

**Autosports Group Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	Autosports Group Limited
ABN:	54 614 505 261
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

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

			<b>\$'000</b>
Revenues from ordinary activities	up	0.8% to	910,785
Profit from ordinary activities after tax attributable to the owners of Autosports Group Limited	up	25.0% to	20,062
Profit for the half-year attributable to the owners of Autosports Group Limited	up	25.0% to	20,062

*Dividends*

	<b>Amount per security Cents</b>	<b>Franked amount per security Cents</b>
Final dividend for the year ended 30 June 2021, declared on 30 August 2021. The final dividend was paid on 15 November 2021 to shareholders registered on 1 November 2021.	7.0	7.0
Interim dividend for the year ending 30 June 2022, was declared on 25 February 2022. The interim dividend will be paid on 31 May 2022 to shareholders registered on 17 May 2022.	7.0	7.0

*Comments*

The profit for the Group after providing for income tax and non-controlling interest amounted to \$20,062,000 (31 December 2020: \$16,047,000).

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

	<b>Consolidated 31 Dec 2021 \$'000</b>	<b>31 Dec 2020 \$'000</b>
Statutory profit after tax attributable to the owners of Autosports Group Limited	20,062	16,047
Add: Non-controlling interest <sup>1</sup>	512	159
Add: Income tax expense	10,771	7,247
Profit before income tax expense	31,345	23,453
Add: Relocation expenses <sup>2</sup>	1,559	-
Add: Acquisition expenses <sup>3</sup>	100	283
Add: Restructure expenses <sup>4</sup>	171	268
Add: Closure of franchise <sup>5</sup>	-	407
Profit before tax excluding other items	33,175	24,411

# Autosports Group Limited

## Appendix 4D

### Half-year report

<sup>1</sup> Represents the 20% non-controlling interest in New Centenary Mazda Pty Ltd held by the dealer principal, 20% non-controlling interest in John Newell Holdings Pty Ltd held by the dealer principal and 12% non-controlling interest in A.C.N. 633 925 050 Pty Ltd.

<sup>2</sup> Relates to costs associated with relocation at Lamborghini Brisbane and Audi Indooroopilly showrooms.

<sup>3</sup> Relates to acquisition expenses incurred in the half-year.

<sup>4</sup> Restructure expenses relate to redundancies made during the half-year and other non-trading expenses.

<sup>5</sup> Previous period expenses relate to Volvo Cars Mt Gravatt and Volvo Cars Brighton both of which ceased trading on 31 October 2020.

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 relocation expenses, acquisition costs and restructuring expenses) to reflect the core earnings of the Group.

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

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(3.87)	(14.24)

Net tangible assets include the right-of-use assets of \$219,819,000 (31 December 2020: \$173,084,000) and the lease liabilities of \$249,533,000 (31 December 2020: \$198,609,000) in the above calculation.

### 4. Control gained over entities

On 1 July 2021, the Group acquired 80% of the shares in *John Newell Holdings Pty Ltd*. Refer note 13 of the financial statements for further details.

### 5. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

### 6. Attachments

*Details of attachments (if any):*

The Interim Report of Autosports Group Limited for the half-year ended 31 December 2021 is attached.

### 7. Signed

As authorised by the Board of Directors



Signed \_\_\_\_\_

Date: 25 February 2022

James Evans  
Independent Chairman  
Sydney

# **Autosports Group Limited**

**ABN 54 614 505 261**

**Interim Report - 31 December 2021**

# Autosports Group Limited

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31 December 2021

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# Autosports Group Limited

## Directors' report

### 31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity ('Autosports' or 'Group') consisting of Autosports Group Limited ('Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

## Directors

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

James Evans	Chairman (from 1 December 2021) Non-Executive Director (appointed on 5 August 2021)
Nicholas Pagent	Executive Director and Chief Executive officer
Ian Pagent	Executive Director
Robert Quant	Non-Executive Director
Marina Go	Non-Executive Director
Thomas Pockett	Independent Non-Executive Chairman (retired on 30 November 2021)

## Principal activities

During the financial half-year, the Group's principal activities are in the retail automotive industry. The core business is 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.

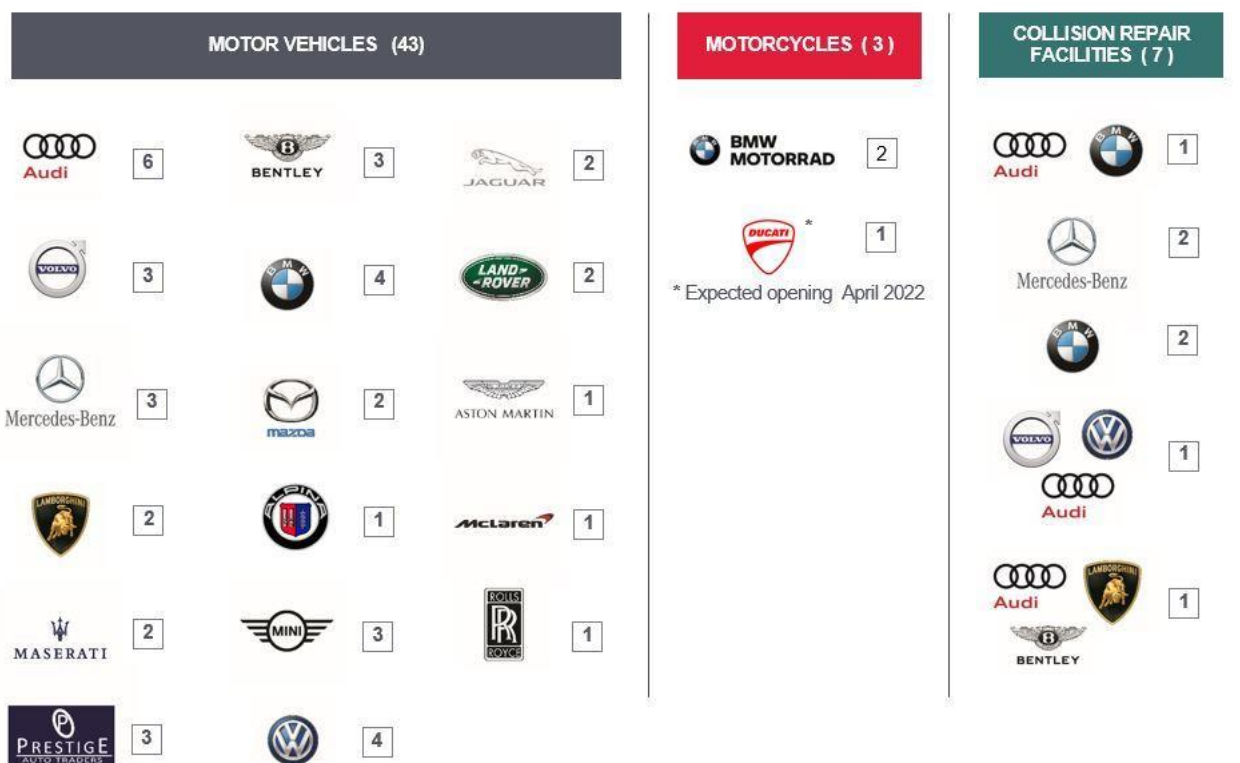
There have been no significant changes in the nature of the Group's principal activities.

The Group's operations comprise of:

- 40 franchised dealerships selling new and used prestige and luxury motor vehicles;
- 3 used motor vehicle outlets, primarily on the sale of used prestige and luxury motor vehicles;
- 7 specialist prestige motor vehicle collision repair facilities; and
- 3 franchised motorcycle dealerships selling new and used motorcycles.

## Brands

The Group's portfolio of dealerships include:



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

**Autosports Group Limited**  
**Directors' report**  
**31 December 2021**

**Dividends**

Dividends paid during the financial half-year were as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Final dividend for the year ended 30 June 2021 of 7.0 cents (2020: Nil cents) per ordinary share	14,070	-

On 25 February 2022, the directors declared a fully franked interim dividend for the year ending 30 June 2022 of 7.0 cents per ordinary share, to be paid on 31 May 2022 to shareholders registered on 17 May 2022. This equates to a total estimated distribution of \$14,070,000, based on the number of ordinary shares on issue as at 31 December 2021. The financial effect of dividends declared after the reporting date are not reflected in the 31 December 2021 financial statements and will be recognised in the subsequent financial period.

**Review of operations**

The profit for the Group after providing for income tax and non-controlling interest amounted to \$20,062,000 (31 December 2020: \$16,047,000).

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

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Statutory profit after tax attributable to the owners of Autosports Group Limited	20,062	16,047
Add: Non-controlling interest <sup>1</sup>	512	159
Add: Income tax expense	10,771	7,247
Profit before income tax expense	31,345	23,453
Add: Relocation expenses <sup>2</sup>	1,559	-
Add: Acquisition expenses <sup>3</sup>	100	283
Add: Restructure expenses <sup>4</sup>	171	268
Add: Closure of franchise <sup>5</sup>	-	407
Profit before tax excluding other items	33,175	24,411

<sup>1</sup> Represents the 20% non-controlling interest in New Centenary Mazda Pty Ltd held by the dealer principal, 20% non-controlling interest in John Newell Holdings Pty Ltd held by the dealer principal and 12% non-controlling interest in A.C.N. 633 925 050 Pty Ltd.

<sup>2</sup> Relates to costs associated with relocation at Lamborghini Brisbane and Audi Indooroopilly showrooms.

<sup>3</sup> Relates to acquisition expenses incurred in the half-year.

<sup>4</sup> Restructure expenses relate to redundancies made during the half-year and other non-trading expenses.

<sup>5</sup> Previous period expenses relate to Volvo Cars Mt Gravatt and Volvo Cars Brighton both of which ceased trading on 31 October 2020.

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 relocation expenses, acquisition costs and restructuring expenses) to reflect the core earnings of the Group.

For further commentary on the results for the half-year ended 31 December 2021, please refer to the Australian Securities Exchange ('ASX') announcement accompanying this Report.

**Significant changes in the state of affairs**

On 1 July 2021, the Group acquired 80% of the shares in John Newell Holdings Pty Ltd for \$10,808,000 (net of cash).

On 16 November 2021, the Group acquired the land and building from which its Bundoora BMW dealership operates for \$19,523,000.

Refer to note 13 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 half-year.

**Autosports Group Limited**  
**Directors' report**  
**31 December 2021**

**Matters subsequent to the end of the financial half-year**

The Group entered into an agreement to purchase the property at 98 O'Riordan Street, Alexandria, New South Wales for \$22.4 million. The acquisition will be funded through a combination of debt and cash reserves. Settlement is expected to occur on 7 April 2022.

The Group entered into a non-binding agreement to acquire Suttons Subaru Rosebery and Suttons City Kia in New South Wales for \$10.0 million. It is proposed that these new franchises will trade from the property acquired subsequent to the half-year end at 98 O'Riordan Street.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 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.

**Rounding of amounts**

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

**Auditor's independence declaration**

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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James Evans  
Independent Chairman



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Nicholas Pagent  
Chief Executive Officer

25 February 2022  
Sydney

25 February 2022

The Directors  
Autosports Group Limited  
565 Parramatta Road  
Leichhardt 2040  
Australia

## Auditor's Independence Declaration to Autosports Group Limited

Dear Directors,

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.

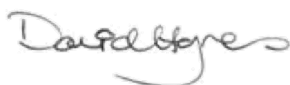
As lead audit partner for the review of the interim financial report of Autosports Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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 half-year ended 31 December 2021**

	Note	Consolidated 31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Revenue</b>	4	910,779	903,723
Interest revenue		6	4
<b>Expenses</b>			
Changes in inventories		(24,343)	(79,982)
Raw materials and consumables purchased		(711,932)	(673,006)
Employee benefits expense		(69,646)	(55,857)
Depreciation and amortisation expense		(26,442)	(23,296)
Occupancy costs		(3,360)	(2,695)
Acquisition and restructure expenses		(1,830)	(958)
Other expenses		(33,269)	(34,991)
Finance costs		(8,618)	(9,489)
<b>Profit before income tax expense</b>		31,345	23,453
Income tax expense		(10,771)	(7,247)
<b>Profit after income tax expense for the half-year</b>		20,574	16,206
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		20,574	16,206
Profit for the half-year is attributable to:			
Non-controlling interest		512	159
Owners of Autosports Group Limited		20,062	16,047
		20,574	16,206
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		512	159
Owners of Autosports Group Limited		20,062	16,047
		20,574	16,206
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	9.98	7.98
Diluted earnings per share	14	9.88	7.91

*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 31 December 2021**

	Note	Consolidated 31 Dec 2021 \$'000	30 Jun 2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		70,576	96,844
Trade and other receivables	6	43,602	72,919
Inventories		233,043	250,799
Other assets		16,029	9,612
<b>Total current assets</b>		<b>363,250</b>	<b>430,174</b>
<b>Non-current assets</b>			
Property, plant and equipment		141,011	115,482
Right-of-use assets	8	219,819	215,784
Intangibles	7	436,731	427,448
Deferred tax		21,663	18,948
<b>Total non-current assets</b>		<b>819,224</b>	<b>777,662</b>
<b>Total assets</b>		<b>1,182,474</b>	<b>1,207,836</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	128,668	140,313
Contract liabilities		1,625	827
Income tax payable		11,186	14,116
Employee benefits		19,245	16,748
Borrowings	10	255,824	290,461
Lease liabilities		34,969	29,745
<b>Total current liabilities</b>		<b>451,517</b>	<b>492,210</b>
<b>Non-current liabilities</b>			
Employee benefits		4,009	3,684
Borrowings	10	83,424	75,620
Lease liabilities		214,564	214,217
<b>Total non-current liabilities</b>		<b>301,997</b>	<b>293,521</b>
<b>Total liabilities</b>		<b>753,514</b>	<b>785,731</b>
<b>Net assets</b>		<b>428,960</b>	<b>422,105</b>
<b>Equity</b>			
Issued capital		475,637	475,637
Share-based payments reserve		3,689	3,306
Accumulated losses		(55,222)	(61,214)
Equity attributable to the owners of Autosports Group Limited		424,104	417,729
Non-controlling interest		4,856	4,376
<b>Total equity</b>		<b>428,960</b>	<b>422,105</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 half-year ended 31 December 2021**

<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 half-year	-	-	16,047	159	16,206
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	16,047	159	16,206
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	466	-	-	466
Balance at 31 December 2020	475,637	1,340	(83,079)	4,055	397,953
<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 2021	475,637	3,306	(61,214)	4,376	422,105
Profit after income tax expense for the half-year	-	-	20,062	512	20,574
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	20,062	512	20,574
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	383	-	-	383
Dividends paid (note 11)	-	-	(14,070)	(32)	(14,102)
Balance at 31 December 2021	475,637	3,689	(55,222)	4,856	428,960

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 half-year ended 31 December 2021**

	Note	Consolidated 31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Cash flows from operating activities</b>			
Profit before income tax expense for the half-year		31,345	23,453
Adjustments for:			
Depreciation and amortisation		26,442	23,296
Write off of property, plant and equipment		-	910
Share-based payments		383	466
Interest received		(6)	(4)
Interest and other finance costs		8,618	9,489
		66,782	57,610
Change in operating assets and liabilities:			
Decrease in trade and other receivables		31,847	23,596
Decrease in inventories		24,343	79,982
Increase in other operating assets		(6,194)	(4,986)
Increase/(decrease) in trade and other payables		(15,127)	17,647
Increase in contract liabilities		798	102
Increase in employee benefits		1,232	1,662
Increase/(decrease) in bailment finance		(42,344)	(111,108)
		61,337	64,505
Interest received		6	4
Interest and other finance costs paid		(8,618)	(9,489)
Income taxes paid		(16,136)	(12,035)
Net cash from operating activities		36,589	42,985
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	13	(10,808)	-
Payments for property, plant and equipment		(29,717)	(2,254)
Payments for security deposits		-	37
Net cash used in investing activities		(40,525)	(2,217)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		21,336	7,403
Repayment of borrowings		(11,840)	(7,796)
Repayment of lease liabilities		(17,726)	(15,125)
Repayment of related party payables		-	(2,430)
Dividends paid	11	(14,070)	-
Dividends paid to non-controlling interest		(32)	-
Net cash used in financing activities		(22,332)	(17,948)
Net increase/(decrease) in cash and cash equivalents		(26,268)	22,820
Cash and cash equivalents at the beginning of the financial half-year		96,844	38,817
Cash and cash equivalents at the end of the financial half-year		70,576	61,637

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**

### **31 December 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 half-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 25 February 2022. The directors have the power to amend and reissue the financial statements.

#### **Note 2. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 half-year ended 31 December 2021 and are not expected to have any significant impact for the full financial year ending 30 June 2022.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **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 \$88,267,000 as at 31 December 2021 (30 June 2021: \$62,036,000).

The directors have reviewed the cash flow forecast for the Group at least through to 28 February 2023. The forecast indicates that the Group will generate net positive operating cash flows and operate within its overall finance facilities and that the Group will, therefore, be able to pay its debts as and when they fall due after considering the following factors:

- during the financial half-year, the Group generated \$36,589,000 (31 December 2020: \$42,985,000) of cash flow from operating activities;
- during the financial half-year, the Group used \$10,808,000 of available cash to fund business acquisitions and \$29,717,000 to fund additions to property, plant and equipment;
- as at 31 December 2021, the Group has undrawn capital finance facilities of \$15,201,000 (30 June 2021: \$15,201,000) out of which \$11,200,000 is earmarked for specific purposes and undrawn bailment finance facilities of \$336,882,000 (30 June 2021: \$300,553,000);
- as at 31 December 2021, the Group has cash and cash equivalents amounting to \$70,576,000 (30 June 2021: \$96,844,000);
- as at 31 December 2021, the Group has deferred statutory tax obligations of \$27,194,000 (30 June 2021: \$34,099,000) out of which \$25,764,000 is payable within 12 months; and
- the Group has the continuing support of its financiers.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

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

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.

**Note 3. Operating segments**

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

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

Refer to note 4 for information on revenue from the Group's products and services.

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Revenue for contracts with customers</i>		
New and demonstrator vehicles	564,356	567,155
Used vehicles	209,035	209,158
Parts	59,630	52,876
Service	58,765	53,969
Aftermarket accessories	6,265	6,336
Finance and insurance revenue	12,255	13,289
	<hr/> 910,306	<hr/> 902,783
<i>Other revenue</i>		
Other revenue	473	940
	<hr/> 910,779	<hr/> 903,723

**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.

**Note 5. Expenses**

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

Included in raw materials and consumables in profit or loss is \$8,933,000 (31 December 2020: \$8,240,000) of salaries and wages relating to direct service labour costs.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 6. Trade and other receivables**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Trade receivables	41,627	65,761
Other receivables	3,063	8,101
Less: Allowance for expected credit losses	(1,088)	(943)
	43,602	72,919

**Note 7. Intangibles**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Goodwill - at cost	538,863	530,100
Less: Impairment	(109,174)	(109,174)
	429,689	420,926
Customer relationships - at cost	31,104	27,879
Less: Accumulated amortisation	(24,062)	(21,357)
	7,042	6,522
	436,731	427,448

**Reconciliations**

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

<b>Consolidated</b>	<b>Goodwill</b>	<b>Customer</b>	<b>Total</b>
	<b>\$'000</b>	<b>relationships</b>	<b>\$'000</b>
		<b>\$'000</b>	
Balance at 1 July 2021	420,926	6,522	427,448
Additions through business combinations (note 13)	8,763	3,225	11,988
Amortisation expense	-	(2,705)	(2,705)
Balance at 31 December 2021	429,689	7,042	436,731

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 8. Right-of-use assets**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Right-of-use asset	369,234	346,267
Less: Accumulated depreciation	(149,415)	(130,483)
	<b>219,819</b>	<b>215,784</b>

**Reconciliations**

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

<b>Consolidated</b>	<b>Property lease \$'000</b>
Balance at 1 July 2021	215,784
Additions*	11,514
Additions through business combinations (note 13)	11,453
Depreciation expense	(18,932)
Balance at 31 December 2021	<b>219,819</b>

\* Additions represents lease renewals, exercise of option and rent reviews.

**Note 9. Trade and other payables**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	66,694	68,301
GST payable	34,380	42,308
Accrued expenses	27,594	29,704
	<b>128,668</b>	<b>140,313</b>



**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
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**Note 10. Borrowings**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Bailment finance	234,918	271,247
Capital loans	20,906	19,214
	<hr/> 255,824	<hr/> 290,461
<i>Non-current liabilities</i>		
Capital loans	83,424	75,620
	<hr/> 339,248	<hr/> 366,081

**Financing arrangements**

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

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>30 Jun 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Total facilities		
Bailment finance	571,800	571,800
Capital loans	119,531	110,035
	<hr/> 691,331	<hr/> 681,835
Used at the reporting date		
Bailment finance	234,918	271,247
Capital loans	104,330	94,834
	<hr/> 339,248	<hr/> 366,081
Unused at the reporting date		
Bailment finance	336,882	300,553
Capital loans	15,201	15,201
	<hr/> 352,083	<hr/> 315,754

**Note 11. Dividends**

Dividends paid during the financial half-year were as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Final dividend for the year ended 30 June 2021 of 7.0 cents (2020: Nil cents) per ordinary share	14,070	-

On 25 February 2022, the directors declared a fully franked interim dividend for the year ending 30 June 2022 of 7.0 cents per ordinary share, to be paid on 31 May 2022 to shareholders registered on 17 May 2022. This equates to a total estimated distribution of \$14,070,000, based on the number of ordinary shares on issue as at 31 December 2021. The financial effect of dividends declared after the reporting date are not reflected in the 31 December 2021 financial statements and will be recognised in the subsequent financial period.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 12. 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 13. Business combinations and acquisitions**

**John Newell Holdings Pty Ltd ('John Newell')**

On 1 July 2021, the Group acquired 80% of the shares in *John Newell Holdings Pty Ltd*. The total consideration transferred amounted to \$12,050,000. The goodwill of \$8,763,000 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, John Newell contributed revenues of \$26,553,000 and profit after tax of \$1,159,000.

Details of the acquisitions are as follows:

	Fair value \$'000
Cash and cash equivalents	1,242
Trade receivables	2,530
Inventories	6,587
Prepayments	223
Property, plant and equipment	617
Right-of-use assets	11,453
Customer relationships	3,225
Deferred tax asset	884
Trade payables	(3,482)
Provision for income tax	(604)
Employee benefits	(1,590)
Bailment finance	(6,015)
Lease liability	(11,783)
<b>Net assets acquired</b>	<b>3,287</b>
<b>Goodwill</b>	<b>8,763</b>
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>12,050</b>
Representing:	
<b>Acquisition-date fair value of the total consideration transferred</b>	<b>12,050</b>
<b>Acquisition costs expensed to profit or loss</b>	<b>22</b>
Representing:	
Cash paid or payable to vendor	12,050
Less: cash and cash equivalents acquired	(1,242)
<b>Net cash used</b>	<b>10,808</b>

The purchase price allocation of the acquisition is final as at 31 December 2021.

**Property acquisition:**

In addition to the business acquisition above, on 16 November 2021, the Group acquired the land and buildings from which its Bundoora BMW dealership operates. The total consideration transferred amounted to \$19,523,000.

**Autosports Group Limited**  
**Notes to the consolidated financial statements**  
**31 December 2021**

**Note 14. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after income tax	20,574	16,206
Non-controlling interest	(512)	(159)
<b>Profit after income tax attributable to the owners of Autosports Group Limited</b>	<b>20,062</b>	<b>16,047</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	2,038,794	1,859,930
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>203,038,794</b>	<b>202,859,930</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9.98	7.98
Diluted earnings per share	9.88	7.91

**Note 15. Events after the reporting period**

The Group entered into an agreement to purchase the property at 98 O'Riordan Street, Alexandria, New South Wales for \$22.4 million. The acquisition will be funded through a combination of debt and cash reserves. Settlement is expected to occur on 7 April 2022.

The Group entered into a non-binding agreement to acquire Suttons Subaru Rosebery and Suttons City Kia in New South Wales for \$10.0 million. It is proposed that these new franchises will trade from the property acquired subsequent to the half-year end at 98 O'Riordan Street.

Apart from the dividend declared as disclosed in note 11, no other matter or circumstance has arisen since 31 December 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**  
**31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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James Evans  
Independent Chairman



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Nicholas Pagent  
Chief Executive Officer

25 February 2022  
Sydney

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

### *Conclusion*

We have reviewed the half-year financial report of Autosports Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on page 17.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



David Haynes  
Partner  
Chartered Accountants  
Sydney, 25 February 2022