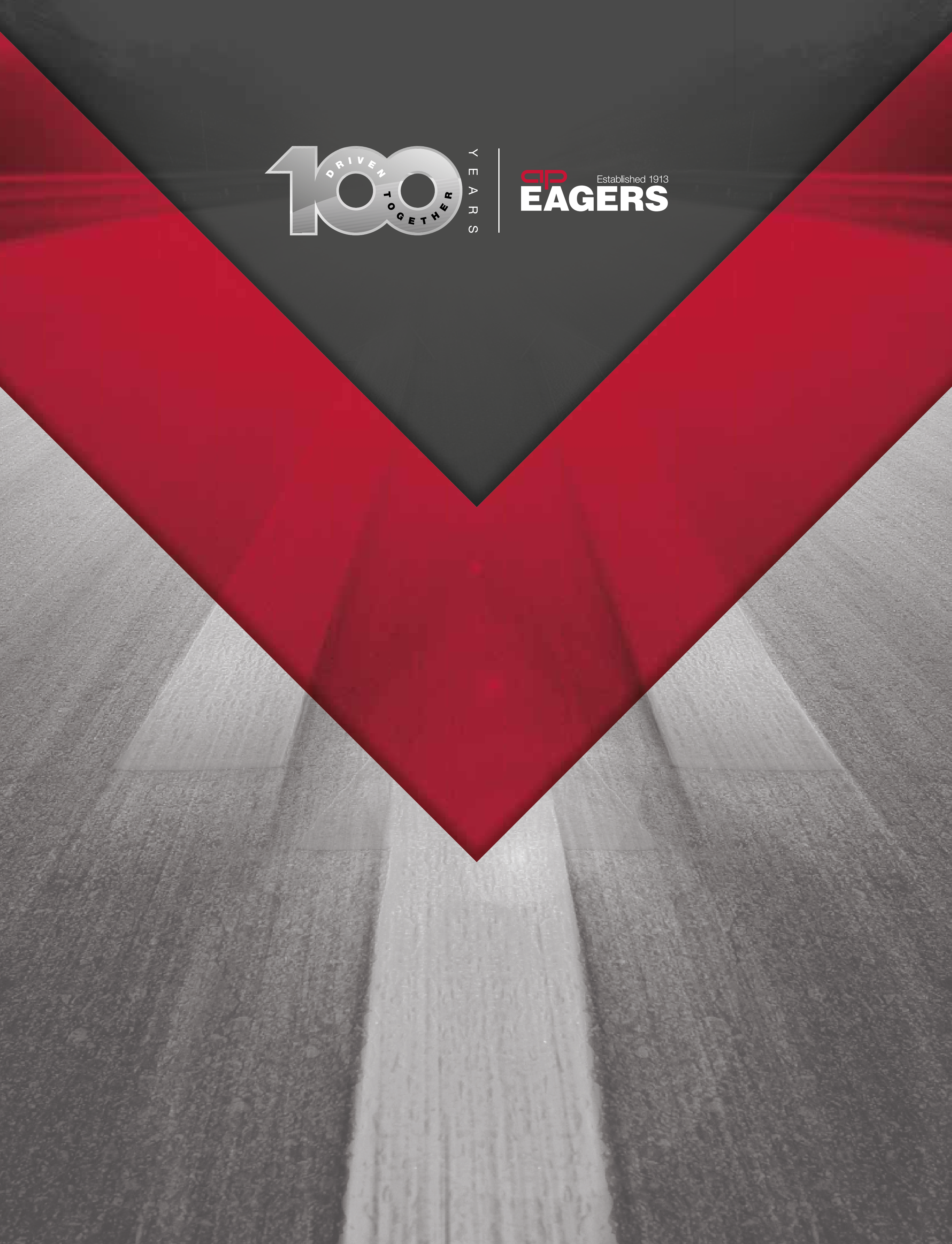
2015 ANNUAL REPORT



5 YEAR FINANCIAL SUMMARY

Year ended 31 December	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
OPERATING RESULTS					
REVENUE	**3,246,376**	2,858,113	2,672,813	2,642,535	2,398,695
EBITDA	**163,077**	138,081	122,252	114,819	98,272
Depreciation and amortisation	**(13,216)**	(12,583)	(12,354)	(11,595)	(11,161)
Impairment charge	**(7,610)**	(578)	-	323	(3,228)
EBIT	**142,251**	124,920	109,898	103,547	83,883
Finance Costs	**(21,293)**	(22,080)	(23,188)	(24,812)	(25,730)
PROFIT BEFORE TAX	**120,958**	102,840	86,710	78,735	58,153
Income tax expense	**(33,943)**	(26,150)	(22,748)	(23,184)	(17,864)
Non-controlling interest in subsidiary	**(798)**	(460)	(353)	(181)	(95)
ATTRIBUTABLE PROFIT AFTER TAX	**86,217**	76,230	63,609	55,370	40,194
OPERATING STATISTICS					
Basic earnings per share – cents	**47.6**	43.0	36.4	34.0	25.5
Dividends per share – cents	**32.0**	27.0	23.0	20.0	16.0
Dividend franking – %	**100**	100	100	100	100

As at 31 December	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
FUNDS EMPLOYED					
Contributed equity	**296,060**	242,070	231,205	206,277	162,047
Reserves	**105,375**	99,020	108,612	90,636	74,329
Retained earnings	**293,435**	242,480	198,369	171,113	143,795
Non-controlling interest in subsidiary	**8,139**	7,486	939	510	444
Total equity	**703,009**	591,056	539,125	468,536	380,615
Non-current liabilities	**228,479**	241,875	246,082	238,192	186,949
Current liabilities	**557,922**	525,067	431,658	471,350	364,196
Total liabilities	**786,401**	766,942	677,740	709,542	551,145
TOTAL FUNDS EMPLOYED	**1,489,410**	1,357,998	1,216,865	1,178,078	931,760
REPRESENTED BY					
Property plant and equipment	**291,298**	292,485	344,956	350,862	336,544
Intangibles	**160,762**	165,733	125,259	117,521	118,011
Available-for-sale investments	**281,817**	234,391	195,195	162,590	2,345
Other non-current assets	**35,440**	30,233	5,764	3,926	4,245
Property assets held for resale	**-**	27,781	21,612	23,963	20,622
Other current assets	**720,093**	607,375	524,079	519,216	449,993
TOTAL ASSETS	**1,489,410**	1,357,998	1,216,865	1,178,078	931,760

OTHER STATISTICS	2015	2014	2013	2012	2011
Net tangible asset backing per share- $	**2.95**	2.38	2.34	2.06	1.67
Shares on issue – '000	**184,074**	178,519	176,548	170,687	156,805
Number of shareholders	**5,062**	4,517	4,636	4,300	3,941
Total Debt	**614,280**	579,799	514,889	513,332	416,497
Net debt (total debt less bailment finance less cash) – $'000	**172,611**	198,467	199,001	200,674	150,847
Gearing ratio (debt/debt plus equity) – %	**46.6**	49.5	48.8	52.3	52.2
Gearing ratio (net debt/net debt plus total equity) – %	**19.7**	25.1	27.0	30.0	28.3

Bailment Finance

Bailment finance is a form of financing peculiar to the motor industry, which is provided by financiers on a vehicle by vehicle basis. It is short-term in nature, is generally secured by the vehicle being financed and is principally represented on the borrower's balance sheet as vehicle inventory with the liability reflected under current liabilities. Because of its short-term nature, it is excluded from net debt and the corresponding gearing ratio.

CONTENTS

ANNUAL GENERAL MEETING

Our Annual General Meeting will be held at our registered office, 80 McLachlan Street, Fortitude Valley, Queensland, on Wednesday 25 May 2016 at 9.00am.

FINANCIAL CALENDAR

2015 financial year end	31 December 2015
Full year results announcement	24 February 2016
Final dividend announcement	24 February 2016
Final dividend record date	29 March 2016
Final dividend payment date	15 April 2016
Annual General Meeting	25 May 2016
Half year end	30 June 2016
Half year results announcement*	Late August 2016
Interim dividend announcement*	Late August 2016
Interim dividend record date*	Mid-September 2016
Interim dividend payment date*	Early October 2016
2016 financial year end	31 December 2016

*estimate only, subject to changes notified to the ASX.

EAGERS foundation

ADTRANS **ANNUAL CHARITY GOLF DAY**

$1.6 MILLION RAISED TO DATE FOR THOSE IN NEED

Adtrans joined the A.P. Eagers group in 2010. Adtrans is South Australia's premier car retailing group and the operator of truck and bus dealerships in New South Wales, Victoria and South Australia.

HISTORY

As with A.P. Eagers' other dealerships, Adtrans has a long history of supporting its community, including charities and local sporting bodies.

Commencing in 1986, Adtrans has been holding its Annual Golf Day where the company, together with its business partners, raise significant funds for local charities. To date, the Adtrans Charity Golf Day has raised more than $1.6 million.

2015... A RECORD BREAKING YEAR

2015 saw the total money raised over the Charity Golf Day event reached almost $200,000 of which 100% of costs are paid by the Adtrans Group and 100% of all donations go to the Kids in Need charities.

BENEFICIARIES

rsb
The Royal Society for the Blind

Royal Society for the Blind – Autism Assistance Dog

An Assistance Dog is one that has been trained and matched with a child who has autism and their family/carers. The RSB Assistance Dog School is accredited by the governing body for these highly specialised dogs, Assistance Dogs International (ADI). As such, recognised Assistance Dogs have legal rights similar to those of a Guide or Hearing Dog in that they are allowed to enter public places.

RSB Assistance Dogs provide benefits in terms of calming roles, independence, play and social interactions as well as a range of client specific tasks tailored to the child and their family's needs.

RDA SOUTH AUSTRALIA

Riding For The Disabled

Riding for the Disabled (RDA) is a worldwide movement represented internationally by the Federation of Horses in Education and Therapy International (HETI), nationally by Riding for the Disabled Association of Australia Ltd (RDAA) and within Australia by State bodies.

YOUTH OPPORTUNITIES ASSOCIATION (SA) INC

Youth Opportunities

Youth Opportunities works with over 1,000 disadvantaged and disengaged young people each year across South Australia to ensure that no matter what a young person's circumstances, they are given the chance to create a better future.

PIC 1: General Manager SA Cars, Shaun Swift.

PIC 2: The wonderful staff and volunteers of Riding for the Disabled, teaming up with Rebel Ford on the 18th tee.

PIC 3: L to R Stephen Aboud (LHC Capital), Shaun Swift (General Manager SA Cars), Martin Ward (CEO AP Eagers) and Darren Lehmann (Australia Cricket Coach).

PIC 4: Shelley Blackwell (Financial General Manager SA Cars) and Jo Brokenshire (Group Service Manager Eblen Subaru) with 2 of the stars of the day - Umber and Ula from The Royal Society of the Blind - Autism Assistance Dogs on the 9th Tee.

MAIN: Australia's cricket coach, Darren Lehmann, and team mentor and locker room motivator, Barry 'Nugget' Rees, captivated 200 guests at the 2015 Adtrans Charity Golf Day that raised almost $200,000 for children's charities.

Living Without Limits Foundation

Living Without Limits seeks to help all children to overcome challenges, be participatory, set and achieve their goals and maximise their potential. It works to break down barriers and restrictions and provide opportunities.

GENDER DIVERSITY
- MOVING FORWARD

As a leader within an historically male dominated industry, A.P. Eagers is committed to gender equity and is implementing a range of measures to ensure this is a business priority. One such example is the creation of our in-house Accelerate Program, which identifies high potential female employees and provides development and leadership pathways through training and personal mentoring.

As an organisation, A.P. Eagers understands that continued investment in gender diversity is not only the right thing to do but will enable A.P. Eagers to attract, develop and retain the best talent – and will assist in achieving optimum long-term results.

A.P. Eagers is proud to introduce you to a few of our high calibre female senior employees.

Amanda Ellison

Corporate Counsel

Amanda specialises in commercial law and has been with AP Eagers for five years. In her role as corporate counsel she provides critical guidance on all legislative compliance within the organisation.

When not running over the fine print on commercial contracts, it's the love for her family that keeps her busy.

Antoinette Yerbury

General Manager Marketing & Sales

Having led an impressive career in marketing, HR and operations, Antoinette is utilising her extensive knowledge to drive innovative projects within AP Eagers.

Antoinette enjoys the professional environment at AP Eagers and is excited to be part of a company that is continually evolving.

Dee-Ann Leighton

Payroll Manager

Dee-Ann has been in the industry for 20 years, gaining experience in a range of roles before her appointment as Payroll Manager.

Her passion for cars especially the 1950's Jowett Jupiter means Dee-Ann has the perfect job.

Jo Brokenshire

Group Service Manager Eblen Subaru

Jo oversees service departments at Glenelg, Kingswood and Reynella, managing the service requirements of approximately 1500 cars each month.

Jo is proud to be a successful woman in an industry predominately associated with men, and she attributes the positive culture within AP Eagers as a factor in her career achievements.

Karen Visser

Finance / Business Manager Metro Ford

Guiding people through the details of finance and insurance is Karen's key role as Business Manager at AP Eagers.

Karen believes the opportunities for professional growth are unlimited at AP Eagers; everyone is encouraged to strive for the top.

Outside of work Karen's passion is breeding and riding Australian Stock Horses.

Lyn White

Dealer Principal Eblen Subaru

Lyn is responsible for all aspects of the business, including liaising with manufacturers, staff and clients.

A recipient of the Northern Territory Business Woman of the Year award, Lyn enjoys working with professional teams across all departments, and is excited that the skills and knowledge base in the company seems limitless.

accelerate.
SUPPORTING WOMEN TO CHAMPION CHANGE

AP EAGERS ACCELERATE PROGRAM

AP Eagers Accelerate Program identifies high potential female employees and provides development & leadership pathways though training and personal mentoring.

The program assists us to identify and remove barriers to the creation of a more diverse workforce.

Shelley Blackwell

Financial General Manager SA Cars

Shelley's focus is to optimise profits and implement best practice.

CPA qualified, Shelley has a wealth of knowledge acquired from two decades in the industry.

Shelley loves to spend time with her family, who also volunteer for the Royal Society for the Blind, by caring for guide dogs in training.

Sophie Moore

Chief Financial Officer

Sophie was appointed Chief Financial Officer at AP Eagers in 2015 after executive roles at PwC and Flight Centre.

AP Eagers' strong record and innovative nature is what inspired her to join the company.

Sophie also enjoys entering some of the world's toughest marathons, having competed in New York, Berlin and Paris.

Tamara Ryan

Group Internal Audit Manager

As Group Internal Audit Manager Tamara's primary function is to provide an independent view to the board and management of the organisation to ensure sound corporate governance.

When not working, Tamara loves spending time with her family and two German Shepherds.

Tegan Blockey

Sales Manager Bridge Toyota

As Sales Manager at Bridge Toyota, Tegan loves sales and everything about her role. She thrives on new challenges and variety, with no two days the same.

Tegan and her team have received Toyota's prestigious National Gold Sales Award, an honour bestowed on only one dealership each year.

Teri-Louise Comerford

National Sales Manager Car Care

Teri-Louise is responsible for Car Care in dealerships, which includes training, supporting and assisting all Car Care management teams and consultants.

She says AP Eagers supports innovative ways of thinking and is open to any ideas that benefit the business.

Her weekends are spent relaxing with family by the water.

COMPANY PROFILE

ABOUT A.P. EAGERS

A.P. Eagers Limited is a pure automotive retail group with our main operations in southern and central Queensland, Adelaide, Darwin, Melbourne, Sydney, the Newcastle/Hunter Valley region of New South Wales and Tasmania.

We represent a diversified portfolio of automotive brands, including all 12 of the top 12 selling car brands in Australia and 10 of the top 11 selling luxury car brands. In total, we represent 27 car brands and 12 truck and bus brands.

Our core business consists of the ownership and operation of motor vehicle dealerships. We provide full facilities including the sale of new and used vehicles, service, parts and the facilitation of allied consumer finance. To complement our vehicle dealerships, we also operate a substantial motor vehicle auction business, Brisbane Motor Auctions.

Our operations are generally provided through strategically clustered dealerships, the majority of which are situated on properties owned by us, with the balance leased.

We own $276 million of prime real estate positioned in high profile, main road locations in Brisbane, Sydney, Melbourne, Adelaide and Newcastle.

With 4,200 employees and 5,160 shareholders, our sales revenue is running at over $3.2 billion per annum.

DIVIDENDS AND EPS GROWTH

We have paid a dividend to shareholders every year since listing in 1957, and a record dividend in 14 of the past 15 years. A.P. Eagers also has a track record of delivering Earnings Per Share (EPS) growth from acquisitions.

ORIGINS

Our origins trace back to 1913 when Edward Eager and his son, Frederic, founded their family automotive business, E.G. Eager & Son Ltd, which continues today as a wholly-owned subsidiary of A.P. Eagers Limited.

After establishing the first motor vehicle assembly plant in Queensland in 1922, the business secured the distributorship of General Motors' products in Queensland and northern New South Wales in 1930 and listed as a public company in 1957 under the name Eagers Holdings Limited.

A merger in 1992 with the listed A.P. Group Limited saw the addition of a number of new franchises and our name change to A.P. Eagers Limited. Further new franchises and geographic diversification have since followed.

GROWTH

Since 2000, our sales revenue has increased from $500 million to more than $3.2 billion, profit after tax has increased from $4.3 million to $87.0 million in 2015 and the number of employees has increased from 600 to 4,200.

Our operations expanded into the Northern Territory with the acquisition of Bridge Toyota in 2005.

In 2007, we established ourselves on the Gold Coast with the acquisition of Surfers City Holden.

The addition of Kloster Motor Group in the Newcastle/Hunter Valley region in 2007 heralded our advance into New South Wales. Our operations in that state grew with the acquisition of Bill Buckle Auto Group in Sydney's northern beaches region including Brookvale in 2008.

In 2010, we acquired the publicly listed Adtrans Group Limited, being South Australia's premier car retailer and the operator of truck and bus dealerships in New South Wales, Victoria and South Australia. This acquisition represented our direct entry into the South Australian, Victorian and truck markets. We also acquired Caloundra City Autos Group in Queensland's growing Sunshine Coast region in 2010.

Further expansion of our truck and bus operations occurred in late 2010 with the addition of six new franchises in New South Wales, Victoria and South Australia.

In 2012, we established Carzoos to provide used car customers with a 48 hour money-back guarantee and other benefits.

Daimler Trucks Adelaide and Eblen Motors were acquired in 2011 and Main North Nissan and Renault and Unley Nissan and Renault, Adelaide, were acquired in 2013, to complement our existing operations in South Australia.

A strategic holding in listed Automotive Group Holdings Limited (AHG) was acquired in 2012, providing A.P. Eagers with exposure to the West Australian market. This investment represented 19.9% of AHG, valued at $275 million, at the end of 2015.

Northern Beaches Land Rover and Jaguar were added to our Bill Buckle operations at Brookvale during 2013.

A new business, Precision Automotive Technology, was established in 2013 to source and distribute our own range of car care products (paint protection, interior protection, electronic rust protection and window tint products) under the brand names, Perfexion and 365+.

In 2014, our Queensland operations expanded through the acquisition of Ian Boettcher Motors representing Mazda, Nissan, Volkswagen, Suzuki and Proton in Ipswich, and the Craig Black Group representing Toyota, Hyundai, Volkswagen, Mitsubishi and Great Wall at multiple locations in south-west and central Queensland. Volvo Sunshine Coast and Reynella Subaru were also added to the Group during 2014.

2016 has seen further growth with the acquisition of the car and truck retail businesses operating as Motors Group Tasmania, including state-wide representation for Holden, HSV, Hyundai, Citroen, Isuzu Trucks, Volvo Trucks, Mack Trucks and UD Trucks, together with the Victorian businesses Silver Star Motors (Mercedes-Benz) in Doncaster and Burwood, Mercedes–Benz Ringwood and Waverley Toyota in Glen Waverley. These businesses represent a total of 12 car and truck brands.

Our organic growth plans for Carzoos are progressing well with a repositioning launch expected during 2016.

FURTHER INFORMATION

Please visit www.apeagers.com.au for further information about A.P. Eagers Limited.

BOARD OF DIRECTORS

Timothy Boyd Crommelin
BCom, FSIA, FSLE

Chairman, Member of Audit, Risk & Remuneration Committee

Independent, non-executive Director since February 2011. Executive Chairman of Morgans Financial Ltd. Director of Senex Energy Ltd (appointed October 2010) and Australian Cancer Research Foundation. Member of the University of Queensland Senate. Former Alternate Director of Ausenco Ltd (appointed February 2013, retired May 2013). Mr Crommelin has broad knowledge of corporate finance, risk management and acquisitions and over 40 years' experience in the stockbroking and property industry.

Martin Andrew Ward
BSc (Hons), FAICD

Managing Director, Chief Executive Officer

Joined the Company in July 2005. Appointed Chief Executive Officer in January 2006. Appointed Managing Director in March 2006. Motor vehicle dealer. Director of Australian Automotive Dealer Association Limited (appointed January 2014). Mr Ward was formerly the Chief Executive Officer of Ford Motor Company's Sydney Retail Joint Venture.

Nicholas George Politis
BCom

Director

Non-executive Director since May 2000. Motor vehicle dealer. Executive Chairman of WFM Motors Pty Ltd, A.P. Eagers Limited's largest shareholder. Mr Politis is Director of a substantial number of other proprietary limited companies and has vast automotive retail industry experience.

Peter William Henley
FAIM, MAICD

Director, Member of Audit, Risk & Remuneration Committee

Independent, non–executive Director since December 2006. Director of Thorn Group Ltd (appointed May 2007). Former Deputy Chairman of MTQ Insurance Services Ltd. Former Chairman and Chief Executive Officer of GE Money Motor Solutions. Mr Henley has over 30 years' local and international experience in the financial services industry.

Daniel Thomas Ryan
BEc, MBus, FAICD

Director

Non-executive Director since January 2010. Director and Chief Executive Officer of WFM Motors Pty Ltd, A.P. Eagers Limited's largest shareholder, and Director of a substantial number of other proprietary limited companies. Mr Ryan has significant management experience in automotive, transport, manufacturing and retail industries.

David Arthur Cowper
BCom, FCA

Director, Chairman of Audit, Risk & Remuneration Committee

Independent, non-executive Director since July 2012. Chartered accountant, with more than 35 years in the profession. Former partner of Horwath Chartered Accountants and Deloitte Touche Tohmatsu. Former Chairman of Horwath's motor industry specialisation unit for six years. Mr Cowper's area of professional specialisation while at Horwath and Deloitte was in providing audit, financial and taxation services to public and large private companies in the motor industry.

EXECUTIVE MANAGEMENT

Keith Thomas Thornton
BEc

General Manager Queensland & Northern Territory

Licensed motor dealer. Responsible for all operational issues in Queensland and Northern Territory since June 2007, having overseen the Group's new and used vehicle operations since December 2005 and held dealership General Manager roles since joining the Group in 2002. Retail and wholesale operations experience in volume, niche and prestige industry sectors. Prior industry experience with various manufacturers.

Stephen Graham Best
BBus, Grad Dip Mgt, FIPA, GAICD

Chief Financial Officer (ceased 3 August 2015)

Chief Financial Officer from October 2007 to August 2015. Appointed Chief Commercial Officer in August 2015 to provide increased focus on strategic growth objectives. Previous senior finance and commercial roles in the resources industry with MIM Holdings Limited, Xstrata PLC and Consolidated Rutile Limited.

Denis Gerard Stark
LLB, BEc

General Counsel & Company Secretary

Commenced in January 2008. Responsible for overseeing the company secretarial, legal, work health & safety, insurance and investor relations functions and property portfolio. Admitted as a solicitor in Queensland in 1994 and Victoria in 1997. Affiliate of Governance Institute of Australia. Previous company secretarial and senior executive experience with public companies.

Sophie Alexandra Moore
B.Bus, CA, F Fin

Chief Financial Officer (appointed 3 August 2015)

Commenced in August 2015. Responsible for the Group's accounting, taxation, internal audit and treasury functions. Admitted as a chartered accountant in 1997. Previous senior finance roles with PricewaterhouseCoopers and Flight Centre Travel Group Limited.

The Directors present their report together with the consolidated financial report of the Group being A.P. Eagers Limited ABN 87 009 680 013 ("the Company") and its controlled entities, for the year ended 31 December 2015 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the year, and their qualifications, experience and special responsibilities, are detailed on page 7.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each Director during the year were:

	Board Meetings		Audit, Risk & Remuneration Committee Meetings	
	Held	Attended	Held	Attended
T B Crommelin[1]	9	8	4	4
N G Politis	9	9	-	-
M A Ward	9	9	-	-
P W Henley[1]	9	9	4	4
D T Ryan	9	9	-	-
D A Cowper[1]	9	9	4	4

(1) Audit, Risk & Remuneration Committee members.

COMPANY SECRETARY

The Company Secretary and his qualifications and experience are detailed on page 7.

PRINCIPAL ACTIVITIES

The Group's principal activities during the year consisted of the selling of new and used motor vehicles, distribution and sale of parts, accessories and car care products, repair and servicing of vehicles, provision of extended warranties, facilitation of finance and leasing in respect of motor vehicles, and the ownership of property and investments. The products and services supplied by the Group were associated with, and integral to, the Group's motor vehicle dealership operations. There were no significant changes in the nature of the Group's activities during the year.

FINANCIAL & OPERATIONAL REVIEW

The Directors of the Company are pleased to report a record 2015 statutory Net Profit Before Tax of $121.0 million. This compares to a Net Profit Before Tax of $102.8 million in 2014, an increase of 17.6% on the previous corresponding period (pcp). Net Profit After Tax was $87.0 million in 2015 compared to $76.7 million in 2014, an increase of 13.5% on the pcp. Earnings per share (basic) for 2015 were 47.6 cents compared to 43.0 cents on the pcp.

Strong trading performances in Queensland included full year contributions from businesses acquired in the second half of 2014 and New South Wales dealership operations. These more than offset weaker market conditions in the South Australia, South West Queensland and national heavy truck markets. The increases in profitability were also due to increased dividend income from our strategic investment in Automotive Holdings Group Ltd (AHG) and gains on sale of investments and property.

Profit Comparison	Full Year to December 2015 $ Million	Full Year to December 2014 $ Million	% Change
Statutory EPS (basic) cents	47.6	43.0	11%
Statutory profit after tax	87.0	76.7	13%
Statutory profit before tax	**121.0**	**102.8**	**18%**
Impairment adjustments [1]			
Freehold Property adjustments (reversal)	2.1	0.6	-
Goodwill impairment	5.5	-	-
Business acquisition costs[2]	0.2	2.8	-
GST refunds[3]	(2.3)	-	-
Underlying profit before tax	**126.4**	**106.2**	**19%**
Underlying profit after tax[4]	91.7	79.0	16%
Underlying EPS (basic) cents	50.7	44.3	14%

(1) Represents the aggregate value of freehold property fair value adjustments (positive and negative) to the Statement of Profit and Loss and non-cash impairment of the goodwill associated with the National Truck Division.

(2) Business acquisition costs include taxes, legal and other costs associated with business acquisitions.

(3) Benefit from tax refunds associated with previous years' GST payments.

(4) Underlying profit after tax includes the adjustments per Note (1) above, and the related tax impact at 30% equating to $1.6 million in 2015 (2014: $1.0 million).

External Environment

According to Federal Chamber of Automotive Industry statistics, Australia's new motor vehicle sales increased by 3.8% in 2015 to 1,155,408 units compared to a 2.0% decline in 2014. This represents an all-time record year of sales exceeding the previous 2013 record of 1,136,227 units.

In response to further contraction in the resources sector, new vehicle sales in Western Australia and Northern Territory decreased on the previous year by 7.9% and 4.3%, respectively. Strong growth was experienced in New South Wales, Queensland, ACT and Victoria, with increases of 6.9%, 5.4%, 4.4% and 4.2%, respectively.

Government sales decreased by 1.4% in 2015, whilst private and business sales recorded stronger growth than prior years at 3.7% and 4.9% growth. Luxury brands such as Audi, BMW, Mercedes-Benz, Land Rover, Volvo, Jaguar, Mini, Lexus and Porsche all recorded record annual sales due mainly to their respective lower priced product entry models generating increased market share.

Australian manufactured vehicles represented only 8.4% (2014: 9.0%) of new cars sold in the national market in 2015.

Business Initiatives

Whilst the Company's operational performance benefitted from activity generated by the November 2014 hail event in Brisbane and the initial take-up of the Federal Government's $20,000 tax incentive, the Group's continued focus on and increasing return from business improvement initiatives has delivered a strong second half performance.

Our Queensland/NT and NSW Car Divisions capitalised on the strong growth in vehicle sales in calendar year 2015 resulting in both Divisions contributing record financial results for the full year to December 2015. This included a full year's contribution from the Boettcher Group and the Black Group businesses acquired in the second half of 2014 which were boosted further by better than expected performances from the Boettcher Group and Central Highlands Toyota.

Continued focus and improvement to our used car operations yielded another record result from this segment of the business. As previously highlighted, the strategy of expanding our footprint in this segment, taking advantage of the associated finance, insurance and car care income opportunities and consolidating market share nationally continue to produce accretive income and act to insulate overall trading results against fluctuations in the new car market and individual franchise performance. The 2016 calendar year will see the launch of an all-new Carzoos business model aimed at delivering a completely new way for customers to buy and sell used cars.

The relocation and consolidation of the Eagers Parts Distribution Centre from Newstead to Eagle Farm, Queensland, in conjunction with a significant investment in state of the art warehousing and logistics systems, supported a full year record parts result. Improved market share, revenue growth and cost savings, while delivering a better service to our Dealer and Trade customers, should be further enhanced with the planned move of our Metro Ford Parts Distribution Centre into the Eagle Farm facility by early 2017. This warehouse facility will support the majority of franchises represented in South East Queensland in the single, largest and most efficient parts distribution centre for OEM vehicle parts in Queensland.

The previously announced sale of our 80 McLachlan Street, Fortitude Valley site, for $22.2 million is due for completion in March 2016. A gain on the sale of $3.2 million was recognised in 2015. The luxury brands currently located on this site will continue operations until they relocate to new facilities on Company-owned land in Newstead which are expected to be completed in late 2016.

The strategic 19.9% shareholding in AHG as at 31 December was valued at $275.3 million based on their closing share price of $4.52. Whilst not included in the Company's Statutory Profit after Tax, a before tax unrealised gain of $43.2 million has been recognised in the Statement of Comprehensive Income for the 2015 year.

Financial Performance

Total revenue increased by 13.6% to $3.2 billion in 2015 (2014: $2.9 billion), with declines in truck vehicle sales and subdued trading in South Australia being more than offset by strong trading in our Queensland and NSW car divisions, including full year contributions from businesses we acquired in 2014.

Other revenue includes increased full year dividends from AHG and Smartgroup Corporation Limited (SIQ) of $13.8 million, compared to $12.1 million in 2014, profit on the sale of SIQ shares of $3.5 million, offset by lower insurance claim proceeds of $7.0 million compared with $19.5 million related to the 27 November 2014 Brisbane hail storm event.

EBITDA (excluding asset impairment charges) increased by 18.1% to $163.1 million (2014: $138.1 million) and profit margins continued to trend upwards, with EBITDA/Revenue of 5.0% for 2015 compared to 4.8% in 2014 and NPBT/Sales improving to 3.7% for 2015 from 3.6% in 2014. Further improvements in new car trading, finance and insurance commission based earnings, used car trading and gains on the sale of investments and properties were the main contributors to the improved margin performance offset by impairment. On an underlying basis NPBT/Sales for 2015 was 3.9%.

A before tax profit of $3.0 million (net) was realised on the sale of properties in Newstead and Fortitude Valley in 2015, as compared to a $3.9 million gain in 2014.

Borrowing costs declined by 3.6% to $21.3 million (2014: $22.1 million), in line with lower average debt and interest rates. The increase in depreciation and amortisation costs by 5% to $13.2 million (2014: $12.6 million) reflects the additional depreciation on businesses acquired in 2014 and higher development and refurbishment capital expenditure in 2015 which increased to $18.9 million from $8.7 million in 2014.

Business acquisition costs of $0.2 million were expensed in the financial year, compared to $2.8 million in 2014 relating to the Boettcher and Black Group acquisitions in the second half of that year.

The Company's net cash provided by operating activities was $84.6 million in 2015 (2014: $99.2 million), with increases due to improved profitability being offset by lower insurance claim proceeds, minimal dividends from MTQ Insurance together with higher tax payments due primarily to capital gains tax paid on the properties sold in 2014.

Results Summary

Consolidated results

Year Ended 31 December	2015 $'000	2014 $'000	Increase/(Decrease)
Revenue from operations	3,201,755	2,808,607	14%
Other revenue	44,621	49,506	(10)%
Total revenue	3,246,376	2,858,113	14%
Earnings before interest, tax, depreciation and amortisation and impairment (EBITDA)	**163,077**	**138,081**	**18%**
Depreciation and amortisation	(13,216)	(12,583)	5%
Impairment charge/net reversal	(7,610)	(578)	-
Earnings before interest and tax (EBIT)	**142,251**	**124,920**	**14%**
Borrowing costs	(21,293)	(22,080)	(4)%
Profit before tax	**120,958**	**102,840**	**18%**
Income tax expense	(33,943)	(26,150)	30%
Profit after tax	**87,015**	**76,690**	**13%**
Non-controlling interest in subsidiaries	(798)	(460)	-
Attributable profit after tax	**86,217**	**76,230**	**13%**
Earnings per share - basic	47.6 cents	43.0 cents	11%

Segments [1]

The profit contribution from the Company's Car Retail segment was 42.4% higher at $98.0 million compared to $68.8 million in 2014. Revenue increased by 16.8%, with the increase primarily attributable to the record results in Queensland and NSW. The strong trading was also reflected in the parts and service business with improvements across all businesses, particularly Queensland and NSW.

The National Truck Division (Truck Retail segment) recorded a poor result providing a loss contribution of $3.2 million including the goodwill impairment write down of $5.5 million in 2015 compared to $3.5 million profit in 2014. Challenging new and used heavy truck trading conditions resulted in a decrease in revenue of 7.8%.

The value of the property portfolio decreased to $249 million as at 31 December 2015 compared to $278 million as at 31 December 2014 due primarily to the previously announced disposals of properties in Fortitude Valley and Newstead. Property segment profit contribution of $16.3 million was higher than the previous year of $14.8 million, due to a $3 million net realised gain on properties sold. The overall fair value adjustments did not impact segment results as the $2.2 million gain on Woolloongabba property was offset by property valuation decrease of $2.1 million for the Milperra truck site.

The Investment segment registered a pre-tax contribution of $61.1 million for 2015 as compared to a $10.6 million for the pcp, due primarily to an unrealised revaluation gain on the AHG and SIQ investments of $46.2 million.

(1) Note: changes in fair value of property and investments are recognised as profit and loss adjustments for segment reporting purposes but are not recorded in the Group's Statutory Net Profit After Tax.

Financial Position

The Company's financial position strengthened further during the 2015 year. EBITDA Interest Cover increased to 7.6 times as at 31 December 2015 compared to 6.2 times as at 31 December 2014, due to lower average interest rates and improved profit levels. Corporate debt (Term and Capital Loan Facility) net of cash on hand as at 31 December 2015 was lower at $171.5 million (2014: $190.2 million) and total debt including vehicle bailment and finance leases net of cash on hand was higher at $576.7 million as compared to $556.0 million at 31 December 2014. The increase was primarily due to additional bailment finance related to increased new car inventory held at year end.

Total gearing (Debt /Debt + Equity), including bailment inventory financing and finance leases, was 46.6% as at 31 December 2015, as compared to 49.5% as at 31 December 2014. Bailment finance is cost effective short-term finance secured against vehicle inventory on a vehicle by vehicle basis. Gearing excluding bailment, finance leases and including cash on hand, was 19.6% as at 31 December 2015 compared to 24.3% at the end of 2014.

Total inventory levels increased to $530.2 million at 31 December 2015 from $469.2 million at 31 December 2014 due to higher new car inventory held by strong performing dealerships in Queensland and NSW.

Net tangible assets increased to $2.95 per share as at 31 December 2015, compared to $2.38 per share as at 31 December 2014, due to higher asset balances including cash and available for sale investments including AHG shares.

Outlook and Strategy Update

The national new vehicle market continues to grow with low interest rates supporting customer affordability and exceptional product offerings driving customer demand.

Strategically, the Company remains focussed on automotive retail and a two pronged approach of driving value from existing business through process improvement, operating synergies, portfolio management and organic growth, whilst taking advantage of value adding acquisition opportunities as they present themselves.

The Company has already announced the $114 million acquisition of the Birrell Motors Group (ASX announcement 06/11/2015) which is expected to be completed on 31 March 2016. This business employs 600 staff with an annual revenue of approximately $410 million and includes the car and truck retail businesses operating as Motors Group Tasmania, Silver Star Motors (Mercedes-Benz) in Doncaster and Burwood, Victoria, the recently opened Mercedes-Benz Ringwood dealership in Victoria, and Waverley Toyota in Glen Waverley, Victoria.

The Company has also announced the $30 million acquisition of the Crampton Automotive Group (ASX announcement 19 February 2016) which is expected to be completed on 1 July 2016. This business employs 170 staff with an annual revenue of $130 million and includes West Star Motors and Toowoomba Holden operating in Toowoomba and representing the Mercedes-Benz, Hyundai, Peugeot, Citroen, Performax, HSV and Holden brands along with Port City Autos representing the Holden, Subaru, Chrysler Jeep Dodge, and Isuzu Trucks brands in Maryborough/ Hervey Bay, Queensland.

Key focus areas in 2016 are:

- Earnings accretive dealership and ancillary market acquisitions;
- The ongoing development and optimisation of our existing used car model while launching the all-new Carzoos model;
- Continued redevelopment and reorganisation of inner city (Newstead, Woolloongabba and Windsor) facilities to provide improved long-term solutions for all stakeholders;
- Further rationalisation of our Parts business to reduce the cost base, improve efficiency and eliminate sub-economic business trading terms; and
- A turnaround in the performance of our truck business.

Dividends

Dividends paid to members during the financial year were as follows:

Year ended 31 December	2015 $'000	2014 $'000
Final ordinary dividend for the year ended 31 December 2014 of 18.0 cents (2013: 15.0 cents) per share paid on 17 April 2015	**32,239**	26,516
Interim ordinary dividend of 12.0 cents (2014: 9.0 cents) per share paid on 7 October 2015	**22,089**	15,954
	54,328	42,470

A fully franked final dividend of 20 cents per share (2014: 18.0 cents) has been approved for payment on 15 April 2016 to shareholders who are registered on 29 March 2016 (Record Date). When combined with the interim dividend of 12.0 cents per share paid in October 2015, the total dividend based on 2015 earnings is 32 cents per share, fully franked (2014: 27 cents). The Company's dividend reinvestment plan (DRP) will not operate in relation to the final dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the Directors' opinion there was no significant change in the state of affairs of the Group during the financial year that is not disclosed in this report or the consolidated financial report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Directors are not aware of any matter or circumstance not dealt with in this report or the consolidated financial report that has arisen since the end of the year under review and has significantly affected or may significantly affect the Group's operations, the results of those operations or the state of affairs of the Group in future financial years.

ENVIRONMENTAL REGULATION

The Group's property development and service centre operations are subject to various environmental regulations. Environmental licences are held for particular underground petroleum storage tanks.

Planning approvals are required for property developments undertaken by the Group in relevant circumstances. Authorities are provided with appropriate details and to the Directors' knowledge developments during the year were undertaken in compliance with planning requirements in all material respects.

Management works with regulatory authorities, where appropriate, to assist compliance with regulatory requirements. There were no material adverse environmental issues during the year to the Directors' knowledge.

REMUNERATION REPORT

1. Principles Used to Determine Remuneration

The board as a whole is responsible for recommending and reviewing the remuneration arrangements of non-executive Directors, whilst the board (excluding the Chief Executive Officer) reviews the performance of the Chief Executive Officer on a continual basis and ensures the reward framework is appropriate. To assist the board, the Audit, Risk & Remuneration Committee reviews and makes recommendations regarding these remuneration arrangements.

The Chief Executive Officer in consultation with the Chairman reviews the performance of the Group's senior executives on an ongoing basis and ensures the appropriateness of their reward framework.

Remuneration packages are intended to properly reflect the individual's duties and responsibilities, be competitive in attracting, retaining and motivating staff of the highest quality and be aligned to shareholder interests.

The remuneration framework for executives has been developed to provide, where appropriate, a high proportion of "at risk" remuneration. This is designed to reflect competitive reward for contribution to growth in group profits and shareholder wealth.

In considering the impact of the Group's performance on shareholder wealth, the Directors have regard to various factors including the metrics in the below table.

	2015	2014	2013	2012	2011
Statutory NPAT ($'000)	**87,015**	76,690	63,962	55,551	40,289
Statutory Earnings per share - basic (c)	**47.6**	43.0	36.4	34.0	25.5
Dividend per share (c)	**32**	27	23	20	16
Share Price at year end ($)	**12.70**	5.98	4.96	4.38	2.36

2. Non-executive Directors' Remuneration Framework

Non-executive Directors are remunerated for their services by way of fees (and where applicable, superannuation) from the maximum amount approved by shareholders in general meeting for that purpose, currently $750,000 per annum, which was fixed at the annual general meeting in 2015.

For the year under review, non-executive Director fees were $85,000 per annum plus superannuation benefits, and the Chairman's fee was $100,000 per annum plus superannuation.

The board, with the assistance of the Audit, Risk & Remuneration Committee, annually reviews non-executive Director fees, taking into account relevant market conditions.

Non-executive Directors do not participate in schemes designed for the remuneration of executives, equity schemes or retirement allowance programmes, nor do they receive performance-based bonuses.

3. Executives' Remuneration Framework

a) Base Pay

Each executive is offered a competitive base pay to reflect the market for a comparable role. Base pay is reviewed annually and on promotion to ensure it remains competitive with the market. It may be delivered as a combination of cash and superannuation that the executive elects to salary sacrifice.

b) Benefits

Executives receive benefits including the provision of fully maintained motor vehicles, personal health and fitness programs and, in the case of the Chief Executive Officer, personal insurance. Retirement benefits are delivered under superannuation funds providing accumulation benefits. No lump sum defined benefits are provided.

c) Short-term Performance Incentives

(i) Incentive Pool / Bonus

A short-term incentive pool was allocated to the Chief Financial Officer, Company Secretary and General Manager Queensland and Northern Territory, up to a fixed percentage of their base salaries for the year under review. These allocations were determined on a discretionary basis during annual review by the Chief Executive Officer in consultation with the Chairman after considering individual and Company achievements and performances.

The short-term incentive pool is not available to the Chief Executive Officer. In future years it will only be available to non-commission based key management personnel (excluding the Chief Executive Officer) in accordance with their contractual arrangements, typically between 10% and 30% of base salary.

(ii) Commission Structure

A commission structure is included in the remuneration for the General Manager Queensland and Northern Territory. The commission is set at a percentage of net profit before tax of relevant business units and is therefore based on measurable business performance and designed to improve shareholder value.

d) Executive Incentive Plan (EIP)

The EIP was approved by shareholders at the annual general meeting in 2013. It is intended as both a long-term and short-term incentive for key management personnel, focussing on corporate performance and the creation of shareholder value over multi-year periods. The EIP is not available to non-executive Directors.

Through the EIP, executives are driven to improve the Company's performance and shareholder return. This is accomplished through the grant of performance rights and options which reward the achievement of pre-determined group performance hurdles and allow executives to share in the Company's growth. The performance hurdles are explained in further detail below.

A performance right is a right to be given a fully paid ordinary share in the Company at a nil exercise price upon the achievement of performance hurdles.

An option is a right to be given a fully paid ordinary share upon payment of an exercise price and achievement of performance hurdles. The exercise price is the market share price at or about the grant date or when the executive agreed in principle to participate in the plan.

The performance rights and options are divided into separate tranches for each annual performance period. Each tranche of options may be further divided into sub-tranches. The tranches and sub-tranches are tested against the performance hurdles for the relevant performance period.

(i) Performance Hurdles

Pre-determined performance hurdles for the relevant performance period must be achieved for performance rights and options to vest. Performance hurdles include:

- the Company must meet the applicable Earnings Per Share (EPS) hurdle (as described below).
- the Company must meet any prescribed interest cover ratio, being at least 2.5 times.
- the executive must remain permanently employed by the Group.

All performance hurdles for a performance period must be met for the relevant rights and options to vest. The board does, however, retain discretion to waive hurdles in exceptional circumstances where it is believed to be in the Company's best interests to do so.

(ii) EPS Hurdles

A separate EPS performance hurdle applies for each tranche or sub-tranche of performance rights and options. These EPS hurdles are pre-determined using a base-line EPS when the participant agreed to join the plan.

In general, the Company must achieve a minimum of 7% annual compound growth in diluted EPS above the base-line before any performance rights or options will vest for the performance period, with 10% annual compound growth required for all performance rights and options to vest for the period.

As these "at risk" earnings are demonstrably linked to the creation of shareholder value, it is considered that if an EPS hurdle is not achieved at the end of a 12 month performance period, re-testing would be appropriate to allow for market reaction to the Company's longer term strategic initiatives.

If the EPS hurdle is not achieved at the end of the initial 12 month performance period, re-testing would take place 12 months later. If the EPS hurdle is not achieved on the re-test, it may be re-tested a second time a further 12 months later. However, there cannot be more than two re-tests. Performance rights and options immediately lapse if they do not vest on the second re-test.

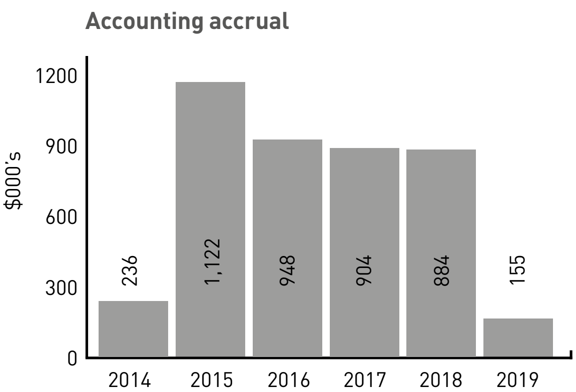
(iii) CEO's Participation in EIP

At the Company's annual general meeting in 2014, shareholders approved the Chief Executive Officer, Mr Ward, participating in the EIP for the five years from 2015 to 2019. With 96.6% of proxy votes in favour or at the Chairman's discretion, shareholders approved the following:

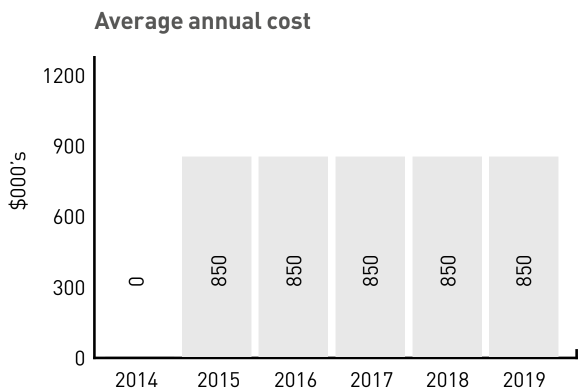
- Mr Ward's performance hurdles are measured over the five year period 2015 to 2019.
- Before any of Mr Ward's performance rights or options will vest for an individual year, the Company must achieve at least 7% annual compound growth in diluted EPS above the base-line EPS. The base-line was set at the diluted EPS for 2013. This base-line was used in order to give shareholders visibility of the base-line before they approved Mr Ward's rights and options at the annual general meeting in 2014.
- For 100% of Mr Ward's performance rights and options to vest for the five years, the Company must achieve at least 10% annual compound growth in diluted EPS above the base-line.

The cost to the Company of Mr Ward's participation in the EIP is determined as follows:

- There has been no increase to the average annual cost to the Company of Mr Ward's participation in the EIP since 2010.
- If 100% of the performance rights and options are to vest over the five year period 2015 to 2019 (requiring at least 10% annual compound growth in diluted EPS for five years), the recognised cost of the plan will average $850,000 per annum being the fair value at grant date. However, accounting standards require that the cost be recognised based on the progressive recognition of each share option grant over its expected vesting period, as shown in the remuneration table on page 19, which results in a higher overall cost of the EIP in the earlier years and a lower cost in later years. On the assumption that all performance hurdles will be achieved over the five year period, the total cost recognised in each year will be as shown in the following graphs.
- If no performance hurdles at all were to be achieved over the five year period, then no performance rights or options would vest and the plan would cost the Company zero dollars.
- By way of comparison, if only 50% of the performance rights and options by value were to vest each year over the five year period (requiring 7% annual compound growth in diluted EPS for five years), the cost of the plan would be on average $425,000 per annum for 5 years.



Accounting accrual cost of CEO's participation in EIP – progressive recognition based, assuming all performance hurdles are achieved.



Average annual cost of CEO's participation in EIP, assuming all performance hurdles are achieved.

(iv) Grants to Key Management Personnel

The following tables show details of current grants of performance rights and options over unissued ordinary shares, which were granted to key management personnel in or before the year under review. No rights or options were granted to, lapsed or were exercised by, key management personnel during the year under review, except as shown in these tables.

Chief Executive Officer

		Performance Rights				Options					
Tranche No.	Grant Date	No. granted	No. lapsed	No. exercised(1)	Fair value	No. granted	No. lapsed	No. exercised(1)	Fair value	End of 1st performance period	Status
1	28 May 2010	36,890	-	36,890	$2.40	416,665	-	416,665	$0.808	31 Dec 2010	Vested without re-testing
2	28 May 2010	82,440	-	82,440	$2.286	815,215	-	815,215	$0.812	31 Dec 2011	Vested without re-testing
3	28 May 2010	89,000	-	89,000	$2.176	810,810	-	810,810	$0.810	31 Dec 2012	Vested without re-testing
4	28 May 2010	94,890	-	94,890	$2.072	815,215	-	815,215	$0.802	31 Dec 2013	Vested without re-testing
5	28 May 2010	105,140	-	105,140	$1.972	797,870	-	797,870	$0.806	31 Dec 2014	Vested without re-testing
6	4 July 2014	83,661	-	83,661	$5.08	467,032	-	-	$0.91	31 Dec 2015	Vested without re-testing
7	4 July 2014	87,268	-	-	$4.87	452,127	-	-	$0.94	31 Dec 2016	Unvested
8	4 July 2014	91,006	-	-	$4.67	447,368	-	-	$0.95	31 Dec 2017	Unvested
9	4 July 2014	94,866	-	-	$4.48	420,792	-	-	$1.01	31 Dec 2018	Unvested
10	4 July 2014	99,067	-	-	$4.29	416,666	-	-	$1.02	31 Dec 2019	Unvested

(1) Performance rights are automatically exercised upon vesting. During the year under review the Chief Executive Officer exercised all options that had vested for the five years 2010 to 2014. Options and rights that were exercised during the year were valued at $29,916,811 on the day of exercise.

General Manager Queensland and Northern Territory

		Performance Rights				Options					
Tranche No.	Grant Date	No. granted	No. lapsed	No. exercised(1)	Fair value	No. granted	No. lapsed	No. exercised(1)	Fair value	End of 1st performance period	Status
1	29 Oct 2009	22,590	-	22,590	$1.66	104,165	-	-	$0.36	31 Dec 2010	Vested without re-testing
2	29 Oct 2009	48,015	-	48,015	$1.562	203,805	-	-	$0.368	31 Dec 2011	Vested without re-testing
3	29 Oct 2009	50,950	-	50,950	$1.472	202,705	-	-	$0.37	31 Dec 2012	Vested without re-testing
4	29 Oct 2009	54,115	-	54,115	$1.386	203,805	-	-	$0.368	31 Dec 2013	Vested without re-testing
5	29 Oct 2009	57,515	-	57,515	$1.304	199,470	-	-	$0.376	31 Dec 2014	Vested without re-testing
6	4 July 2014	19,685	-	19,685	$5.08	109,890	-	-	$0.91	31 Dec 2015	Vested without re-testing
7	4 July 2014	20,533	-	-	$4.87	106,382	-	-	$0.94	31 Dec 2016	Unvested
8	4 July 2014	21,413	-	-	$4.67	105,263	-	-	$0.95	31 Dec 2017	Unvested
9	4 July 2014	22,321	-	-	$4.48	99,009	-	-	$1.01	31 Dec 2018	Unvested
10	4 July 2014	23,310	-	-	$4.29	98,039	-	-	$1.02	31 Dec 2019	Unvested

(1) Performance rights are automatically exercised upon vesting. No options were exercised during the year under review. Rights that were exercised during the year were valued at $388,226 on the day of exercise.

Chief Financial Officer (Mr Best)[2]

		Performance Rights				Options					
Tranche No.	Grant Date	No. granted	No. lapsed	No. exercised[1]	Fair value	No. granted	No. lapsed	No. exercised[1]	Fair value	End of 1st performance period	Status
1	29 Oct 2009	30,120	-	30,120	$1.66	138,890	-	138,890	$0.36	31 Dec 2010	Vested without re-testing
2	29 Oct 2009	32,010	-	32,010	$1.562	135,870	-	81,110	$0.368	31 Dec 2011	Vested without re-testing
3	29 Oct 2009	33,965	-	33,965	$1.472	135,135	-	-	$0.37	31 Dec 2012	Vested without re-testing
4	29 Oct 2009	36,075	-	36,075	$1.386	135,870	-	-	$0.368	31 Dec 2013	Vested without re-testing
5	29 Oct 2009	38,345	-	38,345	$1.304	132,980	-	-	$0.376	31 Dec 2014	Vested without re-testing
6	4 July 2014	14,763	-	14,763	$5.08	82,417	-	-	$0.91	31 Dec 2015	Vested without re-testing
7	4 July 2014	15,400	6,160[3]	-	$4.87	79,787	31,915[3]	-	$0.94	31 Dec 2016	Unvested
8	4 July 2014	16,059	6,424[3]	-	$4.67	78,947	31,579[3]	-	$0.95	31 Dec 2017	Unvested
9	4 July 2014	16,741	6,697[3]	-	$4.48	74,257	29,703[3]	-	$1.01	31 Dec 2018	Unvested
10	4 July 2014	17,482	6,993[3]	-	$4.29	73,529	29,412[3]	-	$1.02	31 Dec 2019	Unvested

(1) Performance rights are automatically exercised upon vesting. During the year under review the Chief Financial Officer exercised options that had vested for 2010 and 2011. Options and rights that were exercised during the year were valued at $2,112,549 on the day of exercise.

(2) Mr Best's role changed from Chief Financial Officer to Chief Commercial Officer and he ceased to be a member of key management personnel in August 2015.

(3) 40% of performance rights and options for future performance years lapsed when Mr Best moved from a full-time to a part-time role in August 2015.

General Counsel & Company Secretary

		Performance Rights				Options					
Tranche No.	Grant Date	No. granted	No. lapsed	No. exercised[1]	Fair value	No. granted	No. lapsed	No. exercised[1]	Fair value	End of 1st performance period	Status
1	1 June 2010	14,145	-	14,145	$2.280	64,760	-	64,760	$0.498	31 Dec 2010	Vested without re-testing
2	1 June 2010	14,875	-	14,875	$2.168	62,260	-	9,620	$0.518	31 Dec 2011	Vested without re-testing
3	1 June 2010	15,655	-	15,655	$2.060	60,850	-	-	$0.53	31 Dec 2012	Vested without re-testing
4	27 Mar 2013	-	-	-	-	26,880	-	-	$0.93	31 Dec 2013	Vested without re-testing
5	27 Mar 2013	-	-	-	-	26,880	-	-	$0.93	31 Dec 2014	Vested without re-testing
6	27 Mar 2013	-	-	-	-	26,040	-	-	$0.96	31 Dec 2015	Vested without re-testing
7	27 Mar 2013	-	-	-	-	25,510	-	-	$0.98	31 Dec 2016	Unvested
8	27 Mar 2013	-	-	-	-	25,250	-	-	$0.99	31 Dec 2017	Unvested
9	4 July 2014	2,460	-	2,460	$5.08	13,736	-	-	$0.91	31 Dec 2015	Vested without re-testing
10	4 July 2014	2,566	-	-	$4.87	13,297	-	-	$0.94	31 Dec 2016	Unvested
11	4 July 2014	2,676	-	-	$4.67	13,157	-	-	$0.95	31 Dec 2017	Unvested
12	4 July 2014	2,790	-	-	$4.48	12,376	-	-	$1.01	31 Dec 2018	Unvested
13	4 July 2014	2,913	-	-	$4.29	12,254	-	-	$1.02	31 Dec 2019	Unvested

(1) Performance rights are automatically exercised upon vesting. No rights were exercised during the year under review. During the year the General Counsel & Company Secretary exercised options that had vested for 2010 and 2011. Options that were exercised during the year were valued at $563,800 on the day of exercise.

Chief Financial Officer (Ms Moore)[2]

		Performance Rights				Options					
Tranche No.	Grant Date	No. granted	No. lapsed	No. exercised[1]	Fair value	No. granted	No. lapsed	No. exercised[1]	Fair value	End of 1st performance period	Status
1	12 Jun 2015	2,227	-	2,227	$8.98	14,084	-	-	$1.42	31 Dec 2015	Vested without re-testing
2	12 Jun 2015	4,624	-	-	$8.65	27,027	-	-	$1.48	31 Dec 2016	Unvested
3	12 Jun 2015	4,796	-	-	$8.34	26,143	-	-	$1.53	31 Dec 2017	Unvested
4	12 Jun 2015	4,975	-	-	$8.04	25,316	-	-	$1.58	31 Dec 2018	Unvested
5	12 Jun 2015	5,167	-	-	$7.74	25,000	-	-	$1.60	31 Dec 2019	Unvested

(1) Performance rights are automatically exercised upon vesting. No options or rights were exercised during the year under review.
(2) Ms Moore commenced as Chief Financial Officer in August 2015.

Further details of the performance rights and options granted under the EIP are specified in notes 34 and 35 to the consolidated financial report.

4. Hedging

The board has adopted a policy which prohibits any Director or employee who participates in an equity plan from using derivatives, hedging or similar arrangements to reduce or eliminate the risk associated with the plan in relation to unvested securities or securities that are subject to trading restrictions, without the Chairman's approval. Any breach will result in forfeiture or lapsing of the unvested securities or additional performance hurdles or trading restrictions being imposed, at the board's discretion.

5. Executive Employment Agreements

Executives who are key management personnel are employed under common employment agreements. The agreements do not have a finite term, can be terminated by either employer or employee giving notice within a range of four to twelve weeks and do not contain any termination payment arrangements. The board has discretion to extend the termination notice period that may be given to an executive and to make payments upon termination, as appropriate.

The Chief Executive Officer's employment agreement differs from that of other executives as follows:

a) The Company may terminate the Chief Executive Officer's employment if he is unable to satisfactorily perform his duties due to illness, injury or accident for a period of six months or for cause. Termination for any other reason may entitle the Chief Executive Officer to a termination benefit equivalent to two times annual remuneration at the time of termination, subject to any limit imposed by law.

b) The Chief Executive Officer may terminate his employment agreement on six months' notice unless otherwise agreed with the Company.

6. Details of Remuneration

Key management personnel include Directors and executives who have authority and responsibility for planning, directing and controlling the activities of the Group. Remuneration details of key management personnel are set out in the following tables.

	Short-term benefits			Post-employment benefits	Share-based payments		
	Salary & fees	Bonus & commissions[5]	Non-monetary & other benefits[1]	Superannuation benefits	Performance Rights & Options[2][3]	Total	Performance-related percentage
2015	$	$	$	$	$	$	%
Directors							
T B Crommelin *Chairman*	100,000	-	742	9,500	-	110,242	-
M A Ward *Managing Director*	1,200,000	-	177,416	35,000	1,122,362	2,534,778	44
N G Politis *Non-executive Director*	85,000	-	742	8,075	-	93,817	-
P W Henley *Non-executive Director*	85,000	-	742	8,075	-	93,817	-
D T Ryan *Non-executive Director*	85,000	-	742	8,075	-	93,817	-
D A Cowper *Non-executive Director*	85,000	-	742	8,075	-	93,817	-
	1,640,000	-	181,128	76,800	1,122,362	3,020,290	
Executives							
K T Thornton *General Manager Qld & NT*	200,000	931,645	131,025	19,307	264,085	1,546,062	77
S G Best *Chief Financial Officer*[4]	192,500	52,500	68,794	18,288	105,790	437,872	36
D G Stark *General Counsel & Company Secretary*	265,000	97,000	73,386	25,175	75,438	535,999	32
S A Moore *Chief Financial Officer*[4]	125,000	25,000	16,858	6,923	66,664	240,445	38
	782,500	1,106,145	290,063	69,693	511,977	2,760,378	

(1) Includes benefits such as the provision of motor vehicles, insurance policy costs and the movement in the provision for the individual's employee entitlements. This includes $67,300 as a provision for long service leave for Mr Ward, $81,019 for Mr Thornton, $37,731 for Mr Best and $46,213 for Mr Stark.

(2) Performance rights and options granted under the EIP are valued using a binomial tree methodology. A pre-determined value of the portion of the rights and options attributable to the year under review has been expensed in the income statement in conformity with AASB 2 and reflected in each recipient's remuneration. In each year, performance rights and options vested under the EIP for the previous year. Vesting is subject to the achievement of performance hurdles as previously detailed in this Remuneration Report.

(3) The share-based payment is based on progressive recognition of each award grant over its expected vesting period, which results in an increased cost in the earlier years of the EIP and a reduced cost in later years on the assumption that all performance hurdles will be achieved over the five year period. For further details, refer to commentary on page 15 under the heading "CEO's Participation in EIP" of which the treatment of share plan expense is applicable to all key management personnel.

(4) With the appointment of Ms Moore as Chief Financial Officer on 3 August 2015, Mr Best ceased in his capacity as Chief Financial Officer and a member of key management personnel. This table therefore includes Mr Best's remuneration for the period ending 3 August 2015.

(5) For Mr Thornton, this includes a commission of $846,645, which is set at a percentage of net profit before tax of relevant business units and is therefore based on measurable business performance and designed to improve shareholder value. No commission is included for any other key management personnel.

2014	Salary & fees	Short-term benefits: Bonus & commissions	Short-term benefits: Non-monetary & other benefits[1]	Post-employment benefits: Superannuation benefits	Share-based payments: Performance Rights & Options[2] [3]	Total	Performance-related percentage
	$	$	$	$	$	$	%
Directors							
T B Crommelin *Chairman*	95,000	-	742	8,906	-	104,648	-
M A Ward *Managing Director*	925,000 [4]	110,000	105,853	25,000	421,657	1,587,510	33
N G Politis *Non-executive Director*	75,000	-	742	7,031	-	82,773	-
P W Henley *Non-executive Director*	75,000	-	742	7,031	-	82,773	-
D T Ryan *Non-executive Director*	75,000	-	742	7,031	-	82,773	-
D A Cowper *Non-executive Director*	75,000	-	742	7,031	-	82,773	-
	1,320,000	110,000	109,564	62,030	421,657	2,023,251	
Executives							
K T Thornton *General Manager Qld & NT*	200,000	616,930	68,693	18,783	83,681	988,087	71
S G Best *Chief Financial Officer*	325,303	99,000	76,395	30,503	60,417	591,618	27
D G Stark *General Counsel & Company Secretary*	263,338	79,500	36,888	24,690	31,944	436,360	26
	788,641	795,430	181,976	73,976	176,042	2,016,065	

(1) Includes benefits such as the provision of motor vehicles, insurance policy costs and the movement in the provision for the individual's employee entitlements. This includes $13,509 as a provision for long service leave for Mr Ward, $15,218 for Mr Thornton and $50,976 for Mr Best.

(2) Performance rights and options granted under the EIP are valued using a binomial tree methodology. A pre-determined value of the portion of the rights and options attributable to the year under review has been expensed in the income statement in conformity with AASB 2 and reflected in each recipient's remuneration. In each year, performance rights and options vested under the EIP for the previous year. Vesting is subject to the achievement of performance hurdles as previously detailed in this Remuneration Report.

(3) The share-based payment is based on progressive recognition of each award grant over its expected vesting period, which results in an increased cost in the earlier years of the EIP and a reduced cost in later years on the assumption that all performance hurdles will be achieved over the five year period. For further details, refer to commentary on page 15 under the heading "CEO's Participation in EIP" of which the treatment of share plan expense is applicable to all key management personnel.

(4) As announced in December 2014, Mr Ward's annual base salary increased to $1,200,000 on 1 January 2015. It had not been reviewed since late 2010. Since then the Company has grown significantly, with market capitalisation increasing from less than $400 million to over $1 billion, and earnings per share and dividends per share having doubled. The increased salary reflects a 14% increase above Mr Ward's average total remuneration during the four years from 2010 to 2013. No further increase to his base salary is intended for the next five years.

7. Relevant Interest in the Company's Shares Held by Key Management Personnel

2015	At 01-Jan-15	Dividend Reinvest-ment Plan	Executive Incentive Plan	Purchases	Sales	At 31-Dec-15
Directors						
M A Ward	**2,854,170**	-	**3,760,915**	-	**2,500,000**	**4,115,085**
N G Politis	**66,085,596**	-	-	**1,993,495**	-	**68,079,091**
P W Henley	**107,215**	-	-	**4,610**	-	**111,825**
D T Ryan	-	-	-	-	-	-
T B Crommelin	**339,229**	-	-	**18,000**	-	**357,229**
D A Cowper	**8,248**	-	-	-	-	**8,248**
Executives						
K T Thornton	**390,620**	-	**57,515**	-	-	**448,135**
S G Best	**174,785**	-	**258,345**	-	-	**433,130**
D G Stark	**71,244**	-	**74,380**	-	-	**145,624**
S A Moore	-	-	-	-	-	-
	70,031,107	-	**4,151,155**	**2,016,105**	-	**73,698,367**

2014	At 01-Jan-14	Dividend Reinvest-ment Plan	Executive Incentive Plan	Purchases	Sales	At 31-Dec-14
Directors						
M A Ward	2,759,280	-	94,890	-	-	2,854,170
N G Politis	65,157,552	-	-	928,044	-	66,085,596
P W Henley	104,215	-	-	3,000	-	107,215
D T Ryan	-	-	-	-	-	-
T B Crommelin	332,242	-	-	6,987	-	339,229
D A Cowper	8,248	-	-	-	-	8,248
Executives						
K T Thornton	336,505	-	54,115	-	-	390,620
S G Best	138,710	-	36,075	-	-	174,785
D G Stark	71,244	-	-	-	-	71,244
	68,907,996	-	185,080	938,031	-	70,031,107

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares, rights and options issued by the Company as at the date of this report are as follows:

	Ordinary Shares (fully paid)	Share Options	Performance Rights
T B Crommelin	357,229	-	-
N G Politis	68,099,091	-	-
M A Ward	4,115,085	2,203,985[1]	455,868[1]
P W Henley	111,825	-	-
D T Ryan	-	-	-
D A Cowper	8,248	-	-

(1) Share options and performance rights vest only if performance hurdles are met in accordance with the Executive Incentive Plan, as described in the Remuneration Report.

SHARES UNDER OPTION

1,104,823 options and 157,726 performance rights were granted by the Company over unissued fully paid ordinary shares during the year under review. No options or performance rights have been granted since the end of the year. 5,512,935 shares were issued as a result of the exercise of options and 261,825 shares were issued on the vesting of performance rights during or since the year under review. At the date of this report, there are 11,355,719 unissued shares under option and 882,276 unvested performance rights.

INDEMNIFICATION AND INSURANCE

The Company's constitution provides that, to the extent permitted by law, the Company must indemnify each person who is or has been a Director or Secretary against liability incurred in or arising out of the discharge of duties as an officer of the Company or out of the conduct of the business of the Company and specified legal costs. The indemnity is enforceable without the person having to incur any expense or make any payment, is a continuing obligation and is enforceable even though the person may have ceased to be an officer of the Company.

At the start of the financial year under review and at the start of the following financial year, the Company paid insurance premiums in respect of Directors and Officers liability insurance contracts. The contracts insure each person who is or has been a Director or executive officer of the Company against certain liabilities arising in the course of their duties to the Company and its controlled entities. The Directors have not disclosed details of the nature of the liabilities covered or the amount of the premiums paid in respect of the insurance contracts as such disclosure is prohibited under the terms of the contracts.

AUDITOR

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

NON-AUDIT SERVICES

A copy of the auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is attached and forms part of this report.

The Company may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise or experience with the Group is important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided to the Group during the year are set out in Note 32 of the consolidated financial report.

In accordance with advice received from the Audit, Risk & Remuneration Committee, the Directors are satisfied that the provision of the non-audit services was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and did not compromise the auditor independence requirements of the Act because all non-audit services were reviewed by the Committee to ensure they did not impact the partiality and objectivity of the auditor.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.

Martin Ward

Martin Ward
Director

Brisbane, 24 February 2016

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
A.P. Eagers Limited
80 McLachlan Street
FORTITUDE VALLEY QLD 4006

24 February 2016

Dear Board Members

A.P. Eagers 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 A.P. Eagers Limited.

As lead audit partner for the audit of the financial statements of A.P. Eagers Limited for the financial year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants

FINANCIAL STATEMENTS

A.P. EAGERS LIMITED ABN 87 009 680 013

100 DRIVEN TOGETHER YEARS

AP EAGERS Established 1913

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED 2015 $'000	2014 $'000
Revenue	3	**3,246,376**	2,858,113
Other gains and losses excluding impairment	4	**6,426**	3,892
Share of net profits of associate	40(d)	**164**	4,939
Changes in inventories of finished goods and work in progress		**60,957**	59,463
Raw materials and consumables purchased		**(2,700,387)**	(2,385,160)
Employee benefits expense		**(278,922)**	(244,776)
Finance costs - net	5(a)	**(21,293)**	(22,080)
Depreciation and amortisation expense	5(a)	**(13,216)**	(12,583)
Impairment of non-current assets	5(b)	**(7,610)**	(578)
Other expenses		**(171,537)**	(158,390)
Profit before tax		**120,958**	102,840
Income tax expense	6	**(33,943)**	(26,150)
Profit for the year		**87,015**	76,690
Attributable to:			
Owners of A.P. Eagers Limited	27(b)	**86,217**	76,230
Non-controlling interests	29(c)	**798**	460
		87,015	76,690

		Cents	Cents
Earnings per share:			
Basic earnings per share	37	**47.6**	43.0
Diluted earnings per share	37	**46.1**	41.6

The above Statement of Profit or Loss is to be read in conjunction with the accompanying notes.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED 2015 $'000	2014 $'000
Profit for the year		**87,015**	76,690
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain/(loss) on revaluation of property	27(a)	**2,187**	(1,692)
Income tax (expense)/benefit relating to items that will not be reclassified subsequently	27(a)	**(656)**	508
		1,531	(1,184)
Items that may be reclassified subsequently to profit or loss			
Gain on revaluation of available for sale investment	27(a)	**49,689**	1,296
Income tax expense	27(a)	**(14,907)**	(389)
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year		**(2,443)**	-
		32,339	907
Fair value gain arising from cash flow hedges during the year	27(a)	**300**	77
Income tax expense	27(a)	**(89)**	(24)
		211	53
Total other comprehensive income for the year		**34,081**	(224)
Total comprehensive income for the year		**121,096**	76,466
Total comprehensive income attributable to:			
Owners of the parent		**120,298**	76,006
Non-controlling interests		**798**	460
		121,096	76,466

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2015

		CONSOLIDATED	
	Note	**2015 $'000**	2014 $'000
Current assets			
Cash and cash equivalents	8	**37,535**	23,777
Trade and other receivables	9	**109,116**	105,792
Inventories	10	**530,163**	469,205
Prepayments and deposits	11	**8,256**	1,884
Assets classified as held for sale	11	**3,010**	27,781
Property sale receivable	11	**32,013**	6,717
Total current assets		**720,093**	635,156
Non-current assets			
Property sale receivable	12(a)	**23,503**	18,826
Other loans receivable	12(b)	**10,317**	9,787
Available-for-sale financial assets	13	**281,817**	234,391
Investment in associate	14	**1,620**	1,620
Property, plant and equipment	15	**291,298**	292,485
Intangible assets	16	**160,762**	165,733
Total non-current assets		**769,317**	722,842
Total assets		**1,489,410**	1,357,998
Current liabilities			
Trade and other payables	17	**133,563**	128,038
Derivative financial instruments	18	**227**	188
Borrowings - bailment and finance lease payable	19(a)	**404,488**	363,153
Current tax liabilities	20	**124**	12,979
Provisions	21	**19,520**	20,709
Total current liabilities		**557,922**	525,067
Non-current liabilities			
Borrowings	22(a)	**209,792**	216,646
Derivative financial instruments	18	**595**	934
Deferred tax liabilities	23	**7,718**	17,350
Provisions	24	**10,374**	6,945
Total non-current liabilities		**228,479**	241,875
Total liabilities		**786,401**	766,942
Net assets		**703,009**	591,056
Equity			
Contributed equity	26	**296,060**	242,070
Reserves	27(a)	**105,375**	99,020
Retained earnings	27(b)	**293,435**	242,480
Equity attributable to equity holders of the parent		**694,870**	583,570
Non-controlling interests	29(c)	**8,139**	7,486
Total equity		**703,009**	591,056

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

CONSOLIDATED ENTITY	Issued capital $'000	Asset revaluation reserve $'000	Hedging reserve $'000	Share-based payments reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non Controlling Interests $'000	Total $'000
Balance at 1 January 2015	**242,070**	**61,668**	**(786)**	**5,941**	**32,197**	**242,480**	**583,570**	**7,486**	**591,056**
Profit for the year	-	-	-	-	-	**86,217**	**86,217**	**798**	**87,015**
Other comprehensive income	-	**1,531**	**211**	-	**32,339**	-	**34,081**	-	**34,081**
Total comprehensive income for the year	-	**1,531**	**211**	-	**32,339**	**86,217**	**120,298**	**798**	**121,096**
Transactions with owners in their capacity as owners:									
Transfer to retained earnings	-	**(18,007)**	-	-	-	**18,007**	-	-	-
Share based payments	-	-	-	**3,019**	-	-	**3,019**	-	**3,019**
Payment of dividend	-	-	-	-	-	**(54,328)**	**(54,328)**	**(145)**	**(54,473)**
Issue of shares to staff	**53,990**	-	-	**(53,990)**	-	-	-	-	-
Payments received from employees for exercised shares	-	-	-	**10,740**	-	-	**10,740**	-	**10,740**
Current tax on share plan	-	-	-	**12,352**	-	-	**12,352**	-	**12,352**
Income tax on items taken to or transferred directly from equity	-	-	-	**18,160**	-	**1,059**	**19,219**	-	**19,219**
	53,990	**(18,007)**	-	**(9,719)**	-	**(35,262)**	**(8,998)**	**(145)**	**(9,143)**
Balance at 31 December 2015	**296,060**	**45,192**	**(575)**	**(3,778)**	**64,536**	**293,435**	**694,870**	**8,139**	**703,009**

CONSOLIDATED ENTITY	Issued capital $'000	Asset revaluation reserve $'000	Hedging reserve $'000	Share-based payments reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non Controlling Interests $'000	Total $'000
Balance at 1 January 2014	231,205	73,278	(839)	4,883	31,290	198,369	538,186	939	539,125
Profit for the year	-	-	-	-	-	76,230	76,230	460	76,690
Other comprehensive income	-	(1,184)	53	-	907	-	(224)	-	(224)
Total comprehensive income for the year	-	(1,184)	53	-	907	76,230	76,006	460	76,466
Transactions with owners in their capacity as owners:									
Dividends provided for or paid	-	-	-	-	-	(42,470)	(42,470)	(842)	(43,312)
Share based payments	-	-	-	2,135	-	-	2,135	-	2,135
Transfer to retained earnings	-	(10,426)	-	-	-	10,426	-	-	-
Issue of shares to staff	1,077	-	-	(1,077)	-	-	-	-	-
Issue of shares to non-controlling entity	-	-	-	-	-	(75)	(75)	6,929	6,854
Issue of shares - others	9,788	-	-	-	-	-	9,788	-	9,788
	10,865	(10,426)	-	1,058	-	(32,119)	(30,622)	6,087	(24,535)
Balance at 31 December 2014	242,070	61,668	(786)	5,941	32,197	242,480	583,570	7,486	591,056

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	CONSOLIDATED 2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**3,516,726**	3,089,003
Payments to suppliers and employees (inclusive of GST)		**(3,393,453)**	(2,979,831)
Receipts from insurance claims		**7,003**	19,689
Interest and other costs of finance paid		**(21,365)**	(21,829)
Income taxes paid		**(39,870)**	(28,409)
Dividends received		**13,916**	19,733
Interest received		**1,596**	866
Net cash provided by operating activities	38	**84,553**	99,222
Cash flows from investing activities			
Payment for acquisition of businesses	29(a)	**(669)**	(36,818)
Payments for property, plant and equipment	15	**(18,854)**	(8,731)
Payments for intangible assets		**(2,510)**	-
Proceeds from sale of businesses	29(b)	**441**	900
Proceeds from sale of property, plant and equipment		**4,255**	37,538
Proceeds from sale of available-for-sale financial assets		**9,636**	-
Payments for shares in other corporations		**(7,345)**	(37,901)
Net cash used in investing activities		**(15,046)**	(45,012)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	27	**10,740**	-
Proceeds from borrowings		**45,000**	58,000
Repayment of borrowings		**(57,098)**	(57,584)
Dividends paid to members of A.P. Eagers Limited	7	**(54,328)**	(42,470)
Dividends paid to minority shareholders of a subsidiary		**(63)**	(485)
Net cash used in financing activities		**(55,749)**	(42,539)
Net increase in cash and cash equivalents		**13,758**	11,671
Cash and cash equivalents at the beginning of the financial year		**23,777**	12,106
Cash and cash equivalents at the end of the financial year	8	**37,535**	23,777

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information and basis of preparation

The financial report covers the Group (consolidated entity) of A.P. Eagers Limited and its subsidiaries (consolidated financial statements). A.P. Eagers Limited is a publicly listed company incorporated and domiciled in Australia.

Compliance with IFRS

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets, derivatives and certain classes of property, plant and equipment to fair value.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

Functional and presentation currency

The functional and presentation currency of the Group is the Australian Dollar.

The financial statements were authorised for issue by the Directors on the 24th February 2016.

Accounting Policies

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of A.P. Eagers Limited (The Company) and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(i) Changes in the Groups ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(ii) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment of assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be classified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

(c) Operating segments

Operating segments are identified based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

The Group has four operating segments being (i) Car Retail (ii) Truck Retail (iii) Property (iv) Investments. Currently the segment of "Other" is not required.

(d) Revenue

(i) Sales revenue

Revenue from the sales of motor vehicles and parts is recognised when the buyer has accepted the risks and rewards of ownership, generally by taking delivery of the goods.

(ii) Service revenue

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

(iii) Rental income

Rental income from operating leases is recognised in income on a straightline basis over the lease term.

(iv) Interest revenue

Interest revenue is recognised on a time proportional basis, taking into account the effective interest rates applicable to the financial assets.

(v) Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates are accounted for in accordance with the equity method of accounting in the consolidated financial statements.

(vi) Goods and Services Tax (GST)

All revenue is stated net of the amount of Goods and Services Tax (GST).

(e) Finance costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts, short and long-term borrowings
- interest on vehicle bailment arrangements
- interest on finance lease liabilities
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Taxes

(i) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(ii) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or is part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, are classified as operating cash flows.

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

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straightline basis over the period of the lease.

(h) Business combinations

The purchase method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Acquisition related costs are recognised in profit or loss as incurred. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1(r)). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss but only after are assessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present values as at the date of acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

If the initial accounting for a business acquisition is incomplete by the end of the reporting period in which the combination occurs, the consolidated entity reports provisional amounts for the items for which accounting is incomplete. The provisional amounts are adjusted during the measurement period (no longer than 12 months from the initial acquisition) on a retrospective basis by restating the comparative information presented in the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of long lived assets (excluding goodwill)

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units "CGU") and these cash flows are discounted using the estimated weighted average cost of capital of the asset/CGU. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease (refer Note 1(p)). Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment losses been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value,in which case, the reversal of the impairment loss is treated as a revaluation increase (refer Note 1(p)).

(j) Cash and cash equivalents

Cash and cash equivalents include 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(k) Receivables

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 60 days from the date of recognition.

In respect of trade and lease book receivables, collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collectability exists. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(l) Inventories

New motor vehicles are stated at the lower of cost and net realisable value. Demonstrator vehicles are stated at the lower of cost and net realisable value. Costs are assigned on the basis of specific identification.

Used motor vehicles are stated at the lower of cost and net realisable value on a unit by unit basis. Net realisable value has been determined by reference to the likely net realisable value given the age of the vehicles at year end. Costs are assigned on the basis of specific identification.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Investments and other financial assets

Investments are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in associates are accounted for under the equity method in the consolidated financial statements.

The Group classifies its other financial assets in the following categories: (i) available-for-sale financial assets and (ii) loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Available-for-sale financial assets

Available-for-sale financial assets are initially measured at cost at date of acquisition, which include transaction costs, and subsequent to initial recognition, they are carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses from the sale or impairment of investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and pricing models to reflect the issuer's specific circumstances.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position (Notes 9, 11 and 12).

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and available-for-sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is determined based on market expectations of future interest rates.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Derivatives

Derivatives are recognised at their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of exposure to variability in cash flows, which includes hedges for highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. Refer further details in Note 18.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash flow hedges

The change in the fair value from remeasuring derivatives that are designated and qualify as cash flow hedges is deferred in equity as a hedging reserve, to the extent that the hedge is effective. The ineffective portion is recognised in profit or loss immediately.

Amounts deferred in the hedging reserve are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or non-financial liability, the gains or losses previously deferred in the hedging reserve are transferred from equity and included in the initial cost and measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in the hedging reserve at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

(p) Property, plant and equipment

Land and buildings are shown at fair value, based on annual assessment by the Directors supported by periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. 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.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to property, plant and equipment revaluation reserve in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, all other decreases are charged to profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Plant & equipment	3 - 10 years
Leasehold improvements	5 - 30 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer the amounts included in the asset revaluation reserve in respect of those assets to retained earnings.

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

The make good provision is capitalised as leasehold improvements and amortised over the term of the lease.

(q) Trademarks / brand names

Trademarks / brand names are valued on acquisition where management believe there is evidence of any of the following factors: an established brand name with longevity, a reputation that may positively influence a consumers decision to purchase or service a vehicle, and strong customer awareness within a particular geographic location. Trademarks are valued using a discounted cash flow methodology. Trademarks are considered to have an indefinite life as the Group expects to hold and support such trademarks through marketing and promotional support for an indefinite period. They are recorded at cost less any impairment.

(r) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or business at the date of acquisition. Goodwill on acquisition of subsidiaries and businesses is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing (refer Note 16(a)).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at the fair value of what is expected to be paid, and subsequently at amortised cost, using the effective interest rate method.

(t) Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(u) New motor vehicle stock and related bailment

Motor vehicles secured under bailment plans are provided to the Group under bailment agreements between the floor plan loan providers and entities within the Group. The Group obtains title to the vehicles immediately prior to sale. Motor vehicles financed under bailment plans held by the Group are recognised as trading stock with the corresponding liability shown as owing to the finance provider.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that 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 taking into account the risks and uncertainties surrounding the obligation.

Provision for Warranties

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

(w) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

The Group recognises a liability and an expense for long-term incentive plans for selected executives based on targets set for diluted earning per growth.

Contributions are made by the Group to defined contribution employee superannuation funds and are charged as expenses when incurred.

(x) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(ii) Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends)
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(z) Non-Current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(ab) New or revised standards and interpretations that are first effective in the current reporting period

The group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. The adoption of all the new and revised Standards and Interpretations has resulted in changes to the Group's accounting policies and has effect on the amounts reported for the current and prior periods. The new and revised Standards and Interpretations has not had a material impact on profit or loss and other comprehensive income but has resulted in changes to the Group's presentation of, or disclosure in its financial statements.

(i) Amendments to AASB 132 offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to AASB 132 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to AASB 132A clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legal enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements. The Group has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Group's consolidated financial statements.

(ii) Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal.

These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

At the date of authorisation of the financial statements, the following Standards and Interpretations relevant to the Group were in issue but not yet effective.

The potential impact of the new or revised Standards and Interpretations has not yet been determined.

List of Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15' and AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15'	1 January 2018	31 December 2018
AASB 9 'Financial Instruments' (December 2014), and the relevant amending standards	1 January 2018	31 December 2018
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 December 2016
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	31 December 2016
AASB 2015-9 'Amendments to Australian Accounting Standards – Scope and Application Paragraphs'	1 January 2016	31 December 2019

At the date of authorisation of the financial statements, there were no IASB Standards or IFRIC Interpretations on issue but issue not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued. The potential impact on the new and revised standards and interpretations has not yet been determined.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
IFRS 16 Leases	1 January 2019	31 December 2019
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017	31 December 2017
Disclosure Initiative (Amendments to IAS 7)	1 January 2017	31 December 2017

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) Estimated impairment of goodwill and other intangibles with indefinite useful lives

Goodwill and other intangibles with indefinite useful lives with a carrying value of $160,762,000 (2014: $165,733,000) are tested annually for impairment, based on estimates made by directors. The recoverable amount of the intangibles is based on the greater of 'Value in use' or 'Fair value less costs to dispose'. Value in use is assessed by the Directors through a discounted cash flow analysis which includes significant estimates and assumptions related to growth rates, margins, working capital requirements and cost of capital. Fair value less costs to dispose is assessed by the Directors based on their knowledge of the industry and recent market transactions. Further information on the intangibles impairment test can be found in Note 16(a).

(ii) Fair value estimation of land and buildings

Land and buildings with a carrying value of $249,246,000 (2014: $250,317,000) are carried at fair value. This fair value is determined by the Directors and is supported by formal independent valuations conducted periodically but at least every three years. Further information on the fair value estimation of land and buildings can be found in Note 15.

(iii) Provisions for warranties

A provision for warranties of $4,183,000 (2014: $3,863,000) has been recognised for extended warranties provided for the Group's retail new and used vehicle sales. This provision has been estimated based on past experience and confirmation of future costs by the administrators of the warranty programmes. Further information on the provision for warranties can be found in Note 21.

(iv) Estimation of make good provisions

An amount of $2,122,000 (2014: $1,787,000) has been estimated in respect of anticipated costs of future restoration of leased properties. A bank guarantee has been given for $1,970,000 recognised for one leased property, which has approximately 13 years to run at balance date. In terms of the lease, this amount will be indexed and will increase in the future, therefore it is the maximum estimate of what would be payable. Further information on the estimate of make good provisions can be found in Note 24.

3 REVENUE

	CONSOLIDATED	
	2015 $'000	2014 $'000
Sales revenue		
New vehicles	**1,976,916**	1,737,717
Used vehicles	**652,080**	557,331
Parts	**384,789**	342,109
Service	**186,047**	170,273
Other	**1,923**	1,177
	3,201,755	2,808,607
Other revenue		
Dividend received	**13,752**	12,087
Rents	**96**	54
Interest	**3,182**	1,670
Proceeds of insurance claims	**7,003**	19,587
Commissions	**14,833**	11,151
Other	**5,755**	4,957
	44,621	49,506
Total revenue	**3,246,376**	2,858,113

4 OTHER GAINS

Gains on disposal of other assets	**2,936**	3,892
Net gain on sale of available-for-sale financial assets	**3,490**	-
	6,426	3,892

5 EXPENSES

	Note	CONSOLIDATED 2015 $'000	2014 $'000
(a) Profit before income tax includes the following specific expenses:			
Depreciation			
Buildings		**3,195**	3,540
Plant and equipment		**6,854**	5,960
Leased motor vehicles		**1,149**	744
Total depreciation	15	**11,198**	10,244
Amortisation			
Leasehold improvements		**1,891**	2,201
Brand names		**127**	138
Total depreciation and amortisation		**13,216**	12,583
Finance costs			
Vehicle bailment		**10,493**	10,691
Other		**10,800**	11,389
Total finance costs		**21,293**	22,080
Rental expense relating to operating leases			
Minimum lease payments		**27,414**	21,310
Contributions to super funds		**24,119**	21,362
Provision expenses			
Inventory		**3,174**	7,977
Warranties		**5,390**	6,167
Bad debts		**307**	459
		8,871	14,603
Share-based payments		**3,019**	2,135
Business acquisition costs		**201**	2,761
(b) Impairment of non-current assets			
Revaluation loss of land and buildings		**2,083**	578
Impairment of intangibles		**5,527**	-
		7,610	578

6 INCOME TAX

	CONSOLIDATED 2015 $'000	2014 $'000
(a) Income tax expense (benefit)		
Current income tax expense	**38,972**	28,243
Deferred income tax benefit	**(5,029)**	(2,093)
	33,943	26,150
Deferred income tax expense/(benefit) included in income tax expense comprises:		
In respect of the current year	**(5,029)**	(2,093)
Deferred tax reclassified from equity to profit or loss	**1,047**	-
Closing balance	**(3,982)**	(2,093)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**120,958**	102,840
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	**36,287**	30,852
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment	**1,658**	-
Depreciation and amortisation	**220**	212
Non-taxable dividends	**(4,175)**	(5,827)
Non allowable expenses	**377**	1,692
Property revaluation	**625**	-
Sundry items	**(1,049)**	(779)
Income tax expense	**33,943**	26,150
(c) Tax expense (income) relating to items of other comprehensive income		
Aggregate deferred tax arising in the reporting period and directly debited to other comprehensive income	**(15,652)**	(95)

7 DIVIDENDS

	CONSOLIDATED	
	2015 $'000	2014 $'000
(a) Ordinary dividends fully franked based on tax paid @ 30%		
Final dividend for the year ended 31 December 2014 of 18.0 cents per share (2013 - 15.0 cents) paid on 17 April 2015	**32,239**	26,516
Interim dividend of 12.0 cents (2014 - 9.0 cents) per share paid on 7 October 2015	**22,089**	15,954
Total dividends paid	**54,328**	42,470
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the years ended 31 December 2015 and 2014 were as follows:		
Paid in cash	**54,328**	42,470
(b) Dividends not recognised at year end		
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 20 cents per share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 19 April 2016 out of the retained profits at 31 December 2015, but not recognised as a liability at year end, is:	**36,940**	32,176
(c) Franked dividends		
The final dividend recommended after 31 December 2015 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 December 2015.		
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2014 - 30.0%)	**159,089**	148,995
The above amounts represent the balances of the franking account as at the end of the financial year, adjusted for:		
(a) franking credits that will arise from the payment of the current tax liability		
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and		
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.		
Impact on franking credits of dividends not recognised	**(15,831)**	(13,790)

8 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Current assets		
Cash at bank and on hand	**3,535**	10,777
Short term deposits	**34,000**	13,000
	37,535	23,777

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	**37,535**	23,777
Less: Bank overdrafts	**-**	-
Balances per Statement of cash flows	**37,535**	23,777

9 CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Trade and other receivables	**111,887**	108,414
Provision for doubtful receivables	**(2,771)**	(2,622)
	109,116	105,792

(i) The ageing of lease, property and trade receivables at 31 December 2015 is detailed below:

	CONSOLIDATED			
	2015		2014	
	Gross $'000	**Provision $'000**	Gross $'000	Provision $'000
Not past due	**106,082**	**2,006**	100,857	1,778
Past due 0-30 days	**3,511**	**80**	4,339	102
Past due 31 days plus	**2,294**	**685**	3,218	742
Total	**111,887**	**2,771**	108,414	2,622

The maximum credit period on trade sales is 60 days. No interest is charged on the trade receivables from the date of invoice or when past due. The Group has provided fully for all receivables identified by management as being specifically doubtful, and in addition has provided 10% for all receivables over 90 days and 2.5% of total trade receivables excluding motor vehicle debtors. The Group's provision policy is based on an assessment of changes in credit quality and historical experience.

Included in the Group's trade receivables balance are debtors with a carrying amount of $5,039,000 (2014: $6,713,000) which are past due at the reporting date. The Group has not provided for these balances as there have not been any specifically identified factors that would indicate a deterioration of credit quality. The Group therefore still considers the amounts recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 61 days (2014: 62 days).

(ii) Movement in provision for doubtful receivables

	CONSOLIDATED	
	2015 $'000	2014 $'000
Opening balance	**2,622**	2,410
Additional provisions	**307**	459
Addition due to acquisitions	**-**	29
Amounts written off during the year	**(158)**	(276)
Closing balance	**2,771**	2,622

In determining the recoverability of a trade receivable the Group considers any deterioration in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large, diverse and unrelated. Accordingly, the Directors believe that there is no further provision required in excess of the provision for doubtful debts.

10 CURRENT ASSETS – INVENTORIES

	CONSOLIDATED 2015 $'000	2014 $'000
New motor vehicles & trucks - bailment stock - at cost	**400,900**	343,812
Less: Write-down to net realisable value	**(6,258)**	(7,835)
	394,642	335,977
Used vehicles & trucks - at cost	**87,369**	89,446
Less: Write-down to net realisable value	**(5,358)**	(7,855)
	82,011	81,591
Parts and other consumables - at cost	**55,344**	53,618
Less: Write-down to net realisable value	**(1,834)**	(1,981)
	53,510	51,637
Total inventories	**530,163**	469,205

11 CURRENT ASSETS – OTHER CURRENT ASSETS

(a) Prepayments and deposits		
Prepayments and deposits	**8,256**	1,884
(a) Assets classified as held for sale		
Property held for sale	**-**	27,781
Intangible asset held for sale	**3,010**	-
	3,010	27,781

The prior year assets related to property held by the Group that were sold during 2015. As at 31 December 2015 no property is expected to be sold within 12 months.

Refer to Note 15 for information about assets and liabilities of a disposal group that were classified as held for sale at 31 December 2014.

Intangible asset held for sale is expected to be sold within 12 months of balance date.

(c) Property sale receivables

Property sale receivables	**32,013**	6,717

Sale of property where proceeds are expected to be received within 12 months of balance date.

12 NON-CURRENT ASSETS – RECEIVABLES

	CONSOLIDATED 2015 $'000	2014 $'000
(a) Property sale receivables		
Property sale receivables	**23,503**	18,826
(b) Loans receivables		
Loans receivables	**10,317**	9,787

13 NON-CURRENT ASSETS – AVAILABLE-FOR-SALE INVESTMENTS CARRIED AT FAIR VALUE

	2015 $'000	2014 $'000
Shares in a listed company - Automotive Holdings Group Limited [1]	**275,288**	232,046
Shares in a listed company - Smartgroup Corporation Ltd [1]	**4,184**	-
Shares in an unlisted company - One Way Traffic Pty Ltd (Carsguide) [2]	**2,345**	2,345
	281,817	234,391

[1] The Directors have assessed the fair value of the investment as at 31 December 2015 based on the market price of the shares on the last trading day of the reporting period. This is a level 1 fair value measurement asset being derived from inputs based on quoted prices that are observable.

[2] The Directors have assessed the fair value of the investment as at 31 December 2015 is materially consistent with its cost of acquisition. This is a level 3 fair value measurement asset being derived from inputs other than quoted prices that are unobservable from the asset either directly or indirectly.

Valuation of available for sale investments

Details of the Group's available for sale investments and information about the fair value hierarchy as at 31 December 2015 are as follows:

	Unobservable inputs used in determination of fair values			
Class of Financial Assets and Liabilities	**Carrying Amount 31/12/15 $'000**	**Carrying Amount 31/12/14 $'000**	**Valuation Technique**	**Key Input**
Level 1 Available for sale investments - listed entities	**279,472**	232,046	Quoted bid prices in an active market.	Quoted bid prices in an active market.
Level 3 Available for sale investments - unlisted entities	**2,345**	2,345	Net asset assessment and available bid prices from equity participants	Pre tax operating margin taking into account managements' experience and knowledge of market conditions and financial position Market information based on available bid prices

There were no transfers between levels in the year.

14 NON-CURRENT ASSETS – INVESTMENT IN ASSOCIATE

	CONSOLIDATED	
	2015 $'000	2014 $'000
Shares in associate - Norna Limited	**1,620**	1,620

Investment in associates is accounted for in the consolidated financial statements using the equity method of accounting (refer Note 40).

Reconciliation of the carrying amount of investment in associate is set out in Note 40(b).

15 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Freehold land and buildings - at fair value		
Directors' valuation		
Land	**149,592**	152,879
Buildings	**99,377**	97,251
Construction in progress	**277**	187
Total land and buildings	**249,246**	250,317
Leasehold improvements		
At cost	**27,098**	27,625
Accumulated depreciation	**(12,589)**	(13,179)
Total leasehold improvements	**14,509**	14,446
Plant and equipment		
At cost	**60,025**	55,644
Accumulated depreciation	**(33,622)**	(33,842)
Total plant and equipment	**26,403**	21,802
Motor vehicles under lease		
At cost	**1,733**	8,901
Accumulated depreciation	**(593)**	(2,981)
Total motor vehicles under lease	**1,140**	5,920
Total property, plant and equipment	**291,298**	292,485

Valuation of land and buildings

The basis of the Directors' valuation of land and buildings is the assessed fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction at balance date, based on current prices in an active market for similar properties in the same location and condition. The assessed fair value is supported by periodic, but at least triennial valuations, by external third party valuers. The 2015 valuations were made by the Directors based on their assessment of prevailing market conditions and supported by fair value information received from independent expert property valuers on certain properties and the Group's own market activities and market knowledge.

15 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 December 2015 are as follows:

			Unobservable inputs used in determination of fair values							
Class of Financial Assets & Liabilities	Carrying Amount 31/12/15 $'000	Carrying Amount 31/12/14 $'000	Valuation Technique	Key Input	Input	Average/ Range 2015	Average/ Range 2014	Other key Information	Range (weighted avg) 2015	Range (weighted avg) 2014
Level 3 Car – HBU Alternate Use	**42,911**	44,601	Direct Comparison	External valuations Specific incomplete transactions	Price /sqm Land	**Average $1,440/sqm** **Range $1,278 - $2,622 /sqm**	Average $1,875/sqm Range $1,623 - $2,688/sqm	Land size	**Average 7,199 sqm** **Range 779 - 24,160 sqm**	Average 7,173 sqm Range 779 - 18,160 sqm
Level 3 Car Dealership	**170,294**	167,389	Summation method, income capitalisation and direct comparison	External valuations Industry benchmarks	Net Rent/ Gross Income 8% - 12% (Non-luxury) 10% - 14% (Luxury)	**Average 8.5%** **Range 3.7% - 23.8%**	Average 9.6% Range 3.4% - 15.9%	Net Rent / sqm Land	**Average $94 sqm** **Range $14 - $297 sqm**	Average $96 sqm Range $25 - $297 sqm
					Capitalisation Rate	**Average 8.0%** **Range 2.5% - 9.7%**	Average 8.2% Range 6.7% - 9.8%	Net Rent / sqm GBA	**Average $194 sqm** **Range $62 - $747 sqm**	Average $197 sqm Range $100 - $750 sqm
Level 3 Development - Car Dealership	**9,350**	9,350	Direct Comparison	External valuations	Price /sqm Land	**Average $459/sqm** **Range $330 - $821/sqm**	Average $459/sqm Range $330 - $821/sqm			
Level 3 Truck Dealership	**18,436**	20,734	Direct Comparison	External valuations	Price /sqm Land Price /sqm GBA	**Average $330/sqm** **Range $206 - $440/sqm**	Average $371/sqm Range $209 - $526 /sqm	Land Size	**Average 18,641 sqm** **Range 7,218 - 25,700 sqm**	Average 18,641 sqm Range 7,218 - 25,700 sqm
								Net Rent /Land sqm	**Average $30 sqm** **Range $17 to $43 sqm**	Average $30 sqm Range $17 to $43 sqm
								Capitalisation Rate	**Average 9.2%** **Range 8.2% to 9.7%**	Average 8.2% Range 8.1% to 8.4%
Level 3 Other Logisitics	**7,977**	8,056	Income capitalisation method supported by market comparison	External valuations	Capitalisation Rate	**Average 8.2%** **Range 8.1% to 8.3%**	Average 8.1% Range 8.0% to 8.2%	Net Rent /sqm GBA	**Average $90 sqm** **Range $79 - $143 sqm**	Average $90 sqm Range $79 - $143 sqm
Sub Total	**248,969**	250,130								
Construction in progress	**277**	187								
Total	**249,245**	250,317								

There were no transfers between levels during the year.

15 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Explanation of asset classes: Car - Higher and Best Use (HBU). Alternate Use refers to properties currently operated as car dealerships which have a higher and best use HBU greater than that of a car dealership; Car Dealership refer to properties operating as car dealership with a consistent HBU; Development Car Dealership refers to properties which are in progress of, or being held for future development as a car dealership; Truck Dealership refers to properties being operated as a truck dealership with a HBU consistent with that use; Other Logistics are industrial properties used for parts warehousing and vehicle logistics.

Carrying amounts that would have been recognised if land and buildings were stated at cost

If freehold land was carried at historical cost, its current carrying value would be $98,791,000 (2014: $98,129,000). If freehold buildings (including construction in progress) were carried at historical cost, its current carrying value (after depreciation) would be $99,654,000 (2014: $97,438,000).

Non-current assets pledged as security

Refer to Note 22 for information on non-current assets pledged as security by the Group.

Reconciliations

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year is set out below:

	Freehold land $'000	Freehold buildings $'000	Construction in progress $'000	Leasehold improve-ments $'000	Motor vehicles under lease $'000	Plant and equipment $'000	Total $'000
Consolidated 2015							
Carrying amount at the start of the year	**152,879**	**97,251**	**187**	**14,446**	**5,920**	**21,802**	**292,485**
Additions	**-**	**5,208**	**237**	**1,954**	**-**	**11,455**	**18,854**
Disposals/transfers	**(3,391)**	**113**	**(147)**	**-**	**(3,631)**	**-**	**(7,056)**
Revaluation loss debited to asset revaluation reserve	**2,187**	**-**	**-**	**-**	**-**	**-**	**2,187**
Revaluation charged to profit and loss	**(2,083)**	**-**	**-**	**-**	**-**	**-**	**(2,083)**
Depreciation/ amortisation expense	**-**	**(3,195)**	**-**	**(1,891)**	**(1,149)**	**(6,854)**	**(13,089)**
Carrying amount at end of year	**149,592**	**99,377**	**277**	**14,509**	**1,140**	**26,403**	**291,298**
Consolidated 2014							
Carrying amount at the start of the year	193,500	112,357	6,803	14,533	-	17,763	344,956
Additions	-	6,549	187	2,114	6,664	9,999	25,513
Disposals/transfers	(23,666)	(14,223)	(6,803)	-	-	-	(44,692)
Revaluation loss debited to asset revaluation reserve	(1,692)	-	-	-	-	-	(1,692)
Revaluation charged to profit and loss	(578)	-	-	-	-	-	(578)
Depreciation/ amortisation expense	-	(3,540)	-	(2,201)	(744)	(5,960)	(12,445)
Transfer to property assets held for sale	(14,685)	(3,892)	-	-	-	-	(18,577)
Carrying amount at end of year	152,879	97,251	187	14,446	5,920	21,802	292,485

16 INTANGIBLE ASSETS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Goodwill	**153,993**	158,837
Trademarks/brand names	**6,769**	6,896
	160,762	165,733
Movement - Goodwill		
Balance at the beginning of the financial year	**158,837**	119,542
Additional amounts recognised:		
- from business combinations during the year	**1,033**	39,295
Less: Impairment during the year (Note 16(a))	**(5,527)**	-
Less: Disposal of businesses	**(350)**	-
Balance at the end of the financial year	**153,993**	158,837
Movement - Trade marks/brand names		
Balance at the beginning of the financial year	**6,896**	5,717
Purchase of brand name during the year	**-**	1,317
Less: Amortisation of brand names	**(127)**	(138)
Balance at the end of the financial year	**6,769**	6,896

(a) Impairment tests for goodwill

For the purpose of impairment testing, goodwill is allocated to each of the consolidated entity's cash generating units (CGU), or groups of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or groups of units to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes, largely on a dealership by dealership level.

A segment-level summary of the goodwill allocation is presented below:

Automotive dealership operations:		
Goodwill	**146,043**	145,360
Trade marks/brand names	**5,719**	5,846
	151,762	151,206
Truck dealership operations:		
Goodwill	**7,950**	13,477
Trade marks/brand names	**1,050**	1,050
	9,000	14,527

16 INTANGIBLE ASSETS (continued)

The recoverable amount of a CGU or group of CGUs to which goodwill and other indefinite life intangible assets is allocated is determined based on the greater of its value in use and its fair value less costs of disposal. Fair value is determined as being the amount obtainable from the sale of a CGU in an arms length transaction between knowledgeable and willing parties at balance date. This fair value assessment less costs of disposal is conducted by the Directors based on their extensive knowledge of the automotive and truck retailing industry including the current market conditions prevailing in the industry. The value in use assessment is conducted using a discounted cash flow (DCF) methodology requiring the Directors to estimate the future cash flows expected to arise from the cash generating units and then applying a discount rate to calculate the present value.

The DCF model adopted by directors was based on the 2015 financial budgets approved by the Board, a 3% (2014: 3%) perpetual growth rate and a pre-tax discount rate of 11% (2014: 11%). This growth rate does not exceed the long term average growth rate for the industry.

For the automotive dealership operations the Directors believe that any reasonable change in the key assumptions on which the recoverable amount is based is not expected to cause the carrying amount to exceed the recoverable amount of the CGUs.

For the truck dealership operations the Directors believe that any reasonable change in the key assumptions on which the recoverable amount is based may cause the carrying amount to exceed the recoverable amount of the CGU and may result in further impairment.

(b) Impairment charge

The Directors' assessment in 2015 determined that goodwill was impaired to the extent of $5,527,000 (2014: nil). The impairment related to the Truck Dealership Division and was the result of challenging new and used heavy truck trading conditions consistent with a weak market environment.

17 CURRENT LIABILITIES – PAYABLES

	CONSOLIDATED	
	2015 $'000	2014 $'000
Trade and other payables		
Trade payables [i]	**68,249**	73,005
Other payables	**65,314**	55,033
	133,563	128,038

[i] The average credit period on purchases of goods is 30 days.
No interest is charged on trade payables from the date of invoice.
The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

18 DERIVATIVE FINANCIAL INSTRUMENTS

Current liabilities		
Interest rate swap contracts - cash flow hedges	**227**	188
Total current derivative financial instrument liabilities	**227**	188
Non-current liabilities		
Interest rate swap contracts - cash flow hedges	**595**	934
Total non-current derivative financial instrument liabilities	**595**	934

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates in accordance with the Group's financial risk management policies (refer to Note 28).

Bailment finance of the Group currently bears an average variable interest rate of 4.25% (2014: 4.78%). As per Group policy bailment finance is not hedged.

The interest rate swaps currently in place are providing a fixed rate of interest on the variable cash advances drawn down under the term facility. The swap contracts in place cover approximately 55% (2014: 55%) of the term facility outstanding at the year end. The contracts require settlement of net interest receivable or payable each 30 days.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve to the extent that the hedge is effective and re-classified into profit or loss when the hedged interest expense is recognised. The ineffective portion is recognised in profit or loss immediately.

At balance date, a gain from remeasuring the hedging instruments at fair value of $822,000 (2014: $1,122,000) has been recognised in equity in the hedging reserve (Note 27(a)). No portion was ineffective.

18 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Valuation of derivative financial instruments

Details of the Group's derivative financial instruments and information about the fair value hierarchy as at 31 December 2015 are as follows:

	Unobservable inputs used in determination of fair values			
Class of Financial Assets and Liabilities	Carrying Amount 31/12/15 $'000	Carrying Amount 31/12/14 $'000	Valuation Technique	Key Input
Level 2 Cash flow hedges – Interest rate swaps	**822**	1,122	Discounted cash flow.	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between levels in the year.

19 CURRENT LIABILITIES - BORROWINGS - BAILMENT AND FINANCE LEASE PAYABLE

	CONSOLIDATED	
	2015 $'000	2014 $'000
(a) Bailment and finance lease payable		
Bailment finance	**404,134**	357,555
Finance lease payable (Note 31)	**354**	5,598
	404,488	363,153

(i) Bailment finance

Bailment finance is provided on a vehicle by vehicle basis by various finance providers at an average interest rate of 4.25% p.a. applicable at 31 December 2015 (2014: 4.78%). Bailment finance is repayable within a short period after the vehicle is sold to a third party, generally within 48 hours.

(ii) Finance Lease

The finance lease liability is secured against associated leased assets and is provided by various finance providers at an average interest rate of 6.08% p.a. applicable at 31 December 2015 (2014: 6.03%).

(iii) Interest rate risk exposures

Details of the Group's exposure to interest rate changes on interest bearing liabilities is set out in Note 28.

(iv) Fair value disclosures

Details of the Group's fair value of interest bearing liabilities is set out in Note 28.

(v) Security

Details of the security relating to each of the secured liabilities and further information on bank loans is set out in Note 22.

20 CURRENT LIABILITIES – CURRENT TAX LIABILITIES

Income tax	**124**	12,979

21 CURRENT LIABILITIES – PROVISIONS

Employee benefits	**15,337**	16,846
Warranties	**4,183**	3,863
	19,520	20,709

21 CURRENT LIABILITIES – PROVISIONS (continued)

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

Consolidated entity 2015	Warranties $'000
Carrying amount at the start of the year	3,863
Additional provisions recognised	5,390
Payments charged against provisions	(5,070)
Carrying amount at end of year	4,183

(b) Warranty Provision

An estimate is made based on past experience, and confirmation of future costs by the administrator of the warranty program, of the expected expenditure on new and used motor vehicles in terms of warranties on these vehicles.

22 NON-CURRENT LIABILITIES – BORROWINGS (SECURED)

	CONSOLIDATED	
	2015 $'000	2014 $'000
(a) Borrowings – others		
Term facility	**154,000**	144,000
Capital loan	**55,000**	70,000
Finance lease payables	**792**	2,646
	209,792	216,646
SECURED LIABILITIES		
Total secured liabilities (current and non-current) are:		
Term facility [i]	**154,000**	144,000
Capital loan [ii]	**55,000**	70,000
Finance lease payable [iii]	**1,146**	8,244
Bailment finance [iv]	**404,134**	357,555
Total secured liabilities	**614,280**	579,799

(i) The term facility is secured by a general security agreement which includes registered first mortgages held by a security trustee over specific freehold land and buildings and a general charge over assets. This excludes new and used inventory and related receivables, letter of set off given by and on account of the parent entity and its subsidiaries, and a Corporate Guarantee and Indemnity unlimited as to amount given by the parent entity and its subsidiaries.

(ii) The capital loan is secured by registered first mortgages given by subsidiaries over specific freehold land and buildings, letter of set off given by and on account of the parent entity and its subsidiaries, and a Corporate Guarantee and Indemnity unlimited as to amount given by the parent entity and its subsidiaries.

(iii) The finance lease liability is secured against associated leased assets.

(iv) Vehicle bailment finance reflects a liability payable to the consolidated entity's bailment financiers. This liability is represented by and secured over debtors included in current assets receivables in respect of recent vehicle deliveries to customers, and by new vehicles, demonstrator vehicles and some used vehicles all included in inventories (bailment stock). Refer Note 10.

22 NON-CURRENT LIABILITIES – BORROWINGS (SECURED) (continued)

ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security are:

	Note	CONSOLIDATED 2015 $'000	2014 $'000
Non-current assets pledged as security			
Freehold land and buildings - first mortgage	15	**247,791**	248,833
Other non-current assets		**520,070**	472,525
Current assets pledged as security			
Property assets held for sale		**-**	27,781
Inventories		**404,134**	357,555
Other current assets		**207,023**	143,968
Total assets pledged as security		**1,379,018**	1,250,662

FINANCING ARRANGEMENTS

The consolidated entity has access to the following lines of credit at balance date:

	2015 $'000	2014 $'000
Total facilities		
Term facility [i]	**260,000**	199,000
Working capital facility (includes bank overdraft) [iii]	**25,000**	25,000
Capital loan [ii]	**55,000**	70,000
Bailment finance [iv]	**567,734**	485,315
Bank guarantees	**22,000**	17,089
Finance lease payables [v]	**3,000**	19,500
	932,734	815,904
Used at balance date		
Term facility	**154,000**	144,000
Capital loan	**55,000**	70,000
Bailment finance	**404,134**	357,555
Bank guarantees	**17,010**	16,298
Finance lease payables	**1,145**	8,244
	631,289	596,097
Unused at balance date		
Term facility	**106,000**	55,000
Working capital facility (includes bank overdraft)	**25,000**	25,000
Bailment finance	**163,600**	127,760
Bank guarantees	**4,990**	791
Finance lease payables	**1,855**	11,256
	301,445	219,807

(i) Term facility at balance date was provided on a non-amortisable (interest only) basis subject to compliance with specific covenants for a fixed term.

(ii) Capital loan facility at balance date was provided on a non-amortisable (interest only) basis for a fixed term.

(iii) Working capital facility at balance date was provided on a non-amortisable (interest only) basis subject to compliance with specific covenants and an annual review.

(iv) Bailment facilities are used to finance the acquisition of new vehicle and some used vehicle trading stock. These facilities include a combination of fixed term and open ended arrangements and are subject to review periods ranging from quarterly to annual. These facilities generally include short term termination notice periods and are disclosed as current liabilities in the statement of financial position.

(v) The finance lease liability provides direct and specific funding to a portfolio of finance leases associated with rental vehicles.

23 DEFERRED TAX LIABILITIES

		CONSOLIDATED	
	Note	2015 $'000	2014 $'000
Deferred tax liabilities		**(7,718)**	(17,350)
The balance comprises temporary differences attributable to:			
Amounts recognised in profit or loss			
Book versus tax carrying value of plant and equipment	15	**1,900**	1,668
Inventory valuation		**2,628**	1,059
Prepayments		**942**	330
Provisions			
Doubtful debts		**(831)**	(787)
Employee benefits		**(12,262)**	(12,388)
Warranties		**(1,157)**	(1,170)
Inventory write downs		**(897)**	(595)
Property receivable		**(2,091)**	(2,563)
Sundry items		**(259)**	(35)
		(12,027)	(14,481)
Amounts recognised directly in equity			
Revaluation of available-for-sale investment		**27,659**	13,799
Revaluation of property, plant and equipment		**11,551**	18,369
Hedge liability		**(246)**	(337)
Share options trust		**(19,219)**	-
Sub-total other		**19,745**	31,831
Net deferred tax liabilities		**7,718**	17,350
The deferred tax expense included in income tax expense in respect of the above temporary differences resulted from the following movements:			
Opening balance at 1 January		**17,350**	27,482
Deferred tax assets relating to business combinations		**(22)**	(945)
Property receivable		**-**	(6,999)
Deferred tax expense/(benefit) (Note 6a)		**(5,029)**	(2,093)
Share options trust		**(19,219)**	-
Adjustments recognised in the current year in relation to deferred tax on prior years		**32**	-
Deferred tax recognised directly in equity			
Revaluation of available-for-sale investment		**14,907**	389
Revaluation of property plant and equipment		**656**	(508)
Movement in fair value of cash flow hedge		**90**	24
Arising on income and expenses reclassified from equity to profit & loss - relating to available-for-sale financial assets		**(1,047)**	-
Closing balance at 31 December		**7,718**	17,350

24 NON-CURRENT LIABILITIES - PROVISIONS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Employee benefits - long service leave	**8,252**	5,158
Make good provision	**2,122**	1,787
	10,374	6,945

(a) A make good clause under a long term property lease has been recognised in the financial statements. The lessor of the property has been provided with a bank guarantee of $1,970,000 in respect of the estimated make good cost and rental costs.

(b) Movement in the provision:

	2015 $'000	2014 $'000
Balance at start of year	**1,787**	1,767
Recognition of additional provision during the year	**353**	20
Payments against provision	**(18)**	-
Carrying amount at end of year	**2,122**	1,787

Make good provision on leasehold improvements

A provision has been made for the expected cost of restoring the premises to its original condition at the end of the lease.

25 SEGMENT INFORMATION

Segments are identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker, being the board of directors, in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in four operating and reporting segments being (i) Car Retailing (ii) Truck Retailing (iii) Property and (iv) Investments, these being identified on the basis of being the components of the consolidated entity that are regularly reviewed by the chief decision maker for the purpose of resource allocation and assessment of segment performance. Information regarding the consolidated entity's reporting segments is presented below.

(a) Car Retailing

Within the Car Retail segment, the consolidated entity offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, extended service contracts, vehicle brokerage, vehicle protection products and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

This segment also includes a motor auction and car rental business.

(b) Truck Retailing

Within the Truck Retail segment, the consolidated entity offers a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, extended service contracts, truck protection products and other aftermarket products. They also facilitate financing for truck purchases through third-party sources. New trucks, truck parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

(c) Property

Within the Property segment, the consolidated entity acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges the Car Retailing segment commercial rentals for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the Directors supported by periodic, but at least triennial valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker as profit adjustments in assessing the overall returns generated by this segment to the consolidated entity.

(d) Investments

This segment includes the investments in One Way Traffic Pty Ltd, trading as Carsguide, Automotive Holdings Group Limited and Smartgroup Corporation Limited

(e) Other

Currently the segment "Other" is not required.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 1 with the exception of all changes in fair value of property and investments being recognised as profit or loss adjustments for segment reporting purposes. This compares to the Group policy of crediting increments to a property plant and equipment and investment reserve in equity (refer Note 1(p)).

Segment profit represents the profit earned by each segment without allocation of unrecouped corporate / head office costs and income tax. External bailment is allocated to the Car Retailing and Truck Retailing segments. Bills payable funding costs are allocated to the Car Retailing, Truck Retailing, Property and Investment segments based on notional market based covenant levels.

This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance. For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible, and financial assets attributable to each segment. All assets are allocated to reportable segments.

Geographic Information

The Group operates in one principal geographic location, being Australia.

25 SEGMENT INFORMATION (continued)

Segment reporting 2015	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	2,857,208	344,546	96	-	-	3,201,850
Inter-segment sales	-	-	25,013	-	(25,013)	-
Total sales revenue	2,857,208	344,546	25,109	-	(25,013)	3,201,850
Other revenue	27,449	529	2,796	13,752	-	44,526
TOTAL REVENUE	2,884,657	345,075	27,905	13,752	(25,013)	3,246,376
SEGMENT RESULT						
Operating profit before interest	106,040	4,638	19,503	13,666	-	143,847
External interest expense allocation	(10,373)	(2,367)	(6,283)	(2,270)	-	(21,293)
OPERATING CONTRIBUTION	95,667	2,271	13,220	11,396	-	122,554
Share of net profit of equity accounted investments	164	-	-	-	-	164
Business acquisition costs	(201)	-	-	-	-	(201)
GST refunds	2,326	-	-	-	-	2,326
Investment revaluation		-	-	46,199	(46,199)	-
Property revaluation	-	-	104	-	(2,187)	(2,083)
Profit on sale of property/businesses	-	-	3,010	3,490	-	6,500
Goodwill impairment	-	(5,527)	-	-	-	(5,527)
SEGMENT PROFIT	97,956	(3,256)	16,334	61,085	(48,386)	123,733
Unallocated corporate expenses						(2,775)
PROFIT BEFORE TAX						120,958
Income tax expense						(33,943)
NET PROFIT						87,015
Depreciation and amortisation	8,226	1,186	3,804	-	-	13,216
Non cash expenses (reversal of expenses) other than depreciation and amortisation	2,826	47	335	-	-	3,208
Impairment of trade receivables	40	110	-	-	-	150
Write down (back) of inventories to net realisable value	(2,006)	(1,664)	-	-	-	(3,670)
ASSETS						
Segment assets	732,798	128,132	343,653	284,827	-	1,489,410
LIABILITIES						
Segment liabilities	476,023	99,578	154,819	55,981	-	786,401
NET ASSETS	256,775	28,554	188,834	228,846	-	703,009
Acquisitions of non-current assets, including assets of businesses acquired	13,974	468	5,445	10,355	-	30,242

25 SEGMENT INFORMATION (continued)

Segment reporting 2014	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	2,435,176	373,431	54	-	-	2,808,661
Inter-segment sales	-	-	28,515	-	(28,515)	-
Total sales revenue	2,435,176	373,431	28,569	-	(28,515)	2,808,661
Other revenue	35,232	754	1,379	12,087	-	49,452
TOTAL REVENUE	2,470,408	374,185	29,948	12,087	(28,515)	2,858,113
SEGMENT RESULT						
Operating profit before interest	76,007	5,825	20,889	11,990	-	114,711
External interest expense allocation	(10,282)	(2,315)	(6,832)	(2,651)	-	(22,080)
OPERATING CONTRIBUTION	65,725	3,510	14,057	9,339	-	92,631
Share of net profit of equity accounted investments	4,939	-	-	-	-	4,939
Business acquisition costs	(2,761)	-	-	-	-	(2,761)
Investment revaluation	-	-	-	1,295	(1,295)	-
Property revaluation	-	-	(2,270)	-	1,692	(578)
Profit on sale of property/businesses	900	-	2,992	-	-	3,892
SEGMENT PROFIT	68,803	3,510	14,779	10,634	397	98,123
Unallocated corporate expenses						4,717
PROFIT BEFORE TAX						102,840
Income tax expense						(26,150)
NET PROFIT						76,690
Depreciation and amortisation	7,453	1,082	4,048	-	-	12,583
Non cash expenses (reversal of expenses) other than depreciation and amortisation	3,620	(217)	-	-	-	3,403
Impairment of trade receivables	277	(94)	-	-	-	183
Write down (back) of inventories to net realisable value	5,387	2,084	-	-	-	7,471
ASSETS						
Segment assets	657,062	146,085	320,460	234,391	-	1,357,998
LIABILITIES						
Segment liabilities	438,010	106,285	162,345	60,302	-	766,942
NET ASSETS	219,052	39,800	158,115	174,089	-	591,056
Acquisitions of non-current assets, including assets of businesses acquired	58,593	776	6,757	37,901	-	104,027

26 CONTRIBUTED EQUITY

(a) Paid up capital

	CONSOLIDATED	
	2015 $'000	2014 $'000
Ordinary shares - fully paid	**296,060**	242,070

Ordinary shares confer on their holders the right to participate in dividends declared by the Board and to vote at general meetings of the Company.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$'000
1 January 2014	Opening balance	176,548,318		231,205
10 March 2014	Issue of shares to staff under share incentive schemes	221,155	$4.87	1,077
1 July 2014	Issue of options to staff under share incentive schemes	500,000	$5.70	2,850
1 October 2014	Issue of options to staff under share incentive schemes	1,250,000	$5.55	6,938
31 December 2014	Closing balance	178,519,473		242,070
1 January 2015	Opening balance	178,519,473		242,070
1 April 2015	Issue of shares to staff under share incentive schemes	586,825	$7.46	4,376
30 June 2015	Issue of options to staff under share incentive schemes	272,650	$9.38	2,557
6 July 2015	Issue of options to staff under share incentive schemes	268,555	$9.55	2,564
31 July 2015	Issue of options to staff under share incentive schemes	3,330,775	$10.06	33,502
21 August 2015	Issue of options to staff under share incentive schemes	334,305	$10.36	3,462
1 September 2015	Issue of options to staff under share incentive schemes	761,220	$9.89	7,529
	Closing balance	184,073,803		296,060

27 RESERVES AND RETAINED EARNINGS

	Note	CONSOLIDATED 2015 $'000	2014 $'000
(a) Reserves:			
Property, plant and equipment revaluation reserve		**45,192**	61,668
Hedging reserve - cash flow hedge		**(575)**	(786)
Share-based payments reserve		**(3,778)**	5,941
Investment revaluation reserve		**64,536**	32,197
		105,375	99,020
Movements:			
Property, plant and equipment revaluation reserve :			
Balance at beginning of the financial year		**61,668**	73,278
Revaluation surplus during the year - gross	15	**2,187**	(1,692)
Transfer to retained earnings relating to properties sold	27(b)	**(18,007)**	(10,426)
Deferred tax	23	**(656)**	508
Balance at the end of the financial year		**45,192**	61,668
Hedging reserve - cash flow hedge:			
Balance at beginning of the financial year		**(786)**	(839)
Movement during the year		**300**	77
Deferred tax	23	**(89)**	(24)
Balance at the end of the financial year		**(575)**	(786)
Share-based payments reserve:			
Balance at beginning of the financial year		**5,941**	4,883
Deferred tax	23	**18,160**	-
Payments received from employees for exercised shares		**10,740**	-
Employee share schemes - value of employee services		**3,019**	2,135
Transfer to share capital (shares issued)		**(53,990)**	(1,077)
Current tax on share plans		**12,352**	-
Balance at the end of the financial year		**(3,778)**	5,941
Investment revaluation reserve:			
Balance at beginning of the financial year		**32,197**	31,290
Gain on revaluation of available-for-sale investment		**49,689**	1,296
Deferred tax		**(14,907)**	(389)
Cumulative gain reclasses to profit or loss on disposal of available for sale financial assets		**(2,443)**	-
Balance at the end of the financial year		**64,536**	32,197
(b) Retained earnings			
Retained profits at the beginning of the financial year		**242,480**	198,369
Net profit for the year		**86,217**	76,230
Transfer from asset revaluation reserve re properties sold		**18,007**	10,426
Transfer from share based payment reserve		**1,059**	-
Loss on Sale of Non Controlling Interest		**-**	(75)
Dividends provided for or paid	7	**(54,328)**	(42,470)
Retained profits at the end of the financial year		**293,435**	242,480

27 RESERVES AND RETAINED EARNINGS (continued)

(c) Nature and purpose of other reserves

(i) Property, plant and equipment revaluation reserve

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in Note 1(p).

(ii) Hedging reserve

The hedging reserve contains the effective portion of interest rate hedge arrangements incurred as at the reporting date.

(iii) Share-based payments reserve

The share-based payment reserve is used to recognise the fair value of performance rights expected to vest and the fair value of equity expected to be issued under various share incentive schemes referred to in Notes 34 and 35.

(iv) Investment revaluation reserve

The investments revaluation reserve represents the cumulative gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

28 FINANCIAL INSTRUMENTS

OVERVIEW

The consolidated entity has exposure to the following key risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (interest rate risk)

This note presents information about the consolidated entity's exposure to each of the above risks, the consolidated entity's objectives, policies and processes for measuring and managing risk, and the consolidated entity's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Directors has overall responsibility for the establishment and oversight of the consolidated entity's risk management framework.

The Directors has established an Audit, Risk and Remuneration Committee which is responsible for monitoring, assessing and reporting on the consolidated entity's risk management system. The committee will provide regular reports to the Board of Directors on its activities.

The consolidated entity's risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities.

The Audit, Risk and Remuneration Committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Committee is assisted in its oversight by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

The Group's principal financial instruments comprise bank loans, bailment finance, cash, short-term deposits and interest rate swap contracts. The main purpose of these financial instruments is to raise finance for and fund the Group's operations and to hedge the Group's exposures to interest rate volatility. The Group has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no speculative trading in financial instruments shall be undertaken.

The main risk arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Further, it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of debtors and other receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

The consolidated entity establishes an allowance for doubtful debts that represents its estimate of incurred losses in respect of trade and other receivables and investments.

With respect to credit risk arising from financial assets of the Group comprised of cash, cash equivalents and receivables, the Group's maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date is in the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

The Group's credit risk on liquid funds is limited as the counter parties are major Australian banks with favourable credit ratings assigned by international credit rating agencies.

28 FINANCIAL INSTRUMENTS (continued)

LIQUIDITY RISK

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Group's overall objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The Group also manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Information on available facilities can be found in Note 22.

MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates, will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and monitor market risk exposures within acceptable parameters, whilst optimising the return on risk.

(i) Interest rate risk

The Group is exposed to interest rate risk as a consequence of its financing facilities as set out in Notes 19 & 22. Funds are borrowed by the Group at both fixed and floating interest rates. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt.

The Group's policy is to keep between 50% and 80% of its borrowings at fixed rates of interest. As at 31 December 2015, approximately 62% (2014: 65%) of the Group's borrowings were at a fixed rate of interest. The Group hedges part of the interest rate risk (see Note 18) by swapping floating for fixed interest rates.

The consolidated entity classifies interest rate swaps as cash flow hedges.

The net fair value of the swaps at 31 December 2015 was $822,000 liability (2014: $1,122,000 liability) and has been recognised in equity for the consolidated entity.

(ii) Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variable were held constant, the Group's net profit after tax would increase/decrease by $1,593,000 (2014: $1,425,000) per annum. This is mainly due to the Group's exposures to interest rates on its variable rate borrowings.

(iii) Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting future cash flows using the curves at reporting date and the credit risk inherent in the contract, and are disclosed below. The average interest rate is based on the outstanding balances at the start of the financial period.

28 FINANCIAL INSTRUMENTS (continued)

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

	Average contracted fixed interest rate		Notional principal amount		Fair value	
	2015 %	2014 %	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Outstanding floating for fixed contracts						
Less than 1 year	**3.31%**	3.49%	**33,500**	22,500	**(227)**	(188)
Between 1 - 2 years	**2.72%**	3.31%	**46,200**	33,500	**(458)**	(472)
Between 2 -3 years	**2.26%**	3.22%	**8,000**	23,700	**(36)**	(462)
Between 3 - 4 years	**2.38%**	-	**15,000**	-	**(101)**	-
	2.67%	3.33%	**102,700**	79,700	**(822)**	(1,122)

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is the Australian BBSW. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount deferred in equity is recognised in profit or loss over the loan period.

CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the consolidated entity's approach to capital management during the period.

28 FINANCIAL INSTRUMENTS (continued)

CREDIT RISK

(i) Exposure to Credit Risk

The carrying amount of financial assets (as per Notes 9, 11 and 12) represents the maximum credit exposure. The maximum exposure to credit risk as the reporting date was:

	CONSOLIDATED	
	2015 $'000	2014 $'000
	-	-
Trade and other receivables	**177,720**	143,744
Less: Provision for doubtful receivables	**(2,771)**	(2,622)
	174,949	141,122

(ii) Impairment Losses

The aging of trade receivables at reporting date is detailed in Note 9.

(iii) Fair values & Exposures to Credit & Liquidity Risk

Detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value (2014: fair value).

Financial assets		
Trade and other receivables net of doubtful debts	**174,949**	141,122
Cash and cash equivalents	**37,535**	23,777
	212,484	164,899
Financial liabilities		
Bills payable and fully drawn advances	**154,000**	144,000
Capital loan	**55,000**	70,000
Vehicle bailment	**404,134**	357,555
Finance lease payables	**1,146**	8,244
Trade and other payables	**133,563**	128,038
Derivative financial instruments	**822**	1,122
	748,665	708,959

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

28 FINANCIAL INSTRUMENTS (continued)

Maturity profile

The below table provides a maturity profile for the Group's financial instruments that are exposed to interest rate risk at balance date. The amounts disclosed in the table are gross contractual undiscounted cash flows (principal and interest) required to settle the respective liabilities. The interest rate is based on the rate applicable as at the end of the financial period.

Contractual maturities of financial liabilities

At 31 December 2015	Less than 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	5+ years $'000	Total $'000
INTEREST BEARING							
Floating rate							
Financial assets							
Cash and cash equivalents	37,535	-	-	-	-	-	37,535
Average interest rate	2.43%	-	-	-	-	-	-
Financial liabilities							
Vehicle bailment (current)	404,134	-	-	-	-	-	404,134
Fully drawn advances	3,197	3,197	45,058	1,442	33,082	-	85,976
Fully drawn advances [1]	36,701	47,697	-	-	-	-	84,398
Capital loan (Non-current)	208	208	208	208	208	5,225	6,265
	444,240	51,102	45,266	1,650	33,290	5,225	580,773
Average interest rate	4.39%	4.50%	4.16%	4.16%	4.16%	4.16%	-
Fixed rate							
Financial liabilities							
Capital loan (Non-current)	2,600	2,600	51,300	-	-	-	56,500
Finance lease payables	417	807	-	-	-	-	1,224
	3,017	3,407	51,300	-	-	-	57,724
Average interest rate	5.18%	5.20%	5.20%	-	-	-	-
NON INTEREST BEARING							
Financial assets							
Property sale receivables	32,013	16,707	6,884	6,884	-	-	62,488
Trade debtors	109,116	-	-	-	-	-	109,116
	141,129	16,707	6,884	6,884	-	-	171,604
Trade and other payables	133,563	-	-	-	-	-	133,563

[1] The amount included in fully drawn advances relate to variable rates that are hedged with interest rate swaps to fixed rates.

28 FINANCIAL INSTRUMENTS (continued)

At 31 December 2014	Less than 1 year $'000	1 - 2 years $'000	2 - 3 years $'000	3 - 4 years $'000	4 - 5 years $'000	5+ years $'000	Total $'000
INTEREST BEARING							
Floating rate							
Financial assets							
Cash and cash equivalents	23,777	-	-	-	-	-	23,777
Loan receivable	566	566	566	566	566	10,353	13,183
	24,343	566	566	566	566	10,353	36,960
Average interest rate	**3.48%**	**5.78%**	**5.78%**	**5.78%**	**5.78%**	**5.78%**	**-**
Financial liabilities							
Vehicle bailment (current)	361,831	-	-	-	-	-	361,831
Fully drawn advances	2,393	55,997	-	-	-	-	58,390
Fully drawn advances [1]	26,143	35,440	24,026	-	-	-	85,609
Capital loan (Non-current)	938	938	938	938	938	21,960	26,650
	391,305	92,375	24,964	938	938	21,960	532,480
Average interest rate	**4.76%**	**4.62%**	**4.70%**	**4.69%**	**4.69%**	**4.69%**	**-**
Fixed rate							
Financial liabilities							
Bills payable	473	9,737	-	-	-	-	10,210
Capital loan (Non-current)	2,600	2,600	2,600	51,300	-	-	59,100
Finance lease payables	6,018	1,920	837	-	-	-	8,775
	9,091	14,257	3,437	51,300	-	-	78,085
Average interest rate	**5.32%**	**5.12%**	**5.18%**	**5.20%**	**-**	**-**	**-**
NON INTEREST BEARING							
Financial assets							
Property sale receivables	6,717	6,717	6,884	6,884	6,884	-	34,086
Trade debtors	105,792	-	-	-	-	-	105,792
	112,509	6,717	6,884	6,884	6,884	-	139,878
Financial liabilities							
Trade and other payables	128,036	-	-	-	-	-	128,036

[1] The amount included in fully drawn advances relate to variable rates that are hedged with interest rate swaps to fixed rates.

Estimation of Fair Value

The following summarises the major methods and assumptions used in estimating the fair value of financial instruments:

Loans and Borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and Other Receivables/Payables

For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

Interest Rate Swaps

The fair value of interest rate swaps is calculated based on the present value of the estimated future cash flows of these instruments.

29 INVESTMENTS IN SUBSIDIARIES

NAME OF ENTITY		EQUITY HOLDING 2015 %	2014 %
Eagers Retail Pty Ltd	*	**100**	100
Eagers MD Pty Ltd		**80**	80
Eagers Finance Pty Ltd	*	**100**	100
Nundah Motors Pty Ltd	*	**100**	100
Eagers Nominees Pty Ltd	*	**100**	100
Austral Pty Ltd	*	**100**	100
E G Eager & Son Pty Ltd	*	**100**	100
A.P. Group Ltd	*	**100**	100
A.P. Ford Pty Ltd	*	**100**	100
A.P. Motors Pty Ltd	*	**100**	100
A.P. Motors (No.1) Pty Ltd	*	**100**	100
A.P. Motors (No.2) Pty Ltd	*	**100**	100
A.P. Motors (No.3) Pty Ltd	*	**100**	100
Associated Finance Pty Limited	*	**100**	100
Leaseline & General Finance Pty Ltd	*	**100**	100
City Automotive Group Pty Ltd	*	**100**	100
PPT Investments Pty Ltd	*	**100**	100
PPT Holdings No 1 Pty Ltd	*	**100**	100
PPT Holdings No 2 Pty Ltd	*	**100**	100
PPT Holdings No 3 Pty Ltd	*	**100**	100
Bill Buckle Holdings Pty Ltd	*	**100**	100
Bill Buckle Autos Pty Ltd	*	**100**	100
Bill Buckle Leasing Pty Ltd	*	**100**	100
Adtrans Group Limited	*	**100**	100
Adtrans Corporate Pty Ltd	*	**100**	100
Adtrans Automotive Group Pty Ltd	*	**100**	100
Stillwell Trucks Pty Ltd	*	**100**	100
Adtrans Trucks Pty Ltd	*	**100**	100
Graham Cornes Motors Pty Ltd		**90**	90
Whitehorse Trucks Pty Ltd	*	**100**	100
Adtrans Used Pty Ltd	*	**100**	100
Adtrans Hino Pty Ltd	*	**100**	100
Adtrans Australia Pty Ltd	*	**100**	100
Melbourne Truck and Bus Centre Pty Ltd	*	**100**	100
Adtrans Truck Centre Pty Ltd	*	**100**	100
Adtrans Trucks Adelaide Pty Ltd	*	**100**	100
Precision Automotive Technology Pty Ltd	*	**100**	100
IB Motors Pty Ltd	*	**100**	100
IB MD Pty Ltd		**80**	80
Black Auto South West Pty Ltd	*	**100**	100
South West Queensland Motors Pty Ltd		**80**	80
BASW Pty Ltd		**80**	80
Western Equipment Rentals Pty Ltd		**80**	80
Boonarga Welding Pty Ltd		**80**	80
Black Auto CQ Pty Ltd	*	**100**	100
CH Auto Pty Ltd	*	**100**	100
Auto Ad Pty Ltd	*	**100**	-
Motors TAS Pty Ltd	*	**100**	-
Boon 2 Pty Ltd	*	**100**	-
MB VIC Pty Ltd	*	**100**	-
Boon 4 Pty Ltd	*	**100**	-

29 INVESTMENTS IN SUBSIDIARIES (continued)

All subsidiaries are either directly controlled by A.P. Eagers Limited, or are wholly owned within the Group, have ordinary class of shares and are incorporated in Australia.

Information relating to A.P. Eagers Limited ('the parent entity')

	2015 $'000	2014 $'000
Financial position		
Assets		
Current assets	**13,120**	-
Non-current assets	**488,298**	425,612
	501,418	425,612
Liabilities		
Current liabilities	**-**	21,168
Non-current liabilities	**28,380**	14,520
	28,380	35,688
Equity		
Issued capital	**296,060**	242,070
Retained earnings	**113,631**	108,033
Reserves		
Asset revaluation reserve	**1,683**	1,684
Investment revaluation reserve	**64,536**	32,196
Share based payments reserve	**(2,872)**	5,941
	473,038	389,924
Financial performance		
Profit for the year	**61,490**	58,159
Other comprehensive income	**46,199**	1,021

All subsidiaries were parties to a deed of cross guarantee with A.P. Eagers Limited pursuant to ASIC Class Order 98/1418 which has been lodged with and approved by Australian Securities and Investments Commission as at 31 December 2015. Under the deed of cross guarantee each of these companies guarantee the debts of the other named companies. The aggregate assets and liabilities of these companies at 31 December 2015 and their aggregate net profit after tax for the year ended 31 December 2015 match the reported balances within the Statement of Financial Position and the Statement of Profit or Loss respectively.

As a party to the deed of cross guarantee, each of the wholly-owned subsidiaries (marked *) is relieved from the requirement to prepare and lodge an audited financial report.

Also refer Notes 30(a) and 30(b) in respect of guarantees entered into by the parent entity in relation to debts of its subsidiaries.

29 INVESTMENTS IN SUBSIDIARIES (continued)

(a) Acquisition of businesses

The Group acquired the following businesses during the 2015 year as detailed below:

Year	Name of business	Date of acquisition	Principal activity	Proportion acquired
2015	Auto Advantage	1/08/2015	Motor Vehicle Broker	100%

During 2015 the acquired businesses contributed revenues of $1,225,000 and profit before tax of $36,000. If the acquisition had occurred on 1 January 2015, the consolidated revenue and the consolidated profit before tax would have been $2,938,000 and $86,000 respectively.

(i) Allocation of purchase consideration

The purchase price of business acquired has been allocated as follows:

	2015 Auto Advantage $'000
Cash consideration	669
Contingent Consideration [ii]	326
Total purchase consideration	995
Fair value of net identifiable assets	(40)
Goodwill	1,033
	993

Consolidated fair value at acquisition date	2015 $'000
Net assets acquired	
Receivables, prepayments	5
Property, plant and equipment	8
Deferred tax assets	22
Creditors, borrowings and provisions	(75)
Net assets acquired	(40)
Acquisition cost	993
Goodwill on acquisition [i]	1,033

(i) Goodwill arose in the business combinations because as at the date of acquisition the consideration paid for the combination included amounts in relation to the benefit of expected synergies and future revenue and profit growth from the businesses acquired. These benefits were not recognised separately from goodwill as the future economic benefits arising from them could not be reliably measured in time for inclusion in this financial statements. Therefore, the amount allocated to goodwill on acquisition has been provisionally determined at the end of the reporting period.

(ii) Under the contingent consideration arrangement an additional $326,400 is required to be paid if Auto Advantage's volume exceeds 765 units and 1530 units ending 365 and 730 days respectively. Management consider that it is probable that this payment will be required.

Cash consideration on acquisition	669

29 INVESTMENTS IN SUBSIDIARIES (continued)

The Group acquired the following business during the 2014 year as detailed below:

Year	Name of business	Date of acquisition	Principal activity	Proportion acquired
2014	Ian Boettcher Group	01-Jul-14	Motor Dealership	100%
2014	Volvo Franchise from Currimundi Motors Pty Ltd	25-Jul-14	Volvo Franchise	100%
2014	Black Group	01-Oct-2014	Motor Dealership	100%

During 2014 the acquired businesses contributed revenues of $110,711,000 and profit before tax of $698,000. If the acquisition had occurred on 1 January 2014, the consolidated revenue and the consolidated profit before tax would have been $3,069 million and $108 million respectively.

(ii) Allocation of purchase consideration

The purchase price of business acquired has been allocated as follows:

	Volvo Franchise Sunshine Coast $'000	Ian Boettcher Group $'000	Black Group $'000	2014 Total Consolidated $'000
Cash consideration	100	11,257	26,510	37,867
Issue of ordinary shares	-	2,850	6,938	9,788
Total purchase consideration	**100**	**14,107**	**33,448**	**47,655**
Fair value of net identifiable assets	**-**	**1,063**	**7,297**	**8,360**
Goodwill	**100**	**13,044**	**26,151**	**39,295**
	100	**14,107**	**33,448**	**47,655**

Consolidated fair value at acquisition date	2014 $'000
Net assets acquired	
Cash	1,049
Receivables, prepayments	5,577
Inventory	10,979
Property, plant and equipment	16,008
Deferred tax assets	945
Creditors, borrowings and provisions	(27,515)
Identifiable intangible assets	1,317
Net assets acquired	8,360
Acquisition cost	47,655
Goodwill on acquisition (1)	39,295
Cash consideration on acquisition	37,867
Cash acquired on acquisition	(1,049)
Net cash flow on acquisition of business	36,818

(i) Goodwill arose in the business combinations because as at the date of acquisition the consideration paid for the combination included amounts in relation to the benefit of expected synergies and future revenue and profit growth from the businesses acquired. In the prior year, the amount allocated to goodwill on acquisition was provisionally determined, and no changes made in the current period.

29 INVESTMENTS IN SUBSIDIARIES (continued)

(b) Disposal of businesses

The Group sold the following business during the 2015 year as detailed below:

Year	Name of business	Date of sale	Principal activity	Proportion disposed
2015	Western Equipment Rentals	30-Nov-2015	Retail Franchise	100%

	CONSOLIDATED 2015 $'000
Net assets disposed of	
Property, plant and equipment	**45**
Creditors, borrowings and provisions	**(4)**
Intangible assets	**350**
Net assets disposed	**391**
Total consideration received (100% Cash)	**441**
Gain on sale	**50**

The Group sold the following business during the 2014 year as detailed below:

Year	Name of business	Date of sale	Principal activity	Proportion disposed
2014	Eagers Mitsubishi	31-Oct-14	Motor Dealership	100%

	CONSOLIDATED 2014 $'000
Net assets disposed of	
Property, plant and equipment	48
Creditors, borrowings and provisions	(214)
Net assets disposed	(166)
Total consideration received (100% Cash)	734
Gain on sale	900

(c) Details of non-wholly owned subsidiaries

The table below shows details of non-wholly owned subsidiaries of the Group. The Group have reviewed its subsidiaries that have non-controlling interests and note that they are not material to the reporting entity.

	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000
Individually immaterial subsidiaries with non-controlling interest	**798**	460	**8,139**	7,486

	CONSOLIDATED	
	2015 $'000	2014 $'000
Movement - Non Controlling Interest		
Balance at the beginning of the financial year	**7,486**	939
Profit for the Year	**798**	460
Issue of shares	**-**	6,929
Payment of dividend	**(145)**	(842)
Balance as at the end of the financial year	**8,139**	7,486

30 CONTIGENT LIABILITIES

(a) Parent entity

Unsecured guarantees, indemnities and undertakings have been given by the parent entity in the normal course of business in respect of financial and trade arrangements entered into by its subsidiaries. It is not anticipated that the parent entity will become liable for any amount in respect thereof. At 31 December 2015 no subsidiary was in default in respect of any arrangement guaranteed by the parent entity and all amounts owed have been brought to account as liabilities in the financial statements.

(b) Deed of cross guarantee

A.P. Eagers Limited and all of its subsidiaries were parties to a deed of cross guarantee lodged with the Australian Securities and Investments Commission as at 31 December 2015. Under the deed of cross guarantee each company within the closed Group guarantees the debts of the other companies. The maximum exposure of the parent entity in relation to the cross guarantees is $776,992,000 (2014: $731,254,000).

(c) Buy back agreements

As at 31 December 2015, entities within the Group had entered into sale and buy back agreements for new vehicles. The financial exposure to the Group is immaterial.

31 COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED	
	2015 $'000	2014 $'000
(a) Capital Commitments		
Capital expenditure for land, buildings, plant and equipment contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Within one year	**23,292**	74

(b) Finance Lease Liabilities

Commitments for minimum lease payments in relation to finance lease liabilities are payable as follows:

	2015 $'000	2014 $'000
Within one year	**417**	6,026
Later than 1 year but not later than 5 years	**806**	1,914
Later than 5 years	**-**	835
	1,223	8,775
Less future finance charges	**(78)**	(531)
Present value of minimum lease payments	**1,145**	8,244

(c) Operating Lease Commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases for premises are payable as follows:

	2015 $'000	2014 $'000
Within one year	**25,118**	25,633
Later than 1 year but not later than 5 years	**66,442**	68,754
Later than 5 years	**41,990**	47,612
	133,550	141,999

The consolidated entity leases property under non-cancellable operating leases with expiry dates between 31 January 2016 and 1 July 2035.

Leases generally provide for a right of renewal at which time the lease is renegotiated. Lease rental payments comprise a base amount plus an incremental contingent rental based on movements in the consumer price index or a fixed percentage increase.

32 REMUNERATION OF AUDITOR

	CONSOLIDATED	
	2015 $'000	2014 $'000
Amounts received or due and receivable by Deloitte Touche Tomatsu ("Deloitte") for:		
- audit or review of the financial report of the parent entity and any other entity in the consolidated entity	**600**	526
Amounts received or due and receivable by related entities of Deloitte for:		
– other services in relation to the parent entity and any other entity in the consolidated entity	**250**	63
	850	589

33 SUBSEQUENT EVENTS

On 6 November 2015 the Group announced to the market a signed heads of agreement for the Birrell Motors Group. The transaction will incorporate the car and truck retail business of Motors Group Tasmania, Silver Star Motors (Mercedes-Benz) in Doncaster and Burwood, Victoria, the Mercedes-Benz Ringwood dealership in Victoria and Waverley Toyota in Glen Waverley, Victoria. The businesses represent 12 car and truck brands across a number of locations in Tasmania and the eastern suburbs of Melbourne. Notably they included the state wide representation for Holden, HSV, Hyundai, Citroen, Isuzu trucks, Volvo trucks, Mack trucks and UD trucks in Tasmania, and Mercedes-Benz passenger vehicles in Melbourne's Doncaster-Burwood-Ringwood corridor.

Initial expected consideration of $114 million inclusive of goodwill and estimated net assets reflects expected sustainable earnings (Profit Before Tax) from existing operations of approximately $18 million per annum. Subject to the business achieving earnings growth targets during the four years post completion, additional deferred consideration of up to $19.8 million will be payable.

The initial consideration will be funded through the issue of 2.2 million shares to the vendors and cash drawn from available funds and existing debt facilities.

A.P. Eagers Limited will also acquire three properties associated with the Mercedes-Benz business in Doncaster, Blackburn and Ringwood, for further consideration of $26.05 million.

After successful completion of due diligence the contracts have been signed with an expected settlement date of 31 March 2016.

On 19 January 2016 the Group announced to the market a signed heads of agreement for Crampton Automotive Group. The transaction includes West-Star Motors and Toowoomba Holden operating in Toowoomba and representing the Mercedes-Benz, Hyundai, Peugeot, Citroen, Performax, HSV and Holden brands along with Port City Autos representing Holden, Subaru, Chrysler Jeep Dodge, and Isuzu trucks brands in Maryborough/Hervey Bay, Queensland. Currently the business generates an annual revenue of approximately $130 million.

Total estimated consideration of $30 million inclusive of goodwill, estimated net assets and transaction costs but excluding vehicle inventory, reflects expected sustainable earnings (Profit Before Tax) from existing operations of approximately $6 million per annum. The consideration will be funded through the issue of one million ordinary A.P. Eagers Limited shares to the vendors and cash drawn from available funds and existing debt facilities. The transaction is expected to be completed by 30 June 2016.

34 KEY MANAGEMENT PERSONNEL

The remuneration report included in the Directors' Report sets out the remuneration policies of the consolidated entity and the relationship between these policies and the consolidated entity's performance.

The following have been identified as key management personnel (KMP) with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly during the financial year:

The specified Executives of A.P. Eagers Limited during the financial year were:.

(a) Details of key management personnel

(i) Directors	T B Crommelin	Chairman (non-executive)
	M A Ward	Managing Director and Chief Executive Officer
	P W Henley	Director (non-executive)
	N G Politis	Director (non-executive)
	D T Ryan	Director (non-executive)
	D A Cowper	Director (non-executive)
(ii) Executives	S A Moore*	Chief Financial Officer (from 3 August 2015)
	S G Best	Chief Financial Officer (up to 31 July 2015)
	K T Thornton	General Manager – Queensland and Northern Territory
	D G Stark	General Counsel & Company Secretary

* During the year Stephen Best ceased in the role of Chief Financial Officer and was appointed to the role of the Chief Commercial Officer in a non KMP capacity. Sophie Moore was appointed to the role of Chief Financial Officer. Mr Best's remuneration has been included in the report up to the date he ceased his role as the Chief Financial Officer.

(b) Compensation of key management personnel

The aggregate compensation made to key management personnel of the Company and the Group is set out below.

	CONSOLIDATED	
	2015 $'000	2014 $'000
Short term	**3,999,836**	3,305,611
Post employment benefits	**146,493**	136,006
Share based payments	**1,634,339**	597,699
	5,780,668	4,039,316

(c) Option holdings of key management personnel

Details of options held by key management personnel can be found in Note 34(f).

(d) Loans to key management personnel

There are no loans to key management personnel.

(e) Other transactions with key management personnel

Other transactions with key management personnel are detailed in Note 36.

(f) Share Based Payments

Plan A: EPS Performance Rights and Options - Key Executives

The Group commenced an Earnings Per Share (EPS) based performance rights and option compensation scheme for specific executive officers in 2009. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The vesting of the performance rights and options granted is based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

34 KEY MANAGEMENT PERSONNEL (continued)

Performance Rights					
Award date 29 October 2009					
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13	27-Mar-14	27-Mar-15
Expiry date	28-Aug-16	28-Aug-16	28-Aug-16	28-Aug-16	30-Sep-17
Share price at grant date	$ 1.82	$ 1.82	$ 1.82	$ 1.82	$ 1.82
Expected life	1.6 years	2.6 years	3.6 years	4.6 years	5.6 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	4.37%	4.89%	5.18%	5.31%	5.33%
Dividend yield	6.0%	6.0%	6.0%	6.0%	6.0%

Performance Options					
Award date 29 October 2009					
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13	27-Mar-14	30-Mar-15
Expiry date	28-Aug-16	28-Aug-16	28-Aug-16	28-Aug-16	30-Sep-17
Share price at grant date	$ 1.82	$ 1.82	$ 1.82	$ 1.82	$ 1.82
Exercise price	$ 1.82	$ 1.82	$ 1.82	$ 1.82	$ 1.82
Expected life	4.3 years	4.8 years	5.3 years	5.8 years	6.8 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	5.29%	5.32%	5.33%	5.33%	5.33%
Dividend yield	6.0%	6.0%	6.0%	6.0%	6.0%

The General Manager, Queensland and Northern Territory, the previous General Manager of Kloster Motor Group and the previous Chief Financial Officer have been granted rights and options under the EPS share incentive plan (Plan A). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of the EPS and interest cover targets being achieved and vesting occurring. The number of performance rights and options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
82,830	29-Oct-09	31-Dec-10	28-Aug-16	$ 1.66
112,035	29-Oct-09	31-Dec-11	28-Aug-16	$ 1.56
118,880	29-Oct-09	31-Dec-12	28-Aug-16	$ 1.47
126,265	29-Oct-09	31-Dec-13	28-Aug-16	$ 1.39
134,205	29-Oct-09	31-Dec-14	30-Sep-17	$ 1.30

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
381,945	29-Oct-09	31-Dec-10	28-Aug-16	$ 0.36
475,545	29-Oct-09	31-Dec-11	28-Aug-16	$ 0.36
472,975	29-Oct-09	31-Dec-12	28-Aug-16	$ 0.37
475,545	29-Oct-09	31-Dec-13	28-Aug-16	$ 0.37
465,430	29-Oct-09	31-Dec-14	30-Sep-17	$ 0.38

No rights or options were forfeited during the year. A total of 134,205 rights were issued and 898,745 options exercised during the year. As a result of the EPS and interest cover targets being achieved the performance rights and options for each performance period have vested.

As at 31 December 2014 the full amount of the rights and options had been expensed with a cumulative cost of $1,675,000.

34 KEY MANAGEMENT PERSONNEL (continued)

Plan B: EPS Performance Rights and Options – Managing Director

The Group commenced an Earnings Per Share (EPS) based performance rights and option compensation scheme for the Managing Director in 2010. The fair value of these performance rights and options was calculated on grant date and was recognised over the period to vesting. The vesting of the performance rights and options granted was based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value was calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 22 June 2010					
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13	27-Mar-14	27-Mar-15
Expiry date	28-Aug-16	28-Aug-16	28-Aug-16	28-Aug-16	30-Sep-17
Share price at grant date	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Expected life	0.8 years	1.8 years	2.8 years	3.8 years	4.8 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	4.87%	4.97%	5.02%	5.08%	5.19%
Dividend yield	4.90%	4.90%	4.90%	4.90%	4.90%

Performance Options					
Award date 22 June 2010					
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13	27-Mar-14	27-Mar-15
Expiry date	28-Aug-16	28-Aug-16	28-Aug-16	28-Aug-16	30-Sep-17
Share price at grant date	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Exercise price	$ 1.82	$ 1.82	$ 1.82	$ 1.82	$ 1.82
Expected life	3.5 years	4.0 years	4.5 years	5.0 years	6.1 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	4.87%	4.97%	5.02%	5.08%	5.19%
Dividend yield	4.90%	4.90%	4.90%	4.90%	4.90%

The Managing Director was granted rights and options under the EPS share incentive plan (Plan B). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of the EPS and interest cover targets being achieved and vesting occurring. The number of performance rights and options granted under the plan is as follows:

Performance Rights **Number**	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
36,890	28-May-10	31-Dec-10	28-Aug-16	$ 2.40
82,440	28-May-10	31-Dec-11	28-Aug-16	$ 2.29
89,000	28-May-10	31-Dec-12	28-Aug-16	$ 2.18
94,890	28-May-10	31-Dec-13	28-Aug-16	$ 2.07
105,140	28-May-10	31-Dec-14	30-Sep-17	$ 1.97

Performance Options **Number**	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
416,665	28-May-10	31-Dec-10	28-Aug-16	$ 0.81
815,215	28-May-10	31-Dec-11	28-Aug-16	$ 0.81
810,810	28-May-10	31-Dec-12	28-Aug-16	$ 0.81
815,215	28-May-10	31-Dec-13	28-Aug-16	$ 0.80
797,870	28-May-10	31-Dec-14	30-Sep-17	$ 0.81

During the year the managing director exercised all options (3,655,775) and the remaining rights per 2014's performance period (105,140) were granted.

As at 31 December 2014 the full amount of the rights and options had been expensed with a cumulative cost of $3,826,828.

34 KEY MANAGEMENT PERSONNEL (continued)

Plan C: EPS Performance Rights and Options – Key Executives 2014

The Group commenced an Earnings Per Share (EPS) based performance rights and option compensation scheme for specific executive officers in 2014. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The vesting of the performance rights and options granted is based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 4 July 2014					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	04-Jul-21	04-Jul-21	04-Jul-21	30-Sep-22	30-Sep-22
Share price at grant date	$ 5.47	$ 5.47	$ 5.47	$ 5.47	$ 5.47
Expected life	1.7 years	2.7 years	3.7 years	4.7 years	5.7 years
Volatility	25%	25%	25%	25%	25%
Risk free interest rate	2.51%	2.63%	2.79%	2.96%	3.13%
Dividend yield	4.2%	4.2%	4.2%	4.2%	4.2%

Performance Options					
Award date 4 July 2014					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	04-Jul-21	04-Jul-21	04-Jul-21	30-Sep-22	30-Sep-22
Share price at grant date	$ 5.47	$ 5.47	$ 5.47	$ 5.47	$ 5.47
Exercise price	$ 5.47	$ 5.47	$ 5.47	$ 5.47	$ 5.47
Expected life	4.4 years	4.9 years	5.4 years	5.9 years	7.0 years
Volatility	25%	25%	25%	25%	25%
Risk free interest rate	2.90%	2.98%	3.06%	3.24%	3.31%
Dividend yield	4.2%	4.2%	4.2%	4.2%	4.2%

The Managing Director, General Manager Queensland and Northern Territory, previous Chief Financial Officer, General Counsel and Company Secretary and four other senior executives have been granted rights and options under the EPS share incentive plan (Plan C). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of the EPS and interest cover targets being achieved and vesting occurring. The number of performance rights and options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
137,791	04-Jul-14	31-Dec-15	04-Jul-21	$ 5.08
137,571	04-Jul-14	31-Dec-16	04-Jul-21	$ 4.87
143,464	04-Jul-14	31-Dec-17	04-Jul-21	$ 4.67
149,551	04-Jul-14	31-Dec-18	30-Sep-22	$ 4.48
156,173	04-Jul-14	31-Dec-19	30-Sep-22	$ 4.29

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
769,228	04-Jul-14	31-Dec-15	04-Jul-21	$ 0.91
712,760	04-Jul-14	31-Dec-16	04-Jul-21	$ 0.94
705,258	04-Jul-14	31-Dec-17	04-Jul-21	$ 0.95
663,363	04-Jul-14	31-Dec-18	30-Sep-22	$ 1.01
656,857	04-Jul-14	31-Dec-19	30-Sep-22	$ 1.02

No rights or options were forfeited or expired during the year. As a result of the EPS target being achieved the performance rights and options relating to the 31 December 2015 performance period have vested.

The value of the performance rights and options expensed during the year was $1,812,713, with a cumulative expense being recognised at 31 December 2015 of $2,201,602 (2014: $388,889).

35 OTHER SHARE BASED PAYMENTS

Recognised share-based payments expenses

Refer Note 27 for movements on share based payments reserve.

Plan D: EPS Performance Rights and Options – Senior Management (A)

The Group commenced an Earnings Per Share (EPS) based performance rights and option compensation scheme for nineteen specific management personnel in 2010. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The vesting of the performance rights and options granted is based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights			
Award date 27 January 2010			
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13
Expiry date	27-Jan-17	27-Jan-17	27-Jan-17
Share price at grant date	$ 2.42	$ 2.42	$ 2.42
Expected life	1.2 years	2.2 years	3.2 years
Volatility	30%	30%	30%
Risk free interest rate	5.06%	5.11%	5.17%
Dividend yield	5.10%	5.10%	5.10%

Performance Options			
Award date 27 January 2010			
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13
Expiry date	27-Jan-17	27-Jan-17	27-Jan-17
Share price at grant date	$ 2.42	$ 2.42	$ 2.42
Exercise price	$ 2.42	$ 2.42	$ 2.42
Expected life	4.1 years	4.6 years	5.1 years
Volatility	30%	30%	30%
Risk free interest rate	5.06%	5.11%	5.17%
Dividend yield	5.10%	5.10%	5.10%

Specific executives have been granted rights and options under the EPS share incentive plan (Plan D). This includes the General Counsel & Company Secretary. The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of the EPS and interest cover targets being achieved and vesting occurring. The number of performance rights and options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
162,310	27-Jan-10	31-Dec-10	27-Jan-17	$ 2.28
219,265	27-Jan-10	31-Dec-11	27-Jan-17	$ 2.17
230,750	27-Jan-10	31-Dec-12	27-Jan-17	$ 2.06

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
547,705	27-Jan-10	31-Dec-10	27-Jan-17	$ 0.50
731,250	27-Jan-10	31-Dec-11	27-Jan-17	$ 0.52
714,690	27-Jan-10	31-Dec-12	27-Jan-17	$ 0.53

A total of 31,320 rights and 114,470 options were forfeited during the year. As a result of the EPS and interest cover targets being achieved the performance rights and options for each Performance Period have vested. A total of $228,775 options were exercised during the year.

No costs of the share plan were expensed during 2015 (2014: $nil). The share plan was fully expensed by the end of 2012.

35 OTHER SHARE BASED PAYMENTS (continued)

Plan E: EPS Performance Rights and Options – Senior Management (B)

The Group commenced an Earnings Per Share (EPS) based performance rights and option compensation scheme for three specific executive officers in 2010. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The vesting of the performance rights and options granted is based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights			
Award date 18 November 2010			
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13
Expiry date	27-Jan-17	27-Jan-17	27-Jan-17
Share price at grant date	$ 2.52	$ 2.52	$ 2.52
Expected life	0.4 years	1.4 years	2.4 years
Volatility	30%	30%	30%
Risk free interest rate	4.91%	4.93%	4.95%
Dividend yield	5.00%	5.00%	5.00%

Performance Options			
Award date 18 November 2010			
Vesting date	27-Mar-11	27-Mar-12	27-Mar-13
Expiry date	27-Jan-17	27-Jan-17	27-Jan-17
Share price at grant date	$ 2.52	$ 2.52	$ 2.52
Exercise price	$ 2.52	$ 2.52	$ 2.52
Expected life	3.3 years	3.8 years	4.3 years
Volatility	30%	30%	30%
Risk free interest rate	4.91%	4.93%	4.95%
Dividend yield	5.00%	5.00%	5.00%

Specific executives have been granted rights and options under the EPS share incentive plan (Plan E). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of the EPS and interest cover targets being achieved and vesting occurring. The number of performance rights and options granted under the plan is as follows:

Performance Rights				
Number	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
7,785	18-Nov-10	31-Dec-10	27-Jan-17	$ 2.47
40,650	18-Nov-10	31-Dec-11	27-Jan-17	$ 2.35
42,735	18-Nov-10	31-Dec-12	27-Jan-17	$ 2.23

Performance Options				
Number	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
39,925	18-Nov-10	31-Dec-10	27-Jan-17	$ 0.48
189,785	18-Nov-10	31-Dec-11	27-Jan-17	$ 0.51
181,365	18-Nov-10	31-Dec-12	27-Jan-17	$ 0.53

As a result of the EPS and interest cover targets being achieved the performance rights and options for each performance period have vested. No options were forfeited during the year. A total of 272,650 options were exercised during the year.

No costs of the share plan were expensed during 2015 (2014: $nil). The share plan was fully expensed by the end of 2012.

35 OTHER SHARE BASED PAYMENTS (continued)

Plan F: EPS Performance Options – Senior Management 2013

The Group commenced an Earnings Per Share (EPS) based share option compensation scheme for 57 specific senior staff, including the Company Secretary/General Counsel. The fair value of these performance options is calculated on grant date and recognised over the period to vesting. The vesting of the performance options granted is based on the achievement of specified earnings per share growth targets. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Options					
Award date 27 March 2013					
Vesting date	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19
Expiry date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Share price at grant date	$ 4.84	$ 4.84	$ 4.84	$ 4.84	$ 4.84
Exercise price	$ 5.04	$ 5.04	$ 5.04	$ 5.04	$ 5.04
Expected life	4.5 years	4.5 years	5.0 years	5.5 years	6.0 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	3.08%	3.08%	3.13%	3.17%	3.22%
Dividend yield	4.20%	4.20%	4.20%	4.20%	4.20%

Specific executives have been granted options under the EPS share incentive plan (Plan F). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the options at grant date and the probability of the EPS targets being achieved and vesting occurring. The number of options granted under the plan is as follows:

Performance Options Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
951,950	27-Mar-13	31-Dec-14	31-Mar-20	$ 0.93
951,950	27-Mar-13	31-Dec-15	31-Mar-20	$ 0.93
921,930	27-Mar-13	31-Dec-16	31-Mar-20	$ 0.96
903,040	27-Mar-13	31-Dec-17	31-Mar-20	$ 0.98
893,850	27-Mar-13	31-Dec-18	31-Mar-20	$ 0.99

A total of 783,380 options in 2015 were forfeited or expired during the year. As a result of the EPS target being achieved the performance options relating to the 31 December 2015 performance period have vested.

The value of the performance options expensed during the year was $625,492, with a cumulative expense being recognised at 31 December 2015 of $2,705,492 (2014: $2,080,000).

35 OTHER SHARE BASED PAYMENTS (continued)

Plan G: Specific Target Performance Rights and Options

The Group commenced a performance rights and option compensation scheme for a specific senior staff member, based on achieving certain defined operating targets for a specific business entity. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 27 March 2013					
Vesting date	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19
Expiry date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Share price at grant date	$ 4.84	$ 4.84	$ 4.84	$ 4.84	$ 4.84
Expected life	2.0 years	2.0 years	3.0 years	4.0 years	5.0 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	2.88%	2.88%	2.95%	3.04%	3.13%
Dividend yield	4.20%	4.20%	4.20%	4.20%	4.20%

Performance Options					
Award date 27 March 2013					
Vesting date	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19
Expiry date	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Share price at grant date	$ 4.84	$ 4.84	$ 4.84	$ 4.84	$ 4.84
Exercise Price	$5.04	$5.04	$5.04	$5.04	$5.04
Expected life	4.5 years	4.5 years	5.0 years	5.5 years	6.0 years
Volatility	30%	30%	30%	30%	30%
Risk free interest rate	3.08%	3.08%	3.13%	3.17%	3.22%
Dividend yield	4.20%	4.20%	4.20%	4.20%	4.20%

A specific executive have been granted performance rights and options under the Specific Target share plan (Plan G). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of specific targets being achieved and vesting occurring. The number of options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
11,240	27-Mar-13	31-Dec-14	31-Mar-20	$ 4.45
11,240	27-Mar-13	31-Dec-15	31-Mar-20	$ 4.45
11,740	27-Mar-13	31-Dec-16	31-Mar-20	$ 4.26
12,220	27-Mar-13	31-Dec-17	31-Mar-20	$ 4.09
12,760	27-Mar-13	31-Dec-18	31-Mar-20	$ 3.92

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
107,530	27-Mar-13	31-Dec-14	31-Mar-20	$ 0.93
107,530	27-Mar-13	31-Dec-15	31-Mar-20	$ 0.93
104,170	27-Mar-13	31-Dec-16	31-Mar-20	$ 0.96
102,040	27-Mar-13	31-Dec-17	31-Mar-20	$ 0.98
101,010	27-Mar-13	31-Dec-18	31-Mar-20	$ 0.99

During the year this employee ceased employment. Remaining rights and options were forfeited. As a result of the specific targets being achieved the performance rights and options relating to the 31 December 2013 and 31 December 2014 performance period have previously vested. A total of 215,060 options and 22,480 rights were exercised during the year.

The value of the performance rights and options expensed during the year was $677,923, with a cumulative expense being recognised as at 31 December 2015 of $977,923 (2014: $300,000).

35 OTHER SHARE BASED PAYMENTS (continued)

Plan H: EPS Performance Rights and Options – Key Executives

The Group commenced a new Earnings Per Share (EPS) based performance rights and option compensation scheme for two specific executive officers in 2015. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 21 January 2015					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	21-Jan-22	21-Jan-22	21-Jan-22	30-Sep-22	30-Sep-22
Share price at grant date	$5.85	$5.85	$5.85	$5.85	$5.85
Expected life	1.2 years	2.2 years	3.2 years	4.2 years	5.2 years
Volatility	22%	22%	22%	22%	22%
Risk free interest rate	2.20%	2.12%	2.11%	2.15%	2.22%
Dividend yield	4.4%	4.4%	4.4%	4.4%	4.4%

Performance Options					
Award date 21 January 2015					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	21-Jan-22	21-Jan-22	21-Jan-22	30-Sep-22	30-Sep-22
Share price at grant date	$5.85	$5.85	$5.85	$5.85	$5.85
Exercise Price	$5.65	$5.65	$5.65	$5.65	$5.65
Expected life	4.1 years	4.6 years	5.1 years	5.9 years	6.4 years
Volatility	22%	22%	22%	22%	22%
Risk free interest rate	2.15%	2.18%	2.21%	2.28%	2.33%
Dividend yield	4.4%	4.4%	4.4%	4.4%	4.4%

Two specific executives have been granted options under the EPS share incentive plan (Plan H). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the options at grant date and the probability of the EPS targets being achieved and vesting occurring. The number of options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
14,412	21-Jan-15	31-Dec-15	21-Jan-22	$5.55
15,065	21-Jan-15	31-Dec-16	12-Feb-22	$5.31
15,746	21-Jan-15	31-Dec-17	12-Feb-22	$5.08
16,459	21-Jan-15	31-Dec-18	12-Feb-22	$4.86
17,202	21-Jan-15	31-Dec-19	30-Sep-22	$4.65

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
95,235	21-Jan-15	31-Dec-15	21-Jan-22	$0.84
93,020	21-Jan-15	31-Dec-16	12-Feb-22	$0.86
93,020	21-Jan-15	31-Dec-17	12-Feb-22	$0.86
91,953	21-Jan-15	31-Dec-18	12-Feb-22	$0.87
93,020	21-Jan-15	31-Dec-19	30-Sep-22	$0.86

No performance rights or options were forfeited or expired during the year. As a result of the specific targets being achieved the performance rights and options relating to the 31 December 2015 Performance Period have vested.

The value of the performance rights and options expensed during the year was $233,980, with a cumulative expense being recognised as at 31 December 2015 of $233,980.

35 OTHER SHARE BASED PAYMENTS (continued)

Plan I: EPS Performance Rights and Options – Key Executives

The Group commenced in 2015 a new performance rights and option compensation scheme for a specific senior staff member, based on achieving certain defined operating targets for a specific business entity. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 12 February 2015					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	12-Feb-22	12-Feb-22	12-Feb-22	12-Feb-22	12-Feb-22
Share price at grant date	$6.26	$6.26	$6.26	$6.26	$6.26
Expected life	1.1 years	2.1 years	3.1 years	4.1 years	5.1 years
Volatility	22%	22%	22%	22%	22%
Risk free interest rate	1.91%	1.85%	1.87%	1.95%	2.05%
Dividend yield	4.2%	4.2%	4.2%	4.2%	4.2%

Performance Options					
Award date 12 February 2015					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	12-Feb-22	12-Feb-22	12-Feb-22	30-Sep-22	30-Sep-22
Share price at grant date	$6.26	$6.26	$6.26	$6.26	$6.26
Exercise price	$6.26	$6.26	$6.26	$6.26	$6.26
Expected life	4.1 years	4.6 years	5.1 years	5.9 years	6.4 years
Volatility	22%	22%	22%	22%	22%
Risk free interest rate	1.94%	1.99%	2.04%	2.14%	2.20%
Dividend yield	4.2%	4.2%	4.2%	4.2%	4.2%

A specific senior staff member have been granted performance rights and options under the Specific Target share plan (Plan I). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the rights and options at grant date and the probability of specific targets being achieved and vesting occurring. The number of options granted under the plan is as follows:

Performance Rights

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
9,045	12-Feb-15	31-Dec-15	12-Feb-22	$5.97
9,440	12-Feb-15	31-Dec-16	12-Feb-22	$5.72
9,836	12-Feb-15	31-Dec-17	12-Feb-22	$5.49
11,406	12-Feb-15	31-Dec-18	12-Feb-22	$5.26
11,881	12-Feb-15	31-Dec-19	12-Feb-22	$5.05

Performance Options

Number	Grant Date	End Performance Period	Expiry Date	Fair Value at Grant Date
97,590	12-Feb-15	31-Dec-15	12-Feb-22	$0.83
95,294	12-Feb-15	31-Dec-16	12-Feb-22	$0.85
94,186	12-Feb-15	31-Dec-17	12-Feb-22	$0.86
102,272	12-Feb-15	31-Dec-18	12-Feb-22	$0.88
102,272	12-Feb-15	31-Dec-19	12-Feb-22	$0.88

No performance rights or options were forfeited or expired during the year. As a result of the specific targets being achieved the performance rights and options relating to the 31 December 2015 Performance Period have vested since balance date.

The value of the performance rights and options expensed during the year was $179,997, with a cumulative expense being recognised as at 31 December 2015 of $179,997.

35 OTHER SHARE BASED PAYMENTS (continued)

Plan J: EPS Performance Rights and Options – Key Executives

The Group commenced a new Earnings Per Share (EPS) based performance rights and option compensation scheme for two specific executive officers in 2015. The fair value of these performance rights and options is calculated on grant date and recognised over the period to vesting. The vesting of the performance rights and options granted is based on the achievement of specified earnings per share growth targets and interest cover thresholds. The fair value has been calculated using a binomial option pricing model based on numerous variables including the following:

Performance Rights					
Award date 12 June 2015					
Vesting date	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	12-Jun-22	12-Jun-22	12-Jun-22	30-Sep-22	30-Sep-22
Share price at grant date	$9.25	$9.25	$9.25	$9.25	$9.25
Expected life	0.8 years	1.8 years	2.8 years	3.8 years	4.8 years
Volatility	24%	24%	24%	24%	24%
Risk free interest rate	1.98%	1.99%	2.06%	2.18%	2.33%
Dividend yield	3.7%	3.7%	3.7%	3.7%	3.7%

Performance Options					
Award date 12 June 2015					
Vesting date	31-Mar-16	31-Mar-167	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	12-Jun-22	12-Jun-22	12-Jun-22	12-Jun-22	12-Jun-22
Share price at grant date	$9.25	$9.25	$9.25	$9.25	$9.25
Exercise price	$9.25	$9.25	$9.25	$9.25	$9.25
Expected life	3.9 years	4.4 years	4.9 years	5.5 years	6.1 years
Volatility	24%	24%	24%	24%	24%
Risk free interest rate	2.19%	2.27%	2.35%	2.46%	2.54%
Dividend yield	3.7%	3.7%	3.7%	3.7%	3.7%

Two specific executives have been granted options under the EPS share incentive plan (Plan J). The modified grant date method (AASB 2) is applied to this incentive plan whereby the cost of the plan is determined by the value of the options at grant date and the probability of the EPS targets being achieved and vesting occurring. The number of options granted under the plan is as follows:

Performance Rights				
Number	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
2,783	12-Jun-15	31-Dec-15	12-Jun-22	$8.98
5,780	12-Jun-15	31-Dec-16	12-Feb-22	$8.65
5,995	12-Jun-15	31-Dec-17	12-Feb-22	$8.34
6,218	12-Jun-15	31-Dec-18	30-Sep-22	$8.04
6,458	12-Jun-15	31-Dec-19	30-Sep-22	$7.74

Performance Options				
Number	**Grant Date**	**End Performance Period**	**Expiry Date**	**Fair Value at Grant Date**
17,605	12-Jun-15	31-Dec-15	12-Jun-22	$1.42
33,783	12-Jun-15	31-Dec-16	12-Feb-22	$1.48
32,678	12-Jun-15	31-Dec-17	12-Feb-22	$1.53
31,645	12-Jun-15	31-Dec-18	30-Sep-22	$1.58
31,250	12-Jun-15	31-Dec-19	30-Sep-22	$1.60

No performance rights or options were forfeited or expired during the year. As a result of the specific targets being achieved the performance rights and options relating to the 31 December 2015 Performance Period have vested.

The value of the performance rights and options expensed during the year was $83,322, with a cumulative expense being recognised as at 31 December 2015 of $83,322.

36 RELATED PARTIES

Key management personnel

Other information on key management personnel has been disclosed in the Directors' Report.

Remuneration and retirement benefits

Information on the remuneration of key individual management personnel has been disclosed in the Remuneration Report included in the Directors' Report.

Other transactions of directors and director related entities

The aggregate amount of "Other transactions" with key management personnel are as follows:

(i) Mr N G Politis is a director and shareholder of a number of companies involved in the motor industry with whom the consolidated entity transacts business. These transactions, sales of $466,281 (2014: $580,024) and purchases of $341,762 (2014: $354,239) during the last 12 months, are primarily the sale and purchase of spare parts and accessories and are carried out under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transactions were at arm's length.

(ii) Controlled entities may, from time to time, sell motor vehicles, parts and servicing of motor vehicles for domestic use to directors of entities in the consolidated entity or their director-related entities within a normal employee relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Directors or their director-related entities at arm's length in the same circumstances.

Wholly-owned group

The parent entity of the wholly-owned group is A.P. Eagers Limited. Information relating to the wholly-owned group is set out in Note 29.

37 EARNINGS PER SHARE

	CONSOLIDATED	
	2015 Cents	2014 Cents
(a) Basic earnings per share		
Earnings attributable to the ordinary equity holders of the Company	**47.6**	43.0
(b) Diluted earnings per share		
Earnings attributable to the ordinary equity holders of the Company	**46.1**	41.6

37 EARNINGS PER SHARE (continued)

(c) Reconciliation of earnings used in calculating earnings per share

	CONSOLIDATED	
	2015 $'000	2014 $'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
Profit for the year	**87,015**	76,690
Less: attributable to non-controlling interest	**(798)**	(460)
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**86,217**	76,230
Diluted earnings per share		
Profit for the year less attributable to non-controlling interest	**86,217**	76,230
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**86,217**	76,230
Weighted average number of ordinary shares outstanding during the year	**180,997,843**	177,289,994
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share [1]	**6,214,054**	5,873,128
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	**187,211,897**	183,163,122

(1) 146,961 performance options representing potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share.

38 RECONCILIATION OF NET PROFIT AFTER TAX TO THE NET CASH INFLOWS FROM OPERATIONS

	CONSOLIDATED	
	2015 $'000	2014 $'000
Net profit after tax	**87,015**	76,690
Depreciation and amortisation	**13,216**	12,583
Impairment of goodwill	**5,527**	-
Net (gain)/loss on sale of available-for-sale financial assets	**(3,490)**	-
Share of profits of associate	**(164)**	(4,939)
Dividends from investments	**164**	7,646
Profit on sale of property,plant & equipment	**(2,886)**	(2,414)
Employee share scheme expense	**3,018**	2,135
Non controlling interest adjustments	**(1,406)**	(1,850)
Profit on sale of business	**(50)**	(900)
Property receivable and deposits	**28,403**	22,553
Impairment to property	**2,083**	-
(Increase)/decrease in assets -		
Receivables	**(30,412)**	(31,370)
Inventories	**(57,327)**	(49,336)
Prepayments	**(5,883)**	5,810
Increase/(decrease) in liabilities -		
Creditors (including bailment finance)	**48,263**	64,608
Provisions	**4,997**	1,051
Taxes payable	**(6,515)**	(3,045)
Net cash inflow from operating activities	**84,553**	99,222

39 NON-CASH TRANSACTIONS

During the year the Group entered into unconditional contracts for the sale of 80 McLachlan Street, Fortitude Valley and a parcel of land in Newstead. As a result a combined profit of $3.010 million was recognised and is included within the amount disclosed in Note 4. Consideration for the sales totalling $32.013 million is to be realised in full in 2016. This balance is recognised in the statement of financial position under current assets "Property sale receivable".

In 2014 the Group announced that it had entered into unconditional contracts for the sale of 44 Ipswich Road, 33 Jurgens Street and 79 Logan Road in Woolloongabba. As a result a combined profit of $2.211 million was recognised and is included within the amount disclosed in Note 4. Consideration for the sale which totalled over $35.879 million is being realised in staged payments over the next 4 years. As at 31 December 2015, the Group had received $5.404 million of the consideration. The balance is recognised on the statement of financial position under non-current assets "Property sale receivable".

40 INVESTMENTS IN ASSOCIATE

(a) Carrying amounts

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Information relating to the associate is set out below:

	OWNERSHIP INTEREST		CONSOLIDATED	
	2015 %	2014 %	**2015 $'000**	2014 $'000
Name of company				
Unlisted securities				
Norna Limited (formerly MTQ Insurance Services Limited)	**20.65**	20.65	**1,620**	1,620

In 2014 MTQ Insurance Services Limited changed its name to Norna Limited. On 29 August 2014 MTA Insurance Limited (a wholly owned subsidiary of Norna Limited) was sold to AAI Limited with settlement to take place in instalments, the final of which is expected to be realised in 2016. Once the sale is completed Norna Limited will be liquidated.

AP Eagers Limited will remain a shareholder in Norna Limited with a 20.65% interest (2014: 20.65%) and will continue to equity account the investment in the associate which has been equity accounted from 1 January 2006 (refer Note 14), until the final distributions are received and Norna Limited is liquidated.

Norna Limited is incorporated in Australia. Its principal activities for the period up to the sale remained the sale of consumer credit and insurance products, as well as undertaking investment activities. Since the sale, the entity has ceased operations with the only transactions being related to holding costs and interest until the final terms of the sale agreement are met and the entity is liquidated.

	CONSOLIDATED	
	2015 $'000	2014 $'000
(b) Movement in the carrying amounts of investment in associate		
Carrying amount at the beginning of the financial year	**1,620**	4,327
Equity share of profit from ordinary activities after income tax	**164**	4,939
Dividends received during the year	**(164)**	(7,646)
Carrying amount at the end of the financial year	**1,620**	1,620
(c) Summarised financial information of associate		
The aggregate profits, assets and liabilities of associate are:		
Revenue	**188**	31,244
Profits from ordinary activities after income tax expense	**712**	23,519
Assets	**8,107**	10,049
Liabilities	**128**	53
(d) Share of associate profit		
(Based on the last published results for the 12 months to 30 June 2015 plus unaudited results up to 31 December 2015).		
Profit from ordinary activities after income tax	**164**	4,939
(e) Dividends received from associate		
Dividends received from associate	**164**	7,646

(f) Reporting date of associate

The associate reporting dates are 30 June annually.

DIRECTORS' DECLARATION

The Directors declare that :

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(c) In the Director's opinion, the attached financial statements are in compliance with International Financial Reporting Standards as stated in Note 1(a) to the financial statements; and

(d) the Directors have been given the declarations required by s.295A of the Corporations Act 2001

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 29 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

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

On behalf of the Directors

M A Ward
Director

Brisbane,
24 February 2016

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the Members of A.P. Eagers Limited

Report on the Financial Report

We have audited the accompanying financial report of A.P Eagers Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 26 to 92.

Directors' Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the entity's preparation of the financial report that gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Deloitte

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of A.P. Eagers Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of A.P. Eagers Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 21 of the directors' report for the year ended 31 December 2015. 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.

Opinion

In our opinion the Remuneration Report of A.P. Eagers Limited for the year ended 31 December 2015, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants
Sydney, 24th February 2016

EQUITY SECURITIES

The Company's quoted securities consist of 184,458,264 ordinary fully paid shares (ASX: APE).

TOP 20 HOLDERS OF ORDINARY SHARES

	No. of Shares	% of Issued Shares
WFM Motors Pty Ltd	68,093,177	36.92
Patterson Cheney Investments Pty Ltd	12,591,761	6.83
Jove Pty Ltd	10,520,000	5.70
Alan Piper Investments (No 1) Pty Ltd	6,406,250	3.47
Milton Corporation Limited	5,833,107	3.16
Argo Investments Limited	4,312,620	2.34
Martin Ward	4,198,746	2.28
Citicorp Nominees Pty Limited	3,406,518	1.85
National Nominees Limited	2,756,203	1.49
Berne No 132 Nominees Pty Ltd <315738 A/C>	2,444,101	1.33
HSBC Custody Nominees (Australia) Limited	2,165,986	1.17
J P Morgan Nominees Australia Limited	1,886,021	1.02
Diane Colman	1,881,710	1.02
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	1,510,296	0.82
Hegford Pty Ltd	1,223,063	0.66
ANZ Trustees Limited <Queensland Common Fund A/C>	1,181,920	0.64
Peter Gary Robinson	1,116,455	0.61
Trevor Reading	1,107,550	0.60
Bryce McKerrell	869,637	0.47
Niblick Pty Limited	864,000	0.47

Distribution of Shareholders

Range			No. of Shareholders
1	-	1,000	2,063
1,001	-	5,000	1,685
5,001	-	10,000	506
10,001	-	100,000	802
100,001 and over			104
			5,160

95 shareholders hold less than a marketable parcel of 49 shares at $10.38 per share.

Substantial Shareholders*

	Notice Date	No. of Shares
WFM Motors Pty Ltd	17 October 2012	62,817,353
Patterson Cheney Investments Pty Ltd	18 July 2012	11,977,755
Jove Pty Ltd	11 July 2012	10,193,381

*As disclosed in substantial holding notices received by the Company.

Performance Rights and Options

718,245 unvested performance rights, 5,094,531 unvested options and 6,230,468 vested options are on issue to fifty-three holders pursuant to the Executive Incentive Plan. Vesting is subject to the achievement of pre-determined performance hurdles, as described in the Directors' Report. The rights and options do not have any dividend or voting rights.

On-market Buy-back

The company does not have a current on-market share buy-back.

Voting Rights

The following voting rights attach to ordinary shares, subject to the Company's constitution:

- A shareholder entitled to attend and vote at a meeting may do so in person or by proxy, attorney or corporate representative.
- On a show of hands, each shareholder entitled to vote has one vote.
- On a poll, each shareholder entitled to vote has one vote for each fully paid share and a fraction for each partly paid share.
- If a share is held jointly with two or more holders in attendance, only the holder whose name appears first in the register may vote.

Corporate Governance Statement

The company's Corporate Governance Statement is located on the Company's website at http://www.apeagers.com.au/shareholders/corporate-governance/.

CORPORATE DIRECTORY

A.P. Eagers Limited
ABN 87 009 680 013

Incorporation
Incorporated in Queensland on 17 April 1957

Registered Office
80 McLachlan Street
Fortitude Valley Qld 4006

Postal Address
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Fortitude Valley Qld 4006

Telephone
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Facsimile
(07) 3608 7111

Website
www.apeagers.com.au

Auditor
Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000

Share Registry
Computershare Investor Services Pty Limited
117 Victoria Street
West End Qld 4101
Enquiries within Australia: 1300 552 270
Enquiries outside Australia: +61 3 9415 4000

Board of Directors
Tim Crommelin, *Chairman, Non-executive Director*
Martin Ward, *Managing Director & Chief Executive Officer*
Nick Politis, *Non-executive Director*
Peter Henley, N*on-executive Director*
Dan Ryan, *Non-executive Director*
David Cowper, *Non-executive Director*

Company Secretary
Denis Stark, *General Counsel & Company Secretary*

Controlled Entities
Adtrans Australia Pty Ltd ABN 47 008 278 171
Adtrans Automotive Group Pty Ltd ABN 83 007 866 917
Adtrans Corporate Pty Ltd ABN 85 056 340 928
Adtrans Group Ltd ABN 28 008 129 477
Adtrans Hino Pty Ltd ABN 51 127 369 260
Adtrans Truck Centre Pty Ltd ABN 17 106 764 327
Adtrans Trucks Adelaide Pty Ltd ABN 45 151 699 651
Adtrans Trucks Pty Ltd ABN 71 008 264 935
Adtrans Used Pty Ltd ABN 11 074 561 514
A.P. Ford Pty Ltd ABN 43 010 602 383
A.P. Group Ltd ABN 53 010 030 994
A.P. Motors Pty Ltd ABN 76 010 579 996
A.P. Motors (No.1) Pty Ltd ABN 95 010 585 234
A.P. Motors (No.2) Pty Ltd ABN 97 010 585 243
A.P. Motors (No.3) Pty Ltd ABN 99 010 585 252
Associated Finance Pty Ltd ABN 76 009 677 678
Austral Pty Ltd ABN 89 009 662 202
Auto Ad Pty Ltd ABN 23 605 815 021
BASW Pty Ltd ABN 63 601 452 199
Bill Buckle Autos Pty Ltd ABN 75 000 388 054
Bill Buckle Holdings Pty Ltd ABN 44 062 951 106
Bill Buckle Leasing Pty Ltd ABN 52 000 871 910
Black Auto CQ Pty Ltd ABN 50 135 015 191
Black Auto South West Pty Ltd ABN 12 600 279 927
Boon 4 Pty Ltd ABN 35 608 791 911
Boonarga Welding Pty Ltd ABN 31 099 480 903
CH Auto Pty Ltd ABN 20 600 297 783
City Automotive Group Pty Ltd ABN 14 067 985 602
E.G. Eager & Son Pty Ltd ABN 20 009 658 306
Eagers Finance Pty Ltd ABN 65 009 721 288
Eagers MD Pty Ltd ABN 58 009 727 753
Eagers Nominees Pty Ltd ABN 98 009 723 488
Eagers Retail Pty Ltd ABN 91 009 662 211
Graham Cornes Motors Pty Ltd ABN 73 008 123 993
IB MD Pty Ltd ABN 50 169 210 173
IB Motors Pty Ltd ABN 90 169 209 607
Leaseline & General Finance Pty Ltd ABN 51 010 131 361
MB Vic Pty Ltd ABN 12 608 791 877
Melbourne Truck and Bus Centre Pty Ltd ABN 42 143 202 699
Motors Group (Glen Waverley) Pty Ltd ABN 85 164 997 228
Motors Tas Pty Ltd ABN 69 608 791 680
Nundah Motors Pty Ltd ABN 52 009 681 556
PPT Holdings No 1 Pty Ltd ABN 13 078 207 333
PPT Holdings No 2 Pty Ltd ABN 13 078 207 397
PPT Holdings No 3 Pty Ltd ABN 30 078 207 468
PPT Investments Pty Ltd ABN 80 000 868 860
Precision Automotive Technology Pty Ltd ABN 59 163 233 207
South West Queensland Motors Pty Ltd ABN 21 600 279 589
Stillwell Trucks Pty Ltd ABN 19 008 014 720
Western Equipment Rentals Pty Ltd ABN 91 131 269 184
Whitehorse Trucks Pty Ltd ABN 13 116 437 702
WS Motors Pty Ltd ABN 99 608 791 804

100 DRIVEN TOGETHER YEARS

AP EAGERS Established 1913