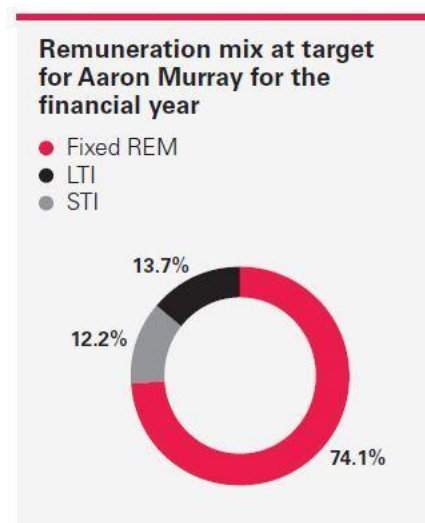
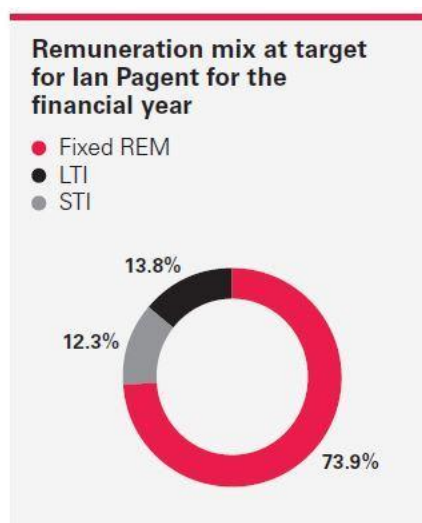
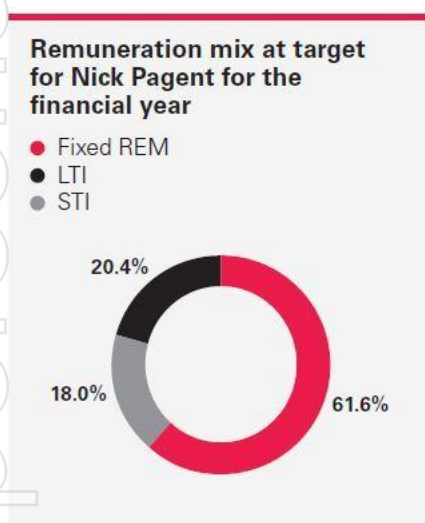
The Group's executive remuneration framework is summarised below and includes components of remuneration which are structured to motivate executives to deliver sustained returns through a mix of short-term and long-term incentives.

### 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 performance hurdles including net profit after tax ('NPAT') and other benefits	Granted in performance rights
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 generally measured over 12 months  Granted in performance rights which will vest following a 12-month deferral period subject to the executive's continuous service	Performance generally measured over three years

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

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

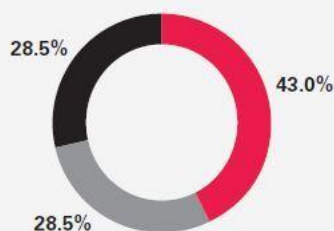


## Autosports Group Limited Directors' report 30 June 2021

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

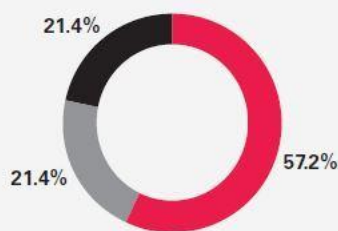
**Remuneration mix at maximum performance for Nick Pagent for the financial year**

● Fixed REM  
● LTI  
● STI



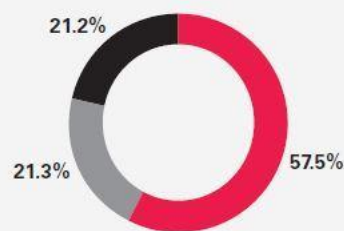
**Remuneration mix at maximum performance for Ian Pagent for the financial year**

● Fixed REM  
● LTI  
● STI



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

● Fixed REM  
● LTI  
● STI



### Company performance

In a turnaround year, the challenges of navigating the pandemic in FY20 were overcome with a buoyant new vehicle market in FY21 dominated by higher than expected gross margins. During the financial year, lockdown restrictions had eased along the Eastern States of Australia bringing a welcomed change to trading conditions with strong consumer demand for new and used vehicles. Higher disposable income, consumer reluctance to use public transport and supply limitations contributed to strong gross margins whilst disciplined expense management was maintained through the year.

The Group's 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.

During the financial year, the Group performed well against the financial KPIs, exceeding the stretch targets for EBITDA and EPS. The senior executives also performed well against non-financial measures relating to business and property acquisitions, culture and employee engagement, internal audit and diversity.

The table below shows the Company's financial performance using a number of key measures for the last five years.

Financial year ended 30 June	Share performance			Earnings performance			Liquidity	
	Closing share price (\$)	Dividend per share (cents) <sup>1</sup>	Basis 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'))
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
2019	1.26	3.0	5.57	41.5	11.4	2.3	45.3	3.29
2018	1.70	9.0	12.99	50.7	26.4	5.3	46.1	4.51
2017 <sup>2</sup>	2.09	4.6	6.07	23.8	12.4	2.5	24.2	5.25

<sup>1</sup> 100% franked at 30% corporate income tax.

<sup>2</sup> 2017 is the period from Listing 16 November 2016 to 30 June 2017.

### (2) Senior executive remuneration in detail

#### Fixed remuneration

The remuneration of all senior executives includes a fixed component comprised of base salary and employer superannuation contributions and other benefits associated with the provision and use of motor vehicles.



## Autosports Group Limited

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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 Group.

#### 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 2020 to 30 June 2021.

#### 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	33% of base salary	75% of base salary
Ian Pagent	20% of base salary	45% of base salary
Aaron Murray	20% of base salary	45% of base salary

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

The Board has also determined that if performance against the financial key performance indicators is greater than 90% but less than 100% of target, senior executives would be rewarded with 30% of the relevant individually weighted STI opportunity. If performance is assessed to be between target and maximum, a straight-line pro-rata STI award would be awarded. Additionally, all performance matrices were assessed exclusive of new or unbudgeted acquisitions. Non-Financial KPI's were assessed based on the achievement of individual strategic objectives and performance. 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 the Company's culture and values. If the gateway hurdle is not met, no STI is awarded; and

(ii) in addition, each senior executive has an individualised balanced scorecard that determines their STI awards. These scorecards incorporate individually weighted financial and non-financial performance hurdles determined by the Board annually. The financial hurdles primarily focus on the financial objectives of the Group and include targets measured against Revenue, Liquidity, EBITDA and EPS. EPS is calculated having regard to underlying profit, which measures profit from the Group's ongoing operations adjusted, where the Board considers it appropriate. The non-financial performance hurdles are aligned to each senior executive's role and include culture hurdles, growth, stakeholder relationships, reporting, safety, diversity, risk and corporate governance to ensure the business continues to be well managed.

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

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**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 actual level of award for the senior executives for the initial grant and, therefore, the number of performance rights to be granted. The Board believes this method is most efficient and results in the most accurate outcomes.

**Delivery of STI awards**

Following measurement against performance conditions, STI awards are delivered in the form of performance rights which will vest following a deferral period of 12 months subject to a continuous service condition.

**Performance rights**

Upon vesting, each performance right entitles the senior executive to one ordinary share in the Company. The Board has the discretion to settle performance rights with a cash equivalent payment.

Performance rights are granted for nil consideration and no amount is payable on vesting.

**Number of performance rights to be granted**

The number of performance rights to be granted to senior executives is determined by dividing any STI award that 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 FY21 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 (\$) <sup>1</sup>	STI award (\$)	Percentage of target STI award granted	Percentage of maximum STI award granted	Percentage of maximum STI award forfeited <sup>2</sup>
Nick Pagent	2021	450,000	356,400	100%	79%	21%
	2020	450,000	-	-	-	100%
Ian Pagent	2021	180,000	155,000	100%	86%	14%
	2020	180,000	-	-	-	100%
Aaron Murray	2021	168,750	134,766	100%	80%	20%
	2020	168,750	-	-	-	100%

1 The maximum potential bonus is determined by reference to the maximum STI opportunity available to each executive as a percentage of their base salary.

2 Entitlement to STI in respect of FY20 voluntarily forfeited by KMP due to COVID-19 pandemic.



## Autosports Group Limited

### Directors' report

### 30 June 2021

#### Long-term incentive

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

#### Overview of the LTI plan

The LTI plan is an 'at-risk' equity component of executive remuneration which is subject to the satisfaction of a long-term performance condition.

#### Participation

Executive directors and other members of senior management are eligible to participate in the LTI plan.

#### Instrument

Upon vesting, each performance right entitles the senior executive to one ordinary share in the Company. The Board has the discretion to settle performance rights with a cash equivalent payment.

Performance rights are granted for nil consideration and no amount is payable on vesting.

#### Number of performance rights to be granted

The number of performance rights granted to each senior executive will be determined by dividing the LTI award opportunity (calculated as a percentage of the senior executive's base salary) by the VWAP of shares traded on the ASX during the 10 trading days following the release of the Group's full year results for that financial year.

#### Performance period

LTI grants have a three-year performance period.

#### Performance conditions

Performance rights will be tested against the compound annual growth rate ('CAGR') of the Group's underlying EPS.

The percentage of performance rights that vest, if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Board, in its absolute discretion, considers appropriate:

#### CAGR of the Company's underlying EPS over the performance period

#### Percentage of performance rights that vest

Less than 7%	Nil
7% (threshold performance)	50%
Between 7% and 15%	Straight-line pro rata vesting between 50% and 100%
15% or above (maximum performance)	100%

The Board will arrange for the performance condition to be tested following the release of the Company's full year results. Any rights that remain unvested at the end of the performance period will lapse immediately.

A continuous service condition also applies to the performance rights, subject to the cessation of employment provisions described below.

The EPS performance condition has been chosen as it provides evidence of the Company's growth in earnings and is directly linked to shareholder returns.

#### Measurement and testing of performance conditions

To measure the EPS performance condition, financial results are extracted by reference to the Company's audited financial statements. The use of financial statements ensures the integrity of the measure and alignment with the 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.

## Autosports Group Limited Directors' report 30 June 2021

### 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, a pro rata portion (for the portion of the performance period elapsed) of their rights will remain on foot and will be tested after the end of the performance period against the performance condition.

### Change of control

The Board may determine that all or a specified number of a senior executive's performance rights will vest or cease to be subject to restrictions where there is a change of control event.

### Clawback and preventing inappropriate benefits

The Board has broad clawback powers if, for example, the senior executive has acted fraudulently or dishonestly or there is a material financial misstatement.

### Executive service agreements

Each of the senior executives is party to a written executive service agreement with the Company. The key terms of these agreements are set out below.

### Base salary

Nick Pagent – \$600,000 per annum base salary plus other benefits valued at \$87,236.  
Ilan Pagent – \$400,000 per annum base salary plus other benefits valued at \$80,216.  
Aaron Murray – \$375,000 per annum base salary plus other benefits valued at \$80,236.

### Periods of notice required to terminate and termination payments

Nick Pagent – either party may terminate the contract by giving 12 months' notice.  
Ilan Pagent – either party may terminate the contract by giving 12 months' notice.  
Aaron Murray – either party may terminate the contract by giving 3 months' notice.  
The Company may terminate immediately in certain circumstances, including where the relevant senior executive engages in serious or wilful misconduct.

### FY22 changes to senior executive remuneration

The Board recognises the need to motivate, attract and retain employees to deliver excellent business performance. In FY21, the People and Remuneration Committee commissioned a report from an independent remuneration consultant, Egan Associates Pty Ltd, to provide guidance in relation to the Group's remuneration policy and the rewards levels for the senior executives. The report considered remuneration structures in companies with comparable size and scale across all sectors and also in the consumer and industrials sectors. The People and Remuneration Committee and the Board determined the changes to be appropriate having regard to market rates, the senior executives' ability to smoothly navigate the COVID-19 pandemic in FY20 and the performance of the business in FY21. The remuneration of the senior executives has not changed since the IPO in November 2016.

Egan Associates Pty Ltd was paid \$7,854 for its services.

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.

### Base salary

Nick Pagent – \$700,000 per annum base salary plus other benefits valued at \$87,236.  
Ilan Pagent – \$400,000 per annum base salary plus other benefits valued at \$80,216.  
Aaron Murray – \$425,000 per annum base salary plus other benefits valued at \$80,236.

### 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
Ilan Pagent	20% of base salary	45% of base salary
Aaron Murray	50% of base salary	75% of base salary

### LTI opportunity

The LTI opportunity remains unchanged for FY22.

## Autosports Group Limited

### Directors' report

### 30 June 2021

#### (3) Non-Executive Director remuneration

##### Principles of Non-Executive Director remuneration

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

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

##### Non-Executive Director remuneration 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 Chair and \$100,000 for other Non-Executive Directors (including superannuation) per annum.

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

In order to maintain their independence, Non-Executive Directors do not have any 'at risk' remuneration component. The Group does not pay benefits (other than statutory entitlements) on retirement to Non-Executive Directors.

##### Committee fees

Non-Executive Directors are paid Committee fees of \$20,000 (including superannuation) per annum for each Board Committee of which they are a Chair. Directors do not receive additional fees for being a member of a Board Committee.

#### (4) Statutory remuneration disclosures

##### Senior executive and Non-Executive Director remuneration

The following table sets out the statutory disclosures in accordance with the Accounting Standards for the financial year.

		Short-term employee benefits		Post-employment benefits	Share-based payments		
		Cash paid salary/fees	Non-monetary <sup>1</sup>	Super-annuation	Long service leave	Rights <sup>2 3</sup>	Total
		\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors</i>							
Tom Pockett	2021	190,411	-	4,204	-	-	194,615
	2020 <sup>4</sup>	133,474	-	12,680	-	-	146,154
Marina Go	2021	106,639	-	10,131	-	-	116,770
	2020 <sup>4</sup>	80,084	-	7,608	-	-	87,692
Robert Quant	2021	106,639	-	10,131	-	-	116,770
	2020 <sup>4</sup>	80,084	-	7,608	-	-	87,692
<i>Senior executives</i>							
Nick Pagent	2021	538,154	69,803	21,694	10,965	806,400	1,447,016
	2020	541,385	66,233	21,003	10,044	(23,099)	615,566
Ian Pagent	2021	300,000	61,703	21,694	1,521	335,000	719,918
	2020	338,846	59,213	21,003	27,485	(9,239)	437,308
Aaron Murray	2021	362,135	62,769	21,694	6,623	303,514	756,735
	2020	352,789	59,233	21,003	6,227	(8,662)	430,590

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 Negative balance in 2020 financial year represents the net impact of options granted during the financial year, offset by lapsed options from the prior years.

4 Non-Executive Directors forfeited salary of \$118,462 in 2020 financial year.

# Autosports Group Limited

## Directors' report

### 30 June 2021

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.

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 lapsed or forfeited	Rights held at the end of the financial year
<b>Nick Pagent</b>								
LTI - FY19	13 December 2018	1 July 2018 - 30 June 2021	\$1.20	283,554	-	-	-	283,554
LTI - FY20	11 December 2019	1 July 2019 - 30 June 2022	\$1.44	304,465	-	-	-	304,465
LTI - FY21	9 December 2020	1 July 2020 - 30 June 2023	\$1.40	-	350,467	-	-	350,467
				588,019	350,467	-	-	938,486

<b>Ian Pagent</b>								
LTI - FY19	13 December 2018	1 July 2018 - 30 June 2021	\$1.20	113,421	-	-	-	113,421
LTI - FY20	11 December 2019	1 July 2019 - 30 June 2022	\$1.44	202,977	-	-	-	202,977
LTI - FY21	9 December 2020	1 July 2020 - 30 June 2023	\$1.40	-	233,644	-	-	233,644
				316,398	233,644	-	-	550,042

<b>Aaron Murray</b>								
LTI - FY19	13 December 2018	1 July 2018 - 30 June 2021	\$1.20	106,332	-	-	-	106,332
LTI - FY20	11 December 2019	1 July 2019 - 30 June 2022	\$1.44	114,175	-	-	-	114,175
LTI - FY21	9 December 2020	1 July 2020 - 30 June 2023	\$1.40	-	131,425	-	-	131,425
				220,507	131,425	-	-	351,932

#### 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	Additions <sup>1</sup>	Disposals/ others	Shares held at the end of financial year
<b>Non-Executive Directors</b>					
Thomas Pockett	166,667	-	-	-	166,667
Marina Go	40,833	-	-	-	40,833
Robert Quant	62,499	-	-	-	62,499
<b>Senior executives</b>					
Nick Pagent	39,332,149	-	-	-	39,332,149
Ian Pagent	65,316,803	-	150,000	-	65,466,803
Aaron Murray	1,715,328	-	-	(17,565)	1,697,763
	106,634,279	-	150,000	(17,565)	106,766,714

1 On market purchase of shares.

# **Autosports Group Limited**

## **Directors' report**

### **30 June 2021**

#### **(5) Transactions with KMP**

##### **Management fees**

During the financial year the Group received property management fees on a salary allocation basis for administration and management of properties owned by Ian and Nick Pagent. 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	12,600
Autohaus Prestige Five Dock Pty Ltd	Property management service	25,200
Audi Parramatta Property Holdings Pty Ltd	Property management service	12,600
Audi Parramatta Properties 2 Pty Ltd	Property management service	12,600
Autosports Properties Leichhardt Pty Ltd	Property management service	25,200
New Centenary Properties Pty Ltd	Property management service	12,600
NDI Properties Pty Ltd	Property management service	12,600
		<b>113,400</b>

##### **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	924,904
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	801,956
Audi Parramatta Property Holdings Pty Ltd	49-51 Church St, Parramatta NSW	725,022
Audi Parramatta Properties 2 Pty Ltd	13 Church St, Parramatta NSW	541,763
Autosports Properties Leichhardt Pty Ltd	531-571 Parramatta Rd, Leichhardt NSW	1,296,540
New Centenary Properties Pty Ltd	135 Moggill Rd, Toowong QLD and 45 Dickson Street, Artarmon NSW	2,585,387
		<b>6,875,572</b>

##### **Related party loans**

Loans from entities related to Ian Pagent and Nicholas Pagent amounting to \$2,430,171 were repaid in full during the financial year.

**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



Thomas Pockett  
Independent Chairman



Nicholas Pagent  
Chief Executive Officer

30 August 2021  
Sydney

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

30 August 2021

Dear Directors

**Autosports Group Limited**

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

As lead audit partner for the audit of the financial report of Autosports Group Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit .

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**David Haynes**  
Partner  
Chartered Accountants

**Autosports Group Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Interest revenue	5	1,978,406	1,701,688
		9	18
<b>Expenses</b>			
Changes in inventories		(92,907)	(61,341)
Raw materials and consumables purchased		(1,547,181)	(1,374,995)
Employee benefits expense		(129,008)	(113,265)
Depreciation and amortisation expense	6	(49,582)	(43,584)
Occupancy costs	6	(5,624)	(5,413)
Acquisition and restructure expenses		(2,971)	(1,185)
Other expenses		(71,340)	(68,862)
Finance costs	6	(18,149)	(21,640)
<b>Profit before income tax expense and impairment</b>		<b>61,653</b>	<b>11,421</b>
Impairment of goodwill	12	-	(109,174)
<b>Profit/(loss) before income tax expense</b>		<b>61,653</b>	<b>(97,753)</b>
Income tax expense	7	(19,241)	(4,544)
<b>Profit/(loss) after income tax expense for the year</b>		<b>42,412</b>	<b>(102,297)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>42,412</b>	<b>(102,297)</b>
Profit/(loss) for the year is attributable to:			
Non-controlling interest	20	480	149
Owners of Autosports Group Limited		41,932	(102,446)
		<b>42,412</b>	<b>(102,297)</b>
Total comprehensive income for the year is attributable to:			
Non-controlling interest	20	480	149
Owners of Autosports Group Limited		41,932	(102,446)
		<b>42,412</b>	<b>(102,297)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	31	20.86	(50.97)
Diluted earnings per share	31	20.67	(50.97)

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



**Autosports Group Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		96,844	38,817
Trade and other receivables	8	72,919	92,753
Inventories	9	250,799	339,632
Other assets	10	9,612	8,405
<b>Total current assets</b>		<b>430,174</b>	<b>479,607</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	115,482	92,819
Right-of-use assets	13	215,784	165,731
Intangibles	12	427,448	429,240
Deferred tax	7	18,948	17,544
<b>Total non-current assets</b>		<b>777,662</b>	<b>705,334</b>
<b>Total assets</b>		<b>1,207,836</b>	<b>1,184,941</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	140,313	120,206
Contract liabilities		827	1,547
Income tax payable	7	14,116	8,935
Employee benefits	15	16,748	14,397
Borrowings	16	290,461	392,621
Lease liabilities	17	29,745	38,582
<b>Total current liabilities</b>		<b>492,210</b>	<b>576,288</b>
<b>Non-current liabilities</b>			
Trade and other payables	14	-	2,430
Employee benefits	15	3,684	2,495
Borrowings	16	75,620	70,958
Lease liabilities	17	214,217	151,489
<b>Total non-current liabilities</b>		<b>293,521</b>	<b>227,372</b>
<b>Total liabilities</b>		<b>785,731</b>	<b>803,660</b>
<b>Net assets</b>		<b>422,105</b>	<b>381,281</b>
<b>Equity</b>			
Issued capital	18	475,637	475,637
Share-based payments reserve	19	3,306	874
Accumulated losses		(61,214)	(99,126)
<b>Equity attributable to the owners of Autosports Group Limited</b>		<b>417,729</b>	<b>377,385</b>
Non-controlling interest	20	4,376	3,896
<b>Total equity</b>		<b>422,105</b>	<b>381,281</b>

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

**Autosports Group Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2021**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Share-based payments reserve \$'000</b>	<b>Retained profits/ (accumulated losses) \$'000</b>	<b>Non-controlling interest \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2019	475,637	1,033	9,350	3,747	489,767
Profit/(loss) after income tax expense for the year	-	-	(102,446)	149	(102,297)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(102,446)	149	(102,297)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 33)	-	(159)	-	-	(159)
Dividends paid (note 21)	-	-	(6,030)	-	(6,030)
Balance at 30 June 2020	475,637	874	(99,126)	3,896	381,281

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Share-based payments reserve \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Non-controlling interest \$'000</b>	<b>Total equity \$'000</b>
Balance at 1 July 2020	475,637	874	(99,126)	3,896	381,281
Profit after income tax expense for the year	-	-	41,932	480	42,412
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	41,932	480	42,412
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 33)	-	2,432	-	-	2,432
Dividends paid (note 21)	-	-	(4,020)	-	(4,020)
Balance at 30 June 2021	475,637	3,306	(61,214)	4,376	422,105

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

**Autosports Group Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit/(loss) before income tax expense for the year		61,653	(97,753)
Adjustments for:			
Depreciation and amortisation	6	49,582	43,584
Impairment of goodwill		-	109,174
Net loss on disposal of property, plant and equipment		2,610	1,330
Share-based payments	6	2,432	(159)
Interest received		(9)	(18)
Interest and other finance costs	6	18,149	21,640
		134,417	77,798
Change in operating assets and liabilities:			
Decrease in trade and other receivables		19,834	11,818
Decrease in inventories		92,907	61,341
Increase in other operating assets		(1,352)	(1,119)
Increase in trade and other payables		15,508	35,581
Decrease in contract liabilities		(720)	(959)
Increase in employee benefits		3,092	1,903
Decrease in bailment finance		(107,677)	(78,919)
		156,009	107,444
Interest received		9	18
Interest and other finance costs paid		(18,149)	(21,640)
Income taxes paid		(12,035)	(2,031)
Net cash from operating activities		125,834	83,791
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	28	(3,162)	(7,815)
Payments for property, plant and equipment	11	(33,634)	(27,073)
Payments for security deposits		-	(134)
Proceeds from disposal of property, plant and equipment		485	-
Proceeds from release of security deposits		162	-
Net cash used in investing activities		(36,149)	(35,022)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	32	29,368	28,663
Repayment of borrowings	32	(22,725)	(15,264)
Repayment of lease liabilities	32	(31,851)	(28,613)
Repayment of related party payables	32	(2,430)	-
Dividends paid	21	(4,020)	(6,030)
Net cash used in financing activities		(31,658)	(21,244)
Net increase in cash and cash equivalents		58,027	27,525
Cash and cash equivalents at the beginning of the financial year		38,817	11,292
Cash and cash equivalents at the end of the financial year		96,844	38,817

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

# Autosports Group Limited

## Notes to the consolidated financial statements

### 30 June 2021

#### Note 1. General information

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

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

565 Parramatta Road  
Leichhardt NSW 2040

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2021. The directors have the power to amend and reissue the financial statements.

#### Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2021.

#### 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 \$62,036,000 as at 30 June 2021 (2020: \$96,681,000).

During the financial year ended 30 June 2021, the Group made a profit of \$42,412,000 (2020: loss of \$102,297,000).

The directors have reviewed the cash flow forecast for the Group at least through to 30 August 2022. 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 \$125,834,000 (2020: \$83,791,000) of cash flow from operating activities;
- during the financial year the Group used \$3,162,000 of available cash to fund business acquisitions and \$33,634,000 to fund additions to property, plant and equipment and leasehold improvements;
- as at 30 June 2021, the Group has undrawn capital finance facilities of \$15,201,000 (2020: \$14,000,000) out of which \$11,200,000 is earmarked for specific purposes and undrawn bailment finance facilities of \$300,553,000 (2020: \$208,512,000);
- as at 30 June 2021, the Group has cash and cash equivalents amounting to \$96,844,000 (2020: \$38,817,000);
- as at 30 June 2021, the Group has deferred statutory tax obligations of \$34,099,000 (2020: \$32,000,000) out of which \$8,216,000 is repayable within 12 months;
- 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.

# Autosports Group Limited

## Notes to the consolidated financial statements

### 30 June 2021

## Note 2. Significant accounting policies (continued)

### **Critical accounting estimates**

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

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Autosports Group Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended.

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

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

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

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

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

### **Operating segments**

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

### **Revenue recognition**

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.

## **Autosports Group Limited**

### **Notes to the consolidated financial statements**

### **30 June 2021**

## **Note 2. Significant accounting policies (continued)**

### **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.

### **Aftermarket accessories and other revenue**

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

### **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.

### **Interest**

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

### **Commercial income and rebates**

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

### **Government grants**

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the periods necessary to match them with the costs that they are intended to compensate.

### **Income tax**

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

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

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

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

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

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



## **Autosports Group Limited**

### **Notes to the consolidated financial statements**

#### **30 June 2021**

### **Note 2. Significant accounting policies (continued)**

#### **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, 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.

##### **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.



## Autosports Group Limited

### Notes to the consolidated financial statements

#### 30 June 2021

### Note 2. Significant accounting policies (continued)

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.

### Goodwill

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

### Customer relationships

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

### Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

## **Autosports Group Limited**

### **Notes to the consolidated financial statements**

#### **30 June 2021**

### **Note 2. Significant accounting policies (continued)**

#### **Trade and other payables**

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

#### **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. Variable lease payments include rent concessions in the form of rent forgiveness or a waiver as a direct consequence of the Coronavirus (COVID-19) pandemic and which relate to payments originally due on or before 30 June 2021.

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.

## **Autosports Group Limited**

### **Notes to the consolidated financial statements**

#### **30 June 2021**

### **Note 2. Significant accounting policies (continued)**

#### ***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.

### **Issued capital**

Ordinary shares are classified as equity.

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

### **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

### **Business combinations**

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

The acquisition method of accounting is used to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. To determine whether a set of activities and assets constitutes a business, the Group has the choice to apply a 'concentration test', which is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Alternatively, to determine if a business has been acquired, the Group assesses whether (as a minimum) an input and substantive process has been acquired and whether there is an ability to produce outputs from these.

# Autosports Group Limited

## Notes to the consolidated financial statements

### 30 June 2021

## Note 2. Significant accounting policies (continued)

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

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

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

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

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

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

## Earnings per share

### Basic earnings per share

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

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of 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 2021. The adoption of these Accounting Standards and Interpretations is not expected to have any significant impact on the Group's financial statements.

## **Autosports Group Limited**

### **Notes to the consolidated financial statements**

#### **30 June 2021**

### **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. Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates.

#### ***Allowance for expected credit losses***

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

#### ***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 12 for further information.

#### ***Recovery of deferred tax assets***

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

#### ***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 CODM) in assessing performance and in determining the allocation of resources.

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

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.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 5. Revenue**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Revenue for contracts with customers</i>		
New and demonstrator vehicles	1,273,285	989,895
Used vehicles	432,936	431,073
Parts	116,382	123,900
Service	110,675	113,860
Aftermarket accessories	14,543	12,270
Finance and insurance revenue	28,151	26,488
	<b>1,975,972</b>	<b>1,697,486</b>
<i>Other revenue</i>		
Other revenue	2,434	4,202
<b>Revenue</b>	<b>1,978,406</b>	<b>1,701,688</b>

**Disaggregation of revenue**

All revenue is generated in Australia and revenue is recognised at a point in time, except for service revenue which is recognised over time.



**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	401	-
Leasehold improvements	3,926	3,373
Plant and equipment	2,031	1,955
Furniture, fixtures and fittings	1,320	1,338
Motor vehicles	799	720
Right-of-use assets	35,689	31,291
Total depreciation	44,166	38,677
<i>Amortisation</i>		
Customer relationships	5,416	4,907
Total depreciation and amortisation	49,582	43,584
<i>Share-based payments expense</i>		
Share-based payment expenses/(reversals) in relation to directors, executives and employees	2,432	(159)
<i>Finance costs</i>		
Floor plan interest	5,429	10,606
Interest charges on lease liabilities	8,796	7,801
Corporate interest	3,924	3,233
Total finance costs expensed	18,149	21,640
<i>Leases</i>		
Variable lease payments/(credits)	(408)	343
Short-term lease payments	798	949
Rental outgoings	5,234	4,121
	5,624	5,413
<i>Superannuation expense</i>		
Defined contribution superannuation expense	11,186	10,033
<i>Other provisions</i>		
Inventory provision expenses/(credits)	(4,677)	5,630

During the current financial year, the Group has received JobKeeper support payments amounting to \$10,660,000 (2020: \$13,350,000) from the Australian Government, which are passed on to eligible employees. These have been recognised as government grants in the financial statements and recorded as a deduction in the employee benefits expenses. The Group was eligible for JobKeeper support from the government on the condition that employee benefits continue to be paid.

Included in 'raw materials and consumables' in profit or loss is \$20,106,000 (2020: \$21,112,000) of salaries and wages relating to direct service labour costs.

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**Note 7. Income tax**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Income tax expense</i>		
Current tax	20,846	8,276
Deferred tax - origination and reversal of temporary differences	(1,605)	(3,732)
<b>Aggregate income tax expense</b>	<b>19,241</b>	<b>4,544</b>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(1,605)	(3,732)
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	61,653	(97,753)
Tax at the statutory tax rate of 30%	18,496	(29,326)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent tax differences	93	66
Impairment of goodwill	-	32,752
Share-based payments	765	64
	19,354	3,556
Current year tax losses not recognised	17	174
Prior year temporary differences now recognised	(130)	814
<b>Income tax expense</b>	<b>19,241</b>	<b>4,544</b>

**Autosports Group Limited**  
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**Note 7. Income tax (continued)**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised other than in equity:		
Right-of-use assets	8,390	6,659
Employee benefits	6,682	5,220
Tax losses	2,084	5,306
Property, plant and equipment	1,572	1,324
Contract liabilities	856	1,460
Provision for warranties	640	430
Allowance for expected credit losses	388	582
Accrued expenses	201	132
Provision for inventories	148	454
IPO transaction costs	-	414
Customer relationships	(1,957)	(3,203)
Work in progress	(122)	(90)
Other items	66	(1,724)
	<b>18,948</b>	<b>16,964</b>
Amounts recognised in equity:		
Unamortised transaction costs on share issue	-	580
<b>Deferred tax asset</b>	<b>18,948</b>	<b>17,544</b>
Movements:		
Opening balance	17,544	14,525
Credited to profit or loss	1,605	3,732
Additions through business combinations (note 28)	(201)	(713)
<b>Closing balance</b>	<b>18,948</b>	<b>17,544</b>
	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Provision for income tax</i>		
<b>Provision for income tax</b>	<b>14,116</b>	<b>8,935</b>

**Autosports Group Limited**  
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**Note 8. Trade and other receivables**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	65,761	85,144
Other receivables	8,101	9,197
Less: Allowance for expected credit losses	(943)	(1,588)
	<b>72,919</b>	<b>92,753</b>

**Allowance for expected credit losses**

The Group has recognised a profit of \$505,000 in profit or loss in respect of impairment of receivables for the year ended 30 June 2021 (2020: loss of \$1,627,000).

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

<b>Consolidated</b>	<b>Expected credit loss rate</b>		<b>Carrying amount</b>		<b>Allowance for expected credit losses</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>%</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not overdue	0.10%	0.10%	57,451	71,402	57	71
0 to 2 months overdue	4.80%	12.40%	4,306	4,663	207	578
2 to 3 months overdue	5.70%	2.50%	161	495	9	12
3 to 4 months overdue	10.50%	5.50%	2,190	5,625	230	309
Over 4 months overdue	26.60%	20.90%	1,653	2,959	440	618
			<b>65,761</b>	<b>85,144</b>	<b>943</b>	<b>1,588</b>

The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to COVID-19. As a result, the calculation of expected credit losses has been revised and rates have increased in each category over 2 months overdue.

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

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Opening balance	1,588	216
Provisions recognised	259	1,647
Receivables written off during the year as uncollectable	(140)	(255)
Unused amounts reversed	(764)	(20)
Closing balance	<b>943</b>	<b>1,588</b>

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**Note 9. Inventories**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
New and demonstrator vehicles - at cost	188,575	286,303
Less: Write-down to net realisable value	(4,466)	(8,344)
	184,109	277,959
Used vehicles - at cost	48,940	45,255
Less: Write-down to net realisable value	(421)	(1,212)
	48,519	44,043
Spare parts and accessories - at cost	17,702	17,398
Less: Write-down to net realisable value	(1,746)	(1,724)
	15,956	15,674
Other inventory - at cost	2,215	1,956
	250,799	339,632

**Note 10. Other assets**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Prepayments	4,256	4,469
Security deposits	-	162
Other cash deposits	5,356	3,774
	9,612	8,405

**Autosports Group Limited**  
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**Note 11. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Land and buildings - at cost*	56,901	32,006
Less: Accumulated depreciation	(401)	-
	56,500	32,006
Leasehold improvements	43,195	42,314
Less: Accumulated depreciation	(13,016)	(9,547)
	30,179	32,767
Plant and equipment	21,477	18,525
Less: Accumulated depreciation	(7,711)	(5,870)
	13,766	12,655
Furniture, fixtures and fittings	10,697	10,450
Less: Accumulated depreciation	(4,939)	(3,854)
	5,758	6,596
Motor vehicles	4,626	4,494
Less: Accumulated depreciation	(1,903)	(1,404)
	2,723	3,090
Capital work in progress - at cost	6,556	5,705
	115,482	92,819

\* 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 trades;
- 120 - 124 Pacific Highway, Waitara, NSW, from which Mercedes-Benz Hornsby trades; and
- 363 Nepean Highway, Brighton, Victoria, from which Brighton Jaguar Land Rover trades.



**Autosports Group Limited**  
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**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:

<b>Consolidated</b>	<b>Land and buildings \$'000</b>	<b>Leasehold improve- ments \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Furniture, fixtures and fittings \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Capital work in progress \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	18,615	27,374	12,399	5,625	3,235	873	68,121
Additions	13,391	4,422	1,465	1,168	1,836	4,923	27,205
Additions through business combinations (note 28)	-	4,253	800	1,156	-	-	6,209
Disposals	-	-	(54)	(15)	(1,261)	-	(1,330)
Transfers in/(out)	-	91	-	-	-	(91)	-
Depreciation expense	-	(3,373)	(1,955)	(1,338)	(720)	-	(7,386)
Balance at 30 June 2020	32,006	32,767	12,655	6,596	3,090	5,705	92,819
Additions	24,895	1,196	1,549	800	1,173	4,021	33,634
Additions through business combinations (note 28)	-	61	250	279	-	11	601
Disposals	-	(644)	(310)	(751)	(741)	(649)	(3,095)
Transfers in/(out)	-	725	1,653	154	-	(2,532)	-
Depreciation expense	(401)	(3,926)	(2,031)	(1,320)	(799)	-	(8,477)
Balance at 30 June 2021	56,500	30,179	13,766	5,758	2,723	6,556	115,482

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
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**Note 12. Intangibles**

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
<i>Non-current assets</i>		
Goodwill - at cost	530,100	527,737
Less: Impairment	(109,174)	(109,174)
	420,926	418,563
Customer relationships - at cost	27,879	26,618
Less: Accumulated amortisation	(21,357)	(15,941)
	6,522	10,677
	427,448	429,240

**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 2019	520,547	11,391	531,938
Additions through business combinations (note 28)	7,190	4,193	11,383
Impairment of assets	(109,174)	-	(109,174)
Amortisation expense	-	(4,907)	(4,907)
Balance at 30 June 2020	418,563	10,677	429,240
Additions through business combinations (note 28)	2,363	1,261	3,624
Amortisation expense	-	(5,416)	(5,416)
Balance at 30 June 2021	420,926	6,522	427,448

Goodwill acquired through business combinations is allocated to one 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 four 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:

- Organic Earnings before interest, depreciation and amortisation ('EBITDA') growth rate;
- Pre-tax discount rate 13.7% (2020: 15.1%);
- Terminal growth rate of 2.0% beyond four year period (2020: 2.0%); and
- New vehicle motor growth (including rebates, aftermarket and finance and insurance) of 6.8% in FY22 (2020: 21.7%) due to acquisition growth and an average of 4.0% in FY23 to FY25 (30 June 2020: 6.7% in FY22 to FY25).

As a result of the impairment testing, management has concluded that the recoverable amount of the CGU is higher than its carrying value as at 30 June 2021. During the previous year ended 30 June 2020, the Group recorded an impairment charge of \$109,174,000.

**Sensitivity analysis**

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

**Remaining amortisation period**

The remaining amortisation period for customer relationships is 1-4 years (2020: 1-4 years).

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**Note 13. Right-of-use assets**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Right-of-use asset	346,267	262,014
Less: Accumulated depreciation	(130,483)	(96,283)
	<b>215,784</b>	<b>165,731</b>

The Group leases dealership operating premises under agreements of between 1 to 15 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

**Reconciliations**

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

<b>Consolidated</b>	<b>Property lease \$'000</b>
Balance at 1 July 2019	160,061
Additions	13,918
Additions through business combinations (note 28)	23,043
Depreciation expense	(31,291)
Balance at 30 June 2020	165,731
Additions	85,742
Depreciation expense	(35,689)
Balance at 30 June 2021	<b>215,784</b>

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 32 for details of lease liabilities at the beginning and end of the reporting period;
- note 22 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

**Note 14. Trade and other payables**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	68,301	65,833
GST payable	42,308	29,349
Accrued expenses	29,704	25,024
	<b>140,313</b>	<b>120,206</b>
<i>Non-current liabilities</i>		
Related party payable	-	2,430
	<b>140,313</b>	<b>122,636</b>

Refer to note 22 for further information on financial instruments. Refer to note 27 for further information on related party payable.

**Autosports Group Limited**  
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**Note 15. Employee benefits**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Employee benefits	16,748	14,397
<i>Non-current liabilities</i>		
Employee benefits	3,684	2,495
	20,432	16,892

**Note 16. Borrowings**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Bailment finance	271,247	375,388
Capital loans	19,214	17,233
	290,461	392,621
<i>Non-current liabilities</i>		
Capital loans	75,620	70,958
	366,081	463,579

Refer to note 22 for further information on financial instruments.

**Total secured liabilities**

The total secured liabilities are as follows:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Bailment finance	271,247	375,388
Capital loans	94,834	88,191
	366,081	463,579

**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 2.5% (2020: 2.4%).

**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 2.9% (2020: 3.0%).

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**Note 16. Borrowings (continued)**

**Financing arrangements**

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

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Total facilities		
Bailment finance	571,800	583,900
Capital loans	110,035	102,190
	681,835	686,090
Used at the reporting date		
Bailment finance	271,247	375,388
Capital loans	94,834	88,190
	366,081	463,578
Unused at the reporting date		
Bailment finance	300,553	208,512
Capital loans	15,201	14,000
	315,754	222,512

**Note 17. Lease liabilities**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Lease liability	29,745	38,582
<i>Non-current liabilities</i>		
Lease liability	214,217	151,489
	243,962	190,071

Refer to note 22 for information on the maturity analysis of lease liabilities.

**Note 18. Issued capital**

	<b>Consolidated</b>			
	<b>30 June 2021</b>	<b>30 June 2020</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
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.

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**Note 18. Issued capital (continued)**

**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 2020 Annual Report.

**Note 19. Share-based payments reserve**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Share-based payments reserve	3,306	874

**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:

<b>Consolidated</b>	<b>Share-based payments</b>
	<b>\$'000</b>
Balance at 1 July 2019	1,033
Share-based payments*	(159)
Balance at 30 June 2020	874
Share-based payments	2,432
Balance at 30 June 2021	3,306

\* the reversal represents the net impact of options granted during the previous financial year, offset by lapsed options from the prior years.



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**Note 20. Non-controlling interest**

The non-controlling interest represents the 20% minority interest in New Centenary Mazda Pty Ltd held by the dealer principal and 24% (2020: 40%) minority interest in A.C.N 633 925 050 Pty Ltd acquired as part of the Sydney City Prestige acquisition on 2 August 2019.

Movements in the non-controlling interest are as follows:

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Opening balance	3,896	3,747
Profit after income tax expense for the year	480	149
Closing balance	4,376	3,896

**Note 21. Dividends**

**Dividends**

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Final dividend for the year ended 30 June 2020 of Nil cents (2019: 3.0 cents) per ordinary share	-	6,030
Interim dividend for the year ended 30 June 2021 of 2.0 cents (2020: Nil cents) per ordinary share	4,020	-
	4,020	6,030

On 30 August 2021, the directors declared a fully franked final dividend for the year ended 30 June 2021 of 7.0 cents per ordinary share, to be paid on 15 November 2021 to eligible shareholders on the register as at 1 November 2021. This equates to a total estimated distribution of \$14,070,000, based on the number of ordinary shares on issue as at 30 June 2021. The financial effect of the dividends declared after the reporting date are not reflected in the 30 June 2021 financial statements and will be recognised in the subsequent financial period.

**Franking credits**

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	50,601	31,147

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

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**Note 22. Financial instruments**

**Financial risk management objectives**

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

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

**Market risk**

**Foreign currency risk**

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

**Price risk**

The Group is not exposed to any significant price risk.

**Interest rate risk**

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

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

	30 June 2021 Balance \$'000	30 June 2020 Balance \$'000
<b>Consolidated</b>		
Bailment finance	271,247	375,388
Capital loans	94,834	88,191
Cash at bank	(96,844)	(38,817)
<b>Net exposure to cash flow interest rate risk</b>	<b>269,237</b>	<b>424,762</b>

An official increase/decrease in interest rates of 50 (2020: 50) basis points per annum applied to borrowing at the reporting date would have an adverse/favourable effect on loss before tax of \$1,346,000 (2020: \$2,124,000) and equity of \$942,000 (2020: \$1,487,000) (assuming 30% tax). The percentage change is based on the expected volatility of interest rates using market data and analyst's forecasts.

**Credit risk**

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

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. As disclosed in note 8, due to the Coronavirus (COVID-19) pandemic, the calculation of expected credit losses and loss rates has been revised as at 30 June 2021.

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.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 22. Financial instruments (continued)**

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:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Bailment finance	300,553	208,512
Capital loans	15,201	14,000
	<b>315,754</b>	<b>222,512</b>

**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.

	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
<b>Consolidated - 30 June 2021</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	68,301	-	-	-	68,301
<i>Interest-bearing - variable</i>					
Bailment finance	271,247	-	-	-	271,247
Capital loans	21,775	16,235	44,026	22,391	104,427
<i>Interest-bearing - fixed rate</i>					
Lease liability	38,127	39,787	109,885	98,826	286,625
Total non-derivatives	399,450	56,022	153,911	121,217	730,600

	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
<b>Consolidated - 30 June 2020</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade payables	65,833	-	-	-	65,833
Related party payable	-	2,430	-	-	2,430
<i>Interest-bearing - variable</i>					
Bailment finance	375,388	-	-	-	375,388
Capital loans	17,957	16,189	35,918	29,947	100,011
<i>Interest-bearing - fixed rate</i>					
Lease liability	38,889	40,737	97,636	80,683	257,945
Total non-derivatives	498,067	59,356	133,554	110,630	801,607

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

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
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**Note 23. Fair value measurement**

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

**Note 24. Key management personnel disclosures**

**Compensation**

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

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits*	1,798,253	1,711,341
Post-employment benefits	89,548	90,905
Long-term benefits	19,109	43,756
Share-based payments*	1,444,914	(41,000)
	<b>3,351,824</b>	<b>1,805,002</b>

\* Non-Executive Directors agreed to forfeit all directors' fees for the final quarter of the financial year ended 30 June 2020 ('FY20'). The Group's executive key management personnel also forfeited FY20 short-term and long-term incentives.

**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:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Deloitte Touche Tohmatsu</i>		
Audit or review of the financial statements	472,000	557,500
<i>Other services - Deloitte Touche Tohmatsu</i>		
Tax compliance	99,462	115,325
	<b>571,462</b>	<b>672,825</b>

**Note 26. Contingent liabilities**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank guarantees	7,737	7,190

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

**Autosports Group Limited**  
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**Note 27. Related party transactions**

**Parent entity**

Autosports Group Limited is the parent entity.

**Subsidiaries**

Interests in subsidiaries are set out in note 29.

**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:

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Other income:		
Management fees received from entities owned by the directors Ian Pagent and Nicholas Pagent	113,400	113,400
Payment for other expenses:		
Lease payments on properties to entities owned by the directors Ian Pagent and Nicholas Pagent*	7,184,323	5,209,113

\* During the year ended 30 June 2021, rent relief of \$Nil (2020: \$1,443,795) was received. The 2020 amount has been restated from \$808,020.

**Receivable from and payable to related parties**

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

**Loans from related parties**

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

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Non-current borrowings:		
Loans from an entity owned by the directors Ian Pagent and Nicholas Pagent*	-	2,430,171

\* Loans from entities related to Ian Pagent and Nicholas Pagent amounting to \$2,430,171 were repaid during the financial year.

**Terms and conditions**

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

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 28. Business combinations**

**2021 acquisitions**

**Brighton Jaguar Land Rover**

On 15 February 2021, the Group acquired certain assets and liabilities of Brighton Jaguar Land Rover from SMG Prestige Cars Pty Ltd. The total consideration transferred amounted to \$3,162,000. The goodwill of \$2,363,000 represents the future potential profits of the acquired business and the synergistic opportunities it offers and cross selling opportunities that will arise from the acquisition.

From the date of acquisition, Brighton Jaguar Land Rover contributed revenues of \$17,966,000 and profit after tax of \$425,000. If the acquisition had occurred at the start of the reporting period, management estimates that consolidated revenue and consolidated earnings before interest and tax would not have been materially different to what has been reported.

In addition to the business acquisition, the Group acquired the underlying property at 363 Nepean Highway, Brighton, Victoria for \$24,727,000.

Details of the acquisition are as follows:

	Fair value \$'000
Inventories	4,074
Prepayments	17
Property, plant and equipment	601
Customer relationships	1,261
Trade payables	(964)
Deferred tax liability	(201)
Employee benefits	(448)
Other provisions	(5)
Bailment finance	(3,536)
Net assets acquired	799
Goodwill	2,363
Acquisition-date fair value of the total consideration transferred	3,162
Representing:	
Cash paid or payable to vendor	3,162

The purchase price allocation of the 2021 acquisition is final as at 30 June 2021.

**2020 acquisitions**

**Mercedes-Benz Hornsby ('Mercedes-Benz')**

On 4 September 2019, the Group acquired certain assets and liabilities of Mercedes-Benz Hornsby. The total consideration transferred amounted to \$1,590,000. The goodwill of \$1,504,000 represents the future potential profits of the acquired business and the synergistic opportunities it offers and cross selling opportunities that will arise from the acquisition.

In addition to the business acquisition, the Group acquired the underlying property at 120-124 Pacific Highway, Waitara, NSW for \$13,181,000.

**Sydney City Prestige ('Prestige')**

On 2 August 2019, the Group acquired certain assets and liabilities of Sydney City Prestige. The total consideration transferred amounted to \$790,000. The goodwill of \$1,289,000 represents the future potential profits of the acquired business and the synergistic opportunities it offers and cross selling opportunities that will arise from the acquisition.

**Trivett Alexandria**

On 12 February 2020, the Group acquired businesses operated by Trivett at Alexandria in Sydney. The total consideration transferred amounted to \$5,435,000. The goodwill of \$4,397,000 represents the future potential profits of the acquired business and the synergistic opportunities it offers and cross selling opportunities that will arise from the acquisition. The acquisition brings five new brands to the Group's luxury portfolio, including Jaguar, Land Rover, Rolls-Royce, McLaren and Aston Martin. The sixth dealership is Bentley Sydney which will be the Group's first Bentley dealership in New South Wales and third across the Group.



**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 28. Business combinations (continued)**

**2020 acquisitions (continued)**

Details of the acquisitions are as follows:

	Mercedes-Benz	Sydney City Prestige	Trivett Alexandria	Total
	Fair value \$'000	Fair value \$'000	Fair value \$'000	\$'000
Inventories	13,908	2,679	37,991	54,578
Prepayments	-	-	234	234
Property, plant and equipment	2,475	-	3,734	6,209
Right-of-use assets	564	1,632	20,847	23,043
Customer relationships	1,120	-	3,073	4,193
Trade payables	(560)	(49)	(2,147)	(2,756)
Other payables	-	-	(789)	(789)
Deferred tax asset/(liability)	(176)	53	(590)	(713)
Employee benefits	(260)	(127)	(924)	(1,311)
Bailment finance	(16,419)	(3,039)	(39,513)	(58,971)
Lease liability	(564)	(1,632)	(20,787)	(22,983)
Other liabilities	(2)	(16)	(91)	(109)
Net assets/(liabilities) acquired	86	(499)	1,038	625
Goodwill	1,504	1,289	4,397	7,190
Acquisition-date fair value of the total consideration transferred	1,590	790	5,435	7,815
Representing:				
Cash paid or payable to vendor	1,590	790	5,435	7,815

**Note 29. 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 2021 %	30 June 2020 %
Autosports Brisbane Pty Ltd	Australia	100%	100%
Autosports Castle Hill Pty Ltd	Australia	100%	100%
Autosports Five Dock Pty Ltd	Australia	100%	100%
Autosports Leichhardt Pty Ltd	Australia	100%	100%
Autosports Prestige Pty Ltd	Australia	100%	100%
Autosports Sutherland Pty Ltd	Australia	100%	100%
Betar Prestige Cars Pty Ltd	Australia	100%	100%
Birchgrove Finance Pty Ltd	Australia	100%	100%
Modena Trading Pty Ltd	Australia	100%	100%
Mosman Prestige Cars Pty Ltd	Australia	100%	100%
New Centenary Mercedes-Benz Pty Ltd	Australia	100%	100%
Prestige Auto Traders Australia Pty Ltd	Australia	100%	100%
Prestige Group Holdings Pty Ltd	Australia	100%	100%
Prestige Repair Works Pty Ltd	Australia	100%	100%
ASG Brisbane Pty Ltd	Australia	100%	100%
ASG Melbourne Pty Ltd	Australia	100%	100%

# Autosports Group Limited

## Notes to the consolidated financial statements

### 30 June 2021

#### Note 29. Interests in subsidiaries (continued)

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

Name	Principal place of business / Country of incorporation	Principal activities	Parent Ownership interest		Non-controlling interest Ownership interest	
			30 June 2021 %	30 June 2020 %	30 June 2021 %	30 June 2020 %
New Centenary Mazda Pty Ltd	Australia	Motor vehicle dealership	80%	80%	20%	20%
A.C.N 633 925 050 Pty Ltd	Australia	Finance broker	76%	60%	24%	40%

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

#### Note 30. 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	Modena Trading Pty Ltd
Autosports Brisbane Pty Ltd	Mosman Prestige Cars Pty Ltd
Autosports Castle Hill Pty Ltd	New Centenary Mercedes-Benz Pty Ltd
Autosports Five Dock Pty Ltd	Prestige Auto Traders Australia Pty Ltd
Autosports Leichhardt Pty Ltd	Prestige Group Holdings Pty Ltd
Autosports Prestige Pty Ltd	Prestige Repair Works Pty Ltd
Autosports Sutherland Pty Ltd	ASG Brisbane Pty Ltd
Betar Prestige Cars Pty Ltd	ASG Melbourne Pty Ltd

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

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

Entities controlled by the Group not party to the deed of cross guarantee are New Centenary Mazda Pty Ltd, Birchgrove Pty Ltd and A.C.N 633 925 050 Pty Ltd.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 30. Deed of cross guarantee (continued)**

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

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of profit or loss and other comprehensive income</b>		
Revenue	1,910,331	1,648,838
Changes in inventories	(93,355)	(59,016)
Raw materials and consumables purchased	(1,490,878)	(1,336,179)
Employee benefits expense	(124,873)	(108,909)
Depreciation and amortisation expense	(48,345)	(42,586)
Impairment of goodwill	-	(109,174)
Occupancy costs	(5,619)	(5,313)
Acquisition and restructure expenses	(2,971)	(1,185)
Other expenses	(68,183)	(64,484)
Finance costs	(17,632)	(21,097)
<b>Profit/(loss) before income tax expense</b>	<b>58,475</b>	<b>(99,105)</b>
Income tax expense	(18,285)	(4,138)
<b>Profit/(loss) after income tax expense</b>	<b>40,190</b>	<b>(103,243)</b>
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>40,190</b>	<b>(103,243)</b>
<b>Equity - accumulated losses</b>	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Retained profits/(accumulated losses) at the beginning of the financial year	(102,413)	6,860
Profit/(loss) after income tax expense	40,190	(103,243)
Dividends paid	(4,020)	(6,030)
<b>Accumulated losses at the end of the financial year</b>	<b>(66,243)</b>	<b>(102,413)</b>

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 30. Deed of cross guarantee (continued)**

<b>Statement of financial position</b>	<b>30 June 2021 \$'000</b>	<b>30 June 2020 \$'000</b>
<b>Current assets</b>		
Cash and cash equivalents	93,086	37,768
Trade and other receivables	71,631	92,406
Inventories	246,042	335,800
Other assets	9,569	8,128
	<b>420,328</b>	<b>474,102</b>
<b>Non-current assets</b>		
Other financial assets	18,342	18,342
Property, plant and equipment	114,103	91,420
Right-of-use assets	206,589	159,870
Intangibles	399,521	401,314
Deferred tax	18,660	17,368
	<b>757,215</b>	<b>688,314</b>
<b>Total assets</b>	<b>1,177,543</b>	<b>1,162,416</b>
<b>Current liabilities</b>		
Trade and other payables	137,950	118,280
Contract liabilities	676	1,460
Income tax payable	13,552	8,579
Employee benefits	16,393	14,030
Borrowings	282,942	386,653
Lease liabilities	28,754	38,572
	<b>480,267</b>	<b>567,574</b>
<b>Non-current liabilities</b>		
Trade and other payables	-	2,430
Employee benefits	3,553	2,380
Borrowings	75,620	70,958
Lease liabilities	205,403	144,976
	<b>284,576</b>	<b>220,744</b>
<b>Total liabilities</b>	<b>764,843</b>	<b>788,318</b>
<b>Net assets</b>	<b>412,700</b>	<b>374,098</b>
<b>Equity</b>		
Issued capital	475,637	475,637
Share-based payments reserve	3,306	874
Accumulated losses	(66,243)	(102,413)
<b>Total equity</b>	<b>412,700</b>	<b>374,098</b>

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 31. Earnings per share**

	<b>Consolidated</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after income tax	42,412	(102,297)
Non-controlling interest	(480)	(149)
<b>Profit/(loss) after income tax attributable to the owners of Autosports Group Limited</b>	<b>41,932</b>	<b>(102,446)</b>
	<b>Number</b>	<b>Number</b>
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	1,840,460	-
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>202,840,460</b>	<b>201,000,000</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	20.86	(50.97)
Diluted earnings per share	20.67	(50.97)

In the prior year, performance rights over ordinary shares were excluded from the calculation of diluted earnings per share at 30 June 2020 as their inclusion would be anti-dilutive due to the loss for the year.

**Note 32. Cash flow information**

**Changes in liabilities arising from financing activities**

<b>Consolidated</b>	<b>Capital loans</b>	<b>Lease liabilities</b>	<b>Related party</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July 2019	74,791	181,813	2,430	259,034
Net cash from/(used in) financing activities	13,400	(28,613)	-	(15,213)
Acquisition of leases	-	14,050	-	14,050
Changes through business combinations (note 28)	-	22,983	-	22,983
Other changes	-	(162)	-	(162)
Balance at 30 June 2020	88,191	190,071	2,430	280,692
Net cash from/(used in) financing activities	6,643	(31,851)	(2,430)	(27,638)
Acquisition of leases	-	85,742	-	85,742
<b>Balance at 30 June 2021</b>	<b>94,834</b>	<b>243,962</b>	<b>-</b>	<b>338,796</b>

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 33. 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 \$2,432,000 (2020: credit of \$159,000). 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 2021 audited full-year results.

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

The rights are measured over a 12 month period.

Performance conditions for the initial grant include:

- a 'gateway hurdle' of upholding the Group's culture and values of individualised attention. Operating with honesty, integrity and accountability at all times and in accordance with the Group's Code of Conduct. If the gateway hurdle is not met, no STI or LTI is awarded.
- in addition, each senior executive has an individualised balanced scorecard that determines their awards. These scorecards primarily focus on the financial objectives of the Group and include targets measured against total revenue, 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.

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.

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**

	2021 Number	2020 Number
Balance at the beginning of the year	1,039,440	910,364
Granted during the year	820,760	771,696
Exercised during the year	(19,740)	(309,808)
Forfeited during the year	-	(332,812)
Balance at the end of the year	1,840,460	1,039,440

Performance rights vested and exercisable as at 30 June 2021 was nil (2020: nil).

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 34. 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 2021 \$'000	30 June 2020 \$'000
Profit/(loss) after income tax	8,579	(109,616)
Total comprehensive income	8,579	(109,616)

**Statement of financial position**

	Parent 30 June 2021 \$'000	30 June 2020 \$'000
Total current assets	141,099	134,016
Total assets	382,226	375,143
Total current liabilities	204	112
Total liabilities	204	112
Equity		
Issued capital	477,495	477,495
Share-based payments reserve	3,306	874
Accumulated losses	(98,779)	(103,338)
Total equity	382,022	375,031

**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 2021 and 30 June 2020.

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 30 for further details.

**Contingent liabilities**

The parent entity had no material contingent liabilities as at 30 June 2021 and 30 June 2020.

**Capital commitments - Property, plant and equipment**

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

**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.



**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**30 June 2021**

**Note 35. Events after the reporting period**

The Group completed the acquisition of an 80% interest in John Newell Mazda, Alexandria on 1 July 2021 for \$12,126,000. The purchase price was cash funded by the Group using existing cash reserves.

The Group entered into an agreement to purchase the property at 62 Enterprise Drive, Bundoora, Victoria from which the Group's BMW Bundoora dealership trades, for \$18,350,000. The acquisition will be funded through a combination of debt and existing cash reserves. Settlement is expected to occur in mid-November 2021.

All of the Eastern States of Australia have had varying degrees of lockdowns due to the Delta strain of the COVID-19 virus. New South Wales is impacted most having been in lockdown since 26 June 2021 which has been extended to 30 September 2021. Victorian operations are also affected by a similar lockdown. Whilst the public health regulations are constantly changing, the indication is that restrictions will ease once vaccination rates of 70% and higher are achieved. Our sales departments continue to operate through contactless click and collect, whilst our service departments and collision repair facilities remain open under strict COVID-safe protocols.

The directors have assessed the impact of health restrictions and lockdowns on continuing operations and note they do not pose a significant impact at this stage on the overall Group and its liquidity.

Apart from the dividend declared as disclosed in note 21 and the matters mentioned above, no other matter or circumstance has arisen since 30 June 2021 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.

**Autosports Group Limited**  
**Directors' declaration**  
**30 June 2021**

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 2021 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 30 to the financial statements.

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

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

On behalf of the directors



Thomas Pockett  
Independent Chairman

30 August 2021  
Sydney



Nicholas Pagent  
Chief Executive Officer

## 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 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

#### 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
<p><b>Recoverability of Goodwill</b></p> <p>As disclosed in Notes 2,3 and 12, the Group has recognised Goodwill with a carrying value of \$420.9 million as at 30 June 2021.</p> <p>The assessment of the recoverable amount of goodwill and other intangible assets allocated to the groups of CGUs requires management to exercise significant judgement, including:</p> <ul style="list-style-type: none"> <li>the identification of and allocation of goodwill to the groups of CGUs; and</li> <li>the determination of the following key assumptions used in the calculation of the recoverable amount of the groups of CGUs: <ul style="list-style-type: none"> <li>the cash flow forecasts</li> <li>future growth rates</li> <li>terminal growth factors; and</li> <li>discount rates.</li> </ul> </li> </ul>	<p>In conjunction with our valuation specialists, our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Evaluated the design and implementation of the relevant controls over the carrying value of goodwill;</li> <li>Evaluated the Group's categorisation of CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business and the requirements of the relevant accounting standard. This evaluation included performing an analysis of the Group's internal reporting;</li> <li>Compared the Group's forecast cash flows to the board approved budget, including considering the impact of the COVID-19 pandemic;</li> <li>Evaluated management's historical forecasting accuracy by comparing actual results to budget;</li> <li>Compared growth rates with 3rd party independent data for the Australian motor industry;</li> <li>Challenged key inputs to the discount rate utilised by management to external data sources;</li> <li>Performed sensitivity analysis on the growth and discount rates; and</li> <li>Assessed the appropriateness of the disclosures in Note 12 to the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the Directors Report, Corporate Directory and Shareholder Information which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): the FY21 Year in Review, Financial Highlights and the Letter from the Chairman and CEO, which are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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

## Responsibilities of the Directors for the Financial Report

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

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

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

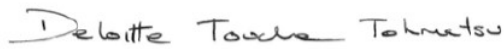
### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 14 to 24 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Autosports Group Limited, for the year ended 30 June 2021, 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



David Haynes  
Partner  
Chartered Accountants  
Sydney, 30 August 2021

## Autosports Group Limited

### Shareholder information

### 30 June 2021

The shareholder information set out below was applicable as at 2 August 2021.

### 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	282	0.07
1,001 to 5,000	232	0.32
5,001 to 10,000	83	0.31
10,001 to 100,000	119	1.57
100,001 and over	56	97.73
	772	100.00
Holding less than a marketable parcel	75	-

### 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	24,304,365	12.09
Sastempo Pty Ltd	21,994,131	10.94
National Nominees Limited	16,658,619	8.29
Citicorp Nominees Pty Limited	16,491,375	8.20
Livist Pty Ltd	15,455,897	7.69
Audi Parramatta Holdings Pty Ltd	15,310,969	7.62
J P Morgan Nominees Australia Pty Limited	11,228,868	5.59
NIP Parramatta Pty Ltd	10,401,678	5.17
Lambhill Pty Ltd	7,548,311	3.76
Pagent Family Investments Pty Ltd	7,193,635	3.58
HSBC Custody Nominees (Australia) Limited	6,619,982	3.29
Five Dock Djc Pty Ltd	6,436,189	3.20
Ogle Investments Pty Ltd	5,147,053	2.56
Aalhuizen Nominees Pty Ltd	4,722,374	2.35
Ricgaz Pty Ltd	2,866,808	1.43
Zero Nominees Pty Limited	2,825,000	1.41
Lambhill Pty Ltd	2,792,647	1.39
Liverpool Street Investments	2,078,757	1.03
Citicorp Nominees Pty Limited	2,047,422	1.02
BNP Paribas Nominees Pty Ltd	1,780,315	0.89
	183,904,395	91.50



## Autosports Group Limited

### Shareholder information

#### 30 June 2021

### Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	% of total	
	shares	
	issued	
	Number held	
Ian and Nicholas Pagent	104,798,952	52.14
- Ian Pagent	65,466,803	32.57
- Nick Pagent	39,332,149	19.57
Mr Gregory I Willims	11,728,095	5.83
Copia Investment Partners Ltd <sup>(1)</sup>	11,325,000	5.63
Celeste Funds Management Limited <sup>(2)</sup>	11,625,634	5.78

<sup>(1)</sup> Based on substantial holder notice lodged on 19 April 2021.

<sup>(2)</sup> Based on substantial holder notice lodged on 17 December 2021.

### 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	938,486
Ian Pagent	550,042
Aaron Murray	351,932
	1,840,460

There are no other unquoted equity securities on issue.

### Buy-back

There is no current on-market buy-back.

**Autosports Group Limited**  
**Corporate directory**  
**30 June 2021**

Directors	Thomas ('Tom') Pockett Nicholas ('Nick') Pagent James ('Ian') Pagent Robert Quant Marina Go James Evans
Company secretary	Caroline Raw
Registered office	565 Parramatta Road Leichhardt NSW 2040 Tel: +61 2 8753 2873
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Tel: 1300 554 474
Auditor	Deloitte Touche Tohmatsu Grosvenor Place, 225 George Street Sydney NSW 2000
Stock exchange listing	Autosports Group Limited shares are listed on the Australian Securities Exchange (ASX code: ASG)
Website	<a href="http://autosportsgroup.com.au/">http://autosportsgroup.com.au/</a>
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Autosports Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Autosports Group Limited has adopted and has complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found on the company's website at <a href="https://investors.autosportsgroup.com.au/investors/?page=corporate-governance">https://investors.autosportsgroup.com.au/investors/?page=corporate-governance</a>.</p>
Annual General Meeting ('AGM')	The Company's 2021 AGM is scheduled for Tuesday, 30 November 2021. For the purposes of ASX Listing Rule 3.13.1 the Company gives notice that the last day to receive director nominations is 27 September 2021.