Annual Report 2021

Eagers Automotive Limited
ABN 87 009 680 013

5 Year Financial Summary

Year ended 31 December	2021 $'000	2020 $'000	RESTATED 2019 $'000	2018 $'000	2017 $'000
OPERATING RESULTS					
From continuing operations					
Revenue	**8,663,462**	8,749,675	5,816,979	4,112,802	4,058,779
EBITDAI	**651,642**	625,447	342,407	215,283	176,668
Depreciation and amortisation	**(120,428)**	(166,257)	(95,217)	(46,137)	(16,651)
Impairment and property revaluations through profit and loss	**(5,156)**	(90,700)	(244,925)	-	210
EBIT	**526,058**	368,490	2,265	169,146	160,227
Finance costs	**(79,619)**	(88,384)	(65,569)	(40,744)	(24,598)
Finance income	**10,368**	-	-	-	-
Profit before tax	**456,807**	280,106	(63,304)	128,402	135,629
Income tax expense	**(118,070)**	(88,575)	(17,176)	(30,906)	(37,456)
Profit from continuing operations	**338,737**	191,531	(80,480)	97,496	98,173
Group trading results					
Loss from discontinued operations	**(8,000)**	(35,320)	(59,113)	-	-
Non-controlling interest in subsidiary	**(12,913)**	(8,921)	(2,787)	(1,619)	(2,146)
Attributable profit after tax	**317,824**	147,290	(142,380)	95,877	96,027
Operating statistics					
Basic earnings per share - cents	**125.2**	57.6	(67.4)	50.1	50.3
Dividends per share - cents	**42.5**	25.0	25.3	36.5	36.0
Dividend franking - %	**100**	100	100	100	100

As at 31 December	2021 $'000	2020 $'000	RESTATED 2019 $'000	2018 $'000	2017 $'000
Funds employed					
Contributed equity	**1,173,069**	1,173,069	1,173,069	371,405	369,028
Reserves	**(617,978)**	(580,200)	(560,126)	(124,306)	38,131
Retained earnings	**510,725**	317,848	199,463	380,558	367,855
Non-controlling interest in subsidiary	**21,635**	13,860	9,423	8,002	10,761
Total equity	**1,087,451**	924,577	821,829	635,659	785,775
Non-current liabilities	**1,300,548**	1,443,313	1,490,490	544,994	276,092
Current liabilities	**1,342,946**	1,665,761	2,545,827	818,696	762,904
Total liabilities	**2,643,494**	3,109,074	4,036,317	1,363,690	1,038,996
Total funds employed	**3,730,945**	4,033,651	4,858,146	1,999,349	1,824,771
Represented by					
Property plant and equipment	**514,374**	494,266	456,058	388,407	361,121
Intangibles	**775,295**	785,574	773,174	313,325	309,414
Financial assets at fair value through OCI	**577**	2,366	2,366	149,774	288,033
Other non-current assets	**1,067,324**	1,188,502	1,245,734	269,905	22,600
Property assets held for resale	**18,670**	-	-	-	-
Other current assets	**1,354,705**	1,562,943	2,380,814	877,938	843,603
Total assets	**3,730,945**	4,033,651	4,858,146	1,999,349	1,824,771
Other statistics					
Shares on issue – '000	**256,933**	256,933	256,933	191,309	191,008
Number of shareholders	**10,767**	11,159	9,955	5,038	5,442
Total Debt [1]	**1,056,611**	1,233,079	1,744,826	899,405	793,544
Net debt (total debt less bailment finance less cash) - $'000	**128,409**	129,263	314,867	310,264	238,523
Gearing ratio (debt/debt plus equity) – %	**49.3**	57.1	68.0	58.6	50.2
Gearing ratio (net debt/net debt plus total equity) – %	**10.6**	12.3	27.7	32.8	23.3

(1) 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 11:00am (Qld time) on Wednesday, 18 May 2022. It will be held as a "hybrid" meeting, giving sharholders an opportunity to attend either online or in person.

Financial Calendar

2021 Financial Year End	31 December 2021
Full Year Results Announcement	24 February 2022
Final Dividend Announcement	24 February 2022
Final Dividend Record Date	1 April 2022
Final Dividend Payment Date	20 April 2022
Annual General Meeting*	18 May 2022
Half Year End	30 June 2022
Half Year Results Announcement*	August 2022
Interim Dividend Announcement*	August 2022
Interim Dividend Record Date*	September 2022
Interim Dividend Payment Date*	October 2022
2022 Financial Year End	31 December 2022

*Estimate only, subject to any changes notified to the ASX.

2021 Highlights

Record full year result driven by simplified business leveraging scale, geographic diversity and favourable market conditions.

Record Profit
Delivered through disciplined execution, cost out program and strong market conditions

Strong Balance Sheet
Underpinned by substantial asset base and available liquidity

Robust Outlook
Strong demand continues to outstrip supply with record order bank continuing to grow

Strategy Execution
Continued progress against the 5 key pillars of our Next100 Strategy

Key drivers of our result

Strong market conditions supported by greater productivity and a more efficient cost base.

Strong Demand	Property Consolidation
Greater Productivity	Reduced Cost Base

2021 Financial Highlights

Disciplined focus on cost base underpinning sustainable Return on Sales performance.

Underlying Operating PBT[1]
$401.8m ↑ from $209.4m in 2020

Return on Sales (Underlying)[1]
4.6% ↑ from 2.4% in 2020

Statutory PAT
$330.7m ↑ from $156.2m in 2020

Corporate Debt Net of Cash[2]
$128.4m ↓ from $129.3m as at 31 December 2020

Daimler Trucks Gain on Sale (Pre-tax)
$30.2m

Total Dividend for 2021
70.9 cents per share ↑ from 25.0 cps in 2020

1 Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 34 (FY2021) and 35 (comparative financial information) of the Investor Presentation released to the ASX on 24 February 2022. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

2 At 31 December 2021.

Company Profile

About us

Eagers Automotive Limited is the leading automotive retail group in Australia and New Zealand, with a long and proud history of 109 years.

Our name was changed to Eagers Automotive Limited from A.P. Eagers Limited in 2020 following our acquisition of the listed Automotive Holdings Group Limited (AHG). This new name better reflects our position in the automotive industry and recent growth, whilst also maintaining a connection to our foundation.

We are a pure automotive retail group representing a diversified portfolio of automotive brands across Australia and New Zealand.

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.

Our operations are typically provided through strategically clustered dealerships, many of which are situated on properties owned by us in high profile, main road locations, with the balance leased by us.

Our main operations are located in Brisbane, regional Queensland, Adelaide, Darwin, Melbourne, Perth, Sydney, the Newcastle/Hunter Valley region of New South Wales, Tasmania and Auckland.

Dividends and EPS Growth

We have paid a dividend to our shareholders every year since we listed on the Australian stock exchange in 1957.

We have 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 one of our wholly-owned subsidiaries.

After establishing the first motor vehicle assembly plant in Queensland in 1922, we 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 followed.

Our acquisition of AHG in 2019 cemented our position as the leading automotive retail group in Australia and New Zealand.

Growth

Our sales revenue from continuing operations, which excludes operations during the period either divested or held for sale, has increased from $500 million in 2000 to $8.7 billion in 2021.

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

In 2010, we acquired the publicly listed Adtrans Group Limited, being South Australia's premier car retailer. This was our direct entry into South Australia.

Eblen Motors was acquired in 2011, Main North and Unley Nissan and Renault were added in 2013, and Reynella Subaru was acquired in 2014, complementing our existing operations in South Australia.

A new business, Precision Automotive Technology, was established in 2013 to source and distribute our own range of car care products.

In 2014, our Queensland operations continued to expand through the acquisition of Ian Boettcher Motors in Ipswich and the Craig Black Group in south-west and central Queensland.

2016 saw further growth with the acquisition of Motors Group Tasmania and the Victorian businesses Silver Star Motors, Mercedes–Benz Ringwood and Waverley Toyota.

Our presence in regional Queensland grew substantially in 2016 with the acquisition of the Crampton Automotive and Tony Ireland Groups, taking us into new geographic territories in Toowoomba and Townsville.

In 2018 we completed the acquisition of Toowoomba Motor Group (Mitsubishi and Kia), Metro Nissan (Brisbane) and Southern Vales Nissan (Adelaide).

We acquired a strategic holding in AHG in 2012 which provided indirect exposure to the West Australian market. This investment grew to full ownership of AHG in 2019, bringing significant operations in Perth, Sydney, Newcastle/Hunter Valley, Brisbane, Melbourne and Auckland.

2021

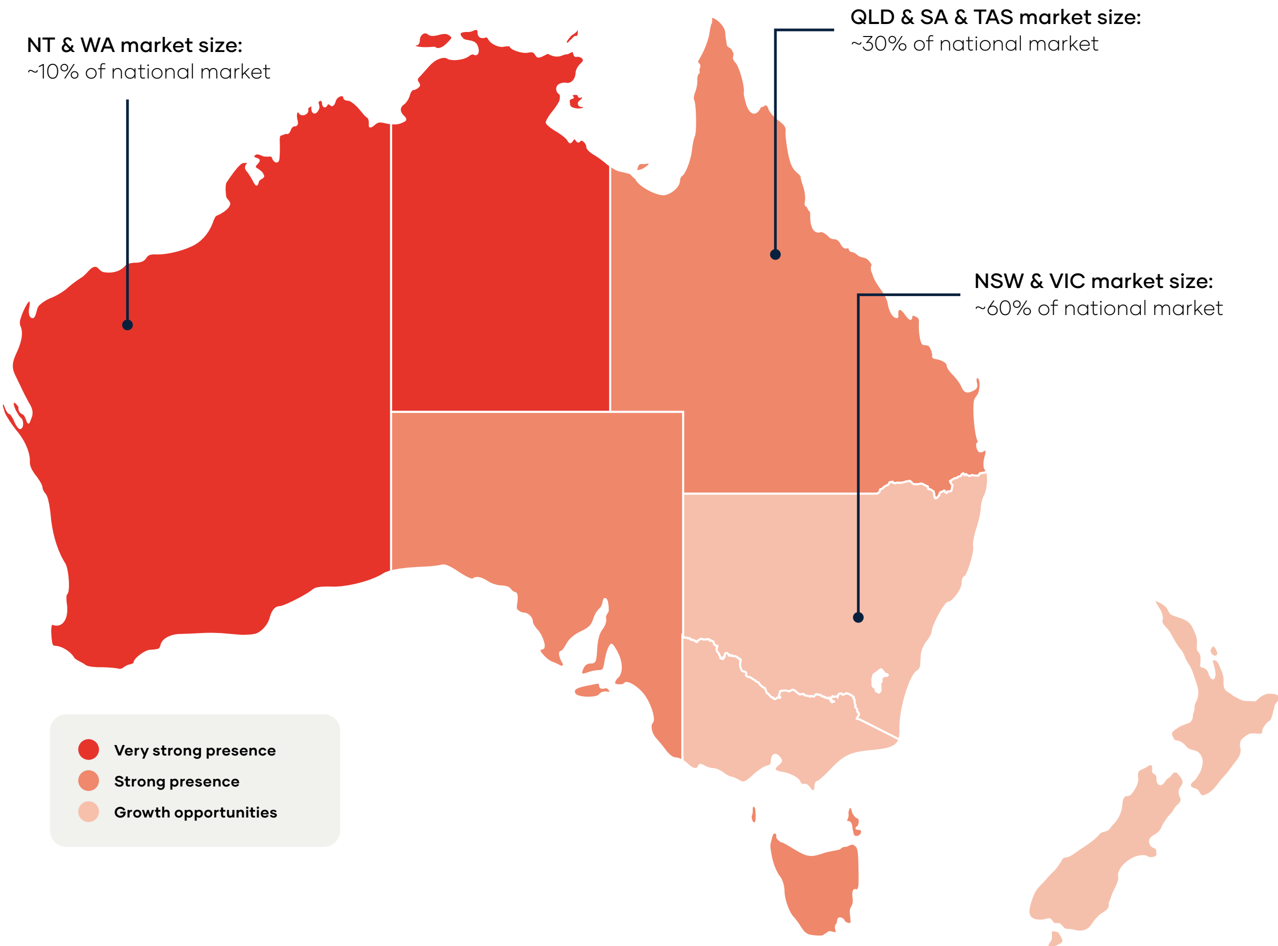
2021 saw strategic acquisitions of Toowoomba Ford and multi-franchised dealerships in Cardiff and Maitland.

We have also continued to invest in new automotive retail formats, such as AutoMall West in Indooroopilly Shopping Centre in West Brisbane, which will provide a more tailored, flexible, convenient experience for customers.

We are now also in the design phase for our automotive retailing and mobility hub which will be set on over 90,000m^2 of land in Brisbane Airport's new $300 million Brisbane Auto Mall, with the aim of providing a world-class automotive retailing experience for our customers of the future.

Where do we Operate?

National footprint and breadth of brand representation capitalising on strong market conditions in Australia and New Zealand.



Eagers brand representation covers 96% of new vehicle sales in Australia in 2021.

State	Eagers Market Share
Queensland	11.4%
Western Australia	20.2%
South Australia	15.0%
Tasmania	11.3%
Northern Territory	27.8%
New South Wales	9.4%
Victoria	5.4%
Australian Capital Territory	-
Australian Market	**10.2%**
New Zealand Market	**4.5%**

Chairman's Letter

Tim Crommelin

Our balance sheet and financial position remain very strong, with significant available liquidity, providing the capacity and flexibility to support disciplined reinvestment.

Dear shareholders,

2021 was both challenging and rewarding for Eagers Automotive.

As with much of the retail sector, the COVID-19 pandemic continued to pose significant challenges for the automotive retail industry during the year. Our business operations were adversly affected by the pandemic's continued economic impact, including as a result of government-mandated lockdowns in New South Wales, Victoria and Auckland, New Zealand, as well as border closures and supply chain disruption.

The health and safety of our people, our customers and our local communities remains our first priority. We have consistently demonstrated our ability to adapt quickly to evolving public health requirements, while continuing to operate safely and provide excellent customer service, despite the challenges associated with the pandemic.

Under the leadership of our Chief Executive Officer, Keith Thornton, who has taken to the role seamlessly since commencing in February 2021, the Company has continued to execute its strategy with discipline, delivering a record financial performance for the year.

Our record statutory profit before tax from continuing operations of $456.8 million in 2021 was up from $280.1 million in 2020, while our underlying operating profit before tax of $401.8 million was up from $209.4 million in 2020.

Our balance sheet and financial position remain very strong, with significant available liquidity, providing the capacity and flexibility to support disciplined reinvestment. We believe this will drive returns to shareholders in future years.

We are delighted to continue our long history of rewarding shareholders, with a fully franked final dividend for 2021 of 42.5 cents per share.

We are delighted to continue our long history of rewarding shareholders, with a fully franked final dividend for 2021 of 42.5 cents per share.

The final dividend, combined with our ordinary interim dividend and our special dividend relating to the strategic divestment of the Daimler Trucks business, takes the total dividends for the full year to 70.9 cents per share, up from 25.0 cents per share for the previous year.

Keith provides further details about the Company's 2021 performance, strategic initiatives and outlook on the following pages, whilst I note that we have continued to experience strong demand in all regions during early 2022 and are well-positioned for the future.

The pandemic, together with heightened focus on climate change, has accelerated the global consciousness of Environmental, Social and Governance (ESG) matters. ESG risks and opportunities remain a priority for us as we continue efforts to reduce our impact on the environment, enhance our business as a place to work and support our communities. We are pleased to include our first Sustainability Report in this Annual Report.

On behalf of the Board, I would like to acknowledge Keith and the management team for their leadership navigating the Company through significant external disruption. Thank you to all of our employees – your hard work and dedication in a challenging environment allowed the Company to continue to achieve outstanding results in 2021.

I would also like to thank my fellow Directors for their valuable contribution and counsel throughout the year.

In particular, I acknowledge and thank David Cowper who is intending to retire as a Director at our Annual General Meeting this year. David has been an extremely dedicated, industrious and loyal servant of the Company since his initial appointment to the Board in July 2012, including in the vital role of Chairman of our Audit & Risk Committee. David's efforts have been tireless and his contribution to the Company has been enormous.

Finally, thank you to all of our shareholders for your ongoing support. We are excited about the year ahead and look forward to continuing to deliver for shareholders in the long term.

Yours faithfully,

Tim Crommelin
Chairman

Message from the CEO

Keith Thornton

Dear shareholders,

As I said at the time of my appointment in February 2021, it is an immense privilege to be Chief Executive Officer of Eagers Automotive and I am now pleased to be able to report on my first year in the role.

The last 12 months have presented Eagers Automotive with some of the most unique challenges and market dynamics of my near 20 years with the Company. Yet the transformative steps we have taken in recent years and the strong focus on operational performance from our team have positioned the Company to perform strongly regardless of the external environment.

Operating environment

Despite the myriad of challenges presented by COVID-19, our team has continued to deliver for customers, OEM partners and shareholders.

Our overall scale and geographic diversity have enabled Eagers Automotive to capitalise on the new vehicle market recovery across all regions while also mitigating the impacts of localised COVID-19 restrictions.

During 2021, we experienced government-mandated lockdowns in New South Wales, in both our Sydney and Newcastle regions, as well as in Victoria and Auckland, as a result of the pandemic. In total 114 trading days were impacted and restricted more than 35% of the Company at any one time. While this was indeed challenging, the experience we had gained from business interruptions during the initial on-set of COVID-19 in 2020 allowed us to quickly adjust during 2021. Our local teams were able to provide safe and convenient solutions for our customers through online-enabled 'click and collect' sales combined with contactless delivery and service options.

While the lockdowns impacted trading in sections of our service and parts operations and resulted in the deferral of some new and used vehicle sales and deliveries, our order book has remained exceptionally strong with demand for new and used vehicles remaining robust across the country.

Although customer activity, workforces and supply chains were interrupted by the pandemic during 2021, new car orders materially outstripped new car deliveries in every month of the year, creating a record order book for us and the industry at large.

Geographically, our two largest markets of Queensland and Western Australia were largely unaffected by lockdowns, experiencing particularly strong trading conditions throughout 2021.

Financial performance

Despite the COVID-19-related disruptions, we delivered a record financial performance, maintaining a relentless focus on executing our Next100 Strategy while remaining disciplined in our daily operational management of the business to capitalise on favourable market dynamics.

Consolidated revenue from continuing operations for the full year was $8.7 billion, marginally down on the prior period due to the divestment of our Daimler Trucks business in April 2021.

However, on a statutory basis our record profit before tax from continuing operations of $456.8 million, up from $280.1 million in the previous year, equated to a statutory after-tax profit of $330.7 million, up from $156.2 million in the previous year.

We delivered a record financial performance, maintaining a relentless focus on executing our Next100 Strategy

Our simplified business model, and the benefits of our restructuring, rationalisation and cost-out initiatives, contributed to an underlying operating profit before tax of $401.8 million for the full year, a significant increase on the $209.4 million recorded in 2020. A structural reduction in our on-going cost base enabled us to achieve a return on sales of 4.6% on an underlying basis.

Strategic progress – Next100

Throughout 2021, our team continued its focus on executing our Next100 Strategy and actively pursuing aligned opportunities to deliver growth in shareholder returns.

We continued to pro-actively manage our dealership portfolio with strategic acquisitions of Toowoomba Ford and multi-franchised dealership groups in Cardiff and Maitland, in addition to the Daimler Trucks divestment. We further rebalanced our property portfolio through the acquisition of 10 strategic sites valued at $168.7 million, taking the total value of the portfolio to $432.5 million at the end of 2021, excluding assets held for resale, compared to $356.5 million at the end of 2020.

In conjunction with our strategic property acquisitions, we continued to invest in new automotive retail formats, such as AutoMall West located at Indooroopilly Shopping Centre in west Brisbane. This new retail format will provide a more tailored, flexible and convenient experience for our customers while leveraging economies of scale to enable a more economically sustainable retail footprint for the longer term. To develop an automall concept in this way and of this size, supported by a significant number of major OEM partners, is a truly globally unique initiative in our industry and another example of how Eagers Automotive is committed to leading innovation in retail solutions for our partners.

Our national, fixed-price pre-owned vehicle business, easyauto123, continues to grow profitably as it benefits from being fully integrated into our business, our investment in the 'your car, your way' integrated online buying, selling and financing options for customers, and our disciplined approach to cost management. During the year, we opened new easyauto123 sites in Sydney, Townsville and multiple locations in Auckland. We have continued to redesign our workforce and workspace in response to changing customer habits as we extended our measured investment in proprietary technology to optimise workforce productivity and improve customer experience.

We also remain committed to delivering optimised financial solutions for our customers. Despite the impact of COVID-19 on automotive retail finance, we continued to outperform industry benchmarks while originating more than $2 billion of loans during the year.

Outlook

Despite ongoing supply chain constraints and temporary disruption to logistics and resourcing in early 2022 as a result of the Omicron outbreak, unusually strong demand has continued across all of our operating regions while the impact from lockdowns has become increasingly muted.

Our strong balance sheet and fortified liquidity position provide the flexibility and capacity to continue the active transformation of our business. We believe that as we anticipate and respond to the evolution of the automotive retail industry, we are best positioned to capitalise on accretive consolidation within the industry.

We plan on further investment in organic growth initiatives as we continue to review strategically complementary acquisition opportunities. Our aim is to accelerate execution of our Next100 Strategy.

Thank you

I would like to thank each and every customer we served in 2021. Your support is greatly appreciated and never taken for granted. We will continue to work hard to support you and repay your custom while striving to deliver on our internal mantra of 'we can help you with that'.

I would like to acknowledge all 7,345 members of our team – your dedication and commitment have been instrumental to the delivery of our strong results in 2021.

Thank you to the Board and my predecessor Martin Ward for your advice and support throughout the year. I look forward to continuing to work together in 2022 as we build on the legacy of strong growth and financial management.

To each OEM partner, we are proud to represent your brand. Our position as your retail partner is a privilege and responsibility we take very seriously. We will continue to focus on being a preferred partner for your business.

To our banks and finance partners, our landlords large and small, and all our other business suppliers, we thank you for your overwhelming support during what has continued to be a challenging time for business.

And finally, to our valued shareholders, we thank you for your ongoing support.

We are very excited for what the future holds.

Yours faithfully,

Keith Thornton
Chief Executive Officer

Outlook

Discipled focus on accelerating our Next100 Strategy.

easyauto123 Growth

Creating shareholder value through profitable growth of the easyauto123 business

Finance Penetration

Leveraging Point of Sale (POS) advantage, technology investments & a favourable credit market to continue finance penetration growth

Property

Continue restructuring owned & leased properties and acquisition of strategically located leased sites to increase flexibility and deliver enhanced customer experience on lower cost base

Technology

Continue to invest in integrated technology solutions, enhancing customer experience & providing a platform for productivity gains

M&A

Continue to review acquisition, rationalisation & consolidation opportunities in line with Next100 Strategy

OUR NEXT100

Providing integrated mobility solutions for the next 100 years.

OPTIMISE — **DEVELOP** — **GROW**

Engage our customers, everywhere

Online.

At the airport.

In shopping malls.

In multi-brand service hubs.

At home. At work.

Our flexible owned and leased property portfolio allows us to continue to evolve to fit our customers' lifestyles, circumstances, wants and needs.

Redefine our workforce

Our workforce:

Re-defined and re-imagined, based on our customers' journey.

This transformation is aimed at delivering an all new and vastly superior customer experience on a more sustainable and productive cost base.

Deliver optimised vehicle finance solutions

Capitalise on the unique position our industry occupies in the distribution of motor vehicles, with the aim of becoming the preferred provider of automotive and mobility finance solutions.

Deliver ultra-competitive, highly tailored finance solutions sourced from our extensive funding relationships.

Support innovation

Support our partners to introduce ACE (autonomous, connected and electric) and other emerging product and service innovations.

Our partners cover circa 95% of the total market for new vehicles in Australia and are at the forefront of design, performance and innovation.

Reinvest with discipline

Disciplined use of shareholder funds combined with rigorous review of existing and new operations to support an unrelenting focus on long term wealth creation.

Utilise balance sheet strength to capitalise on evolving and emerging market trends.

EXCEED STAKEHOLDER EXPECTATIONS

Customers. Employees. Partners. Shareholders. Community.

Our Values

We have adopted the following values, which express the standards and behaviours we expect of all our team members. They guide our interactions with all stakeholders and bring our team together as one aligned Eagers Automotive team.

Integrity

Doing what we say we will do

Our reputation is the foundation on which our Company is built. It is shaped by the way each of us behaves and acts every day. Others need to be able to rely on us while we constantly strive to be better than ever before. Regardless of success, we value humility and authenticity as these are necessary for creating high levels of trust and transparency across all parts of our business. Our success is directly linked to us doing what we say we will do and optimising outcomes for all stakeholders.

Inclusiveness

Embracing the value and contribution of all individuals in our team

Respect runs deep in our Company. Everyone matters. No one is more or less important as an individual than anyone else, however we all have different roles to play. Success is never achieved in isolation and we strive to be a connected team, supporting each other and encouraging each individual contribution to group goals. Everyone has safe passage to offer their own view based on their unique experiences and background. We learn together and we succeed as one.

Owner's Mindset

Agility

Taking pride in our work and owning our contribution

We are a team focussed on continuous improvement in our behaviour, our skills, our standards and our results. Each individual is empowered to take ownership of their contribution to the team. We support pragmatic thinking, authentic people who respectfully challenge themselves and each other to do better every day.

Being flexible in our thinking and open to change

We constantly look for new and better ways to optimise outcomes for our stakeholders. We encourage innovative thought to build better processes, enhance efficiencies and improve results. While we strive to grow our Company, we know that size can reduce agility, so we drive nimble action. New ideas and shared learnings are important to help us maintain the speed and agility of a market leader in our ever-changing industry.

What is the Eagers Automotive Foundation?

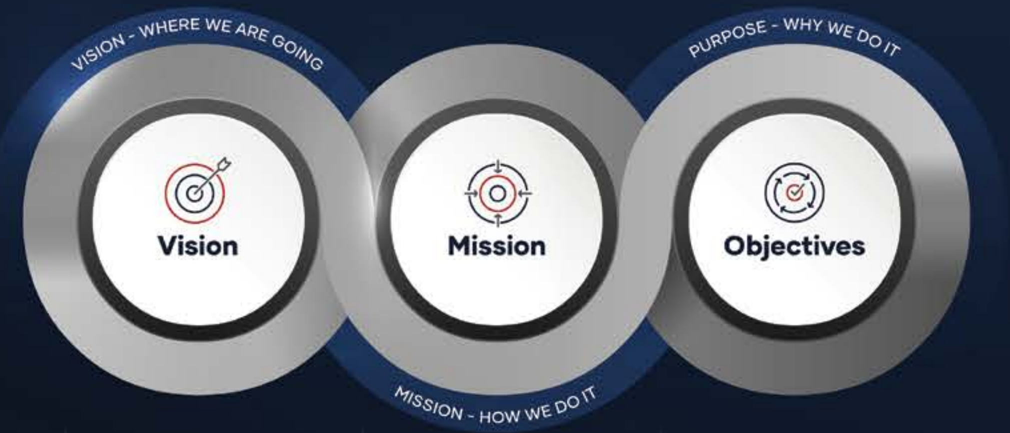
Community Driven

Our commitment to community support for over 100 years led to the establishment of the Eagers Automotive Foundation in 2013.

The Foundation is a non – profit organisation committed to supporting our communities and worthwhile causes by engaging with our stakeholders and utilising our growing scale to actively contribute in meaningful and sustainable ways.

Community Engagement

During 2021 we continued our long history of supporting local communities and charities through various fund raising activities conducted by both the Eagers Automotive Foundation and the Eagers Automotive dealerships in New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria, Western Australia and New Zealand.



To create a lasting spirit of giving within the Eagers Automotive network for those in need in our community.

To engage the Eagers Automotive network to drive positive sustainable change in our community.

To encourage and support initiatives of Eagers Automotive stakeholders that help drive positive change for those in need.

To secure voluntary assistance through financial support, sponsorship, skills transfer and in-kind donations from Eagers Automotive businesses and stakeholders.

To deliver 100% of donations to intended recipients.

To operate with the highest standards of integrity.

1. Life Flight, QLD
2. Kevin Bynder Paints maintenance kit for NAIDOC Week, WA
3. Minda Inc, SA
4. Wrapping Christmas presents for Salvation Army, WA
5. National Schools Tree Planting Day, WA

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Our support for these communities and charities exceeded $960,000 in 2021. Numerous charities,communities and worthwhile causes benefited from our dealerships' initiatives during 2021 including:

Northern Territory

• Autism NT • Carers NT • Danilda Dilba Health Services

Queensland

• St.Vincent de Paul Society (Qld) • Traction for Young People • Anglicare Australia • Junior Diabetes Research Foundation • Minda Inc. • The Endeavour Rally • RACQ Life Flight Rescue • Felicity Purcell Nursing Bursary • Darkness to Daylight • The Prince Charles Hospital Foundation Common Good Bike Rally • Micah Projects • MindFX • Ginger Cloud Foundation • Australian Cervical Cancer Foundation • Ronald McDonald House (Townsville) • Townsville Sunrise Rotary Club

New South Wales

• Elouera Surf Life Saving Club • Little Wings
• Phoenix Community Project • Variety NSW Bash

Tasmania

• Variety Tasmania the Children's Charity
• Camp Quality • Cancer Council Tasmania
• St Giles Society • Pathways Tasmania

South Australia

• Backpacks for SA Kids • Kickstart for SA Kids
• Youth Opportunities • Autism Dogs Program
• Royal Society for the Blind • Minda Inc.
• Living Without Limits Foundation

Western Australia

• Kevin Bynder Indigenous Artist
• National Breast Cancer Foundation
• Salvation Army • Hearts for the Homeless
• City of Perth Christmas Parade • Movember
• National Schools Tree Planting Day
• Oz Harvest • Perth Children's Hospital Foundation
• Lifeline • Little Luca's Big Fight
• Pink Ribbon Breakfast • Purple Hearts Foundation
• Perth Special Children's Christmas Party

Victoria

• Variety Bikes for Kids • Brainwave • Monash Medical Centre – Children Hospital

New Zealand

• Westpac Rescue Helicopter • The Handathon
• New Zealand Make a Wish Foundation
• The Breast Cancer Foundation

Sustainability Report

This is Eagers Automotive's first sustainability report. However, our sustainability journey has been underway for many years and is one of continual improvement and accountability.

We have chosen to report in line with the globally recognised reporting Standard provided by the Sustainability Accounting Standards Board (SASB) and its guidance for companies in the multiline and speciality retailers & distributors sector. This Standard not only has a particular focus on the information needs of institutional investors but has also been chosen by the International Sustainability Standards Board and the IFRS Foundation in November 2021 as the preferred reporting framework for harmonising sustainability disclosures for financial markets globally.

This report is arranged in four sections – Environment, Social, Governance and Climate Change - to capture the issues that are of most relevance to our business.

Contents

1. Environment

This section provides information on initiatives we utilise to reduce our environmental impact.

1.1 Electricity Consumption

Heating, ventilation and air conditioning (HVAC) are the largest users of electricity in our business, at approximately 75% of total usage. We are conscious that although HVACs consume most of the electricity, it is important that we continue to provide employees with a comfortable and safe place to work and we also view this as essential for our customer facilities.

We have taken a proactive approach to reduce electricity consumption, with many sites replacing traditional bulb lighting with more efficient LED lighting and installing light sensors and timing devices. 34 dealerships have also installed Solar Photovoltaic (PV) systems, that each provide between 30Kw and 200Kw of electricity.

Southside Toyota Brisbane

1.2 Hazardous Chemicals

Our operations involve the handling, storage and sale of many hazardous chemicals such as paints, solvents, fuel, degreasers, aerosols and oil. We have implemented a structured framework to assess and manage the risk of harm that these materials can cause to people and the environment. This includes specific control measures for each site, including a register of chemicals, Safety Data Sheets, signage and employee training in handling and use of chemicals.

1.3 Underground Petroleum Storage Systems (UPSS)

Across our network of dealerships, there are 56 UPSSs that store oil and petroleum products which could present safety and environmental risks if they were to deteriorate over time. We have taken a proactive approach to address this issue. Qualified contractors complete a variety of equipment integrity tests which have been used to establish a plan that will see all UPSSs decommissioned. 18 UPSSs have been decommissioned to date.

1.4 Packaging

As an automotive retailer, we do not package any products across our network of dealerships.

1.5 Commitments to Reduce CO_2 Emissions

Whilst automotive retailers have little influence over the sales strategies of Original Equipment Manufacturers (OEMs), the vast majority of OEMs who we represent have set significant targets for reducing CO_2 emissions and increasing the sale of electric vehicles. The table on Page 22 provides a summary of those targets from 12 of the top 15 brands sold in Australia which accounted for 76% of national new vehicle sales and 89 % of our sales in 2021.

OEM	TARGET	YEAR
1	Reduce global average CO_2 emissions from new vehicles by 90% compared to 2010 levels	2050
	Global battery electric vehicle sales target of 3.5 million each year	2030
2	Reduce the average 'well-to-wheel' CO_2 emissions, and achieve a 90% reduction compared to 2010 levels	2050
	25% of new vehicles will be electric, with the remaining 75% having an electrified element	2030
3	100% electrification of new vehicles worldwide	2040
	Global sales target for electric vehicles of 1.7 million each year	2026
4	All vehicles, production facilities and suppliers will be carbon neutral	2050
	40% of global sales will be battery electric powered	2030
	5 electric vehicle models on sale in Australia	2024
5	All vehicles, production facilities and suppliers will be carbon neutral	2045
6	CO_2 emissions from new vehicles to be 40% below 2010 levels and electric vehicles to be 50% of all vehicles sold	2030
7	To be carbon neutral across the life cycle of its products	2050
	Introduce 23 new electrified models, including 15 new electric vehicles with the aim of an electrification mix of more than 50% globally	2030
	Introduce 20 new electric vehicles and e-POWER equipped models in the next five years, targeting an increase in their electrification sales mix across major markets including Europe (+75%), Japan (+55%), China (+40%) and the US (+40% by 2030) – an investment of 2 trillion Yen	2026
8	Reduce vehicles' CO_2 emissions in production and during the use phase by 30% between 2018 and 2030 and increase the proportion of the fleet that is electric to at least 40%	2030
	Sell more than 1 million e-cars globally	2025
9	Reduce the average CO_2 emissions from new passenger cars by at least 90% by 2050, compared with 2010	2050
	Increase the ratio of electric vehicles and hybrid cars to up to 40% of the gross number of vehicles sold globally and, by the early 2030s, all their commercial cars to be equipped with electric powertrain technology	2030
10	Make entire new vehicle fleet CO_2-neutral and ensure it no longer has any relevant effects on air quality in inner cities	2040
	Plug-in hybrids or all-electric vehicles to account for more than 50 percent of car and van sales	2030
11	Reduce CO_2 emissions per vehicle and kilometre driven by 40% on 2019 levels across entire value chain	2030
	Total climate neutrality	2050
12	Target production of 40% electric vehicles by 2030, and 80% by 2035	2030
	100% production of electric vehicles	2040
	Total climate neutrality	2050

2. Social

2.1 Labour Practices

To satisfy the SASB Standard, the following information excludes corporate staff.

2.1.1 Remuneration

Throughout 2021 all employees were remunerated above the minimum wage except for 107 who were remunerated at the minimum wage in line with their appropriate Award or Industrial Agreement.

Minimum Wage

Australia	New Zealand
1.7%	0.0%
Total: 107	Total: 0

The average hourly remuneration of our employees in 2021, measured as total wages and commissions, less overtime payments, is summarised below.

Average Full Time Earnings

Australia		New Zealand*
$66.07	Management	$67.56
$29.41	Parts and Services	$29.06
$32.88	Finance and Administration	$29.49
$54.68	Sales, Car Care, Insurance Consultants	$51.47

*Amounts are shown in NZ Dollars.

2.1.2 Rate of Termination

The table below shows the number of employment terminations across our dealerships in 2021 and this is reflective of the relatively high turnover rate across the industry.

Termination

Australia		New Zealand	
Voluntary	Involuntary	Voluntary	Involuntary
35.2%	3.4%	28.4%	1.7%
Total: 2,275	Total: 206	Total: 133	Total: 8

2.1.3 Labour Laws and Payroll Systems

We did not incur any monetary loss in 2021 due to legal proceedings associated with labour law violations.

In December 2019 we announced on the Australian Stock Exchange that we had self-reported the underpayment of employees to Fair Work Australia. We had identified the issue during a system upgrade. Our detailed investigation, with the assistance of independent experts, determined that approximately 6,200 employees and former employees had been affected over a period of seven years, with the total payment shortfall being $4.5 million. All remediation payments plus interest were processed in 2020 and Fair Work has finalised its review of the matter. Following the merger with AHG, we undertook a further review into their payroll systems and immediately self-reported the findings to Fair Work Australia. We took full responsibility to ensure that all current and former AHG employees were paid full entitlements plus interest.

It was with great disappointment that we learned of the payroll underpayments. Our people underpin our business and our value. We constantly strive to provide a work environment where all our people feel valued, recognised and respected for their contributions. A fundamental part of this is ensuring that our employees are appropriately rewarded. To this end, we have proactively remedied our mistakes and implemented many controls to mitigate the risk of any reoccurrence, including:

- We have implemented a national classification framework and template employment contracts for every type of position. This assists with setting minimum terms for positions and applying correct Award conditions.
- We have introduced the Kronos Time and Attendance system across the group. This assists with compliance, recording and payment of overtime and correct provisioning.
- Our payroll system now automatically includes service anniversary dates that assist with implementing appropriate adjustments to Award rates.
- All training is completed after commencement of employment.
- Managers receive improved education and training on Award requirements.

2.2 Balancing Work Goals with Life Goals

We take pride in our employees having work goals, along with life goals.
We recognise this in many ways, including:

2.2.1 Service Recognition

We are proud that many of our employees have chosen to have long careers with us. To celebrate this, we recognise annual service anniversaries that begin after 10 years with us, and then occur every subsequent five years. This recognition happens at multiple levels within the business and includes our Chief Executive Officer, Keith Thornton, personally acknowledging the services of these long-standing employees. We celebrate our achievements as a team in each dealership, and a token gift of appreciation and celebratory event is provided.

2.2.2 Paid Maternity Leave Program

Over and above our statutory obligations under the Paid Parental Leave Act 2010 in Australia, we offer a Paid Maternity Leave Program to provide further support following birth or adoption. Our payments subsidize payments under the applicable government scheme and are designed to assist employees maintain their usual average pay for a period of up to 12 weeks during their parental leave. Where an employee does not qualify for a government scheme, we offer eligible employees to the program's cap value of $15,000.

2.2.3 Career Development and Training Programs

We value continuous learning that supports professional goals. In that regard, we provide training in many areas including:

a) Sales and Service Development
b) Car Care
c) Finance and Insurance
d) Workplace, Health, Safety and Environment
e) Managing Award Based Workforce
f) Product-specific training

2.2.4 Apprenticeships / Traineeships

As Australia and New Zealand's leading automotive retailer, we are committed to the future of the automotive industry and actively look to encourage people to pursue careers in our sector. We employ 607 apprentices. 379 new apprentices were employed in 2021 and 188 apprentices completed their training to become qualified Automotive Technicians, Automotive Electricians and Parts Interpreters.

We provide many benefits to support our apprentices during their training, including payment of technical fees, interest-free loans to purchase toolkits, the opportunity to salary sacrifice some expenses, and discounts on vehicles, parts and servicing.

2.3 Response to COVID-19

A major focus of our sustainability agenda has been on the management of COVID-19 and its impact on our employees.

We have continually monitored the numerous changes to State and Territory Health Directives to assist our employees in understanding these complex requirements. Each dealership has operated under a COVID Safe Plan, and our People & Safety Team has provided regular 'COVID Alerts' to guide our businesses as circumstances have changed.

We took many steps in 2021 for the safety and wellbeing of our employees. This included implementing new operational processes, safe work practice instructions, changing work rosters to minimise movement across our operations and implementing tailored and more frequent cleaning and sanitisation practices.

Specific initiatives to assist employees deal with the impact of the health crisis in 2021 included:

Mental Health Awareness Training

We introduced the Mentally Healthy Workplace training program to assist managers implement workplace practices promoting stronger mental health outcomes for employees.

COVID-19 Vaccination Incentive

We launched an incentive program to encourage employees to receive their COVID-19 vaccinations. Fully vaccinated employees could elect either to receive a $200 gift card or for us to make a $200 donation to the Eagers Automotive Foundation. 5,009 employees claimed this incentive.

Employee Engagement

To ensure employees continued to feel connected and supported through government-enforced lockdowns, we introduced site-specific initiatives in NSW and Victoria, including:

a) Provision of financial support for employees to, for example, purchase meals through Uber Eats or other items (eg. headphones) to assist during snap lockdowns.

b) In conjunction with our Corporate Health Plan providers Medibank and Bupa, we rolled out various COVID-safe activities, including Healthy Minds Podcasts, Mindfulness Tracks and Managers Guide to Mental Health, along with virtual classrooms for cooking and yoga.

Economic Support to Employees

We have supported employees through lockdowns by providing full access to leave entitlements and continuing to remunerate those unable to attend work due to State Health Directions and unable to work from home.

2.4 Employee Engagement

It is important that our people have a workplace that they are proud of and allows them to perform their best each day. Prior to our merger with AHG and the COVID-19 pandemic, we conducted annual employee engagement surveys. While the events of the last two years have led to this annual survey being postponed, it is being reinstated in 2022. An independent specialist organisation has been engaged to conduct our 2022 survey. By utilizing an independent external provider, employees can be confident that the survey is both anonymous and confidential, as well as allowing their feedback to be benchmarked against a portfolio of other large employers. Survey results are reviewed, relayed to employees and action plans developed to act on the feedback.

2.5 Health and Safety

We are committed to ensuring that our people are safe at work. Implementing better safety and wellbeing practices is an ongoing priority and included the following in 2021.

2.5.1 New Integrated Workplace Health, Safety and Environment Management (WHSE) System

Following the merger with AHG, multiple safety management systems were being used across the group. In 2021, we completed a comprehensive review of our safety management systems to ensure they all align.

All of our sites now use the same WHSE software platform to report incidents and injuries, thereby improving consistency of reporting and analysis.

A suite of safety training videos has also been developed to help employees understand WHSE issues on topics such as Incident & Hazard Reporting, Risk Management, Inductions, Underground Petroleum Storage Systems (UPSS) and Drug & Alcohol Policy.

2.5.2 Management of Hazardous Chemicals

As referred to in the Environment section of this report, many hazardous chemicals are used, stored and sold in our business. We use a risk management approach to provide a safe working environment. Specific control measures for use and storage of chemicals have been developed for each site, including chemical registers, Safety Data Sheets, employee training and signage.

2.6 Diversity and Inclusion

We recognise the inherent benefits in having a diverse workforce and value the differences between people and the contribution these differences can make to our business. To encourage and foster the move towards a more diverse work force is not only the right thing to do, it also makes good business sense. It provides opportunity to attract and retain the most talented and engaged people whose diversity reflects the communities in which we operate. We believe this helps to encourage greater innovation within our business.

In order to achieve optimum diversity in our workforce, it is essential that recruitment, selection, training, promotion and career management decisions are based on merit and are non-discriminatory. Our managers are charged with responsibility for ensuring employees are treated fairly and with respect and dignity.

Within our policy of appointing or promoting on a non-discriminatory basis, we endorse the objectives of equal opportunity so that all candidates are given equal consideration.

2.7 Diversity Objectives

In accordance with our diversity policy, the Board has set the following objectives for achieving diversity in the composition of our Board, senior executives and workforce generally:

2.7.1 Board Composition

In February 2021, we set a diversity target to increase female representation on the Board to 30% by 2025. Women now make up 22.2% of the Board.

Board

	Feb 2022	Feb 2021
Female	22.2%	20.0%
Male	77.8%	80.0%

2.7.2 Diversity & Inclusion Training

'Inclusiveness' is one of the key values of our Company. This recognises the unique contribution that each person brings to our business and the strength and innovation that can come through a diverse and inclusive workforce. To help embed this value across the group, our objective is to develop and deliver diversity and inclusion training for all managers over a four-year period, focussing on increasing awareness of unconscious biases and understanding how differences can contribute to the development of a high-performance culture.

Whilst progress against this objective has been hampered due to the many business lockdowns and other impacts of the COVID-19 pandemic, priority during the year was given to regional initiatives, including these targeted programs:

Fearless Female Forum

This is a networking group that aims to inspire and motivate our female and non-binary employees in Western Australia, allowing them to connect with leaders in our businesses and encouraging them to take a leap in their career without doubt or negative self-talk. The forum provides a safe space to collaborate and support one another, while working towards bridging the gender gap in our industry.

GROW Program

This program operates across our South Australian dealership network and is a 12-month in-house development program to encourage employees to lean in and develop self-confidence and personal leadership skills to further their careers.

The Fearless Female Forum and GROW Program have been very successful and we intend to expand their scope. A group-wide program is being designed for broader delivery across the group.

We also offer management training on a range of diversity-related topics, including:

- Unconscious Bias
- Duty of Care
- Workplace Harassment & Bullying
- Discrimination
- Probation
- Mental Health Awareness

Other diversity and inclusion activities are guided centrally and practised at the dealership level. We publish an annual Health & Wellbeing Calendar that provides dealerships with information on the various events and initiatives they may choose to support. These include RUOK Day, Harmony Day, International Women's Day, National Sorry Day, Māori Language Week etc. For example, in relation to RUOK Day in 2021 we provided employees with access to a series of webinars on mental health. Members of our corporate team also participated in the Brisbane International Women's Day Fun Run and the Darkness to Daylight 100km Challenge to end domestic violence.

2.7.3 Workforce Gender Composition

We are committed to improving the gender balance of our workforce. Guided by the SASB reporting framework, the following table shows the gender representation in our Australian business.

Management		Non-management		Apprentices and Trade Graduates	
Female	Male	Female	Male	Female	Male
8.2% Total: 74	91.8% Total: 833	25.6% Total: 1,600	74.4% Total: 4,660	5.1% Total: 41	94.9% Total: 757

Our objective is to recognise and better understand relevant gender issues in our workforce. Our annual employee engagement survey will assist in achieving this, with the survey results to be utilised to improve our understanding of gender issues and to develop appropriate education and training programs to address them.

We have engaged an independent organisation that specialises in facilitating workplace engagement surveys to conduct our employee engagement survey this year. By utilizing an independent external provider, employees can be confident that the survey is both anonymous and confidential, as well as allowing the survey feedback to be benchmarked against a portfolio of other large employers. The annual survey is currently underway and scheduled for completion in the first half of 2022. Survey results will be reviewed, relayed to employees and action plans developed to act on the feedback. We value feedback from our employees and we understand that their satisfaction leads to better organisational performance.

We also continue with our gender pay gap analysis each year to ensure all remuneration throughout the group is based on role and performance, regardless of gender.

2.7.4 Cultural Diversity Recognition

To better understand the diverse demographic of our workforce and ensure that it is representative of our customers, our objective is to better understand the cultural heritage and diversity of our employees. We aim to achieve this through our annual employee engagement survey, with the survey results utilised to recognise the cultural diversity of our workforce and to develop appropriate programs to address any relevant issues.

2.8 The Eagers Automotive Foundation

We have a long and proud tradition of supporting local communities, charities and philanthropic organisations throughout our 109-year history. The Eagers Automotive Foundation provides such support through engagement with our stakeholders and utilising our growing scale.

The Foundation's vision is to create a lasting spirit of giving within the Eagers Automotive network for those in need in our community. It engages with our employees to gather their ideas on which charities and causes to support.

All administration expenses of the Foundation are paid for by Eagers Automotive Limited, ensuring that 100% of donations are delivered to intended recipients.

Please refer to Pages 16-17 for further information about our Foundation.

3. Governance

3.1 Data Security

We take a proactive approach to protecting our customer and employee data.

We believe our data security strategy provides a level of protection above that of most large retail business. We have applied multiple strategies to reduce the risk of cyber security breaches, including:

- Next-Generation Antivirus protection across all endpoints in the business.
- Strong mail-filter settings.
- Modern firewall and internet gateway.
- Secure remote access mechanisms.

Online cyber-security training is provided for employees. This is combined with internal simulated phishing undertaken by our security team to prepare staff for real-life cyber-security breaches. An online reporting mechanism is also available for staff to report suspicious events.

An annual independent review of our cybersecurity practices is also undertaken. In addition, our Internal Audit team undertakes physical audits of security at dealership locations.

There were no known successful cyber security breaches of our customer and employee data in 2021. Our Next-Generation Antivirus protection strategy prevented 450 known potential data breaches, while our mail filter strategy prevented 26.5 million spam or malicious emails from being delivered to mailboxes across the business.

In the event of a data breach, our incident response plan seeks to (i) identify the situation quickly, (ii) minimise the potential loss, and (iii) importantly, ensure that affected people are notified promptly.

In 2021, there were two reportable data breaches that involved the theft of personally identifiable information (PII), each involving the theft of physical documents from a dealership. Affected individuals were notified and procedures were modified to reduce the likelihood of re-occurrence. 630 individuals were affected.

3.2 Ethics and Whistle Blower Policies

We are committed to a culture of honesty and ethical behaviour and have adopted integrity as one of our four corporate values. This is supported by our Code of Conduct and our Whistleblower and Ethics Policies.

We believe behaving ethically in business extends beyond duties imposed by laws and includes:

- Honesty and loyalty.
- Putting the interest of the Company ahead of personal gain.
- Not being involved in fraudulent, corrupt, illegal, unlawful or dishonest practices.
- Avoidance of deceptive or sharp practices which would reflect unfavourably on the Company.
- Proper use of the Company's resources and information.

We place great importance in fostering a culture that engages our people to speak up about unethical behaviour. To this end we have implemented an integrity reporting framework to provide eligible whistleblowers with a safe avenue to raise concerns confidentially and anonymously. This includes an independently operated telephone hotline. Employees can choose to report issues directly to their managers or other senior personnel. These matters are taken seriously and promptly investigated.

3.3 Anticorruption

Corruption describes a situation where a benefit is offered or provided, with no legitimate purpose, and with the intention to influence a third-party to act in a particular way.

Our Code of Conduct recognises the risk of corruption and identifies a number of situations that may give rise to bribes or corrupt business dealings, including the making of political donations or using donations or sponsorships as a means of making improper payments.

Employees must report any suspected bribery or corrupt behaviour to their manager, other senior personnel or our whistleblower hotline under the Code of Conduct. The Code will guide the investigation process.

3.4 Modern Slavery

Modern slavery describes situations where coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedoms. We recognise the importance of protecting human rights and acknowledge the risk that modern slavery practices may exist within our supply chains.

To this end, we have established a Modern Slavery working group, as described in our Modern Slavery Statement. The focus is on due diligence, identifying risks, responding to risks, and awareness.

We have surveyed our network of suppliers to better understand where risks of modern slavery practices may exist. Although no specific risks of modern slavery have been identified to date, we recognise this is a continuous process.

3.5 Grievance Policies

We place great importance on providing a workplace that is fair and equitable. Employees have the right not to be bullied, discriminated against or harassed in the workplace. Our Discrimination, Sexual Harassment and Workplace Bullying Policy outlines the steps employees can take if they feel aggrieved. We are committed to:

- Taking complaints seriously and investigating.
- Not pre-judging any situation.
- Dealing with complaints promptly, fairly, confidentially and impartially.

3.6 Risk Management Framework

We recognise that robust risk management processes and practices, integrated into our work culture, are important to ensure business risks are managed appropriately.

Our risk management approach aims to improve business performance by ensuring risks (including those related to climate change) are maintained within acceptable levels. Risks are identified, prioritised and managed in a way that raises awareness among employees and provides confidence to stakeholders.

The Board oversees our risk governance and is responsible for ensuring a sound system of risk oversight, management and internal control is in place, including for sustainability-related risks. The Board sets the risk appetite within which management is expected to operate.

The Audit & Risk Committee monitors, assesses and reports to the Board on the effectiveness of the risk management system and reviews the group risk register.

The risk register is prepared by management and includes specific risk groups across multiple categories. Risk management plans and controls for individual risks are developed and implemented by management.

Sustainability risks (including those related to climate change) are identified, assessed, prioritised and managed within this framework. They are considered in the strategic, legal and social risk categories of the risk register.

4. Climate Change

We recognise the seriousness of climate change and the need to look after our environment.

Although we generate a relatively low level of emissions in the operation of our business, we pursue various initiatives across our network of businesses to reduce our environmental impact. These are described in the Environment section of this Report.

As an intermediary in the sale of vehicles, we acknowledge it is likely that climate change will impact our business in the future. Risks associated with climate change might be physical as a result of extreme weather or from the impacts of countries or OEMs transitioning to a carbon-free future.

4.1 Greenhouse Gas Emissions

We measure our Scope 1 and 2 greenhouse gas emissions in Australia, and these are reported annually to the Clean Energy Regulator. Scope 1 emissions are direct emissions from sources that we own or control; whilst Scope 2 emissions are indirect emissions associated with electricity that we purchase.

Our Scope 1 and 2 emissions from 1 July 2020 to 30 June 2021 were:

T CO_2-e	
Scope 1	**Scope 2**
33,009	**29,561**

4.2 Management of and Reporting on Climate Change Risk

Our approach to managing climate change risk sits within our Risk Management Framework, as described in the Governance section of this report.

Reporting on the environmental impact of our business and the various initiatives we undertake to reduce our environmental footprint, represents only part of the broader impact from climate change. The Task Force on Climate-related Financial Disclosures (TCFD), a leading standard in climate change reporting, provides a framework for companies to explain the risks and opportunities that are presented by climate change as well as speaking to the needs of capital markets for this information. We are reviewing this framework as we continue the process of gathering data that might be necessary for reporting on the potential future impact of climate change on our business.

Appendix A: SASB Reference Table

TOPIC	ACCOUNTING METRIC	PAGE
Energy Management in Retail and Distribution	Total energy consumed	20, 32
Data Security	Description of approach to identifying and addressing data security risks	30, 31
	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	30
Labour Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	23
	(1) Voluntary and (2) involuntary turnover rate for in-store employees	23
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	24
Workplace Diversity and Inclusion	Percentage of gender representations for (1) management and (2) all other employees	27, 28
Product Sourcing, Packaging and Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	21, 26, 31
	Discussion of strategies to reduce the environmental impact of packaging	21

Financial Report

For the year ended 31 December 2021

Contents

Board of Directors

Timothy Boyd Crommelin
BCom, FSIA, FSLE

Chairman of Board
Independent Director
Member of Remuneration & Nomination Committee

Independent, non-executive Director since February 2011. Chairman of Morgans Holdings (Australia) Limited. Director of Senex Energy Ltd (2010 to present) and Australian Cancer Research Foundation. Member of University of Queensland Senate until 31 December 2021. Broad knowledge of corporate finance, risk management and acquisitions and over 40 years' experience in the stockbroking and property industry.

Nicholas George Politis
AM, BCom

Director

Non-executive Director since May 2000. Motor vehicle dealer. Executive Chairman of WFM Motors Pty Ltd, Eagers Automotive Limited's largest shareholder. Vast automotive retail industry experience and Director of a substantial number of proprietary limited companies.

Dan Thomas Ryan
BEc, MBus, FAICD

Director
Member of Remuneration & Nomination Committee

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

David Arthur Cowper
BCom, FCA

Independent Director
Chairman of Audit & Risk Committee

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. 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.

Marcus John Birrell

Independent Director
Member of Audit & Risk Committee

Non-executive Director since July 2016. Former Director of Australian Automotive Dealer Association Limited (2014 to 2017). Distinguished career in the automotive industry, including 38 years at manufacturer, financier and retail level and 21 years as Executive Chairman of Birrell Motors Group.

Sophie Alexandra Moore
BBus, CA, FFin

Director
Chief Financial Officer

Joined the Company as Chief Financial Officer in August 2015. Appointed as a Director in March 2017. Executive responsibility for accounting, taxation, internal audit, payroll and treasury functions. Previous senior finance roles with PricewaterhouseCoopers and Flight Centre Travel Group Limited. Admitted as a chartered accountant in 1997.

Gregory James Duncan
OAM, BEc, FCA

Independent Director
Chairman of Remuneration & Nomination Committee
Member of Audit & Risk Committee

Non-executive Director since December 2019. Chairman of Cox Automotive Australia Board of Management (2016 to present). Director of advisory and investment firm JWT Bespoke Pty Ltd (2013 to present). Former owner and Executive Chairman of Trivett Automotive Group, Australia's largest prestige automotive business. Former Director of Automotive Holdings Group Ltd (2015 to 2019).

Board of Directors continued

David Scott Blackhall
BCom, MBA, FAICD

Independent Director

Non-executive Director since December 2019. Over half a century of automotive industry experience with manufacturers, including at Managing Director level, as dealer principal and owner of various automotive franchises. Chairman (since November 2021) and Chief Executive (2016 to 2019) of Australian Automotive Dealer Association Limited. Managing Director of corporate advisory firm Raglan Ridge Advisors. Former Director of Automotive Holdings Group Ltd (2019).

Michelle Victoria Prater
BBus, CPA, ACIS, AICD

Director

Non-executive Director since February 2020. Executive Chairman of APPL Group (2004 to present), a property development and investment group with an extensive automotive property portfolio including significant properties leased to Eagers Automotive dealerships. Former executive roles at corporate and operational levels with Automotive Holdings Group Ltd (1993 to 2004) including as an executive Director (2002 to 2004).

Martin Andrew Ward
BSc (Hons), FAICD

Director (until 1 March 2021)
Chief Executive Officer and Managing Director (until 24 February 2021)

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 (2014 to present). Former Chief Executive Officer of Ford Motor Company's Sydney Retail Joint Venture.

Executive Management

Keith Thomas Thornton
BEc

Chief Executive Officer (since 24 February 2021)

Commenced with the Company in July 2002. Prior to his appointment as Chief Executive Officer in February 2021, Keith had been responsible for the Group's automotive operations since June 2007, most recently as Chief Operating Officer from January 2017 until February 2021. Keith is a licensed motor dealer with substantial automotive retail and wholesale experience in volume, niche and prestige industry sectors. Keith also brought significant industry experience to the Company, having previously worked for various automotive manufacturers. Keith is an Alternate Director of Australian Automotive Dealer Association Limited (2014 to present).

Denis Gerard Stark
LLB, BEc

General Counsel & Company Secretary

Commenced with the Company in January 2008. Responsible for overseeing the company secretarial, legal, investor relations and property administration functions. Previous senior executive and company secretarial experience with public companies. Admitted as a solicitor in Queensland in 1994 and Victoria in 1997.

Directors' Report

The Directors of Eagers Automotive Limited ABN 87 009 680 013 ("the Company" or "Eagers") present their report together with the consolidated financial report of the Company and its controlled entities ("the Group"), for the year ended 31 December 2021 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 pages 36 - 37.

Company Secretary

The Company Secretary and his qualifications and experience are detailed on page 37.

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 Committee Meetings		Remuneration & Nomination Committee Meetings	
Name	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
T B Crommelin (1)	12	13	-	-	8	8
N G Politis	10	13	-	-	-	-
D T Ryan (1)	12	13	-	-	7	8
D A Cowper (2)	12	13	4	4	-	-
M J Birrell (2)	11	13	4	4	-	-
S A Moore	13	13	-	-	-	-
G J Duncan (1) (2)	13	13	4	4	8	8
D S Blackhall	13	13	-	-	-	-
M V Prater	10	13	-	-	-	-
M A Ward (3)	2	2	-	-	-	-

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

Eagers Automotive Limited (ASX: APE) ("Eagers Automotive" or "the Company"), Australia's leading automotive retail group, today announced its results for the twelve months ended 31 December 2021 (FY2021). On a continuing basis, the Company delivered Underlying Operating Profit Before Tax(4) of $401.8 million, compared to $209.4 million in the prior corresponding period (pcp).

Strong economic conditions and changes in consumer behaviour, primarily in response to the impacts of COVID-19, generated strong demand for new vehicles, with a 14.5% increase in the new car market(5) compared to the twelve months ended 2020. These market dynamics are further buoyed by demand continuing to materially outstrip supply, with the Company's order bank increasing month-on-month over the last twelve months.

Underlying profit continues to be supported by the ongoing benefits of our material cost out program completed over the last 18 months.

Statutory Net Profit After Tax (including discontinued operations) for FY2021 was $330.7 million, compared to a profit of $156.2 million in FY2020. On a statutory basis (excluding discontinued operations), the Company recorded a Statutory Net Profit Before Tax from continuing operations of $456.8 million for FY2021 compared to a Statutory Net Profit Before Tax of $280.1 million in the pcp. The FY2021 statutory result included significant items totalling $55.0 million net income before tax, predominately relating to the gain on sale of assets totalling $42.9 million, offset by non-cash impairments of $5.2 million associated with the revaluation of a property.

(1) Remuneration & Nomination Committee members

(2) Audit & Risk Committee members

(3) Mr Ward ceased as a Director on 1 March 2021

(4) Underlying operating results refers to continuing operations, adjusted for significant items outlined and reconciled to statutory results on slides 34 (FY2021) and 35 (comparative financial information) of the Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

(5) According to Federal Chamber of Automotive Industry (FCAI) statistics sourced through VFACTS.

Directors' Report continued

Key Financial Highlights from Continuing Operations

	Full Year to December 2021 $ Million	Full Year to December 2020 $ Million
Statutory Results		
Revenue	**8,663.5**	8,749.7
EBITDAI [(1)]	**651.6**	625.5
Statutory Profit Before Tax	**456.8**	280.1
Statutory Profit After Tax	**330.7**	156.2
Total Dividend per Share – cents	**70.9**	25.0
Underlying Operating Results [(2)]		
Underlying Revenue [(2)]	**8,663.5**	8,749.7
Underlying EBITDAI [(1)]	**455.9**	284.2
Underlying Profit Before Tax [(2)]	**401.8**	209.4
Underlying Profit After Tax [(2)]	**288.9**	140.4

Dividend

The Board has approved payment of an ordinary final dividend of 42.5 cps fully franked for the year (FY2020: 25.0 cps). The ordinary final dividend has been approved for payment on 20 April 2022 to shareholders who are registered on 1 April 2022 (Record Date). When combined with the ordinary interim and special dividends paid in October 2021, the total dividend based on FY2021 earnings is 70.9 cps (FY2020: 25.0 cps) fully franked.

The dividends reflect a payout ratio of 57% on the attributable Statutory Net Profit After Tax (including discontinued operations) and 65% on the attributable Underlying Operating Profit After Tax[(2)] for the twelve months ended 31 December 2021. The payout reflects the Board's confidence in the strength of the Eagers Automotive business and future strategy, balanced with the desire to ensure the Company has the capacity and flexibility to invest in restructuring and growth initiatives while maintaining a prudent approach to managing through the ongoing uncertainty of the COVID-19 environment.

The Company's dividend reinvestment plan (DRP) will not operate in relation to the final dividend.

Dividends paid to members during the year under review were as follows:

Year ended 31 December	2021 $'000	2020 $'000
Final ordinary dividend for the year ended 31 December 2020 of 25.0 cents (2019: 11.25 cents) per share paid on 20 April 2021	**64,233**	28,905
Interim ordinary dividend for 2021 of 20.0 cents (2020: nil cents) per share paid on 15 October 2021	**51,387**	-
	115,620	28,905
Special dividend of 8.4 cents (2020: nil) per share paid on 15 October 2021	**21,582**	-
	137,202	28,905

(1) EBITDAI means earnings before interest, tax, depreciation, amortisation and impairment.

(2) Underlying operating results refers to continuing operations, adjusted for significant items outlined and reconciled to statutory results on slides 34 (FY2021) and 35 (comparative financial information) of the Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

Directors' Report continued

External Environment

The new car market continues to be driven by strong consumer demand, with favourable economic conditions and changes in social trends and consumer behaviour contributing to a strong recovery relative to the prior period, which was heavily impacted by the onset of the COVID-19 pandemic. According to Federal Chamber of Automotive Industry (FCAI) statistics, the new car market was up 14.5% compared to FY2020.

The larger markets of Queensland, New South Wales and Victoria recorded sales increases of 17.4%, 8.6% and 20.4% respectively. Other markets also recorded increases, with South Australia up 14.2%, Western Australia up 18.7% and Tasmania up 18.4%.

Strategic Developments

During the period, the Company made substantial progress with its Next100 Strategy across a number of key areas including:

- Expansion of our fixed price, pre-owned easyauto123 business on a more efficient cost base, including new sites in Sydney, Townsville and multiple new locations in Auckland;
- Development of integrated technology solutions leading to an acceleration in online capability across the entire end-to-end online customer experience, providing a platform for organic growth in online sales and productivity gains through the integration with instore processes and back-office systems;
- Completion of the sale of the Daimler Truck business on 30 April 2021;
- Acquisition of Toowoomba Ford and the Kelly Trotter Motor Group and Heritage Motor Group, both of which are multi franchised dealership groups in Cardiff and Maitland NSW. All three acquisitions included the purchase of strategically located properties, with a number of the properties settling in FY2022, which will enable future consolidation with existing dealership in these regions; and
- Continued execution of our property strategy with a combination of exiting leased properties, strategic property acquisitions (including previously leased property) and investment in new, transformed and consolidated automotive retail formats, such as AutoMall West in Indooroopilly Shopping Centre in West Brisbane.

Progress against our strategy, combined with maintaining our disciplined focus on cost base, has underpinned our record financial results and sustainable Return on Sales performance.

Financial Performance

Statutory and Underlying[(1)] revenue from continuing operations decreased by 1.0% to $8,663.5 million, with the marginal decline driven by the divestment of our Daimler Truck business in April 2021. On a like-for-like basis Statutory and Underlying[(1)] revenue from continuing operations increased by 6.5% to $8,390.0 million. In both periods revenue was impacted by the COVID-19 pandemic and supply constraints.

EBITDAI[(2)] from continuing operations increased to $651.6 million in FY2021 (FY2020: $625.5 million). Underlying[(1)] EBITDAI[(2)] increased to $455.9 million in FY2021 (FY2020: $284.2 million). Profit margins increased as indicated by the Underlying[(1)] operating EBITDAI[(2)]/Revenue ratio of 5.3% (FY2020: 3.2%), with a comparable increase in Underlying[(1)] operating NPBT[(3)]/Sales ratio of 4.6% (FY2020: 2.4%). The strong margins predominately reflect the ongoing benefits of our material cost out program completed over the last 18 months, supported by market dynamics.

Statutory borrowing costs from continuing operations decreased by 10.0% to $79.6 million (FY2020: $88.4 million), driven by a reduction in lease liabilities resulting from the sale of the Daimler Truck business. Underlying[(1)] borrowing costs decreased by 12.0% to $30.9 million for FY2021 (FY2020: $35.1 million), reflecting Group bailment charges benefiting from a reduction in inventory and associated bailment levels. Included within statutory borrowing costs is interest expense recognised in accordance with AASB 16 *Leases* of $48.7 million (down from $53.3 million in the pcp).

Statutory depreciation and amortisation charges from continuing operations decreased by 27.6% to $120.4 million for FY2021 (FY2020: $166.3 million), driven by a reduction in the right-of-use asset resulting from the sale of the Daimler Truck business and prior year impairments. Underlying[(1)] depreciation and amortisation charges decreased by 41.7% to $23.2 million for FY2021 (FY2020: $39.8 million). The decrease is predominately driven by the sale of the Daimler Truck business and its associated buy back commitments. Included within the statutory depreciation expense is an additional $97.2 million of depreciation expense recorded in accordance with AASB 16 (down from $126.5 million in the pcp).

Segments

The Car Retailing Segment[(4)] delivered an Underlying[(1)] Operating Profit Before Tax of $388.4 million, an increase of $189.0 million compared to $199.4 million in FY2020. The profit performance reflects the first full year contribution to a reporting period from significant permanent cost reductions in response to COVID-19, supplemented by strong market dynamics. The increase is reflected across all regions in Australia and New Zealand. Performance across both periods was impacted by Government lockdowns, particularly in April and May 2020 – the peak impact of COVID-19 restrictions and in the second half of 2021. The Car Retailing Segment[(4)] recorded a Statutory Profit Before Tax from continuing operations of $403.0 million compared to a profit of $272.7 million in FY2020.

(1) Underlying operating results refers to continuing operations, adjusted for significant items outlined and reconciled to statutory results on slides 34 (FY2021) and 35 (comparative financial information) of the Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

(2) EBITDAI means earnings before interest, tax, depreciation, amortisation and impairment.

(3) NPBT means Net Profit Before Tax

(4) Car Retailing segment includes reallocation of Hino and Iveco operations in 2021, previously reported in Truck Retailing in 2020.

Directors' Report continued

Continued focus on our fixed price, pre-owned strategy via the easyauto123 business, with operations across Australia and New Zealand, is delivering strong results. The easyauto123 business delivered a strong performance for the year ended 2021, despite the impacts of lockdowns in key regions. The significant improvement in financial performance demonstrated across all key metrics, was underpinned by a more efficient cost base and the benefits from scale and integration into the wider business.

Car Retailing Statutory and Underlying[1] revenue from continuing operations increased by 8.6% to $8,438.3 million (FY2020: $7,776.5 million), with FY2020 reflecting the peak impact of COVID-19 restrictions. On a like-for-like basis[2], Car Retailing Statutory and Underlying[1] revenue from continuing operations increased by 6.4% to $8,035.5 million (FY2020: $7,553.8 million).

The Truck Segment[3] delivered an Underlying[1] Operating Profit Before Tax of $4.6 million, a decrease compared to $19.8 million in FY2020, reflecting the sale of the Daimler Truck business on 30 April 2021 and reallocation of Iveco and Hino operations to Cars retailing in 2021.

The Statutory Profit Before Tax from continuing operations was $39.2 million, compared to a profit of $23.5 million in FY2020 and was impacted by the gain on sale of the Daimler Truck business.

The property portfolio value increased to $432.5 million as at 31 December 2021 (excluding assets held for sale) compared with $356.5 million at 31 December 2020 and $409.2 million at 30 June 2021. The increase is due to the deliberate and ongoing rebalance of the property portfolio. The movement for the period included the acquisition of 10 strategic sites during the period, offset by the $5.2 million revaluation decrement in our property portfolio and the sale of 11 non-core properties during the period. A vacant non-core property is classified as held for sale at 31 December 2021, with settlement expected February 2022.

The Property Segment recorded an Underlying[1] Operating Profit Before Tax of $12.6 million (excluding impairment and gains on sale), up $8.6 million on the pcp. The increase in underlying profit was driven by the internal rental income generated on strategically located properties acquired during the year, partially offset by the reduction in internal rental income from a number of properties divested in 2021.

The Property Segment recorded a Statutory Profit Before Tax of $18.4 million for FY2021 compared to a loss of $4.1 million in the pcp. The movement was driven by gains on sale of non-core property, partially offset by a loss on revaluation of a property.

Financial Position

Eagers Automotive is in a very strong financial position underpinned by a substantial property portfolio and asset base, together with $733.1 million of available liquidity at 31 December 2021. This liquidity position includes available cash and undrawn commitments under our corporate debt facilities.

Corporate debt (Term and Capital loan facility) net of cash on hand decreased to $128.4 million as at 31 December 2021, marginally down from $129.3 million at 31 December 2020. During the period, the debt profile of the Company was rebalanced through the refinancing of our syndicated debt facility on longer tenor whilst simultaneously repaying all debt drawn under the facility, and the utilisation of favourable long term fixed price financing to fund strategic property acquisitions.

The Group's leverage metrics are in a very strong position, with the gearing ratio at 0.28 times (FY2020: 0.29 times) and the capitalisation ratio at 8.9% (FY2020: 9.7%), excluding discontinued operations, vehicle bailment and lease liabilities.

Total inventory levels decreased to $874.0 million as at 31 December 2021, down from $1,025.8 million at 31 December 2020. The decrease in inventory and associated floorplan is primarily due to the sale of the Daimler Truck business. Inventory levels continue to be impacted by a combination of global supply chain dynamics and management's initiatives in response to COVID-19. Eagers Automotive continues to maintain a significant equity ownership in used vehicle inventory.

The Company continues to focus on cash management, retaining a strong cash position of $197.6 million as at 31 December 2021 driven by strong operating cash flows of $302.7 million, supplemented by investing activities of $137.5 million, enabling a net reduction in corporate debt, acquisition of property and businesses and payment of dividends. On a like-for-like basis, adjusting for COVID-19 impacts, discontinued operations and AASB 16, net cash from operating activities for the period was $312.8 million compared to $193.5 million in the pcp.

Please note that the operating cash flows for the twelve months ended 31 December 2020 included a number of extraordinary actions to fortify our cash position in response to COVID-19, including but not limited to liquidating equity owned stock, which we have rebuilt in 2021, and the receipt of government wage subsidies.

The balance sheet reflects a net current asset position of $30.4 million as at 31 December 2021, compared to a net current liability position of $102.8 million at 31 December 2020. Our net current asset position is impacted by the application of the new lease standard which results in the recognition of a $132.5 million net current lease liability as at 31 December 2021, reflecting property rental charges for the next 12 months. This commitment was recorded off balance sheet under the previous accounting standard.

Removing the impact of the new lease standard results in a net current asset position for the Group of $162.9 million at 31 December 2021.

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(2) Like-for-like Car Retailing revenue excludes Hino and Iveco operations in 2021, and other divested operations.

(3) Car Retailing segment includes reallocation of Hino and Iveco operations in 2021, previously reported in Truck Retailing in 2020.

Directors' Report continued

Outlook

Despite the ongoing supply chain constraints and temporary disruption to logistics and resourcing experienced in early 2022 as a result of the Omicron outbreak, unusually strong demand continues in all regions across both Australia and New Zealand.

Eagers Automotive has a strong balance sheet and fortified liquidity position, providing the flexibility and capacity to capitalise on transformation and consolidation opportunities, and invest in targeted organic growth initiatives and acquisition opportunities as it accelerates execution of the Next100 Strategy.

In the near term, Eagers Automotive is focused on delivering improved operational performance through:

- Leveraging current strong market conditions, disciplined management of operations and implementation of integrated technology solutions to drive increased efficiency, productivity and a greater customer experience;
- Accelerating the scaling of easyauto123 through dedicated sourcing channels, large format, factory style reconditioning centres and the rollout of integrated technology solutions that underpin an omni-channel offering, driving growth in volume, fractionalising cost and delivering an enhanced customer experience; and
- Executing our property strategy through the redevelopment of recently acquired strategic properties and further progress on our AutoMall strategy to transform and consolidate our automotive retail formats and deliver an enhanced customer experience on a substantially lower cost base.

In the short to medium term, the Group is focused on driving EPS growth by prioritising the following initiatives:

- Continuing to drive operational efficiencies across all aspects of our business through a whole of Company focus on delivering the Next100 Strategy;
- Creating shareholder value by accelerating the growth of our easyauto123 business as the dominant player in the pre-owned car market across Australia and New Zealand;
- Leveraging our point-of-sale advantage, technology investments and a favourable credit market to continue pursuing growth in our finance penetration levels; and
- Capitalise on the transformation and consolidation of the automotive retail industry through a focus on accretive acquisition opportunities, selected rationalisation of our dealership portfolio and complementary consolidation that supports our strategic mandate.

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

Contents of Remuneration Report

Directors' Report continued

1. Introduction and Key Management Personnel (KMP)

This report outlines the remuneration arrangements for the Company's KMP, which include Directors and executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

The information provided in this report has been prepared in accordance with the requirements under the *Corporations Act 2001* ("the Act") and relevant Accounting Standards. This report forms part of the Directors' Report and unless otherwise indicated the following sections have been audited in accordance with section 308 (3c) of the *Corporations Act 2001.*

The KMP for FY21 were:

Name	Position	Term as KMP in FY21
Non-executive Directors (NEDs)		
Tim Crommelin	Chair	Full year
Nick Politis	Director	Full year
David Cowper	Director	Full year
Dan Ryan	Director	Full year
Marcus Birrell	Director	Full year
Greg Duncan	Director	Full year
David Blackhall	Director	Full year
Michelle Prater	Director	Full year
Executive Directors		
Martin Ward	Chief Executive Officer (until 24 February 2021), Director (until 1 March 2021)	Part year – 1 January to 1 March 2021
Sophie Moore (CFO)	Executive Director, Chief Financial Officer	Full year
Other Executive KMP		
Keith Thornton (CEO)	Chief Operating Officer (until 24 February 2021), Chief Executive Officer (from 24 February 2021)	Full year
Denis Stark (GCCS)	General Counsel & Company Secretary	Full year

There have been no changes to KMP since the reporting date.

2. Remuneration strategy and principles

The Company's remuneration strategy and principles, which guide our remuneration framework, are outlined below.

Our Remuneration Principles

Aligned to the Next100 Strategy
Linked to the achievement of long-term financial and non-financial objectives

Drive equity ownership
Linked to long-term value creation for shareholders

Simplicity
Easily explained to and understood by internal and external stakeholders

Flexibility
Enables the Board to apply appropriate judgement where in the interests of the Company to do so, with the rationale to be disclosed transparently where discretion is used

Our Remuneration Strategy

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

Directors' Report continued

3. Remuneration governance

The Company's remuneration governance structure provides oversight of the Company's remuneration practices and policies.

The following diagram illustrates the remuneration governance framework.

Board

The Board is responsible for approving and reviewing the remuneration arrangements for NEDs and the CEO, based on recommendations of the Remuneration & Nomination Committee. The Board also reviews the CEO's performance on a continual basis.

Remuneration & Nomination Committee

The Remuneration & Nomination Committee reviews and makes recommendations to the Board regarding NED and CEO remuneration arrangements and KMP equity plans. These reviews take place at least annually, taking into account relevant factors including market conditions.

Management

The CEO, in consultation with the Chair of the Remuneration & Nomination Committee, sets and reviews the remuneration arrangements of other executive KMPs ensuring the appropriateness of their reward framework and reviews their performance at least annually.

Remuneration advisors

External advisors may be engaged directly by the Board or through the Remuneration & Nomination Committee to provide advice or information relating to KMP that is free from the influence of management.

As reported last year, KPMG was engaged in FY20 and early FY21 to assist with a remuneration review, changes to the executive remuneration framework and benchmarking.

KPMG's engagement did not involve providing any remuneration recommendations as defined by the *Corporations Act 2001.*

4. FY21 business performance

During FY21, despite an unusual and challenging external environment, the Company achieved strong growth in respect of key financial and non-financial metrics, which has been reflected in our strong financial results and share price performance.

STATUSTORY NPAT

$330.7 MILLION

EARNINGS PER SHARE

125.2 CENTS

DIVIDENDS PER SHARE

70.9 CENTS

12-MONTH TOTAL SHAREHOLDER RETURN

5.1%

The table below details Eagers' performance against key financial and operational metrics for the five-year period ended 31 December 2021.

Name	2021	2020	2019	2018	2017
Statutory net profit after tax (NPAT) ($ million)	330.7	156.2	(139.6)	97.5	98.2
Statutory earnings per share (EPS) – basic (cents)	125.2	57.6	(67.4)	50.1	50.3
Dividend per share (cents)	70.9	25.0	25.3	36.5	36.0
Share price at year end ($)	13.44	13.29	10.24	6.00	7.97

Directors' Report continued

5. Executive remuneration framework for FY21

Total Fixed Remuneration (TFR)	Short-Term Incentives (STI)	Long-Term Incentives (LTI)

• Each executive KMP receives a competitive base pay (plus superannuation) to reflect the market for a comparable role.
• Base pay is reviewed annually and on promotion to ensure it remains competitive with the market.
• Benefits may include use of motor vehicles, health insurance, and health and fitness programs.
	Commission Plan for COO
	• The COO prior to his appointment as CEO in February 2021, participated in a commission plan as described in last year's Remuneration Report.
	• Under the Commission Plan, the COO received a percentage of net profit before tax of relevant business units. This had a direct link to the Company's financial performance and is commonly used for senior management in the automotive industry, where fixed remuneration is set relatively low and variable remuneration forms a larger proportion of the remuneration mix.
	• The Commission Plan ceased at the end February 2021.
	New STI Plan
	• A new STI plan was introduced for executive KMP in FY21 (**STI Plan**).
	• Delivered in a mix of cash and performance rights.
	• Focus on creation of shareholder value by rewarding the achievement of both financial and non-financial performance hurdles.
	• Performance is measured annually over the four-year period (FY21 to FY24).
	• If rights vest, they convert to ordinary shares subject to holding lock until 28 February 2025 or cessation of employment.
	• Rights for the four-year period were allocated on the initial grant date, with the number of rights determined using 'fair value' methodology.
	• If employment ceases, there will be no STI payment or vesting of rights for the year in which employment ceases, unless the Board determines otherwise.
	CEO
	• **Non-financial hurdles** - up to one-third of base pay, by cash payment, with 50% subject to strategic hurdles and 50% subject to sustainability hurdles.
	• **Financial hurdles** – up to two-thirds of base pay, by a mix of cash payment and rights, subject to two financial hurdles (both of which must be achieved):
	  • Interest cover ratio of 2.5 times; and
	  • Compound annual growth in underlying EPS above baseline EPS of 52.0 cents for FY20 (**Baseline**):
	    • At 7.0% EPS growth, \$200,000 in cash and \$200,000 of rights will vest.
	    • At 7.5% EPS growth, a further \$200,000 of rights will vest.
	    • At 8.0% EPS growth, a further \$200,000 of rights will vest.
	CFO
	• Cash payment of up to one-third of base pay, subject to non-financial and financial performance hurdles:
	  • **Non-financial hurdles** - 75% of STI payment subject to strategic and sustainability hurdles (split evenly between strategic and sustainability).
	  • **Financial hurdles** – 25% of STI payment subject to financial hurdle of 8% compound annual growth in underlying EPS above the Baseline.
	GCCS
	• Cash payment of up to 29% of base pay, subject to non-financial and financial performance hurdles:
	  • **Non-financial hurdles** - 80% of STI payment subject to strategic and sustainability hurdles (split evenly between strategic and sustainability).
	  • **Financial hurdles** – 20% of STI payment subject to financial hurdle of 7% compound annual growth in underlying EPS above the Baseline.
	• Performance rights of up to 12% of base pay, subject to two financial hurdles:
	  • Interest cover ratio of 2.5 times; and
	  • Compound annual growth in underlying EPS above the Baseline:
	    • At 7.5% EPS growth, \$25,000 of rights vest.
	    • At 8.0% EPS growth, a further \$25,000 of rights vest.
		New LTI Plan
		• As referred to in last year's Remuneration Report, a new LTI plan was introduced for executive KMP in FY21 (**LTI Plan**).
		• Delivered in options with an exercise price of \$12.32 per option. (This was the share price on the initial grant date).
		• Focus on creation of shareholder value by rewarding the achievement of financial performance hurdles.
		• Two financial performance hurdles must be achieved for any options to vest.
		• Performance is measured at the end of four-year period (FY21 to FY24).
		• **Financial hurdles:**
		  • Interest cover ratio of 2.5 times; and
		  • Compound annual growth in EPS above the Baseline:
		    • 50% of options vest at 9.0% EPS growth over the four-year period.
		    • 100% of options vest at 10% EPS growth over the four-year period.
		• For CEO, maximum award is up to 50% of base pay per annum over the four-year period, subject to the two financial hurdles.
		• For CFO, maximum award is up to 17% of base pay per annum over the four-year period, subject to the two financial hurdles.
		• For GCCS, maximum award is up to 6% of base pay per annum over the four-year period, subject to the two financial hurdles.
		• If options vest at end of the four-year period, and are exercised, they will convert to ordinary shares with no holding lock.
		• Options for the four-year period were allocated on the initial grant date, with the number of options determined using 'fair value' methodology.
		• If employment ceases, all unvested options will lapse, unless the Board determines otherwise.

Directors' Report continued

6. Remuneration structure and outcomes for FY21

As reported in the finance and operational review section of this Directors' Report, the Company delivered strong results against key financial and non-financial metrics for FY21. The following are details of the FY21 remuneration structures and outcomes awarded to executive KMP based on both Company and individual performance.

(a) STI Plan - performance outcomes for FY21

Design feature	Further detail
Eligibility	Executive KMP.
Instrument	A mix of cash and performance rights, as described in section 5 of this report.
Performance period	Performance is measured annually over the four-year period FY21 to FY24.
Maximum opportunity	As described in section 5 of this report.

Performance measures	The Board, following review by the Remuneration & Nomination Committee, approved the achievement of the financial performance hurdles of all executive KMP, the achievement of the CEO's non-financial performance hurdles and the CEO's STI payment.
	
	The CEO, in consultation with the Remuneration & Nomination Committee, approved achievement of the non-financial performance hurdles of the other executives.
	
	Achievement of the **financial performance hurdles** was determined with reference to the Company's annual growth in underlying EPS and interest cover performance hurdles, as described in section 5 of this report, having regard to the Group's audited financial statements.
	
	Achievement of the **non-financial performance hurdles** was determined with reference to achievement of individual performance and engagement against various strategic and sustainability hurdles, including in these areas:
	• Strategic performance hurdles
	  • for the CEO, achievement through leading specific progress against our Next100 Strategy, maximising franchised automotive outcomes via organic and acquisitive growth opportunities, and maximising used car business growth opportunities via a defined expansion roadmap.
	  • for the CFO, achievement through contributions towards specific progress against our Next100 Strategy, managing key financial measures for anticipated requirements while positing the Company for Next100 execution, and leading key acquisitions and divestments to completion balancing the desired outcomes with appropriate commerciality.
	  • for the GCCS, achievement through contributions towards specific progress against our Next100 Strategy, key acquisitions and divestments to completion balancing the desired outcome with appropriate commerciality, and establishing legal/corporate framework for growth ambitions and Next100 Strategy.
	• Sustainability performance hurdles
	  • for the CEO, achievement through driving group-wide stakeholder engagement, roadmap for key sustainability initiatives including Environmental, Social, and Governance (ESG) and diversity, and group-wide operational adherence to relevant regulatory and contractual requirements.
	  • for the CFO, achievement through organisational compliance with accounting and taxation obligations, finalisation of nominated projects, and operational adherence to relevant regulatory and contractual requirements.
	  • for the GCCS, achievement through advisory in respect of operations, sustainability/ESG initiatives, corporate governance and corporate values, an environment of high transparency, ethics and integrity, and operational adherence to relevant regulatory and contractual requirements.

Directors' Report continued

6. Remuneration structure and outcomes for FY21 (continued)

(a) STI Plan - performance outcomes for FY21 (continued)

Executive KMPs received 100% of their STI Plan awards for FY21 following assessment by the Board, Remuneration & Nomination Committee and the CEO, as described in section 5 of this report. It was considered that no reduction to maximum entitlements was warranted based on review of the individual's performance during the year against these measures.

Performance included continuing simplification of the Group's businesses to focus on core automotive retail, successful sale of the Daimler Truck Division, cost-out program, proactive and successful response to ongoing issues arising from the ongoing global health crisis, and continuing reorganisation and optimisation of businesses and property portfolio to provide greater flexibility for implementation of our omni-channel approach. Individual performances in these areas were considered, as were their contributions to ensuring the Company's long-term success post COVID-19. In these circumstances, payment of the full STI awards was determined to be appropriate, particularly in light of the Company's record 2021 operational and financial performance.

	% awarded for FY21 under STI Plan	STI paid	Rights vested
CEO	100%	$600,000	50,463
CFO	100%	$200,000	-
GCCS	100%	$125,000	4,205

(b) COO Commission Plan - performance outcomes for FY21

Design feature	Further detail
Eligibility	COO only (and only for the months of January and February 2021, prior to his appointment as CEO).
Instrument	Cash.
Performance period	January and February 2021. This plan ceased to apply at end of February 2021.
Opportunity	The commission amount was set as a percentage of net profit before tax of the relevant business units. This award, whilst uncapped, had a direct link to Company financial performance and is a structure commonly found for senior operations executives in the automotive industry, where fixed remuneration is set relatively low and variable remuneration forms a larger proportion of the remuneration mix.

Name	Percentage of net profit before tax	Total Commission paid for FY21 (January and February only)
COO	A percentage of the national cars division total net profit before tax.	$235,918

(c) LTI Plan for FY21

A new LTI plan was introduced for FY21, as detailed in section 5 of this report, for better alignment with ASX200 market practice.

(d) No Retention Grants in FY21

No equity retention grants were made in FY21.

As reported in our previous Remuneration Reports, a one-off equity retention grant was awarded in early 2020 to recognise the CFO's importance to the ongoing success of the Company. As previously disclosed, the Board had sought to balance the expectations of external stakeholders and the need to retain key talent in the longer term by ensuring the grant was delivered wholly in equity and subject to continued employment and a disposal restriction but without any performance conditions. More detail on the grant is provided in the following table. There were no equity retention grants made in FY21.

Design feature	Further detail
Eligibility	CFO only.
Instrument	Restricted Shares.
Grant date	17 February 2020.
Vesting period	• 30% vested immediately on grant. • 35% vested on 31 December 2020. • 35% vested on 31 December 2021.
Restriction period	All vested shares are subject to a disposal restriction until April 2025 or cessation of employment.
Opportunity	$1,019,664.
Allocation methodology	Face value.
Vesting conditions	Continued employment until the vesting date.

Directors' Report continued

7. Remuneration framework changes for FY21

A comprehensive review of the executive remuneration framework was undertaken in FY20 in response to the 'first strike' received at our 2020 Annual General Meeting. The Board engaged with shareholders, proxy advisors and other stakeholders to better understand their concerns and also obtained independent external advice in FY20 in relation to our remuneration framework.

As a result, many changes were made to the remuneration framework for FY21 and these are reflected in our new STI Plan and LTI Plan, as described in section 5 of this report. Our remuneration framework is now better aligned with ASX200 market practice, while maintaining a strong pay-for-performance culture.

	Key Changes to Remuneration Framework
STI	• A new remuneration framework was introduced for FY21. • Greater disclosure on the new STI framework and performance measures is included in this Remuneration Report. • The STI Plan for FY21 was assessed against both financial and non-financial performance hurdles and was awarded in a mix of cash and equity. • There is no re-testing of STI performance hurdles.
LTI	• A new LTI plan was introduced for FY21 with a performance period of four years and awarded wholly in equity. • Clear LTI performance hurdles were set for the four-year performance period, assessed wholly against financial measures with graduated vesting. • There is no re-testing of LTI performance hurdles. • The new LTI plan includes appropriate change-in-control and claw-back provisions in line with market practice.
OTHER	• This Remuneration Report includes improved transparency and disclosure in relation to the remuneration framework and structures. • No equity retention grants were made during FY21. • The Board did not award any one-off bonuses for FY21.

8. Executive contractual arrangements

Executive KMP are employed under common employment agreements. Any termination benefits would be subject to compliance with the limits set by the *Corporations Act 2001*.

The following table details the contractual terms for executive KMP.

Name	Duration of service agreement	Notice period by employee	Notice period by company	Payments upon termination
CEO	Ongoing	12 months	12 months	At the Board's discretion
CFO	Ongoing	3 months	3 months	At the Board's discretion
GCCS	Ongoing	3 months	3 months	At the Board's discretion

Directors' Report continued

9. Non-executive Director remuneration

The objectives of the Company's policy regarding Non-executive Director (NED) fees are:

- to preserve the independence of NEDs by not providing them with any performance-related remuneration. NEDs do not participate in schemes designed for the remuneration of executives, equity schemes, incentive programmes or retirement allowance programmes, nor do they receive performance-based bonuses.
- to be market competitive with regard to NED fees, which are reviewed annually.

NED fees are limited to a maximum aggregate amount approved by shareholders, with the current limit of $1,000,000 per annum having been approved at the 2020 Annual General Meeting.

All NEDs receive a single fee based on their position, without any extra fees payable for sitting on Committees.

NED fees for FY21 were as reflected in the following table (exclusive of superannuation).

Role	Fees
Chair of the Board	$100,000 per annum
Chair of the Audit & Risk Committee	$100,000 per annum
Other NEDs	$85,000 per annum

NED fees for FY22 are as reflected in the following table (exclusive of superannuation).

Role	Fees
Chair of the Board	$125,000 per annum
Chair of the Audit & Risk Committee	$115,000 per annum
Chair of the Remuneration & Nomination Committee	$115,000 per annum
Other NEDs	$100,000 per annum

Directors' Report continued

10. Statutory disclosures

Statutory remuneration disclosures are prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and include share-based payments expensed during the financial year, calculated in accordance with AASB 2 *Share-based Payment*.

(a) Executive KMP in FY20 and FY21

Table 1 – Statutory Table of executive KMP remuneration

		Short-term benefits			Post employment benefits		Share-based payments		
Executive KMP	Year	Salary & fees ($)	Bonus & commission ($)	Non-monetary & other benefits [1] ($)	Superannuation ($)	Other post-employment benefits ($)	Performance rights & options [2] ($)	Total ($)	Performance-related percentage (%)
Keith Thornton	**2021**	**1,050,000**	**835,918** [3]	**233,638**	**25,000**	**-**	**1,850,005**	**3,994,561**	**67**
	2020	275,000	1,082,316 [4]	119,812	21,348	-	-	1,498,475	72
Sophie Moore	**2021**	**591,667**	**200,000**	**23,334**	**22,631**	**-**	**450,216**	**1,287,848**	**50**
	2020	458,333	150,000	24,880	21,348	-	407,914	1,062,476	53
Denis Stark	**2021**	**412,500**	**125,000**	**40,031**	**22,631**	**-**	**129,165**	**729,327**	**35**
	2020	320,833	105,000	15,217	21,348	-	-	462,398	23
Martin Ward	**2021** [5]	**200,000**	**-**	**(9,628)**	**4,167**	**-**	**-**	**194,539**	**-**
	2020	1,109,144	-	155,798	25,000	-	-	1,289,942	-
Total	**2021**	**2,254,167**	**1,160,918**	**287,375**	**74,429**	**-**	**2,429,386**	**6,206,275**	
	2020	2,163,310	1,337,316	315,707	89,044	-	407,914	4,313,291	

1 Includes benefits such as the provision of motor vehicles, insurance policy costs, health and fitness programme costs and the movement in the provision for employee entitlements. Where amounts are negative, leave taken for the year exceeded the sum of leave accrued for the year and other benefits. This does not represent an amount paid or owed by the KMP to the Company.
2 Performance rights and options 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 the recipient's remuneration. Vesting is subject to the achievement of performance hurdles as previously detailed in this Remuneration Report.
3 This includes $235,918 for the COO Commission Plan (in respect of the months of January and February only) as described in section 6(b) of this Remuneration Report, the balance being for the STI Plan.
4 This is for the COO Commission Plan (January to December 2020).
5 Mr Ward was a KMP until 1 March 2021.

Directors' Report continued

10. Statutory disclosures (continued)

(b) NEDs in FY20 and FY21

Table 2 – Statutory Table of NED remuneration

		Short-term benefits			Post employment benefits		Share-based payments		
NED	Year	Salary & fees ($)	Bonus & commission ($)	Non-monetary & other benefits [6] ($)	Superannuation ($)	Other post-employment benefits ($)	Performance rights & options [7] ($)	Total ($)	Performance-related percentage (%)
Tim Crommelin	**2021**	**100,000**	**-**	**514**	**9,750**	**-**	**-**	**110,264**	**-**
	2020	50,000	-	519	4,750	-	-	55,269	-
Nick Politis	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	42,500	-	519	4,038	-	-	47,057	-
Dan Ryan	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	42,500	-	519	4,038	-	-	47,057	-
David Cowper	**2021**	**100,000**	**-**	**514**	**9,750**	**-**	**-**	**110,264**	**-**
	2020	50,000	-	519	4,750	-	-	55,269	-
Marcus Birrell	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	42,500	-	519	4,038	-	-	47,057	-
Greg Duncan	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	42,500	-	519	4,038	-	-	47,057	-
David Blackhall	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	42,500	-	519	4,038	-	-	47,057	-
Michelle Prater	**2021**	**85,000**	**-**	**514**	**8,288**	**-**	**-**	**93,802**	**-**
	2020	35,417	-	475	3,365	-	-	39,257	-
Total	**2021**	**710,000**	**-**	**4,112**	**69,228**	**-**	**-**	**783,340** [8]	
	2020	347,917	-	4,108	33,055	-	-	385,080	

6 Includes benefits such as the provision of motor vehicles, insurance policy costs, health and fitness programme costs and the movement in the provision for employee entitlements.

7 Performance rights and options 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 the recipient's remuneration. Vesting is subject to the achievement of performance hurdles as previously detailed in this Remuneration Report.

8 The increase in total fees for NEDs in 2021 was due to the Directors having agreed to forego their fees for six months during 2020 as a result of the initial impact and uncertainty arising from the COVID-19 pandemic.

Directors' Report continued

10. Statutory disclosures (continued)

(c) Performance Rights and Options of KMP

The following are details of all performance rights and options which were granted to KMP over unissued ordinary shares in the Company in or before the year under review. A performance right is a right to acquire a share at a nil exercise price upon the achievement of performance hurdles. An option is a right to acquire a share upon payment of an exercise price and achievement of performance hurdles.

No rights or options were granted to, lapsed or were exercised by KMP during or after the year under review, except as detailed below.

(i) Movement in Performance Rights of KMP

Table 3 – Grants and vesting of Performance Rights in FY21

Name	Opening balance	Performance Rights granted	Performance Rights Vested (1)	Performance Rights lapsed	Closing balance
Keith Thornton	nil	212,853	50,463	nil	162,390
Sophie Moore	nil	54,130	nil	nil	54,130
Denis Stark	nil	17,738	4,205	nil	13,533
Martin Ward	nil	nil	nil	nil	nil

(ii) Movement in Options of KMP

Table 4 – Grants and exercise of Options in FY21

Name	Opening balance	Options granted	Options exercised	Options lapsed	Closing balance
Keith Thornton	518,583	869,564	518,583 (2)	nil	869,564
Sophie Moore	117,570	144,927	nil	nil	262,497
Denis Stark	64,820	36,232	64,820 (3)	nil	36,232
Martin Ward	2,153,985	nil	2,153,985 (4)	nil	nil

(1) These rights vested and converted to ordinary shares on 24 February 2022 and remain subject to a trading restriction as described in section 5 of this Remuneration Report.

(2) These options were granted on 4 July 2014 and had vested by end of 2019. They were exercised on 7 June 2021 at an exercise price of $5.4652 and were valued at $10.318 per option on the day of exercise.

(3) These options were granted on 4 July 2014 and had vested by end of 2019. They were exercised on 29 March 2021 at an exercise price of $5.4652 and were valued at $9.1748 per option on the day of exercise.

(4) These options were granted on 4 July 2014 and had vested by end of 2019. 1,180,000 of them were exercised on 29 March 2021 at an exercise price of $5.4652 and were valued at $9.1748 per option on the day of exercise. The balance of these options were exercised on 4 June 2021 at an exercise price of $5.4652 and were valued at $10.5048 per option on the day of exercise.

Directors' Report continued

10. Statutory disclosures (continued)

(c) Performance Rights and Options of KMP (continued)

(iii) Performance Rights and Options granted to KMP

Table 5 – Details of share-based payments (Performance Rights and Options)

Chief Executive Officer

	Performance Rights				Options					
Grant Date	No. granted	No. lapsed	No. exercised (1)	Fair value	No. granted	No. lapsed	No. exercised	Fair value	End of performance period	Status
24 February 2021	50,463	nil	50,463	$11.89					31 Dec 2021	Vested 24 February 2022
	52,265	nil	nil	$11.48					31 Dec 2022	Unvested
	54,103	nil	nil	$11.09					31 Dec 2023	Unvested
	56,022	nil	nil	$10.71					31 Dec 2024	Unvested
					869,564	nil	nil	$2.76	31 Dec 2024	Unvested

(1) Performance rights are automatically exercised upon vesting. 50,463 rights granted for 2021 were exercised on 24 February 2022, valued at the closing price of the underlying shares on the day of exercise.

Chief Financial Officer

	Performance Rights				Options					
Grant Date	No. granted	No. lapsed	No. exercised	Fair value	No. granted	No. lapsed	No. exercised	Fair value	End of performance period	Status
17 February 2020	30,000 (2)	nil	nil	$9.00					31 Dec 2019	Vested 17 February 2020
	35,000 (2)	nil	nil	$9.00					31 Dec 2020	Vested 31 December 2020
	35,000 (2)	nil	nil	$9.00					31 Dec 2021	Vested 31 December 2021
24 February 2021	17,422	nil	nil	$11.48					31 Dec 2022	Unvested
	18,034	nil	nil	$11.09					31 Dec 2023	Unvested
	18,674	nil	nil	$10.71					31 Dec 2024	Unvested
					144,927	nil	nil	$2.76	31 Dec 2024	Unvested

(2) These rights converted to ordinary on their vesting date and remain subject to a trading restriction as described in section 6(d) of this Report.

General Counsel & Company Secretary

	Performance Rights				Options					
Grant Date	No. granted	No. lapsed	No. exercised (3)	Fair value	No. granted	No. lapsed	No. exercised	Fair value	End of performance period	Status
24 February 2021	4,205	nil	4,205	$11.89					31 Dec 2021	Vested 24 February 2022
	4,355	nil	nil	$11.48					31 Dec 2022	Unvested
	4,509	nil	nil	$11.09					31 Dec 2023	Unvested
	4,669	nil	nil	$10.71					31 Dec 2024	Unvested
					36,232	nil	nil	$2.76	31 Dec 2024	Unvested

(3) Performance rights are automatically exercised upon vesting. 4,205 rights granted for 2021 were exercised on 24 February 2022, valued at the closing price of the underlying shares on the day of exercise.

Further details of the performance rights and options granted to KMP are specified in Notes 42 and 43 to the consolidated financial report.

Directors' Report continued

10. Statutory disclosures (continued)

(d) Relevant Interest in the Company's Shares Held by KMP

Table 6 – Shareholdings of KMP

Name	Year	Opening balance as at 1 January	Received from EIP	Purchases	Sales	Closing balance as at 31 December
NEDs						
Tim Crommelin	**2021**	**438,286**	**nil**	**nil**	**nil**	**438,286**
	2020	392,286	nil	46,000	nil	438,286
Nick Politis	**2021**	**69,905,321**	**nil**	**100,000**	**nil**	**70,005,321**
	2020	69,536,516	nil	368,805	nil	69,905,321
Dan Ryan	**2021**	**1,200**	**nil**	**nil**	**nil**	**1,200**
	2020	1,200	nil	nil	nil	1,200
David Cowper	**2021**	**15,053**	**nil**	**nil**	**nil**	**15,053**
	2020	15,053	nil	nil	nil	15,053
Marcus Birrell	**2021**	**2,000,000**	**nil**	**nil**	**nil**	**2,000,000**
	2020	2,000,000	nil	nil	nil	2,000,000
Greg Duncan	**2021**	**300,000**	**nil**	**50,000**	**nil**	**350,000**
	2020	284,442	nil	15,558	nil	300,000
David Blackhall	**2021**	**28,056**	**nil**	**nil**	**nil**	**28,056**
	2020	23,056	nil	5,000	nil	28,056
Michelle Prater (1)	**2021**	**2,540,096**	**nil**	**nil**	**nil**	**2,540,096**
	2020	2,540,096	nil	nil	nil	2,540,096

(1) Ms Prater was appointed as a non-executive Director on 3 February 2020.

Name	Year	Opening balance as at 1 January	Received from EIP	Purchases	Sales	Closing balance as at 31 December
Executive KMP						
Keith Thornton	**2021**	**266,162**	**518,583**	**nil**	**465,339**	**319,406**
	2020	392,852	23,310	nil	150,000	266,162
Sophie Moore	**2021**	**121,789**	**nil**	**nil**	**nil**	**121,789**
	2020	16,622	105,167	nil	nil	121,789
Denis Stark	**2021**	**151,519**	**64,820**	**nil**	**40,000**	**176,339**
	2020	173,606	108,473	nil	130,560	151,519
Martin Ward (2)	**2021**	**2,583,682**	**nil**	**40,000**	**nil**	**2,623,682**
	2020	2,484,615	99,067	nil	nil	2,583,682

(2) These figures reflect Mr Ward's dealings up to 1 March 2021 as he ceased being a KMP on that date.

(e) Hedging of shares of unvested equity awards

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 equity award or shares that are subject to trading restrictions, without the Chair's approval. Any breach will result in the forfeiture or lapsing of the unvested equity awards or additional performance hurdles or trading restrictions being imposed, at the Board's discretion.

(f) KMP transactions

There were no related party transactions with KMP during the reporting period requiring disclosure in this report.

Directors' Report continued

Directors' Interests

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

Name	Ordinary Shares	Share Options	Performance Rights
Tim Crommelin	438,286	-	-
Nick Politis	70,005,321	-	-
Dan Ryan	1,200	-	-
David Cowper	15,053	-	-
Marcus Birrell	2,000,000	-	-
Sophie Moore	121,789	262,497	54,130
Greg Duncan	350,000	-	-
David Blackhall	28,056	-	-
Michelle Prater	2,540,096	-	-

Shares Under Option

2,173,910 options and 284,721 performance rights were granted by the Company over unissued fully paid ordinary shares during the year under review. No options or rights have been granted since the end of the year under review.

3,492,998 shares were issued as a result of the exercise of options and 54,668 shares were issued as a result of the exercise of performance rights during or since the year under review.

At the date of this report, there are 2,503,728 unissued shares under option and 230,053 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 40 to the consolidated financial report.

In accordance with advice received from the Audit & Risk 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.

Tim Crommelin
Director

Brisbane, 24 February 2022

Auditor's Declaration of Independence

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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The Board of Directors
Eagers Automotive Limited
5 Edmund Street
Newstead, QLD 4006

24 February 2022

Dear Board Members

Auditor's Independence Declaration to Eagers Automotive 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 Eagers Automotive Limited.

As lead audit partner for the audit of the financial report of Eagers Automotive Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants

Financial Statements 2021

For the year ended 31 December 2021

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021

	Notes	Consolidated 2021 $'000	2020 $'000
Revenue	3	**8,663,462**	8,749,675
Finance income	4	**10,368**	-
Other gains	5	**58,234**	48,900
Share of net profits of associates	48(c)	**1,130**	3,758
Raw materials and consumables purchased		**(7,043,492)**	(7,179,720)
Employee benefits expense	6(a)	**(672,077)**	(613,158)
Finance costs	6(a)	**(79,619)**	(88,384)
Depreciation and amortisation expense	6(a)	**(120,428)**	(166,257)
Impairment of non-current assets	6(b)	**(5,156)**	(90,700)
Other expenses		**(355,615)**	(384,008)
Profit before tax		**456,807**	280,106
Income tax expense	7	**(118,070)**	(88,575)
Profit from continuing operations		**338,737**	191,531
Loss from discontinued operations	37	**(8,000)**	(35,320)
Profit for the year		**330,737**	156,211
Attributable to:			
Owners of Eagers Automotive Limited		**317,824**	147,290
Non-controlling interests	34(c)	**12,913**	8,921
	32(b)	**330,737**	156,211

		Cents	Cents
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings/(loss) per share	45(a)	**125.2**	57.6
From continuing operations		**128.4**	71.4
From discontinued operations		**(3.2)**	(13.8)
Diluted earnings/(loss) per share	45(b)	**124.7**	57.3
From continuing operations		**127.9**	71.0
From discontinued operations		**(3.2)**	(13.7)

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Notes	Consolidated 2021 $'000	2020 $'000
Profit for the year		**330,737**	156,211
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	32(a)	**9**	51
		9	51
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of property	19, 32(a)	**4,999**	6,459
Deferred tax expense	32(a)	**(1,500)**	(1,937)
		3,499	4,522
Total other comprehensive income for the year		**3,508**	4,573
Total comprehensive profit for the year		**334,245**	160,784
Total comprehensive profit attributable to:			
Owners of Eagers Automotive Limited		**321,332**	151,863
Non-controlling interests		**12,913**	8,921
		334,245	160,784

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

Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Current assets			
Cash and cash equivalents	9	**197,620**	209,092
Trade and other receivables	10	**228,960**	268,863
Inventories	11	**874,049**	1,025,781
Current tax receivables	24	**574**	-
Prepayments and deposits	12	**18,787**	31,898
Finance lease receivables	18	**34,715**	27,309
Assets classified as held for sale	13	**18,670**	-
Total current assets		**1,373,375**	1,562,943
Non-current assets			
Other loans receivable	14	**23,910**	23,148
Financial assets at fair value through other comprehensive income	15	**577**	2,366
Investments in associates	16, 48	**2,074**	1,561
Other non-current receivables	14	**11,801**	2,851
Property, plant and equipment	19	**514,374**	494,266
Intangible assets	20	**775,295**	785,574
Deferred tax assets	21	**152,000**	162,005
Other non-current assets		**10,508**	9,837
Right-of-use assets	17(a)(i)	**631,099**	801,129
Finance lease receivables	18	**235,932**	187,971
Total non-current assets		**2,357,570**	2,470,708
Total assets		**3,730,945**	4,033,651
Current liabilities			
Trade and other payables	22	**364,263**	436,372
Borrowings - bailment and other current loans	23	**696,292**	878,149
Current tax liabilities	24	**-**	16,381
Provisions	25	**101,770**	131,372
Deferred revenue	26	**13,442**	23,965
Lease liabilities	17(a)(i)	**167,179**	179,522
Total current liabilities		**1,342,946**	1,665,761
Non-current liabilities			
Borrowings	27	**311,062**	304,513
Deferred revenue	29	**16,462**	20,906
Provisions	28	**14,058**	26,497
Lease liabilities	17(a)(i)	**958,966**	1,091,397
Total non-current liabilities		**1,300,548**	1,443,313
Total liabilities		**2,643,494**	3,109,074
Net assets		**1,087,451**	924,577
Equity			
Contributed equity	31	**1,173,069**	1,173,069
Reserves	32(a)	**(617,978)**	(580,200)
Retained earnings	32(b)	**510,725**	317,848
		1,065,816	910,717
Non-controlling interests	34(c)	**21,635**	13,860
Total equity		**1,087,451**	924,577

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Consolidated entity	Notes	Issued capital $'000	Asset revaluation reserve $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Business combination reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021		1,173,069	32,834	(62,510)	1,204	(479,042)	(72,686)	317,848	**910,717**	13,860	**924,577**
Profit for the year		-	-	-	-	-	-	317,824	**317,824**	12,913	**330,737**
Other comprehensive income		-	3,499	-	9	-	-	-	**3,508**	-	**3,508**
Total comprehensive income for the year		**-**	**3,499**	**-**	**9**	**-**	**-**	**317,824**	**321,332**	**12,913**	**334,245**
Transfer to retained earnings		-	(12,255)	-	-	-	-	12,255	**-**	-	**-**
Transactions with owners in their capacity as owners:											
Share-based payments expense	32(a)	-	-	3,204	-	-	-	-	**3,204**	-	**3,204**
Dividends provided for or paid	32(b)	-	-	-	-	-	-	(137,202)	**(137,202)**	(3,985)	**(141,187)**
Shares acquired by employee share trust	32(a)	-	-	(51,019)	-	-	-	-	**(51,019)**	-	**(51,019)**
Shares issued pursuant to staff share plan	32(a)	-	-	19,037	-	-	-	-	**19,037**	-	**19,037**
Income tax on items taken to or transferred directly from equity		-	-	(253)	-	-	-	-	**(253)**	-	**(253)**
Sale of shares to non-controlling interests		-	-	-	-	-	-	-	**-**	(2,548)	**(2,548)**
Issues of shares to NCI		-	-	-	-	-	-	-	**-**	1,395	**1,395**
		-	-	(29,031)	-	-	-	(137,202)	**(166,233)**	(5,138)	**(171,371)**
Balance at 31 December 2021		**1,173,069**	**24,078**	**(91,541)**	**1,213**	**(479,042)**	**(72,686)**	**510,725**	**1,065,816**	**21,635**	**1,087,451**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

Consolidated entity	Notes	Issued capital $'000	Asset revaluation reserve $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Business combination reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2020		1,173,069	28,312	(37,863)	1,153	(479,042)	(72,686)	199,463	812,406	9,423	821,829
Profit for the year		-	-	-	-	-	-	147,290	147,290	8,921	156,211
Other comprehensive income		-	4,522	-	51	-	-	-	4,573	-	4,573
Total comprehensive income for the year		**-**	**4,522**	**-**	**51**	**-**	**-**	**147,290**	**151,863**	**8,921**	**160,784**
Transactions with owners in their capacity as owners:											
Share-based payments expense	32(a)	-	-	408	-	-	-	-	408	-	408
Dividends provided for or paid	32(b)	-	-	-	-	-	-	(28,905)	(28,905)	(4,484)	(33,389)
Shares acquired by employee share trust	32(a)	-	-	(31,497)	-	-	-	-	(31,497)	-	(31,497)
Payments received from employees for exercised options		-	-	8,610	-	-	-	-	8,610	-	8,610
Income tax on items taken to or transferred directly from equity		-	-	(2,168)	-	-	-	-	(2,168)	-	(2,168)
		-	-	(24,647)	-	-	-	(28,905)	(53,552)	(4,484)	(58,036)
Balance at 31 December 2020		**1,173,069**	**32,834**	**(62,510)**	**1,204**	**(479,042)**	**(72,686)**	**317,848**	**910,717**	**13,860**	**924,577**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Notes	Consolidated 2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**9,529,429**	9,924,255
Payments to suppliers and employees (inclusive of GST)		**(9,032,831)**	(9,360,074)
Receipts from Government		**-**	133,780
Receipts from insurance claims		**4,776**	4,276
Interest and other costs of finance paid		**(79,619)**	(96,723)
Income taxes paid		**(131,176)**	(84,281)
Dividends received		**1,695**	4,629
Interest received		**10,431**	2,025
Net cash provided by operating activities	46	**302,705**	527,887
Cash flows from investing activities			
Payments for acquisition of businesses - net of cash acquired	35(a)	**(14,403)**	(16,741)
Payments for property, plant and equipment		**(67,807)**	(42,246)
Payments for shares in other corporations		**1,524**	-
Proceeds from sale of businesses	36(a)	**111,774**	7,747
Proceeds from sale of property, plant and equipment		**85,265**	6,568
Proceeds from return of capital		**-**	15,236
Receipts from subleases		**21,138**	-
Net cash provided by/(used in) investing activities		**137,491**	(29,436)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities	32(a)	**19,037**	8,610
Payments for shares acquired by the Trust	32(a)	**(51,019)**	(31,497)
Proceeds from borrowings		**-**	108,699
Repayment of borrowings		**(150,522)**	(284,483)
Transactions with non-controlling interests		**(1,666)**	-
Dividends paid to members of Eagers Automotive Limited	8	**(137,202)**	(28,905)
Dividends paid to minority shareholders of a subsidiary		**(9,102)**	(3,096)
Repayment of lease liabilities		**(121,194)**	(160,222)
Net cash (used in)/provided by financing activities		**(451,668)**	(390,894)
Net increase/(decrease) in cash and cash equivalents		**(11,472)**	107,557
Cash and cash equivalents at the beginning of the financial year		**209,092**	101,535
Cash and cash equivalents at the end of the financial year	9	**197,620**	209,092

The December 2020 and 2021 Consolidated Statement of Cash Flows has been prepared to include cash flows from continuing and discontinued operations in accordance with AASB 107 *Statement of Cash Flows*. Refer to Note 37.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Consolidated Financial Statements

31 December 2021

1 Summary of significant accounting policies

(a) General information and basis of preparation

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

The financial report has been prepared on a going-concern basis, in line with AASB 101 *Presentation of Financial Statements*.

Compliance with IFRS

These consolidated 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 consolidated 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 consolidated financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These consolidated 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 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 AASB 2 *Share-based Payment* and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 *Inventories* or value-in-use in AASB 136 *Impairment of Assets*.

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 presentation currency of the Group is the Australian Dollar.

The consolidated financial statements were authorised for issue by the Directors on the 24th of February 2022.

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.

Going concern

The consolidated financial statements have been prepared on the basis that the Group is a going concern, able to realise assets in the ordinary course of business and settle liabilities as and when they fall due.

The Group has maintained a robust Consolidated Statement of Financial Position with net current assets of $30 million at the reporting date ($12 million excluding assets classified as held for sale). The Consolidated Statement of Financial Position includes a substantial asset base and property portfolio valued at $448.3 million (including construction in progress) at 31 December 2021 and total available liquidity of $733 million (cash in bank of $198 million and undrawn facilities of $535 million). Corporate debt net of cash is $128 million at 31 December 2021.

The Group has generated positive net cash flows from operating activities of $303 million and earnings before interest, taxes, depreciation and amortisation (EBITDA) of $657 million for the year ended 31 December 2021.

Based on the strength of the Group's Consolidated Statement of Financial Position and its cash flow modelling, the Directors are of the view that the Group will be able to settle all obligations as they fall due for a period of 12 months following these consolidated financial statements. The Directors are therefore of the opinion that the preparation of the consolidated financial statements as a going concern is appropriate.

In regards to the ongoing COVID-19 pandemic, lockdowns and other restrictions have occurred across parts of Australia and New Zealand during the year. The Directors of the Company have assessed these restrictions on continuing operations and consider the future impacts to be short term in nature, and will not have a material impact on the overall Group and its available liquidity.

(b) Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of Eagers Automotive Limited 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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

1 Summary of significant accounting policies (continued)

(b) Basis of consolidation (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 consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group 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 Group's 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 Accounting Standards). 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 *Financial Instruments* (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. If the Group holds, directly or indirectly, 20% or more of the voting power of the investee, it is presumed the Group has significant influence, unless it can be clearly demonstrated that this is not the case.

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 *Non-current Assets Held for Sale and Discontinued Operations*. 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.

The requirements of AASB *128 Investments in Associates and Joint Ventures* 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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

1 Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Investments in associates (continued)

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 portion 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 the Group increases its ownership interest such that an existing associate becomes a subsidiary, the Group remeasures its previously held interest at its acquisition date fair value and recognises the resulting gain or loss in profit or loss. The acquisition of the investment in the subsidiary is recognised in accordance with Note 35(c).

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) Rounding of amounts

The Company is of a kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(d) Goods and services tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (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 Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated 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.

(e) Other accounting policies

Significant other accounting policies that summarise the recognition, treatment and measurement basis used, and are relevant to understanding the consolidated financial statements, are included throughout the relevant notes to the consolidated financial statements.

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

New and revised standards and amendments thereof and interpretations effective for the current year that are relevant to the Group, but have not had a material impact, are:

- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2;* and
- AASB 2021-3 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021.*

The standards in issue but not yet effective, and are not expected to have a material impact on the Group, are as follows:

- AASB 17 *Insurance Contracts* (as amended);
- AASB 2021-5 *Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction;*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates;*
- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- AASB 2015-10 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128;*
- AASB 2017-5 *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections;*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current;*
- AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date;* and
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments.*

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

2 Critical accounting estimates 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 included in the following notes:

Note	Key judgements and estimates
Note 11	Demonstrator vehicle write-down to net realisable value
Note 11	Used vehicle write-down to net realisable value
Note 17	Leases
Note 17	Recoverability of right-of-use assets and other non-current assets
Note 19	Fair value estimation of land, buildings and capital works in progress
Note 20	Recoverability of goodwill and other intangibles with indefinite useful lives
Note 21	Deferred tax asset
Note 35	The fair value of assets and liabilities acquired in business combinations
Note 36	Sale of Daimler Truck Operations and property

3 Revenue

Set out below is the disaggregation of the Group's revenue:

Consolidated revenue for the year ended 31 December 2021 from continuing operations	Retailing $'000	Property $'000	Total $'000
Type of goods or service			
New vehicles	5,182,209	-	**5,182,209**
Used vehicles	1,970,178	-	**1,970,178**
Parts	937,638	-	**937,638**
Service	524,567	-	**524,567**
Other	47,517	1,353	**48,870**
Total revenue from external customers	**8,662,109**	**1,353**	**8,663,462**
Timing of revenue recognition			
At a point in time	8,128,223	1,353	**8,129,576**
Over time	533,886	-	**533,886**
Total revenue from external customers	**8,662,109**	**1,353**	**8,663,462**
Geographical markets			
Australia	8,143,758	1,353	**8,145,111**
New Zealand	518,351	-	**518,351**
Total revenue from external customers	**8,662,109**	**1,353**	**8,663,462**

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

3 Revenue (continued)

Consolidated revenue for the year ended 31 December 2020 from continuing operations	Retailing $'000	Property $'000	Total $'000
Type of goods or service			
New vehicles	4,973,458	-	4,973,458
Used vehicles	2,078,945	-	2,078,945
Parts	1,008,382	-	1,008,382
Service	584,035	-	584,035
Other	103,052	1,803	104,855
Total revenue from external customers	8,747,872	1,803	8,749,675
Timing of revenue recognition			
At a point in time	8,163,837	1,803	8,165,640
Over time	584,035	-	584,035
Total revenue from external customers	8,747,872	1,803	8,749,675
Geographical markets			
Australia	8,282,687	1,803	8,284,490
New Zealand	465,185	-	465,185
Total revenue from external customers	8,747,872	1,803	8,749,675

(a) Recognition and measurement

(i) Revenue

Sales revenue

Revenue from the sale of motor vehicles and parts is recognised when the performance obligation has been satisfied. The performance obligation is considered to be satisfied at a point in time when the vehicles or parts are invoiced and physically dispatched or collected.

Service revenue

Service work on customers' vehicles is carried out under instruction from the customer. Service revenue is recognised over time based on when the performance obligation is satisfied, which is when services are rendered. Revenue arising from the sale of parts fitted to customers' vehicles during service is recognised at a point in time upon satisfaction of the performance obligation, which is considered by the Group to be upon delivery of the fitted parts to the customer upon completion of the service.

(ii) Other revenue items

Warranties revenue

The Group sells extended warranties beyond those provided by the manufacturer, which further protects the customer for repairs and defects in the vehicle over a specified period. Under AASB 15 *Revenue from Contracts with Customers*, warranties are considered to be a distinct service as they are both regularly supplied by the Group to customers on a stand-alone basis and are available to customers from other providers in the market. As a result, where vehicles are being sold with an extended warranty included, a portion of the vehicle sale price is required to be allocated to the warranty based on the stand-alone selling price of those services. Revenue relating to the warranties is recognised over time, while the transaction price allocated to these services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight-line basis over the period of the service.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Finance and insurance commissions

The Group acts as an agent in the sale of vehicle finance and insurance products. The revenue (i.e., commission from the sale of these products) is recognised at a point in time when the performance obligation is satisfied, which is upon delivery of the vehicle and the transfer of control to the customer.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

3 Revenue (continued)

(a) Recognition and measurement (continued)

(ii) Other revenue items (continued)

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.

4 Finance income

	Consolidated	
	2021 $'000	2020 $'000
Finance income	**10,368**	-

Finance income relates to income earned on sublease arrangements, in accordance with AASB 16 *Leases*. Refer to Note 18.

5 Other gains

		Consolidated	
	Notes	**2021 $'000**	2020 $'000
Gain/(loss) on disposal of non-financial assets		**15,168**	(567)
Gain on disposal of properties		**10,957**	1,962
Gain on disposal of businesses	36(a)	**31,894**	5,417
Brand restructure compensation		**215**	31,751
Gain on divestment of associates		**-**	860
Waived rent		**-**	9,477
		58,234	48,900

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

6 Expenses

(a) Profit before income tax includes the following specific expenses:

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Depreciation			
Buildings	19	**4,754**	3,402
Plant and equipment	19	**19,165**	36,563
Leasehold improvements	19	**5,383**	5,087
Right-of-use asset depreciation	17(a)(ii)	**89,664**	119,151
Total depreciation		**118,966**	164,203
Amortisation			
Customer relationships	20	**1,462**	2,054
Total amortisation		**1,462**	2,054
Total depreciation and amortisation		**120,428**	166,257
Finance costs			
Vehicle bailment		**17,022**	22,219
Interest on lease liabilities	17(a)(ii)	**48,715**	53,324
Other		**13,882**	12,841
Total finance costs		**79,619**	88,384
Superannuation		**55,499**	56,806
Provision expenses			
Allowance for expected credit losses	10(b)	**765**	1,386
Employee benefits expense			
Employee benefits expense - gross		**672,077**	706,129
Employee benefits expense recognised in cost of sales - gross		**107,530**	116,339
Government grants offset against employee benefits expense		**-**	(92,971)
Government grants offset against employee benefits expense recognised in cost of sales		**-**	(40,813)
Total employee benefits expense		**779,607**	688,684
Share-based payments	42, 43	**3,204**	408
Business acquisition and divestment costs		**1,803**	1,789
Business restructuring and integration costs		**-**	1,689

(b) Impairment of non-current assets

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Revaluation decrement of land and buildings	19	**5,156**	9,996
Impairment of right-of-use asset	17	**-**	73,150
Impairment of fixed assets	19	**-**	7,554
		5,156	90,700

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

6 Expenses (continued)

(c) Recognition and measurement

(i) Property, plant and equipment

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 30 - 40 years
- Plant & equipment 3 - 10 years
- Leasehold improvements The shorter of the lease term and the useful life of the asset (5 - 30 years)

(ii) 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; and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

7 Income tax

(a) Income tax expense

		Consolidated	
	Notes	**2021 $'000**	2020 $'000
Current income tax expense		**108,736**	73,192
Deferred income tax expense		**9,334**	15,383
		118,070	88,575
Deferred income tax expense included in income tax expense comprises:			
In respect of the current year	21	**9,334**	15,383

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	**456,807**	280,106
Tax at the Australian tax rate of 30% (2020: 30%)	**137,042**	84,032
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-taxable income	**-**	(1,781)
Non-deductible capital expenditure	**541**	-
Non-taxable dividends	**(325)**	(6,503)
Non-allowable expenses	**608**	559
Property impairment	**1,547**	2,999
Application of capital losses against current year capital gains	**(17,488)**	-
Sundry items	**(3,855)**	9,269
Income tax expense	**118,070**	88,575

(c) Tax (expense) relating to items of other comprehensive income

Aggregate deferred tax arising in the reporting period and recognised in other comprehensive income	**(1,500)**	(1,937)

7 Income tax (continued)

(d) Recognition and measurement

Taxes

Eagers Automotive Limited and its wholly-owned Australian entities are part of a tax consolidated group in accordance with Part 3-90 of the *Income Tax Assessment Act 1997*. The existence of a tax consolidated group allows for wholly-owned corporate groups to operate as a single entity for income tax purposes.

The head entity, Eagers Automotive Limited, and the wholly-owned entities in the tax consolidated group continue to account for their own income tax expense, current and deferred tax amounts in accordance with the Eagers Automotive Tax Funding Agreement. These tax amounts are measured by adopting a notional tax approach which requires each member to calculate their separate tax amounts as if each entity in the tax consolidated group continues to be a standalone taxpayer. Assets or liabilities arising for wholly-owned subsidiaries under the Tax Funding Arrangement are recognised as accounts receivable from or payable to other entities in the Group. In addition to its own income tax expense, current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and tax credits assumed from controlled entities in the tax consolidated group.

Income tax

The income tax expense or benefit 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.

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

8 Dividends

(a) Ordinary dividends fully franked based on tax paid @ 30%

	Consolidated	
	2021 $'000	2020 $'000
Final dividend for the year ended 31 December 2020 of 25.0 cents per share (2019: 11.25 cents) paid on 20 April 2021	**64,233**	28,905
Interim dividend for the year ended 31 December 2021 of 28.4 cents per share (2020: nil) paid on 15 October 2021. This is based on an ordinary dividend of 20.0 cents, and a special dividend of 8.4 cents.	**72,969**	-
Total dividends paid	**137,202**	28,905

Dividends paid in cash during the years ended 31 December 2021 and 2020 were as follows:

Paid in cash	**137,202**	28,905

(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 42.5 cents per share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 20 April 2022 out of the retained profits at 31 December 2021 but not recognised as a liability at year end is:	**109,197**	64,233

(c) Franked dividends

The final dividend recommended after 31 December 2021 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 2021.

Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020: 30%)	**487,161**	388,995

The above amounts represent the balances of the franking account as at the end of the financial year, adjusted for:

(i) franking credits that will arise from the payment of the current tax liability;

(ii) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

(iii) 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	**(46,799)**	(27,528)

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

9 Current assets – Cash and cash equivalents

	Consolidated	
	2021 $'000	2020 $'000
Current assets		
Cash at bank and on hand	**197,620**	207,334
Short term deposits	**-**	1,455
Restricted cash	**-**	303
	197,620	209,092

The above figures are reconciled to cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows.

(a) Recognition and measurement

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 Consolidated Statement of Financial Position.

10 Current assets – Trade and other receivables

	Consolidated	
	2021 $'000	2020 $'000
Trade and other receivables	**233,024**	274,502
Allowance for expected credit losses	**(4,064)**	(5,639)
	228,960	268,863

(a) Ageing of trade receivables

The ageing of trade receivables at 31 December 2021 is detailed below:

	Consolidated			
	2021		2020	
	Gross $'000	**Provision $'000**	Gross $'000	Provision $'000
Not past due	**223,166**	**3,573**	252,371	4,560
Past due 0-30 days	**6,604**	**165**	15,124	378
Past due 31 days plus	**3,254**	**326**	7,007	701
Total	**233,024**	**4,064**	274,502	5,639

The Group has applied the expected credit losses methodology to these trade receivables, in line with AASB 9. Included in the Group's trade receivables balance are debtors with a net carrying amount of $9,367,000 (2020: $21,052,000) which are past due at the reporting date. The average age of these receivables is 61 days (2020: 63 days).

(b) Movement in expected credit losses

	Consolidated	
	2021 $'000	2020 $'000
Opening balance	**5,639**	4,888
Additional loss allowance	**765**	1,386
Amounts written off during the year	**(676)**	(635)
Disposal due to divestment	**(1,664)**	-
Closing balance	**4,064**	5,639

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

10 Current assets – Trade and other receivables (continued)

(b) Movement in expected credit losses (continued)

The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit losses experience. In line with this, the Group has provided 10% for all receivables over 90 days and 2.5% of total trade receivables excluding motor vehicle debtors.

(c) Recognition and measurement

Receivables

Trade receivables are recognised initially at the transaction price, less the expected lifetime credit losses to be recognised from initial recognition of the receivables.

11 Current assets – Inventories

	Consolidated	
	2021 $'000	2020 $'000
New and demonstrator motor vehicles & trucks - bailment stock - at cost	**528,027**	705,824
Less: Write-down to net realisable value	**(15,013)**	(16,748)
	513,014	689,076
Used vehicles & trucks - at cost	**247,445**	216,472
Less: Write-down to net realisable value	**(14,347)**	(16,714)
	233,098	199,758
Parts and other consumables - at cost	**136,374**	148,094
Less: Write-down to net realisable value	**(8,437)**	(11,147)
	127,937	136,947
Total inventories	**874,049**	1,025,781

(a) Recognition and measurement

Inventories

New motor vehicles and 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. This is affected through the application of a specific provision percentage against cost of vehicles based on age. 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 based on 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 based on specific identification.

(b) Critical accounting estimates and judgements

(i) Demonstrator vehicle write-down to net realisable value

In determining the amount of write-downs for demonstrator vehicle inventory, management has made judgements based on the expected net realisable value of inventory. Historic experience and current knowledge of the products have been used in determining any write-downs to net realisable value.

(ii) Used vehicle write-down to net realisable value

In determining the amount of write-downs required for used vehicle inventory, management has, in consultation with published used vehicle valuations, made judgements based on the expected net realisable value of that inventory. Historic experience, current knowledge of the products and the valuations from an independent used car publication have been used in determining any write-downs to net realisable value.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

12 Other current assets

	Consolidated	
	2021 $'000	2020 $'000
Prepayments and deposits	**18,787**	31,898

13 Assets classified as held for sale

	Consolidated	
	2021 $'000	2020 $'000
Assets classified as held for sale	**18,670**	-

Assets classified as held for sale at 31 December 2021 represents a vacant property sale that is unconditional at the reporting date, and is due to settle in February 2022. The asset is presented within total assets of the Property segment in Note 30.

(a) Recognition and measurement

Assets held for sale

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.

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. Where assets are sold above the lower of their previous carrying amounts and fair value less costs to sell, this gain is recognised in profit or loss when the sale is recognised.

14 Non-current assets – Receivables

	Consolidated	
	2021 $'000	2020 $'000
Other loans receivable	**23,910**	23,148
Other non-current receivables	**11,801**	2,851
	35,711	25,999

15 Non-current assets – Financial assets at fair value through other comprehensive income

	Consolidated	
	2021 $'000	2020 $'000
Financial assets at fair value through other comprehensive income		
Shares in an unlisted company - Dealercell Holdings Pty Limited [1]	**322**	588
Shares in an unlisted company - AHG Property Syndicate No. 1 Unit Trust [(1)]	**255**	1,778
	577	2,366

1 The Directors have assessed that the fair value of the investment as at 31 December 2021 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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

15 Non-current assets – Financial assets at fair value through other comprehensive income (continued)

(a) Valuation of financial assets at fair value through other comprehensive income

Details of the Group's assets held at fair value through other comprehensive income and information about the fair value hierarchy as at 31 December 2021 are as follows:

Unobservable inputs used in determination of fair values				
Class of financial assets and liabilities	**Carrying amount 31/12/21 $'000**	**Carrying amount 31/12/20 $'000**	**Valuation technique**	**Key input**
Level 3 financial assets at fair value through other comprehensive income - unlisted	**577**	2,366	Net asset assessment.	Pre-tax operating margin taking into account managements' experience and knowledge of market conditions and financial position.

There were no transfers between levels in the year.

(b) Recognition and measurement

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 timeframe established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss (FVPL), 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 remaining financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Group subsequently measures all equity investments at fair value. 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.

Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Group recognises the payment of dividends in the profit and loss for those equity instruments measured at FVOCI.

Impairment

For trade receivables and other receivables, finance lease receivables and other loans receivable, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of these financial assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

16 Non-current assets – Investments in associates

	Consolidated	
	2021 $'000	2020 $'000
Shares in associate - Vehicle Parts (WA) Pty Ltd	**1,555**	1,233
Shares in associate - Mazda Parts	**519**	328
	2,074	1,561

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting (refer Note 48). Reconciliation of the carrying amount of investment in associate is set out in Note 48(b).

17 Right-of-use assets and lease liabilities

(a) Leases

(i) Amounts recognised in the Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	Consolidated	
	2021 $'000	2020 $'000
Right-of-use assets		
Property	**629,853**	801,129
Equipment	**1,246**	-
	631,099	801,129

Consolidated entity	**Property $'000**	**Equipment $'000**	**Total $'000**
Year ended 31 December 2021			
Opening net book amount	801,129	-	**801,129**
Exchange differences	(3,070)	-	**(3,070)**
Additions	49,471	1,495	**50,966**
Disposals	(132,743)	-	**(132,743)**
Depreciation charge	(89,415)	(249)	**(89,664)**
Rent reviews	5,002	-	**5,002**
Adjustments to lease terms	(521)	-	**(521)**
Closing net book amount	**629,853**	**1,246**	**631,099**

Consolidated entity	Notes	**Property $'000**	**Equipment $'000**	**Total $'000**
Year ended 31 December 2020				
Opening net book amount		995,691	12,809	1,008,500
Additions		11,220	-	11,220
Disposals		(68,407)	(12,751)	(81,158)
Depreciation charge		(119,093)	(58)	(119,151)
Impairment loss	6(b)	(73,150)	-	(73,150)
Rent reviews		48,823	-	48,823
Adjustments to lease terms		6,045	-	6,045
Closing net book amount		801,129	-	801,129

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

17 Right-of-use assets and lease liabilities (continued)

(a) Leases (continued)

(i) Amounts recognised in the Consolidated Statement of Financial Position (continued)

	Consolidated	
	2021 $'000	2020 $'000
Lease liabilities		
Current	**167,179**	179,522
Non-current	**958,966**	1,091,397
	1,126,145	1,270,919

(ii) Amounts recognised in the Statement of Profit or Loss

The Statement of Profit or Loss shows the following amounts relating to leases:

		Consolidated	
	Notes	**2021 $'000**	2020 $'000
Depreciation charge of right-of-use assets			
Buildings		**89,415**	119,093
Equipment		**249**	58
	6(a)	**89,664**	119,151
Interest expense	6(a)	**48,715**	53,324
Expense relating to short-term leases		**3,645**	2,146
		52,360	55,470

(iii) Maturity analysis of contracted undiscounted cash flows

	Consolidated	
	2021 $'000	2020 $'000
Maturity analysis		
Not later than one year	**167,179**	179,522
Later than 1 year and not later than 5 years	**585,321**	665,413
Later than 5 years	**665,649**	742,344
Total undiscounted lease payments	**1,418,149**	1,587,279
Less: Present value adjustment	**(292,004)**	(316,360)
Present value of lease payments	**1,126,145**	1,270,919

In addition to the above lease payments is a minimum lease payment of $49.2 million expected to occur within 2-5 years, under a non-cancellable lease that has not yet commenced. The lease relates to vacant land for future development and is expected to commence in 2022. The lease agreement contains an option to prepay the lease at the end of the first 12 months after commencement instead of regular monthly lease payments. The Directors have not yet made a decision over the rent payment options as outlined in the contract.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

17 Right-of-use assets and lease liabilities (continued)

(b) Recognition and measurement

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security over the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liabilities are remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The Group recognises right-of-use assets at cost at the commencement date of the lease (i.e., the date the underlying asset is available for use).

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The right-of-use assets are presented as a separate line in the Consolidated Statement of Financial Position.

Right-of-use assets are subject to impairment in accordance with AASB 136. Any identified impairment loss is accounted for in line with our accounting policy for 'Property, plant and equipment' (refer to Note 19(a)).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, machinery/equipment and motor vehicles (i.e., those leases that have a lease of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Sale and leaseback transactions

Where the Group enters into a sale and leaseback transaction, the Group firstly applies the requirements of AASB 15 to determine whether control has passed, and whether the transfer is accounted for as a sale. Further, when the Group enters into a sale and leaseback transaction and the fair value of the consideration for the sale of the property does not equal the fair value of the asset, or the payments for the lease are not at market rates, the following adjustments are made to measure the sale proceeds at fair value:

- any below market terms are accounted for as a prepayment of lease payments; and
- any above market terms are accounted for as additional financing provided by the buyer-lessor to the Group.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

17 Right-of-use assets and lease liabilities (continued)

(b) Recognition and measurement (continued)

Leases (continued)

Incremental borrowing rate

The Group has determined its incremental borrowing rate by considering the interest rate on their financing facility and applying, where considered necessary, adjustments to align this with an asset specific rate. The adjustments consider the term of the agreement, security of asset and the funds necessary to obtain an asset of a similar value in a similar economic environment. Significant judgement is required to assess and apply these adjustments.

The application of the incremental borrowing rate impacts the initial valuation of the lease liability and associated interest expense.

(c) Critical accounting estimates and judgements

(i) Recoverability of right-of-use assets and other non-current assets

In applying the standard, the Directors have made certain assumptions and judgements in relation to the determination of the recoverable amount for these assets.

(ii) Leases

On application, the Group has recognised right-of-use assets and lease liabilities in the Consolidated Statement of Financial Position and the depreciation of right-of-use assets and interest on lease liabilities in the Consolidated Statement of Profit or Loss. Material right-of-use assets and lease liabilities were recognised on the acquisition of AHG. In applying the standard, the Directors make ongoing assumptions and judgements including but not limited to the appropriate discount rate on incremental borrowing rates and likely exercise of the renewal options.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its property leases; to lease the asset for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

18 Finance lease receivables

Amounts receivable under finance leases

	Consolidated	
	2021 $'000	2020 $'000
Year 1	34,715	27,309
Year 2	34,430	27,969
Year 3	33,223	27,479
Year 4	28,525	26,060
Year 5	27,428	21,547
Onwards	**192,135**	147,016
Total undiscounted lease payments	**350,456**	277,380
Less: Unearned finance income	(79,809)	(62,100)
Present value of lease payments receivable	**270,647**	215,280
Current	34,715	27,309
Non-current	235,932	187,971
Total finance lease receivables	**270,647**	215,280

During the year, the finance lease receivables increase was driven by a number of sublease arrangements being entered into associated with the divestment of Daimler Truck Operations.

All subleases are back-to-back arrangements, and as such there is no residual value risk. The Group is not exposed to foreign currency risk as a result of the lease arrangement, as all leases are denominated in Australian Dollars.

The back-to-back subleases have terms between 1 and 14 years. Lease agreements in place include clauses to enable rental increases in line with that of the corresponding head lease held by the Group.

The Directors of the Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime expected credit losses. None of the finance lease receivables at the end of the reporting period are past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables, the expected credit loss associated with the finance lease receivables balance is immaterial. As such, no expected credit loss allowance was recorded in the current year in respect of finance lease receivables.

(a) Recognition and measurement

Leases

The Group as a lessor

Sublease arrangements

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return of the Group's net investment outstanding in respect of the leases.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

19 Non-current assets – Property, plant and equipment

	Consolidated	
	2021 $'000	2020 $'000
Freehold land and buildings - at fair value		
Directors' valuation [2]		
Land	**249,962**	202,384
Buildings	**182,490**	154,079
Total land and buildings	**432,452**	356,463
Construction in progress - at cost		
Construction in progress	**15,825**	7,405
Leasehold improvements		
At cost	**27,809**	43,793
Accumulated depreciation	**(3,415)**	(4,319)
Total leasehold improvements	**24,394**	39,474
Plant and equipment		
At cost	**48,516**	141,514
Accumulated depreciation	**(6,813)**	(50,590)
Total plant and equipment	**41,703**	90,924
Total property, plant and equipment	**514,374**	494,266

2 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 the 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 2021 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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

19 Non-current assets - Property, plant & equipment (continued)

Valuation of land and buildings (continued)

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 December 2021 are as follows:

Unobservable inputs used in determination of fair values										
Class of assets & liabilities	**Carrying amount 31/12/21 $'000**	**Carrying amount 31/12/20 $'000**	**Valuation technique**	**Key input**	**Input**	**Average/ range 2021**	**Average/ range 2020**	**Other key information**	**Range (weighted average) 2021**	**Range (weighted average) 2020**
Level 3 Car – HBU Alternate Use	**40,541**	46,140	Direct comparison	External valuations	Price/sqm land	**Average $2,692/ sqm**	Average $3,071/ sqm	Land size	**Average 4,067 sqm**	Average 3,005 sqm
						Range $1,489 - $4,002/ sqm	Range $1,234 - $5,065/ sqm		**Range 2,015 - 4,931 sqm**	Range 2,015 - 4,853 sqm
Level 3 Car Dealership	**380,956**	283,222	Summation method, income capitalisation and direct comparison	External valuations industry benchmarks	Capitalisation rate	**Average 6.1%**	Average 6.4%	Net rent / sqm land	**Average $116/sqm**	Average $115/sqm
						Range 0.0% - 9.0%	Range 5.4% - 9.5%		**Range $0 - $300/ sqm**	Range $47 - $330/ sqm
								Net rent / sqm GBA [3]	**Average $295/sqm**	Average $255/sqm
									Range $0 - $980/ sqm	Range $107 - $1,730/ sqm
Level 3 Truck Dealership	**9,888**	20,039	Direct comparison	External valuations	Price/sqm land Price/ sqm GBA	**Average $430/ sqm**	Average $411/sqm	Land size	**Average 23,006 sqm**	Average 24,353 sqm
						Range $430 - $430/ sqm	Range $276 - $532/sqm		**Range 23,006 - 23,006 sqm**	Range 23,006 - 25,700 sqm
								Net rent/ sqm land	**Average $20/sqm**	Average $29/sqm
									Range $0 - $20/sqm	Range $17 - $39/sqm
								Capitalisation rate	**Average 4.7%**	Average 6.9%
									Range 4.7% - 4.7%	Range 6.3% - 7.2%
Level 3 Other Logistics	**1,067**	7,062	Income capitalisation method supported by market comparison	External valuations	Capitalisation rate	**Average 8.0%**	Average 6.8%	Net rent / sqm GBA (1)	**Average $71/sqm**	Average $129/sqm
						Range 8.0% - 8.0%	Range 7.8% - 8.5%		**Range $71 - $71/sqm**	Range $143 - $215/sqm
Total	**432,452**	356,463								

There were no transfers between levels in the year.

Explanation of asset classes: Car - Higher and Best Use (HBU) alternate use refers to properties currently operated as car dealerships which have a HBU greater than that of a car dealership; Car Dealership refers to properties operating as car dealerships with a HBU consistent with that use; Truck Dealership refers to properties being operated as truck dealerships with a HBU consistent with that use; Other Logistics are industrial properties used for parts warehousing and vehicle logistics.

3 GBA is the gross building area.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

19 Non-current assets - Property, plant & equipment (continued)

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 $235,675,000 (2020: $165,799,000). If freehold buildings were carried at historical cost, its current carrying value (after depreciation) would be $182,490,000 (2020: $154,079,000).

Non-current assets pledged as security

Refer to Note 27 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:

Consolidated 2021	Freehold land $'000	Buildings $'000	Construction in progress $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Opening net book amount	202,384	154,079	7,405	39,474	90,924	**494,266**
Exchange differences	-	-	-	-	(438)	**(438)**
Transfers	-	1,521	(1,972)	(1,888)	2,339	**-**
Additions	112,376	56,336	10,392	5,488	15,187	**199,779**
Revaluation gain recognised in asset revaluation reserve	4,999	-	-	-	-	**4,999**
Revaluation recognised in profit and loss	(5,156)	-	-	-	-	**(5,156)**
Disposals	(45,971)	(24,692)	-	(13,297)	(47,144)	**(131,104)**
Transfer to property assets held for sale	(18,670)	-	-	-	-	**(18,670)**
Depreciation charge	-	(4,754)	-	(5,383)	(19,165)	**(29,302)**
Carrying amount at end of year	**249,962**	**182,490**	**15,825**	**24,394**	**41,703**	**514,374**

During the period the Group acquired Land and Buildings of which $138 million was directly funded through capital loan facilities obtained by the Group. Refer to Note 27 for further information on movement in borrowings.

During the period the Group concluded all buyback arrangements, reflected as a disposal.

Consolidated 2020	Freehold land $'000	Buildings $'000	Construction in progress $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Opening net book amount	176,031	76,713	14,453	60,851	128,010	456,058
Exchange differences	-	-	6	320	206	532
Transfers	6	10,268	(15,380)	4,943	163	-
Additions	32,450	73,428	8,326	2,232	30,210	146,646
Revaluation gain recognised in asset revaluation reserve	6,459	-	-	-	-	6,459
Revaluation recognised in profit and loss	(9,996)	-	-	-	-	(9,996)
Disposals	(2,566)	(2,928)	-	(21,220)	(26,113)	(52,827)
Depreciation charge	-	(3,402)	-	(5,087)	(36,563)	(45,052)
Impairment loss	-	-	-	(2,565)	(4,989)	(7,554)
Carrying amount at end of year	202,384	154,079	7,405	39,474	90,924	494,266

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

19 Non-current assets - Property, plant & equipment (continued)

(a) Recognition and measurement

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. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period or immediately prior to the initial classification of assets held for sale. 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.

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.

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 shorter.

(b) Critical accounting estimates and judgements

Fair value estimation of land, buildings and capital work in progress

Land and buildings with a carrying value of $432.5 million (2020: $356.5 million) are carried at fair value. Fair value inherently involves estimates and judgements to be made. The Directors determine the fair value of land and buildings at least annually and if required in contemplation of sale. The Directors' assessment is supported by formal independent valuations conducted periodically but at least every three years.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

20 Non-current assets – Intangibles

		Consolidated	
	Notes	**2021 $'000**	2020 $'000
Goodwill		**763,988**	771,755
Trade marks/brand names		**5,915**	6,965
Customer relationships		**5,392**	6,854
		775,295	785,574
Movement - Goodwill			
Balance at the beginning of the financial year		**771,755**	757,301
Additional amounts recognised:			
Acquired through business combinations during the year	35	**10,749**	15,500
Less: Disposal of businesses	36	**(18,516)**	(1,046)
Balance at the end of the financial year		**763,988**	771,755
Movement - Trade marks/brand names			
Balance at the beginning of the financial year		**6,965**	6,965
Less: Disposal of businesses	36	**(1,050)**	-
Balance at the end of the financial year		**5,915**	6,965
Movement - Customer relationships			
Balance at the beginning of the financial year		**6,854**	8,908
Amortisation charge		**(1,462)**	(2,054)
Balance at the end of the financial year		**5,392**	6,854

(a) Impairment tests for goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU), or groups of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or group of units to which goodwill is allocated represents the lowest level at which goodwill is monitored for internal management purposes.

The Group has eight groups of CGUs in the Car Retailing Segment, grouped by the operating regions (QLD & NT, NSW, VIC & TAS, SA, WA, NZ), National Used and Finance, with the lowest level for which there are independent cash flows determined to be on an operating region or state basis. During the twelve months, and following the disposal of the Daimler Truck Operations business, the remaining truck businesses were allocated to three of the six operating CGUs in the Car Retailing Segment. As a result, there no longer remains a national Trucks Segment CGU.

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 arm's length transaction between knowledgeable and willing parties at the balance date. If relevant, this fair value assessment less costs of disposal is conducted by the Directors based on their extensive knowledge of the car 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 CGU's and then applying a discount rate to calculate the present value.

The DCF model adopted by the Directors utilises cash flow forecasts derived from the 2022 financial budgets approved by the Board, with a range of growth rates applied thereafter to year four that does not exceed 2% (2020: 1.5%). A growth rate of 2% is applied from year four and into the terminal period (2020: 1.5%). The budgets consider all available sources of information (both external and internal); external macro-economic conditions are strong and despite supply chain dynamics, the industry continues to deliver vehicles. The Group is continuing to benefit from favourable market conditions and cost outs achieved, delivering underlying profit before tax performance significantly ahead of budget.

The forecast growth rate and terminal growth rate have been based on consideration of historical performance and the expected future operating conditions. The terminal growth rate is not deemed to exceed the long-term average growth rate for the industry and generally accepted future consumer price index (CPI) rate. A post-tax discount rate of 8.0% was applied to the cash flows, incorporating the impact of AASB 16 on the Group's cost of debt.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

20 Non-current assets – Intangibles (continued)

(a) Impairment tests for goodwill (continued)

Consideration of COVID-19 and the associated impacts on the automotive retail industry and the wider economy

The Group believes that the assumptions underpinning the DCF calculations used to evaluate the recoverability of goodwill and intangible assets have been adjusted to reflect reasonable estimates of the impact of COVID-19 and the risks associated with estimated cash flows. Whilst there is no impairment concerning any of the CGU's at 31 December 2021, the Directors acknowledge that there is a heightened level of uncertainty around key assumptions in the current environment.

The Directors have considered the market context and performance with reference to the VFACTS National Report New Vehicle Sales results for December 2021. National market new vehicle sales increased 14.5% year-to-date December 2021, compared to year-to-date December 2020. New vehicle sales is a leading indicator for used vehicle, parts and service department performance.

Consideration of climate change

In estimating the recoverable amount the Group has considered the potential impacts of climate change both on the Group's business model and corporate strategy. It is believed that the most significant change for a vehicle retailer may be the increasing rate of demand for electric and hybrid vehicles (including hydrogen fuel cell electric vehicles) in preference to traditional internal combustion engine vehicles. This change, in isolation, is not expected to significantly impact the Group's business model as the Group is pivoting to supplying a greater percentage of electric and hybrid vehicles in line with consumer demand and availability of supply. Other potential impacts of the Group's initiatives in respect of climate change are being considered and will be reflected in the recoverable amount as the Group's sustainability planning evolves. There is significant headroom in all CGUs and the impact of the Group's initiatives in respect of climate change impacts is not expected to have an impact on the carrying value of assets.

Sensitivity analysis performed

The Group has performed sensitivity analysis of reasonably possible changes in the assumptions used in the model, including reducing growth rates from a maximum of 2.0% to a fixed growth rate of 0% applied from the second forecast year through to year five, whilst holding terminal growth rate at 2.0%. Further, the Group has sensitised the discount rate from 8.0% to 8.5%. Under each of these independent scenarios, no impairment was identified.

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

	Consolidated	
	2021 $'000	2020 $'000
Car retailing operations:		
Goodwill	**763,988**	730,077
Trade marks/brand names	**5,915**	5,915
Customer relationships	**5,392**	6,854
	775,295	742,846
Truck retailing operations:		
Goodwill	**-**	41,678
Trade marks/brand names	**-**	1,050
	-	42,728
	775,295	785,574

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

20 Non-current assets – Intangibles (continued)

(b) Recognition and measurement

(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 independent cash inflows (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 19(a)). 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 19(a)).

(ii) Customer relationships

Customer relationships acquired in a business combination where management believes there are contracted relationships in place that generate repeat transactions which creates future economic benefits and are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years. Customer relationships are made up of fleet customer arrangements in place for the new vehicle and servicing business.

(iii) 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 consumer's decision to purchase or service a vehicle, and/or strong customer awareness within a particular geographic location. The trademarks are valued using a discounted cash flow methodology. The majority of the Group's 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.

(iv) 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 acquired and liabilities assumed 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 groups of CGUs for the purpose of impairment testing.

(c) Critical accounting estimates and judgements

Recoverability of goodwill and other intangibles with indefinite useful lives

Goodwill and other intangibles with indefinite useful lives of $769.9 million (2020: $778.7 million) 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 discount rates based on the current cost of capital. Fair value less costs of disposal is assessed by the Directors based on their knowledge of the industry and any recent market transactions. The above figures therefore reflect the estimates of the recoverable amounts post any impairment recognised during the year.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

21 Non-current assets - Deferred tax assets

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Deferred tax assets		**152,000**	162,005
The balance comprises temporary differences attributable to:			
Amounts recognised in profit or loss			
Book versus tax carrying value of plant and equipment		**25,548**	15,036
Leases		**67,047**	72,919
Deferred income		**4,944**	12,372
Inventory valuation		**(2,157)**	212
Prepayments		**(766)**	(1,737)
Provisions			
Expected credit losses		**1,215**	1,688
Employee benefits		**33,115**	36,786
Other		**6,475**	10,371
Sundry items		**24,422**	26,839
Total amounts recognised in profit or loss		**159,843**	174,486
Amounts recognised directly in equity			
Revaluation of property, plant and equipment		**(8,948)**	(17,190)
Share options trust		**1,105**	4,709
Total amounts recognised directly in equity		**(7,843)**	(12,481)
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 2021		**162,005**	176,505
Deferred tax (expense)	7(a)	**(9,334)**	(15,383)
Deferred tax recognised directly in equity			
Revaluation of property, plant and equipment	32(a)	**(1,500)**	(1,937)
Share options trust	32(a)	**253**	2,168
Deferred tax recognised through a business combination			
Deferred tax assets relating to business combinations		**576**	652
Closing balance at 31 December 2021		**152,000**	162,005

(i) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2021 $'000	2020 $'000
Deferred tax liabilities	**(11,871)**	(18,927)
Deferred tax assets	**163,871**	180,932
Net deferred tax asset	**152,000**	162,005

At the reporting date, the Group has no unused revenue tax losses (2020: nil) available for offset against future profits. No deferred tax asset has been recognised in respect of capital losses of $116.9 million (2020: $142.9 million) as it is not considered probable that there will be future capital gains available to utilise the capital losses. The capital losses may be carried forward indefinitely.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

21 Non-current assets - Deferred tax assets (continued)

(a) Recognition and measurement

Deferred taxes

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, where at the time of the transaction the temporary differences 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.

(b) Critical accounting estimates and judgements

Deferred tax asset

Recognition and measurement of deferred tax assets require certain judgements and assumptions to be made, including but not necessarily limited to the expected realisation of certain assets and liabilities and the likelihood and timing of sufficient profits available in the future.

22 Current liabilities – Trade and other payables

	Consolidated	
	2021 $'000	2020 $'000
Trade and other payables		
Trade payables [4]	**116,668**	144,988
Other payables	**247,595**	291,384
	364,263	436,372

Other payables comprises of customer deposits held of $71.4 million (2020: $57.6 million), taxes payable of $15.4 million (2020: $21.5 million), general accruals of $118.8 million (2020: $175.9 million), with the remaining balance relating to miscellaneous payables.

4 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.

(a) Recognition and measurement

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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

23 Current Liabilities - Borrowings - bailment and other current loans

	Consolidated	
	2021 $'000	2020 $'000
Bailment finance	**681,325**	844,307
Term facility	**-**	26,000
Capital loan	**14,967**	7,842
	696,292	878,149

(i) Bailment finance

Bailment finance is provided on a vehicle-by-vehicle basis by various finance providers at an average interest rate of 2.21% p.a. applicable at 31 December 2021 (2020: 2.38%). Bailment finance is repayable within a short period after the vehicle is sold to a third party, generally within 48 hours.

(ii) Capital loan

Capital loans are provided by various finance providers to the Group to fund certain property transactions. The capital loans are secured by registered first mortgages given by subsidiaries over specific freehold land and buildings. The majority of capital loans are amortising in nature, with principal and interest repayable each period, with the remainder non-amortising in nature and repayable on the expiry date. Refer to Note 33(b) for further information on contractual maturity analysis.

(iii) Interest rate risk exposures

Details of the Group's exposure to interest rate changes on interest bearing liabilities is set out in Note 33.

(iv) Fair value disclosures

Details of the Group's fair value of interest bearing liabilities is set out in Note 33.

(v) Security

Details of the security relating to each of the secured liabilities and further information on bank loans is set out in Note 27.

(a) Recognition and measurement

(i) 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.

(ii) 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.

24 Current liabilities – Current tax liability or receivable

	Consolidated	
	2021 $'000	2020 $'000
Current income tax receivable	**(574)**	-
Current income tax payable	**-**	16,381
Net current income tax (receivable)/payable	**(574)**	16,381

(a) Recognition and measurement

Please refer to Note 7 for recognition and measurement of tax balances.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

25 Current liabilities – Provisions

	Consolidated	
	2021 $'000	2020 $'000
Annual leave	**57,429**	62,977
Long service leave	**44,341**	51,279
Buyback provision	**-**	17,116
	101,770	131,372

(a) Recognition and measurement

(i) 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.

(ii) 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.

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

(iii) Buybacks

If the sale of the vehicle is combined with a residual value commitment (i.e., buyback arrangements), and the control has not been transferred (i.e., the repurchase price is not higher than the assessed fair market value), the Group recognises the sales transaction as an operating lease transaction.

The revenue and expense are recognised over the residual value commitment period in the Consolidated Statement of Profit or Loss. Assets under operating leases, a residual value provision, and deferred lease income are recognised in the Consolidated Statement of Financial Position. Refer to Notes 26 and 29. The asset is depreciated over the commitment period and the deferred lease income is recognised as revenue over the same period. The residual value provision amount remains unchanged until the end of the commitment period. If the vehicle is returned at the end of the commitment period, the residual value provision is paid to the customer.

All buyback arrangements have concluded in the current reporting period.

26 Current liabilities – Other current liabilities

	Consolidated	
	2021 $'000	2020 $'000
Deferred revenue	**13,442**	23,965

Deferred revenue relates to recognition of revenue in accordance with the performance obligations in certain warranty contracts. Balances in the prior year also include buybacks arrangements within the Group that concluded in the current reporting period.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

27 Non-current liabilities – Borrowings (secured)

	Notes	Consolidated 2021 $'000	2020 $'000
Term facility		**-**	111,500
Capital loan		**311,062**	193,013
		311,062	304,513
Secured liabilities			
Total secured liabilities (current and non-current) are:			
Term facility [5]		**-**	137,500
Capital loan [6]		**326,029**	200,855
Bailment finance [7]		**681,325**	844,307
		1,007,354	1,182,662

Refer to Note 33(b)(iii) for maturities.

Assets pledged as security

The carrying amounts of assets pledged as security are:

	Notes	2021 $'000	2020 $'000
Non-current assets pledged as security			
Freehold land and buildings - first mortgage	19	**432,452**	349,625
Other non-current assets		**905,967**	970,529
Current assets pledged as security			
Inventories		**681,325**	844,307
Other current assets		**346,057**	380,280
Total assets pledged as security		**2,365,801**	2,544,741

5 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.

6 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.

7 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 to Note 11.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

27 Non-current liabilities – Borrowings (secured) (continued)

Financing arrangements

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

	Consolidated	
	2021 $'000	2020 $'000
Total facilities		
Term facility [8]	**382,000**	367,600
Working capital facility (includes bank overdraft)	**30,000**	130,000
Capital loan [9]	**449,527**	314,930
Bailment finance [10]	**1,597,030**	1,808,588
Bank guarantees	**58,000**	60,918
	2,516,557	2,682,036
Drawn at balance date		
Term facility	**-**	137,500
Capital loan	**326,029**	200,855
Bailment finance	**681,325**	844,307
Bank guarantees	**49,257**	50,417
	1,056,611	1,233,079
Undrawn at balance date		
Term facility	**382,000**	230,100
Working capital facility (includes bank overdraft)	**30,000**	130,000
Capital loan	**123,498**	114,075
Bailment finance	**915,705**	964,281
Bank guarantees	**8,743**	10,501
	1,459,946	1,448,957

8 Term facility at the balance date was provided on a non-amortisable (interest only) basis subject to compliance with specific covenants for a fixed term.
9 The majority of the capital loan facility at the balance date was provided on an amortisable (principal and interest) basis over a fixed term.
10 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 Consolidated Statement of Financial Position.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

28 Non-current liabilities - Provisions

	Consolidated	
	2021 $'000	2020 $'000
Long service leave	**8,613**	8,574
Other provisions	**5,445**	17,923
	14,058	26,497

The other provisions balance held at reporting date relates to provisions held for make good of leased property. This is for the expected cost of restoring the premises to its original condition at the end of the lease. Balances in the prior year also include buybacks arrangements within the Group that concluded in the current reporting period.

(a) Recognition and measurement

(i) 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.

(ii) 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 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 the reporting date.

29 Non-current liabilities - Deferred revenue

	Consolidated	
	2021 $'000	2020 $'000
Deferred revenue	**16,462**	20,906

Deferred revenue relates to recognition of revenue in accordance with the performance obligations in certain warranty contracts (refer to Note 3(a)(ii)). Balances in the prior year also include buybacks arrangements within the Group that concluded in the current reporting period.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

30 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 ("the Board"), in order to allocate resources to the segment and to assess its performance.

The Group operates in four operating and reporting segments (with no aggregation taking place) being (i) Car Retailing (ii) Truck Retailing (iii) Property and (iv) Investments, these being identified on the basis of being the components of the Group that are regularly reviewed by the Board for the purpose of resource allocation and assessment of segment performance. Information regarding the Group's reporting segments is presented below.

As a result of the divestment of the Daimler Truck Operations business during the first half of 2021, the Group has changed the structure of its internal organisation. This has caused a change in the composition of its reportable segments since the prior period, resulting in the Group operating in three reporting segments from April 2021. The Truck Retailing reporting segment represents only Daimler dealerships for the twelve months ended 31 December 2021. The remaining non-Daimler Truck dealerships have been reallocated to the Car Retailing segment.

Per AASB 8 *Operating Segments* paragraph 29, the corresponding segment information for earlier periods, including the prior year, has not been restated in respect of the change in the structure of the Group's reportable segments as this information is not available. Instead, in accordance with AASB 8 paragraph 30, the Group has disclosed segment information for the current period on both the old basis and the new basis of segmentation.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 1. 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. Funding costs in relation to bills payable 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 Board for the purposes of resource allocation and assessment of segment performance. For the purpose of monitoring segment performance and allocating resources between segments, the Board monitors the tangible, intangible, and financial assets attributable to each segment. All assets are allocated to reportable segments.

(i) Car Retailing

Within the Car Retailing segment, the Group offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, 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 includes the Motors Tasmania Truck Retailing business (as it is managed inside the Motors Tasmania car business), a motor auction business and forklift rental business. For the year ended 31 December 2021, this segment also incorporates the remaining non-Daimler Truck dealerships, as detailed above.

(ii) Truck Retailing

For the year ended 31 December 2021, this segment includes only Daimler Truck dealerships which has been divested during the period, as detailed above. Within the Truck Retailing segment, the Group offers a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, 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.

(iii) Property

Within the Property segment, the Group 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 Group.

(iv) Investments

This segment includes the Group's investment in DealerMotive Limited which is only relevant for the prior year segment note as the investment was disposed of in 2020.

(a) Geographic information

The Group operates in two principal geographic locations, being Australia and New Zealand.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

30 Segment information (continued)

(b) Segment results

In accordance with AASB 8 paragraph 30, the Group has disclosed segment information for the current period on both the old basis and the new basis of segmentation. The table below discloses segment information on the new basis of segmentation for the 12 months ended 31 December 2021:

Segment reporting 2021 - new basis	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	8,438,283	223,826	1,353	-	-	**8,663,462**
Inter-segment sales	-	-	30,699	-	(30,699)	**-**
Total sales revenue	**8,438,283**	**223,826**	**32,052**	**-**	**(30,699)**	**8,663,462**
Segment result						
Operating profit before interest	459,990	6,333	21,748	-	-	**488,071**
External interest expense allocation	(68,147)	(2,314)	(9,158)	-	-	**(79,619)**
Operating contribution	**391,843**	**4,019**	**12,590**	**-**	**-**	**408,452**
Share of net profit of equity accounted investments	1,078	-	-	-	-	**1,078**
Business acquisition and divestment costs	(1,412)	(391)	-	-	-	**(1,803)**
Property revaluation	-	-	(5,156)	-	-	**(5,156)**
Profit on termination of leases	8,833	5,364	-	-	-	**14,197**
Profit on sale of businesses	1,708	30,186	-	-	-	**31,894**
Profit on sale of property	-	-	10,957	-	-	**10,957**
Manufacturer compensation income	215	-	-	-	-	**215**
Miscellaneous	735	-	-	-	-	**735**
Segment profit	**403,000**	**39,178**	**18,391**	**-**	**-**	**460,569**
Unallocated corporate expenses						**(3,762)**
Profit before tax						**456,807**
Income tax expense						**(118,070)**
Net profit						**338,737**
Depreciation and amortisation	(106,441)	(7,819)	(6,168)	-	-	**(120,428)**
Assets						
Segment assets	3,271,999	-	458,946	-	-	**3,730,945**
Liabilities						
Segment liabilities	2,317,465	-	326,029	-	-	**2,643,494**
Net assets	**954,534**	**-**	**132,917**	**-**	**-**	**1,087,451**

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

30 Segment information (continued)

(b) Segment results (continued)

In accordance with AASB 8 paragraph 30, the Group has disclosed segment information for the current period on both the old basis and the new basis of segmentation. The table below discloses segment information on the old basis of segmentation for the 12 months ended 31 December 2021.

Segment reporting 2021 - old basis	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	8,084,944	577,165	1,353	-	-	**8,663,462**
Inter-segment sales	-	-	30,699	-	(30,699)	**-**
Total sales revenue	**8,084,944**	**577,165**	**32,052**	**-**	**(30,699)**	**8,663,462**
Segment result						
Operating profit before interest	446,376	19,947	21,748	-	-	**488,071**
External interest expense allocation	(66,110)	(4,351)	(9,158)	-	-	**(79,619)**
Operating contribution	**380,266**	**15,596**	**12,590**	**-**	**-**	**408,452**
Share of net profit of equity accounted investments	1,078	-	-	-	-	**1,078**
Business acquisition and divestment costs	(1,412)	(391)	-	-	-	**(1,803)**
Property revaluation	-	-	(5,156)	-	-	**(5,156)**
Profit on termination of leases	8,833	5,364	-	-	-	**14,197**
Profit on sale of property	-	-	10,957	-	-	**10,957**
Profit on sale of business	1,708	30,186	-	-	-	**31,894**
Manufacturer compensation income	215	-	-	-	-	**215**
Miscellaneous	735	-	-	-	-	**735**
Segment profit	**391,423**	**50,755**	**18,391**	**-**	**-**	**460,569**
Unallocated corporate expenses						**(3,762)**
Profit before tax						**456,807**
Income tax expense						**(118,070)**
Net profit						**338,737**
Depreciation and amortisation	(101,918)	(12,342)	(6,168)	-	-	**(120,428)**
Assets						
Segment assets	3,172,170	99,828	458,947	-	-	**3,730,945**
Liabilities						
Segment liabilities	2,218,404	99,061	326,029	-	-	**2,643,494**
Net assets	**953,766**	**767**	**132,918**	**-**	**-**	**1,087,451**

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

30 Segment information (continued)

(b) Segment results (continued)

Segment reporting 2020	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	7,776,540	971,332	1,803	-	-	8,749,675
Inter-segment sales	-	-	14,903	-	(14,903)	-
Total sales revenue	7,776,540	971,332	16,706	-	(14,903)	8,749,675
Segment result						
Operating profit before interest	256,780	26,391	11,830	-	-	295,001
External interest expense allocation	(71,468)	(9,059)	(7,857)	-	-	(88,384)
Operating contribution	185,312	17,332	3,973	-	-	206,617
Share of net profit of equity accounted investments	970	-	-	2,788	-	3,758
Business acquisition and divestment costs	(612)	(1,177)	-	-	-	(1,789)
Impairment of non-current assets	(80,704)	-	-	-	-	(80,704)
Property revaluation	-	-	(9,996)	-	-	(9,996)
Profit on sale of property/businesses & rent waivers	13,996	441	1,962	860	-	17,259
Business integration costs	(1,689)	-	-	-	-	(1,689)
Government wage subsidies	123,669	6,899	-	-	-	130,568
Manufacturer compensation income	31,751	-	-	-	-	31,751
Segment profit	272,693	23,495	(4,061)	3,648	-	295,775
Unallocated corporate expenses						(15,669)
Profit before tax						280,106
Income tax expense						(88,575)
Net profit						191,531
Depreciation and amortisation	(131,435)	(31,402)	(3,420)	-	-	(166,257)
Assets						
Segment assets	3,283,011	403,274	347,366	-	-	4,033,651
Liabilities						
Segment liabilities	2,506,415	381,804	220,855	-	-	3,109,074
Net assets	776,596	21,470	126,511	-	-	924,577

(c) Recognition and measurement

Operating segments

Operating segments are identified based on internal reports that are regularly reviewed by the Group's Board of Directors in order to allocate resources to the segment and assess its performance.

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

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

31 Contributed equity

(a) Paid up capital

	Consolidated	
	2021 $'000	2020 $'000
Ordinary shares - Fully paid	**1,173,069**	1,173,069

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.

At the reporting date, the Employee Share Trust held 2,597,771 shares, which are reported in share capital (2020: 2,274,938).

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$'000
1 January 2021	Opening balance	256,933,106	-	1,173,069
31 December 2021	Closing balance	256,933,106	-	1,173,069

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

32 Reserves and retained earnings

(a) Reserves

	Notes	Consolidated 2021 $'000	Consolidated 2020 $'000
Asset revaluation reserve		**24,078**	32,834
Share-based payments reserve		**(91,541)**	(62,510)
Foreign currency translation reserve		**1,213**	1,204
Business combination reserve		**(479,042)**	(479,042)
Investment revaluation reserve		**(72,686)**	(72,686)
		(617,978)	(580,200)
Movements:			
Asset revaluation reserve:			
Balance at the beginning of the financial year		**32,834**	28,312
Revaluation surplus during the year - gross	19	**4,999**	6,459
Deferred tax	21	**(1,500)**	(1,937)
Transfer to retained earnings relating to properties sold	32(b)	**(12,255)**	-
Balance at the end of the financial year		**24,078**	32,834
Share-based payments reserve:			
Balance at the beginning of the financial year		**(62,510)**	(37,863)
Deferred tax	21	**(253)**	(2,168)
Payments received from employees for exercised options		**19,037**	8,610
Shares acquired by the Employee Share Trust		**(51,019)**	(31,497)
Employee share schemes - value of employee services		**3,204**	408
Balance at the end of the financial year		**(91,541)**	(62,510)
Foreign currency translation reserve:			
Balance at the beginning of the financial year		**1,204**	1,153
Other comprehensive income		**9**	51
Balance at the end of the financial year		**1,213**	1,204
Business combination reserve:			
Balance at the beginning of the financial year		**(479,042)**	(479,042)
Balance at the end of the financial year		**(479,042)**	(479,042)
Investment revaluation reserve:			
Balance at the beginning of the financial year		**(72,686)**	(72,686)
Balance at the end of the financial year		**(72,686)**	(72,686)

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

32 Reserves and retained earnings (continued)

(b) Retained earnings

	Consolidated	
	2021 $'000	2020 $'000
Retained profits at the beginning of the financial year	**317,848**	199,463
Net profit for the year	**330,737**	156,211
Less: NCI Share	**(12,913)**	(8,921)
Transfer to retained earnings	**12,255**	-
Dividends provided for or paid	**(137,202)**	(28,905)
Retained profits at the end of the financial year	**510,725**	317,848

(c) Nature and purpose of other reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in Note 19(a).

(ii) 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 42 and 43.

(iii) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise the cumulative net movement in foreign assets, liabilities and results held by foreign subsidiaries since acquisition.

(iv) Business combination reserve

The business combination reserve is used to recognise the difference between the value of consideration paid to acquire the non-controlling interest, the carrying value of the non-controlling interest and the value of shares acquired.

(v) Investment revaluation reserve

The investment revaluation reserve represents the cumulative gains and losses arising on assets held at FVOCI that have been recognised in other comprehensive income.

33 Financial instruments

(a) Overview

The Group 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 Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework.

The Directors have established an Audit and Risk Committee ("the Committee") which is responsible for monitoring, assessing and reporting on the Group's risk management system. The Committee will provide regular reports to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The 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 and short-term deposits. The main purpose of these financial instruments is to raise finance for and fund the Group's operations. 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 risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised as follows.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

33 Financial instruments (continued)

(a) Overview (continued)

(i) 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. The Group applies the simplified approach permitted by AASB 9, which requires expected lifetime credit losses to be recognised from initial recognition of the receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience.

With respect to credit risk arising from financial assets of the Group (comprised of cash, cash equivalents, receivables, finance lease receivables and other loans receivable), the Group's maximum exposure to credit risk at the balance date, excluding the value of any collateral or other security, is the carrying amount as disclosed in the Consolidated Statement of Financial Position and Notes to the Consolidated 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.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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's ability to manage liquidity risk is not affected by the application of AASB 16 given the net current asset position at 31 December 2021, despite recognition of current lease liabilities and finance lease receivables. The cash commitments in relation to each lease remain unchanged. Management are of the view that the Group will continue to generate sufficient operating cash flows to meet its financial obligations as they fall due.

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.

(iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Group'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.

Interest rate risk

The Group's policy is to keep between 0% and 50% of its borrowings at fixed rates of interest. As at 31 December 2021, 30% (2020: 53%) of the Group's borrowings were at a fixed rate of interest (excluding bailment interest).

The Group classifies interest rate swaps as cash flow hedges.

Interest rate sensitivity

The sensitivity analysis below has 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 the reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit after tax would increase/decrease by $5.0 million (2020: $5.9 million) per annum. This is mainly due to the Group's exposures to interest rates on its variable rate borrowings.

(iv) 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 Group's approach to capital management during the period.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

33 Financial instruments (continued)

(b) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets (as per Note 10) represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2021 $'000	2020 $'000
Trade and other receivables	**233,024**	274,502
Less: Allowance for expected credit losses	**(4,064)**	(5,639)
	228,960	268,863

(ii) Impairment losses

The ageing of trade receivables at the reporting date is detailed in Note 10.

(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 consolidated financial statements approximate their fair value.

		Consolidated	
	Notes	**2021 $'000**	2020 $'000
Financial assets			
Trade and other receivables net of expected credit losses	10	**228,960**	268,863
Cash and cash equivalents	9	**197,620**	209,092
Other non-current receivables	14	**35,711**	25,999
		462,291	503,954
Financial liabilities			
Bills payable and fully drawn advances		**-**	137,500
Capital loan	27	**326,029**	200,855
Vehicle bailment	27	**681,325**	844,307
Trade and other payables	22	**364,263**	436,372
		1,371,617	1,619,034

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).

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

33 Financial instruments (continued)

(b) Credit risk (continued)

(iii) Fair values & exposures to credit & liquidity risk (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 assets and liabilities

At 31 December 2021	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	197,620	-	-	-	-	-	**197,620**
Average interest rate	0.10%	-	-	-	-	-	
Financial liabilities							
Vehicle bailment (current)	681,325	-	-	-	-	-	**681,325**
Fully drawn advances	3,295	3,295	3,295	268,707	207,034	-	**485,626**
Capital loan	1,764	1,764	1,764	1,764	1,764	16,313	**25,133**
	686,384	**5,059**	**5,059**	**270,471**	**208,798**	**16,313**	**1,192,084**
Average interest rate	1.95%	1.72%	1.52%	1.49%	1.91%	3.09%	
Fixed rate							
Financial liabilities							
Capital loan	24,005	72,925	21,892	41,086	58,270	154,735	**372,913**
Average interest rate	3.34%	3.35%	3.19%	3.18%	3.17%	3.20%	
Non-interest bearing							
Financial assets							
Trade debtors	240,761	-	-	-	-	23,910	**264,671**
Financial liabilities							
Trade and other payables	364,264	-	-	-	-	-	**364,264**

Please refer to Note 17(a)(iii) and Note 18 for ageing of lease liabilities and finance lease receivables, respectively.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

33 Financial instruments (continued)

(b) Credit risk (continued)

(iii) Fair values & exposures to credit & liquidity risk (continued)

Maturity profile (continued)

At 31 December 2020	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	209,092	-	-	-	-	-	209,092
Average interest rate	0.10%	-	-	-	-	-	
Financial liabilities							
Vehicle bailment (current)	844,307	-	-	-	-	-	844,307
Fully drawn advances [11]	32,114	247,206	191,595	-	-	-	470,915
Capital loan (non-current)	1,791	1,791	1,791	1,791	1,791	14,565	23,520
	878,212	248,997	193,386	1,791	1,791	14,565	1,338,742
Average interest rate	2.32%	2.21%	2.35%	1.79%	1.86%	1.71%	
Fixed rate							
Financial liabilities							
Capital loan (non-current)	12,429	12,429	61,349	10,316	29,610	202,451	328,584
Average interest rate	3.17%	3.17%	3.17%	3.17%	3.17%	3.17%	
Non-interest bearing							
Financial assets							
Trade debtors	271,714	-	-	-	-	23,148	294,862
Financial liabilities							
Trade and other payables	436,372	-	-	-	-	-	436,372

(iv) 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.

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

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries

(a) Deed of cross guarantee

	Equity Holding		Member of DOCG		Membership Group		Opt In/Out	
Name of Entity	2021 %	2020 %	2021	2020	2021	2020	2021	2020
Eagers Automotive Limited	100	100	Y	Y	C	C		
360 Finance Pty Ltd	-	100	N	Y	N/A	C		
360 Financial Services Australia Pty Ltd	-	100	N	Y	N/A	C		
360 Insurance Services Pty Ltd	-	100	N	Y	N/A	C		
A.P. Ford Pty Ltd	100	100	Y	Y	C	C		
A.P. Group Pty Ltd	100	100	Y	Y	C	C	Opt Out	
A.P. Motors (No.1) Pty Ltd	100	100	Y	Y	C	C		
A.P. Motors (No.2) Pty Ltd	100	100	Y	Y	C	C		
A.P. Motors (No.3) Pty Ltd	100	100	Y	Y	C	C		
A.P. Motors Pty Ltd	100	100	Y	Y	C	C		
ACM Autos Holdings Pty Ltd	80	80	N	N	N/A	N/A		
ACM Autos Pty Ltd	80	80	N	N	N/A	N/A		
ACM Liverpool Pty Ltd	100	100	Y	Y	C	C		
ACN 132 712 111 Pty Ltd	100	100	Y	Y	C	C		
Adtrans Australia Pty Ltd	100	100	Y	Y	C	C		
Adtrans Automotive Group Pty Ltd	100	100	Y	Y	C	C		
Adtrans Corporate Pty Ltd	100	100	Y	Y	C	C		
Adtrans Group Pty Ltd	100	100	Y	Y	C	C		
Adtrans Hino Pty Ltd	100	100	Y	Y	C	C		
Adtrans Truck Centre Pty Ltd	100	100	Y	Y	C	C		
Adtrans Trucks Adelaide Pty Ltd	-	100	N	Y	N/A	C		
Adtrans Trucks Pty Ltd	100	100	Y	Y	C	C		
Adtrans Used Pty Ltd	100	100	Y	Y	C	C		
Adverpro Pty Ltd	100	100	Y	Y	C	C		
AHG 1 Pty Ltd	100	100	Y	Y	C	C		
AHG Automotive Mining and Industrial Solutions Pty Ltd	100	100	Y	Y	C	C		
AHG Coatings Pty Ltd	100	100	Y	Y	C	C		
AHG Finance 2005 Pty Ltd	100	100	Y	Y	C	C		
AHG Finance Pty Ltd	100	100	Y	Y	C	C		
AHG Franchised Automotive Pty Ltd	100	100	Y	Y	C	C		
AHG International Pty Ltd	100	100	Y	Y	C	C		
AHG Management Company Pty Ltd	100	100	Y	Y	C	C		
AHG Newcastle Pty Ltd	100	100	Y	Y	C	C		
AHG Property Pty Ltd	100	100	Y	Y	C	C		
AHG Services (NSW) Pty Ltd	100	100	Y	Y	C	C		
AHG Services (QLD) Pty Ltd	100	100	Y	Y	C	C		
AHG Services (VIC) Pty Ltd	100	100	Y	Y	C	C		
AHG Services (WA) Pty Ltd	100	100	Y	Y	C	C		
AHG Trade Parts Pty Ltd	100	100	Y	Y	C	C		
AHG Training Pty Ltd	100	100	Y	Y	C	C		
AHG WA (2015) Pty Ltd	100	100	Y	Y	C	C		
AHGCL 2016 Pty Ltd	100	100	Y	Y	C	C		
AHGSW 2018 Pty Ltd	100	100	Y	Y	C	C		
AP Townsville Pty Ltd	78	100	Y	Y	EC	C		
APE Cars Mgmt Pty Ltd	100	100	Y	Y	C	C		
Associated Finance Pty Ltd	100	100	Y	Y	C	C	Opt Out	
Auckland Auto Collection Limited	100	100	Y	N	C	N/A		
Austral Pty Ltd	100	100	Y	Y	C	C		
AUT 6. Pty Ltd	100	100	Y	Y	C	C	Opt In	
Auto Ad Pty Ltd	100	100	Y	Y	C	C		

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

	Equity Holding		Member of DOCG		Membership Group		Opt In/Out	
Name of Entity	2021 %	2020 %	2021	2020	2021	2020	2021	2020
Automotive Holdings Group (Queensland) Pty Ltd	100	100	Y	Y	C	C		
Automotive Holdings Group (Victoria) Pty Ltd	100	100	Y	Y	C	C		
Automotive Holdings Group Pty Ltd	100	100	Y	Y	C	C	Opt Out	
BASW Pty Ltd	80	80	Y	Y	EC	EC		
Big Rock 2005 Pty Ltd	80	80	N	N	N/A	N/A		
Big Rock Pty Ltd	100	100	Y	Y	C	C		
Bill Buckle Autos Pty Ltd	100	100	Y	Y	C	C		
Bill Buckle Holdings Pty Ltd	100	100	Y	Y	C	C		
Bill Buckle Leasing Pty Ltd	100	100	Y	Y	C	C		
Black Auto CQ Pty Ltd	100	100	Y	Y	C	C		
Boonarga Welding Pty Ltd	80	80	Y	Y	EC	EC		
Bradstreet Motors Holdings Pty Ltd	80	80	N	N	N/A	N/A		
Bradstreet Motors Pty Ltd	80	80	N	N	N/A	N/A		
Cardiff Car City Holdings Pty Ltd	80	80	N	N	N/A	N/A		
Cardiff Car City Pty Ltd	80	80	N	N	N/A	N/A		
Carlin Auction Services (NSW) Pty Ltd	53	53	N	N	N/A	N/A		
Carlin Auction Services (QLD) Pty Ltd	-	53	N	N	N/A	N/A		
Carlins Automotive Auctioneers (QLD) Pty Ltd	53	-	N	N/A	N/A	N/A		
Carlins Automotive Auctioneers (S.A) Pty Ltd	53	53	N	N	N/A	N/A		
Carlins Automotive Auctioneers (WA) Pty Ltd	53	100	N	N	N/A	N/A		
Carlins Automotive Auctioneers Pty Ltd	53	53	N	N	N/A	N/A		
Carlins Corporate Vehicle Services Pty Ltd	-	53	N	N	N/A	N/A		
Carlins Group Holdings Pty Ltd	53	53	N	N	N/A	N/A		
Carsplus Australia Pty Ltd	100	100	Y	Y	C	C		
Carzoos Pty Ltd	100	100	Y	Y	C	C		
Castle Hill Autos No. 1 Pty Ltd	100	100	Y	Y	C	C	Opt Out	
Castlegate Enterprises Pty Ltd	100	100	Y	Y	C	C		
CFD (2012) Pty Ltd	100	100	Y	Y	C	C		
CH Auto Pty Ltd	100	100	Y	Y	C	C	Opt Out	
Cheap Cars QLD Pty Ltd	78	100	Y	Y	EC	C		
Chellingworth Pty Ltd	100	100	Y	Y	C	C		
City Auto (2016) Holdings Pty Ltd	80	80	N	N	N/A	N/A		
City Auto (2016) Pty Ltd	80	80	N	N	N/A	N/A		
City Automotive Group Pty Ltd	100	100	Y	Y	C	C		
City Motors (1981) Pty Ltd	100	100	Y	Y	C	C		
Crampton Automotive Pty Ltd	100	100	Y	Y	C	C		
Doncaster Auto (2016) Pty Ltd	-	100	N	Y	N/A	C	Opt Out	
Drive A While Pty Ltd	100	100	Y	Y	C	C		
Dual Autos Pty Ltd	100	100	Y	Y	C	C		
Duncan Autos 2005 Pty Ltd	100	100	Y	Y	C	C		
Duncan Autos Pty Ltd	100	100	Y	Y	C	C		
E. G. Eager & Son Pty Ltd	100	100	Y	Y	C	C		
EACAB Pty Ltd	78	-	Y	N/A	EC	N/A		
Eagers Finance Pty Ltd	100	100	Y	Y	C	C		
Eagers MD Pty Ltd	80	80	Y	Y	EC	EC		
Eagers Nominees Pty Ltd	100	100	Y	Y	C	C		
Eagers Retail Pty Ltd	100	100	Y	Y	C	C		
EASST Pty Ltd	100	-	Y	N/A	C	N/A		
Easy Auto 123 Pty Ltd	100	100	Y	Y	C	C		
Essendon Auto (2017) Pty Ltd	100	100	Y	Y	C	C		

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

Name of Entity	Equity Holding 2021 %	Equity Holding 2020 %	Member of DOCG 2021	Member of DOCG 2020	Membership Group 2021	Membership Group 2020	Opt In/Out 2021	Opt In/Out 2020
Eurocars (SA) Pty Ltd	100	100	Y	Y	C	C		
Falconet Pty Ltd	100	100	Y	Y	C	C	Opt In	
Ferntree Gully Autos Holdings Pty Ltd	100	80	N	N	N/A	N/A		
Ferntree Gully Autos Pty Ltd	100	80	N	N	N/A	N/A		
Finmo Pty Ltd	100	100	Y	Y	C	C		
Geraldine Nominees Pty Ltd	-	100	N	Y	N/A	C	Opt Out	
Giant Autos (1997) Pty Ltd	100	100	Y	Y	C	C		
Giant Autos Pty Ltd	100	100	Y	Y	C	C		
Graham Cornes Motors Pty Ltd	90	99	Y	Y	EC	EC		
Grand Autos 2005 Pty Ltd	80	80	N	N	N/A	N/A		
Highland Autos Pty Ltd	80	80	N	N	N/A	N/A		
Highland Kackell Pty Ltd	100	100	Y	Y	C	C		
HM (2015) Holdings Pty Ltd	100	80	N	N	N/A	N/A		
HM (2015) Pty Ltd	100	80	N	N	N/A	N/A		
IB MD Pty Ltd	80	80	Y	Y	EC	EC		
IB Motors Pty Ltd	100	100	Y	Y	C	C		
Janasen Pty Ltd	100	100	Y	Y	C	C		
Janetto Holdings Pty Ltd	100	100	Y	Y	C	C	Opt Out	
Kingspoint Pty Ltd	100	100	Y	Y	C	C		
Laverton Auto (2016) Pty Ltd	-	100	N	Y	N/A	C	Opt Out	
Leaseline & General Finance Pty Ltd	100	100	Y	Y	C	C		
Lionteam Pty Ltd	100	100	Y	Y	C	C		
LWC International Limited	100	100	Y	N	C	N/A		
LWC Limited	100	100	Y	N	C	N/A		
Maitland City Motor Group Holdings Pty Ltd	80	80	N	N	N/A	N/A		
Maitland City Motor Group Pty Ltd	80	80	N	N	N/A	N/A		
Matchacar Pty Ltd	100	100	Y	Y	C	C		
MB VIC Pty Ltd	100	100	Y	Y	C	C	Opt In	
MBSA Motors Pty Ltd	100	100	Y	Y	C	C		
MCM Autos Pty Ltd	80	80	N	N	N/A	N/A		
MCM Sutherland Pty Ltd	100	100	Y	Y	C	C		
Melbourne City Autos (2012) Pty Ltd	100	100	Y	Y	C	C		
Melbourne Truck and Bus Centre Pty Ltd	100	100	Y	Y	C	C		
Melville Autos 2005 Pty Ltd	100	100	Y	Y	C	C		
Melville Autos Pty Ltd	100	100	Y	Y	C	C		
Mornington Auto Group (2012) Pty Ltd	100	100	Y	Y	C	C	Opt Out	
Motors Group (Glen Waverley) Pty Ltd	87.5	80	Y	Y	EC	EC		
Motors TAS Pty Ltd	100	100	Y	Y	C	C	Opt In	
Newcastle Commercial Vehicles Pty Ltd	100	100	Y	Y	C	C	Opt Out	
North City (1981) Pty Ltd	100	100	Y	Y	C	C	Opt Out	
North City 2005 Pty Ltd	100	100	Y	Y	C	C		
Northside Autos 2005 Pty Ltd	100	100	Y	Y	C	C		
Northside Nissan (1986) Pty Ltd	100	100	Y	Y	C	C		
Northwest (WA) Pty Ltd	100	100	Y	Y	C	C		
Novated Direct Pty Ltd	100	100	Y	Y	C	C		
NSW Vehicle Wholesale Pty Ltd	100	100	Y	Y	C	C		
Nuford Ford Pty Ltd	100	100	Y	Y	C	C		
Nundah Motors Pty Ltd	100	100	Y	Y	C	C		
OPM (2012) Holdings Pty Ltd	80	80	N	N	N/A	N/A		
OPM (2012) Pty Ltd	80	80	N	N	N/A	N/A		

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

	Equity Holding		Member of DOCG		Membership Group		Opt In/Out	
Name of Entity	2021 %	2020 %	2021	2020	2021	2020	2021	2020
Osborne Park Autos Pty Ltd	100	100	Y	Y	C	C		
Penrith Auto (2016) Pty Ltd	100	100	Y	Y	C	C		
Perth Auto Alliance Pty Ltd	100	100	Y	Y	C	C		
Port City Autos Pty Ltd	-	100	N	Y	N/A	C		
Precision Automotive Technology Pty Ltd	100	100	Y	Y	C	C		
PT (2013) Pty Ltd	100	99	N	N	N/A	N/A		
Rent Two Buy Pty Ltd	100	100	Y	Y	C	C		
RL Sublessor Pty Ltd	100	100	Y	N	C	N/A		
Sabalan Holdings Pty Ltd	80	80	N	N	N/A	N/A		
Sabalan Pty Ltd	80	80	N	N	N/A	N/A		
Shemapel 2005 Pty Ltd	100	100	Y	Y	C	C		
Skipper Trucks Pty Ltd	-	100	N	Y	N/A	C		
South West Queensland Motors Pty Ltd	80	80	Y	Y	EC	EC		
Southeast Automotive Group Pty Ltd	100	100	Y	Y	C	C	Opt In	
Southern Automotive Group Pty Ltd	100	100	Y	Y	C	C		
Southside Autos (1981) Pty Ltd	100	100	Y	Y	C	C		
Southside Autos 2005 Pty Ltd	100	100	Y	Y	C	C		
Southwest Automotive Group Pty Ltd	100	100	Y	Y	C	C		
Stillwell Trucks Pty Ltd	-	100	N	Y	N/A	C		
Submo Pty Ltd	100	100	Y	Y	C	C		
SWGT Pty Ltd	100	100	Y	Y	C	C	Opt In	
Total Autos (1990) Pty Ltd	100	100	Y	Y	C	C		
Total Autos 2005 Pty Ltd	100	100	Y	Y	C	C		
Vehicle Storage & Engineering Pty Ltd	100	100	Y	Y	C	C		
VMS Pty Ltd	100	100	Y	Y	C	C		
WA Trucks Pty Ltd	100	100	Y	Y	C	C		
Webster Trucks Mgmt Pty Ltd	100	100	Y	Y	C	C		
Western Equipment Rentals Pty Ltd	100	100	Y	Y	C	C		
Whitehorse Trucks Pty Ltd	-	100	N	Y	N/A	C		
Widevalley Pty Ltd	100	100	Y	Y	C	C		
WS Motors Pty Ltd	78	100	Y	Y	EC	C		
Zupp Holdings Pty Ltd	100	100	Y	Y	C	C		
Zupps Aspley Pty Ltd	100	100	Y	Y	C	C		
Zupps Gold Coast Pty Ltd	100	100	Y	Y	C	C		
Zupps Mt Gravatt Pty Ltd	100	100	Y	Y	C	C		
Zupps Parts Pty Ltd	100	100	Y	Y	C	C		
Zupps Southside Pty Ltd	-	100	N	Y	N/A	C	Opt Out	

C - Member of the Closed Group

EC - Member of the Extended Closed Group

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

All entities noted as members of the Deed of Cross Guarantee (DOCG) above, were parties to a Deed of Cross Guarantee with Eagers Automotive Limited pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 which has been lodged with and approved by Australian Securities and Investments Commission as at 31 December 2021. Under the DOCG each of these companies guarantee the debts of the other named companies.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

(i) Members of the closed group

A Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position, comprising the Company and entities which are members of the Closed Group, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 31 December 2021 is set out below:

Deed of Cross Guarantee	**2021 $'000**	2020 $'000
Consolidated Statement of Profit or Loss		
Profit before tax from continuing operations	**350,166**	198,694
Addback: AASB 16 closed group adjustment	**(2,733)**	553
Profit before tax from continuing operations	**347,433**	199,247
Income tax expense from continuing operations	**(84,315)**	(67,687)
Profit for the period from continuing operations	**263,118**	131,560
Loss for the period from discontinued operations	**(8,000)**	-
Profit for the year	**255,118**	131,560
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	**189,637**	172,663
Trade and other receivables	**195,455**	235,378
Inventories	**720,778**	813,512
Current tax receivable	**10,270**	-
Prepayments and deposits	**16,055**	29,820
Finance lease receivables	**34,715**	27,309
Assets classified as held for sale	**18,670**	-
Total current assets	**1,185,580**	1,278,682
Non-current assets		
Other loans receivable	**22,659**	23,148
Financial assets at fair value through other comprehensive income	**577**	588
Investments in associates	**1,555**	1,233
Other non-current receivables	**11,801**	-
Property, plant and equipment	**502,015**	474,122
Intangible assets	**679,996**	667,283
Deferred tax assets	**139,439**	147,219
Other non-current assets	**10,508**	9,837
Right-of-use assets	**563,243**	718,161
Finance lease receivables	**235,932**	187,971
Total non-current assets	**2,167,725**	2,229,562
Total assets	**3,353,305**	3,508,243

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

(i) Members of the closed group (continued)

Deed of Cross Guarantee	2021 $'000	2020 $'000
Current liabilities		
Trade and other payables	**258,081**	326,232
Borrowings - bailment and other current loans	**557,415**	680,536
Current tax liabilities	**-**	24,235
Provisions	**85,145**	112,306
Deferred revenue	**7,917**	15,864
Lease liabilities	**150,975**	164,104
Total current liabilities	**1,059,533**	1,323,277
Non-current liabilities		
Borrowings	**311,062**	304,513
Deferred revenue	**16,462**	20,906
Provisions	**11,857**	24,264
Lease liabilities	**883,559**	1,014,753
Total non-current liabilities	**1,222,940**	1,364,436
Total liabilities	**2,282,473**	2,687,713
Net assets	**1,070,832**	820,530
Equity		
Contributed equity	**1,173,069**	1,173,069
Reserves	**(637,209)**	(599,431)
Retained earnings	**534,972**	246,892
	1,070,832	820,530
Non-controlling interests	**-**	-
Total equity	**1,070,832**	820,530

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

(ii) Members of the extended closed group

Entities that are parties to the Deed of Cross Guarantee and controlled by Eagers Automotive Limited.

A Consolidated Statement of Profit or Loss and Consolidated Statement of Financial Position, comprising the entities that are parties to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 31 December 2021 is set out below:

Deed of Cross Guarantee	2021 $'000	2020 $'000
Consolidated Statement of Profit or Loss		
Profit before tax from continuing operations	**380,566**	252,610
Addback: AASB 16 extended closed group adjustment	**(2,343)**	328
Profit before tax from continuing operations	**378,223**	252,938
Income tax expense from continuing operations	**(91,784)**	(73,484)
Profit for the period from continuing operations	**286,439**	179,454
Loss for the period from discontinued operations	**(8,000)**	-
Profit for the year	**278,439**	179,454
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	**190,115**	173,360
Trade and other receivables	**213,264**	245,710
Inventories	**788,357**	862,063
Current tax receivable	**6,643**	-
Prepayments and deposits	**16,604**	30,016
Finance lease receivables	**34,715**	27,309
Assets classified as held for sale	**18,670**	-
Total current assets	**1,268,368**	1,338,458
Non-current assets		
Other loans receivable	**22,659**	23,148
Financial assets at fair value through other comprehensive income	**577**	588
Investments in associates	**1,555**	1,233
Other non-current receivables	**11,801**	-
Property, plant and equipment	**508,009**	477,058
Intangible assets	**725,089**	700,616
Deferred tax assets	**142,297**	149,049
Other non-current assets	**10,508**	9,837
Right-of-use assets	**590,088**	736,978
Finance lease receivables	**235,932**	187,971
Total non-current assets	**2,248,515**	2,286,478
Total assets	**3,516,883**	3,624,936

34 Investments in subsidiaries (continued)

(a) Deed of cross guarantee (continued)

(ii) Members of the extended closed group (continued)

Deed of Cross Guarantee	2021 $'000	2020 $'000
Current liabilities		
Trade and other payables	**257,600**	314,441
Borrowings - bailment and other current loans	**614,087**	726,228
Current tax liabilities	**-**	21,600
Provisions	**93,178**	116,919
Deferred revenue	**8,910**	16,517
Lease liabilities	**157,804**	167,992
Total current liabilities	**1,131,579**	1,363,697
Non-current liabilities		
Borrowings	**311,062**	304,513
Deferred revenue	**16,462**	20,906
Provisions	**11,857**	24,264
Lease liabilities	**911,644**	1,029,540
Total non-current liabilities	**1,251,025**	1,379,223
Total liabilities	**2,382,604**	2,742,920
Net assets	**1,134,279**	882,016
Equity		
Contributed equity	**1,173,069**	1,173,069
Reserves	**(617,978)**	(580,201)
Retained earnings	**562,539**	281,430
	1,117,630	874,298
Non-controlling interests	**16,649**	7,718
Total equity	**1,134,279**	882,016

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

34 Investments in subsidiaries (continued)

(b) Information relating to Eagers Automotive Limited (the parent entity)

	2021 $'000	2020 $'000
Financial performance		
Profit for the year	**192,927**	85,373
Financial position		
Assets		
Current assets	**40,811**	-
Non-current assets	**612,945**	637,655
Total assets	**653,756**	637,655
Liabilities		
Current liabilities	**-**	13,883
Non-current liabilities	**-**	-
Total liabilities	**-**	13,883
Net assets	**653,756**	623,772
Equity		
Issued capital	**1,173,069**	1,173,069
Retained earnings	**97,863**	38,898
Reserves		
Asset revaluation reserve	**1,683**	1,683
Business combination reserve	**(479,042)**	(479,042)
Investment revaluation reserve	**(48,276)**	(48,326)
Share-based payments reserve	**(91,541)**	(62,510)
	653,756	623,772

Refer Notes 38(a) and 38(b) in respect of guarantees entered into by the parent entity in relation to debts of its subsidiaries.

(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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Individually immaterial subsidiaries with non-controlling interest	**12,913**	8,921	**21,635**	13,860

	Consolidated	
	2021 $'000	2020 $'000
Movement - non-controlling interest		
Balance at the beginning of the financial year	**13,860**	9,423
Profit for the year	**12,913**	8,921
Acquisition of non-controlling interest	**1,395**	-
Payment of dividend	**(3,985)**	(4,484)
Disposal of non-controlling interest	**(2,548)**	-
Balance as at the end of the financial year	**21,635**	13,860

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

35 Business acquisitions

(a) Acquisition of businesses

The Group acquired the following businesses during the 2021 year as detailed below:

Year	Name of business	Date of acquisition	Principal activity	Proportion acquired
2021	Westpoint Volkswagen	31 March 2021	Motor Vehicle Dealer	100%
2021	Armstrong Ford	1 September 2021	Motor Vehicle Dealer	100%
2021	Kelly Trotter and Heritage Motor Group	1 December 2021	Motor Vehicle Dealer	100%

The acquired businesses did not contribute materially to the consolidated profit before tax or consolidated revenue for the period.

Allocation of purchase consideration

The purchase price of the businesses acquired has been allocated as follows:

	Westpoint Volkswagen $'000	Armstrong Ford $'000	Kelly Trotter and Heritage Motor Group $'000	2021 Total consolidated $'000
Cash consideration	785	890	12,728	**14,403**
Total purchase consideration	**785**	**890**	**12,728**	**14,403**

Consolidated fair value at acquisition date	2021 $'000
Net assets acquired	
Receivables, prepayments	**79**
Inventory	**8,025**
Property, plant and equipment	**604**
Creditors, borrowings and provisions	**(5,054)**
Net assets acquired	**3,654**
Acquisition cost	**14,403**
Goodwill on acquisition [1]	**10,749**

1 Goodwill arose on 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 these consolidated financial statements. Therefore the amount allocated to goodwill on acquisition has been provisionally determined at the end of the reporting period.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

35 Business acquisitions (continued)

(b) Acquisition of businesses in prior year

The Group acquired the following businesses during the 2020 year, which have been finalised in the 2021 year, as detailed below:

Year	Name of business	Date of acquisition	Principal activity	Proportion acquired
2020	Toyota Albion	31 January 2020	Motor Dealership	100%
2020	Daimler Trucks Somerton	31 July 2020	Motor Dealership	100%
2020	Indooroopilly Honda	12 November 2020	Motor Dealership	100%

The acquired businesses did not contribute materially to the consolidated profit before tax or consolidated revenue for the period.

Allocation of purchase consideration

The purchase price of the businesses acquired has been allocated as follows:

	Toyota Albion $'000	Daimler Trucks Somerton $'000	Indooroopilly Honda $'000	2020 Total consolidated $'000
Cash consideration	14,932	1,698	111	16,741
Total purchase consideration	14,932	1,698	111	16,741

Consolidated fair value at acquisition date	2020 $'000
Net assets acquired	
Receivables, prepayments	111
Inventory	2,249
Property, plant and equipment	168
Creditors, borrowings and provisions	(1,287)
Net assets acquired	1,241
Acquisition cost	16,741
Goodwill on acquisition [2]	15,500

2 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 these consolidated financial statements. Subsequent to year end, the acquisitions were finalised with no adjustment.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

35 Business acquisitions (continued)

(c) Recognition and measurement

Business combinations

The acquisition 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 acquisition unless, in rare circumstances, it can be demonstrated that the published price at the date of acquisition 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.

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

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 20(b)(iv)). 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 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 Australian Government bond rate that matches the future maturity period.

If the initial accounting for a business acquisition is incomplete by the end of the reporting period in which the acquisition 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 consolidated financial statements.

(d) Critical accounting estimates and judgements

The fair value of assets and liabilities acquired in business combinations

Acquisitions made by the Group have required some judgements and estimates to be made. The Directors have judged that no significant intangible assets have been acquired in the business combinations other than goodwill. Additionally, as part of the acquisition and negotiation process, judgements have been made as to the fair value of vehicle and parts inventory, warranties and other assets and liabilities acquired.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

36 Business divestments

(a) Business disposal and discontinued operations

The Group sold the following businesses during the 2021 year as detailed below:

Year	Name of business	Date of sale	Principal activity	Proportion disposed
2021	360 Finance	31 March 2021	Finance Company	100%
2021	Daimler Truck Operations	30 April 2021	Trucks Business	100%
2021	Carlins Automotive Auctioneers (WA) Pty Ltd	31 May 2021	Automotive Business	47%
2021	Coffs Harbour Iveco and Hino	18 June 2021	Trucks Business	100%
2021	Doncaster Jaguar Land Rover	1 July 2021	Automotive Business	100%
2021	Skippers Transport Parts	13 August 2021	Parts Business	100%
2021	Port City Autos	1 September 2021	Automotive Business	100%

	Consolidated 2021 $'000
Net assets disposed of	
Receivables, prepayments	**42,656**
Inventory	**163,530**
Property, plant and equipment	**15,937**
Goodwill	**18,516**
Intangible assets	**1,050**
Creditors, borrowings and provisions	**(166,565)**
Deferred tax asset	**5,072**
Net assets disposed	**80,196**
Total consideration received (100% cash)	**111,774**
Liabilities paid on our behalf	**308**
Total sale consideration	**112,082**
Legal fees	**(8)**
Gain on sale	**31,894**

The Directors have considered these disposals during the twelve month period to December 2021 in the context of AASB 5 and they have determined that the disclosure requirements of discontinued operations do not apply. This judgement has been made based on all of the available facts and circumstances surrounding the sale and the impact of the related segments and remaining businesses.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

36 Business divestments (continued)

(b) Disposal of businesses in prior year

The Group sold the following businesses during the 2020 year as detailed below:

Year	Name of business	Date of sale	Principal activity	Proportion disposed
2020	Frankston Mitsubishi and Kia	16 March 2020	Motor Vehicle Dealership	100%
2020	Bunbury Trucks	15 May 2020	Motor Dealership	100%
2020	Refrigerated Logistics	29 June 2020	Other Logistics	100%
2020	Stillwell Kia	3 July 2020	Motor Dealership	100%
2020	Knox Mitsubishi	8 July 2020	Motor Dealership	100%
2020	Caloundra City Autos	16 October 2020	Motor Vehicle Dealership	100%
2020	Zupps Beaudesert	6 November 2020	Motor Vehicle Dealership	100%
2020	Zupps Browns Plains	12 November 2020	Motor Vehicle Dealership	100%
2020	Browns Plains Mazda	13 November 2020	Motor Vehicle Dealership	100%

	Consolidated 2020 $'000
Net assets disposed of	
Receivables, prepayments	425
Inventory	5,052
Property, plant and equipment	2,013
Intangible assets	1,046
Creditors, borrowings and provisions	(6,206)
Net assets disposed	2,330
Total consideration received (100% cash)	7,747
Gain on sale	5,417

(c) Critical accounting estimates and judgements

Sale of Daimler Truck Operations and property

The Group completed the agreement for the sale of its Daimler Truck business to Velocity Vehicle Group (VVG) on 30 April 2021, as announced on the Australian Securities Exchange on 14 December 2020. The Group also completed the sale of the Milperra property, the location of the Stillwell Trucks operation, to VVG as part of the transaction.

The sale of the Daimler Truck business delivered cash proceeds of $104 million and a gain on sale of $30 million. The calculation of the gain on sale requires judgement in determining the amount of goodwill to be allocated to the sale. Accordingly, the Directors have applied a consistent approach to past divestments and allocated goodwill to the sale based on the past trading performance of the disposed truck businesses.

The Directors have also considered AASB 5 and judgementally determined that the divestment did not meet the recognition criteria for a discontinued operation. Therefore, the trading results for 2021 up to the date of disposal have been included within continuing operations.

In the prior year, with consideration to the requirements of AASB 5, the Directors determined that the definition of a disposal group held-for-sale was not met at the reporting date for the Daimler Truck business. Therefore, the associated assets and liabilities were not reclassified to non-current assets held-for-sale as at 31 December 2020.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

37 Discontinued operations

The loss from discontinued operations in the year ended 31 December 2020 relates to the divestment of Refrigerated Logistics which occurred on 29 June 2020. This business was acquired as part of the acquisition of AHG in 2019 and was immediately classified as an asset held for sale. The buyer, Anchorage Capital Partners, acquired the business on a debt-free basis, with the sale proceeds at completion directed to the repayment of the finance leases and hire purchase liabilities associated with Refrigerated Logistics. The loss from discontinued operations reported in the Consolidated Statement of Profit or Loss represents a combination of Refrigerated Logistics trading losses for the period ended 31 December 2020 and the loss realised on divestment of the business.

The loss from discontinued operations in the current year ended 31 December 2021 relates to a provision recorded for a claim submitted prior to the end of the financial year from Anchorage Capital Partners in relation to the Refrigerated Logistics Share Sale Agreement.

38 Contingent 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 2021 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 consolidated financial statements.

(b) Deed of cross guarantee

Eagers Automotive Limited and all of its 100% owned subsidiaries were parties to a deed of cross guarantee lodged with ASIC as at 31 December 2021. 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 extended guarantees is $2,383,000,000 (2020: $3,095,000,000).

39 Commitments for expenditure

(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:

	Consolidated	
	2021 $'000	2020 $'000
Within one year	**8,801**	2,263

40 Remuneration of auditor

	Consolidated	
	2021 $'000	2020 $'000
Deloitte and related network firms [3]		
Audit or review of financial reports:		
Group	**1,083**	1,106
Subsidiaries	**237**	209
	1,320	1,315
Statutory assurance services required by legislation to be provided by the auditor	**103**	-
Other services:		
Tax consulting services	**485**	162
Regulatory compliance services	**95**	1,146
Total remuneration for other services	**580**	1,308
	2,003	2,623

3 The auditor of Eagers Automotive Limited is Deloitte Touche Tohmatsu

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

41 Subsequent events

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

42 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 Group'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 Eagers Automotive Limited during the financial year were:

(a) Details of key management personnel

(i) Directors	T B Crommelin	Chairman (non-executive)
	S A Moore	Director and Chief Financial Officer
	D A Cowper	Director (non-executive)
	N G Politis	Director (non-executive)
	D T Ryan	Director (non-executive)
	M J Birrell	Director (non-executive)
	G J Duncan	Director (non-executive)
	D S Blackhall	Director (non-executive)
	M V Prater	Director (non-executive)
	M A Ward	Previously Managing Director and Chief Executive Officer, resigned 24 February 2021
(ii) Executives	D G Stark	Company Secretary
	K T Thornton	Chief Executive Officer, appointed 24 February 2021. Previously Chief Operating Officer - Cars

(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	
	2021 $'000	2020 $'000
Short term	**4,417**	4,168
Post employment benefits	**144**	122
Share-based payments	**2,429**	408
	6,990	4,698

(c) Option holdings of key management personnel

Details of options held by key management personnel can be found in Note 42(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 44.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

42 Key management personnel (continued)

(f) Share-based payments

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

The Group commenced an earnings per share (EPS) based performance rights and options 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 performance rights or options were forfeited or expired during the year. Nil rights were issued and 3,061,498 options exercised during the year.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

42 Key management personnel (continued)

(f) Share-based payments (continued)

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

No costs of the share plan were expensed during 2021 (2020: nil). The share plan was fully expensed by the end of 2019, with a cumulative expense being recognised of $6,557,247.

Plan J: EPS Performance Rights and Options - Key Executive

The Group commenced a new EPS based performance rights and options 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-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
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 performance rights and 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 rights and options at grant date and the probability of the EPS targets being achieved and vesting occurring. The number of 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**
2,783	12-Jun-15	31-Dec-15	12-Jun-22	$8.98
5,780	12-Jun-15	31-Dec-16	12-Jun-22	$8.65
5,995	12-Jun-15	31-Dec-17	12-Jun-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-Jun-22	$1.48
32,678	12-Jun-15	31-Dec-17	12-Jun-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. No rights were issued, and no options were exercised during the year.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

42 Key management personnel (continued)

(f) Share-based payments (continued)

Plan J: EPS Performance Rights and Options - Key Executive (continued)

No costs of the share plan were expensed during 2021 (2020: nil). The share plan was fully expensed by the end of 2019, with a cumulative expense being recognised of $449,959.

Plan L: Executive incentive plan - Grant of performance rights - Key Executive

The Group commenced a new performance rights compensation scheme for a specific executive officer in 2020. The fair value of these performance rights is calculated on grant date and recognised over the period to vesting. The performance rights are automatically exercised and converted to vested restricted shares on the conversion date, being the date that is one week after release of the Company's full-year financial results. The vesting of the performance rights granted is based on continued employment at the relevant vesting dates. The fair value was estimated by taking the market price of the Company's shares on the grant date less the present value of expected dividends that will not be received during the period.

Performance rights			
Award date 17 February 2020			
Vesting date	31-Dec-19	31-Dec-20	31-Dec-21
Share price at grant date	$9.00	$9.00	$9.00
Expected life	0.0 years	0.87 years	1.87 years
Risk free interest rate	0.81%	0.81%	0.75%
Dividend yield	4.056%	4.056%	4.056%

The number of performance rights granted under the plan is as follows:

Performance rights			
Number	**Grant date**	**End performance period**	**Fair value at grant date**
30,000	17-Feb-20	31-Dec-19	$9.00
35,000	17-Feb-20	31-Dec-20	$9.00
35,000	17-Feb-20	31-Dec-21	$9.00

No performance rights were forfeited or expired during the year. A total of 35,000 rights were issued during the year in respect of the 2020 performance year.

The value of the performance rights expensed during the year was $133,548, with a cumulative expense being recognised at 31 December 2021 of $846,531 (2020: $712,983).

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

42 Key management personnel (continued)

(f) Share-based payments (continued)

Plan M: EPS Performance Rights and Options – Key Executives

The Group commenced a new EPS based performance rights and option compensation scheme for specific executive officers in 2021. 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 24 February 2021				
Vesting date	28-Feb-22	28-Feb-23	28-Feb-24	28-Feb-25
Expiry date	28-Feb-22	28-Feb-23	28-Feb-24	28-Feb-25
Share price at grant date	$ 12.32	$ 12.32	$ 12.32	$ 12.32
Expected life	1.0 years	2.0 years	3.0 years	4.0 years
Volatility	38%	38%	38%	38%
Risk free interest rate	0.06%	0.08%	0.21%	0.42%
Dividend yield	3.5%	3.5%	3.5%	3.5%

Performance options	
Award date 24 February 2021	
Vesting date	28-Feb-25
Expiry date	30-Apr-25
Share price at grant date	$ 12.32
Exercise price	$ 12.32
Expected life	4.1 years
Volatility	38%
Risk free interest rate	0.44%
Dividend yield	3.5%

Specific executives have been granted performance rights and options under the EPS share incentive plan (Plan M). 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 targets being achieved and vesting occurring. The number of 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
54,668	24-Feb-21	31-Dec-21	28-Feb-22	$ 11.89
74,042	24-Feb-21	31-Dec-22	28-Feb-23	$ 11.48
76,646	24-Feb-21	31-Dec-23	28-Feb-24	$ 11.09
79,365	24-Feb-21	31-Dec-24	28-Feb-25	$ 10.71

Performance options

Number	Grant date	End performance period	Expiry date	Fair value at grant date
2,173,910	24-Feb-21	31-Dec-24	30-Apr-25	$ 2.76

No performance rights or options were forfeited or expired during the year. No rights were issued during the year, and no options were exercised.

The value of the performance rights expensed during the year was $1,570,838, with a cumulative expense being recognised at 31 December 2021 of $1,570,838 (2020: nil). The value of the performance options expensed during the year was $1,499,998, with a cumulative expense being recognised at 31 December 2021 of $1,499,998 (2020: nil).

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

43 Share-based payments

Recognised share-based payments expenses

Refer Note 32(a) for movements in share-based payments reserve.

Plan F: EPS Performance Options – Senior Management 2013

The Group commenced an EPS based share options 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
911,510	27-Mar-13	31-Dec-16	31-Mar-20	$ 0.96
892,840	27-Mar-13	31-Dec-17	31-Mar-20	$ 0.98
883,750	27-Mar-13	31-Dec-18	31-Mar-20	$ 0.99

No options were forfeited or expired during the year. No options were exercised during the year.

No costs of the share plan were expensed during 2021 (2020: nil). The share plan was fully expensed by the end of 2017 with a cumulative expense recognised of $3,607,822.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

43 Share-based payments (continued)

Plan H: EPS Performance Rights and Options – Key Executives

The Group commenced a new EPS based performance rights and options compensation scheme for four 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%

Four specific executives have been granted rights and 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 rights and options at grant date and the probability of the EPS targets being achieved and vesting occurring. The number of 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**
14,412	21-Jan-15	31-Dec-15	21-Jan-22	$5.55
15,065	21-Jan-15	31-Dec-16	21-Jan-22	$5.31
15,746	21-Jan-15	31-Dec-17	21-Jan-22	$5.08
16,459	21-Jan-15	31-Dec-18	30-Sep-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	21-Jan-22	$0.86
93,020	21-Jan-15	31-Dec-17	21-Jan-22	$0.86
91,953	21-Jan-15	31-Dec-18	30-Sep-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. No rights were issued during the year. A total of 407,969 options were exercised during the year.

No costs of the share plan were expensed during 2021 (2020: nil). The share plan was fully expensed by the end of 2019, with a cumulative expense being recognised of $749,281.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

43 Share-based payments (continued)

Plan K: EPS Performance Rights and Options – Key Executives

The Group commenced a new EPS based performance rights and options compensation scheme for one specific executive officer in 2016. 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 31 March 2016				
Vesting date	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
Share price at grant date	$9.75	$9.75	$9.75	$9.75
Expected life	1.0 year	2.0 years	3.0 years	4.0 years
Volatility	27%	27%	27%	27%
Risk free interest rate	1.95%	1.88%	1.90%	1.98%
Dividend yield	3.8%	3.8%	3.8%	3.8%

Performance options				
Award date 31 March 2016				
Vesting date	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
Expiry date	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
Share price at grant date	$9.75	$9.75	$9.75	$9.75
Exercise price	$10.34	$10.34	$10.34	$10.34
Expected life	4.5 years	5.0 years	5.5 years	6.0 years
Volatility	27%	27%	27%	27%
Risk free interest rate	2.03%	2.08%	2.13%	2.18%
Dividend yield	3.8%	3.8%	3.8%	3.8%

One specific executive has been granted rights and options under the EPS share incentive plan (Plan K). 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 targets being achieved and vesting occurring. The number of 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**
7,987	31-Mar-16	31-Dec-16	31-Mar-24	$9.39
8,296	31-Mar-16	31-Dec-17	31-Mar-24	$9.04
8,620	31-Mar-16	31-Dec-18	31-Mar-24	$8.70
8,960	31-Mar-16	31-Dec-19	31-Mar-24	$8.37

Performance options				
Number	**Grant date**	**End performance period**	**Expiry date**	**Fair value at grant date**
48,076	31-Mar-16	31-Dec-16	31-Mar-24	$1.56
46,012	31-Mar-16	31-Dec-17	31-Mar-24	$1.63
44,910	31-Mar-16	31-Dec-18	31-Mar-24	$1.67
43,859	31-Mar-16	31-Dec-19	31-Mar-24	$1.71

No performance rights or options were forfeited or expired during the year. No rights were issued during the year.

No costs of the share plan were expensed during 2021 (2020: nil). The share plan was fully expensed by the end of 2019, with a cumulative expense being recognised of $599,980.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

44 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 $352,415 (2020: $465,669) and purchases of $710,876 (2020: $976,540) 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) Mr M Birrell is a Director and owner of a number of properties leased by subsidiaries of Eagers Automotive Limited. The lease transactions of $2,076,941 (2020: $1,870,034) have been 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. In respect of those properties, the Group paid and was subsequently reimbursed for repairs and maintenance totalling nil (2020: $175,585) for which Mr M Birrell's related party was liable. During the period $105,775 (2020: nil) was received in relation to short term sublease arrangements.

Furthermore, during the twelve months ended 31 December 2021, Mr M Birrell purchased stock with a value of $5,986 (2020: $251,746) from one of the subsidiaries. This transaction was 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.

Mr M Birrell is a Director and owner of a company involved in the provision of finance to the motor vehicle industry with whom the consolidated entity transacts business. These transactions, totalling $170,753 (2020: $204,241), are commissions paid to the Group 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.

(iii) 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 Group 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 Eagers Automotive Limited. Information relating to the wholly-owned Group is set out in Note 34.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

45 Earnings per share

(a) Basic earnings per share

	Consolidated	
	2021 Cents	2020 Cents
Attributable to the ordinary equity holders of the Company	**125.2**	57.6
From continuing operations	**128.4**	71.4
From discontinued operation	**(3.2)**	(13.8)

(b) Diluted earnings per share

Attributable to the ordinary equity holders of the Company	**124.7**	57.3
From continuing operations	**127.9**	71.0
From discontinued operation	**(3.2)**	(13.7)

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

	Consolidated	
	2021 $'000	2020 $'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share:		
Profit for the year	**330,737**	156,212
Less: attributable to non-controlling interest	**(12,913)**	(8,921)
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	**317,824**	147,291
Diluted earnings per share		
Profit for the year attributable to the owners of Eagers Automotive Limited	**317,824**	147,291
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	**317,824**	147,291

	2021 Number	2020 Number
Weighted average number of ordinary shares outstanding during the year	**253,801,325**	255,840,110
Shares deemed to be issued for no consideration in respect of employee options	**1,105,408**	1,315,694
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	**254,906,733**	257,155,804

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

45 Earnings per share (continued)

(d) Recognition and measurement

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.

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(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; and
- 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.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

46 Reconciliation of net profit after tax to the net cash inflows from operations

	Notes	Consolidated 2021 $'000	2020 $'000
Net profit after tax		**330,737**	156,211
Depreciation and amortisation	6(a)	**120,428**	166,257
Revaluation decrement of non-current assets	6(b)	**5,156**	90,700
Share of profits of associate		**(1,130)**	(3,758)
(Gain) on disposal of non-financial assets	5	**(15,168)**	(860)
(Gain) on sale of property, plant & equipment	5	**(10,957)**	(1,395)
Employee share scheme expense		**3,204**	408
Rent waivers	5	**-**	(9,477)
(Gain) on sale of business	5	**(31,894)**	(5,417)
(Increase)/decrease in assets -			
Receivables		**39,903**	40,660
Inventories		**151,732**	433,146
Prepayments		**13,111**	(8,678)
Contract assets		**39,594**	31,905
Non-current receivables		**(8,950)**	-
(Decrease) in liabilities -			
Creditors (including bailment finance)		**(260,245)**	(347,084)
Provisions		**(42,041)**	(5,888)
Deferred revenue		**(14,968)**	-
Taxes payable		**(15,807)**	(8,843)
Net cash inflow from operating activities		**302,705**	527,887

47 Changes in liabilities arising from financing activities

The below table represents the cash and non-cash movements in financing activities for 2021:

	1 January 2021 $'000	Financing cash flows $'000	Termination of leases $'000	Fair value adjustments/ rent reviews $'000	Property acquisitions $'000	New leases $'000	Other changes [4] $'000	31 December 2021 $'000
Term facility	137,500	(137,500)	-	-	-	-	-	**-**
Capital loan	200,855	(13,022)	-	-	138,196	-	-	**326,029**
Lease liabilities	1,270,919	(121,194)	(104,053)	5,674	-	78,050	(3,251)	**1,126,145**
Total	**1,609,274**	**(271,716)**	**(104,053)**	**5,674**	**138,196**	**78,050**	**(3,251)**	**1,452,174**

The below table represents the cash and non-cash movements in financing activities for 2020:

	1 January 2020 $'000	Financing cash flows $'000	Termination of leases $'000	Fair value adjustments/ rent reviews $'000	Property acquisitions $'000	New leases $'000	Other changes (1) $'000	31 December 2020 $'000
Term facility	332,313	(194,625)	-	-	-	-	(188)	137,500
Capital loan	77,778	18,840	-	-	104,237	-	-	200,855
Lease liabilities	1,192,557	(160,222)	(84,366)	48,823	-	220,422	53,705	1,270,919
Total	1,602,648	(336,007)	(84,366)	48,823	104,237	220,422	53,517	1,609,274

4 Other changes includes interest charged and foreign currency translation in relation to financing activities.

Notes to and Forming Part of the Consolidated Financial Statements continued

31 December 2021

48 Investments in associates

(a) Carrying amounts

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

	Ownership interest		Consolidated	
Name of company	**2021 %**	2020 %	**2021 $'000**	2020 $'000
Unlisted securities				
Vehicle Parts (WA) Pty Ltd	**50.00**	50.00	**1,555**	1,233
Mazda Parts	**16.67**	16.67	**519**	328
			2,074	1,561

Vehicle Parts (WA) Pty Ltd

Vehicle Parts (WA) Pty Ltd provides warehousing and distribution of automotive parts and accessories for Subaru in Western Australia.

Mazda Parts

Mazda Parts provides warehousing and distribution of automotive parts and accessories for Mazda in Western Australia.

(b) Movement in the carrying amounts of investments in associates

	Consolidated	
	2021 $'000	2020 $'000
Carrying amount at the beginning of the financial year	**1,561**	16,806
Equity share of profit from ordinary activities after income tax	**1,130**	3,758
Dividends received during the year	**(617)**	(4,629)
Disposal of Investment	**-**	(14,374)
Carrying amount at the end of the financial year	**2,074**	1,561

(c) Share of associate profit

Based on the last published results for the 12 months to 30 June 2021 plus unaudited results up to 31 December 2021.

Profit from ordinary activities after income tax	**1,130**	3,758

(d) Reporting date of associates

The associates' 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 consolidated financial statements and notes set out on pages 58 to 134 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards and the *Corporations Regulations 2001*, and

(ii) giving a true and fair view of the financial position and performance of the Company and the consolidated entity;

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

(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 Corporations (Wholly owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee referred to in the ASIC Corporation Instrument 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 its subsidiaries to which the ASIC Corporation Instrument applies, as detailed in Note 34 to the consolidated 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

Tim Crommelin
Director

Brisbane, 24 February 2022

Independent Auditor's Report

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Independent Auditor's Report to the Members of Eagers Automotive Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eagers Automotive Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Independent Auditor's Report continued

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of cash generating units (CGUs) As disclosed in Note 20, the Group has recognised goodwill and other intangible assets with indefinite lives with a carrying value of $769.9million at 31 December 2021. These require an assessment of the recoverable amount of the CGU to which the goodwill is allocated on an annual basis. The Group determines the CGUs or groups of CGUs recoverable amount utilising value in use models which require management to exercise significant judgement, including: • the identification of and allocation of goodwill to the CGUs or groups of CGUs. • the determination of the following key assumptions used in the calculation of the recoverable amount of each CGU or groups of CGUs: o cash flow forecasts; o future growth rates; o terminal growth factors; and o discount rates.	In conjunction with our valuation specialists, our procedures included, but were not limited to: • Testing the design and implementation of identified manual controls. • Challenging the Group's assumptions and estimates used to determine the recoverable amount, including: o the basis of cash flows for the CGUs or groups of CGUs, and agreeing inputs in the cash flow models to Board approved budgets and supporting data as well as historical accuracy. o growth rates and terminal growth rates against relevant external data; and o the discount rates applied by comparing the rates used to the range calculated by our valuation specialists. • Performing sensitivity analysis on key assumptions. • Testing the mathematical accuracy and integrity of the cash flow models. • Assessing the appropriateness of the disclosures in Note 20 to the financial statements.

Independent Auditor's Report continued

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

Recoverability of vehicle inventory measured at net realisable value
 	
As disclosed in Note 11, management have recognised write-downs on the Group's new, demonstrator and used vehicle inventory to determine the net realisable value ("NRV") at 31 December 2021.
 	
The assessment of the write-down to cost to estimate the NRV of inventory requires management to exercise judgement based on the age, condition and brand of the vehicle or truck, historic sales outcomes and the impacts COVID-19 has had on inventory supply.
	Our procedures included, but were not limited to:
	
	• Developing an understanding of management's processes and judgements applied in estimating the NRV of new, demonstrator and used vehicles and trucks.
	• Testing the design and implementation of identified manual controls.
	• Testing on a sample basis, aging and cost of new, demonstrator and used vehicle and truck inventory at year-end as key inputs into management's calculation of the write down to NRV.
	• Evaluating management's judgements in estimating NRV by:
	    o comparing the carrying value of vehicles and trucks to post year-end sales;
	    o evaluating the carrying value of vehicle and truck inventory to external third-party valuation data; and
	    o comparing to historical sales data.
	• Assessing the appropriateness of the disclosures in Note 11 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the annual report (but does not include the financial report and our auditor's report thereon): the Company Profile, the Chairman's letter, the CEO's letter, the ESG/Sustainability report, the 5 Year Financial Summary and the Eagers Automotive Foundation Report, which are expected to be made available to us after that date.

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

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

When we read the Company Profile, the Chairman's letter, the CEO's letter, the ESG/Sustainability report, the 5 Year Financial Summary and the Eagers Automotive Foundation Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Independent Auditor's Report continued

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Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Independent Auditor's Report continued

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 42 to 54 of the Directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Eagers Automotive Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Rodgers
Partner
Chartered Accountants
Brisbane, 24 February 2022

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Nathan Furness
Partner
Chartered Accountants
Brisbane, 24 February 2022

Shareholder Information

As at 10 March 2022

Equity Securities

The company's quoted securities consist of 256,933,106 ordinary fully paid shares (ASX:APE).

Top 20 Holders of Ordinary Shares

	No. of shares	% of issued shares
WFM MOTORS PTY LTD	69,873,037	27.20
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,160,020	11.74
CITICORP NOMINEES PTY LIMITED	16,274,853	6.33
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,419,795	5.61
JOVE PTY LTD	12,396,588	4.82
NATIONAL NOMINEES LIMITED	8,188,052	3.19
MILTON CORPORATION LIMITED	6,795,986	2.65
ARGO INVESTMENTS LIMITED	6,083,588	2.37
MUTUAL TRUST PTY LTD	5,358,239	2.09
ALAN PIPER INVESTMENTS (NO1) PTY LTD	4,936,250	1.92
FOUR LEAF FAMILY PTY LTD	3,288,587	1.28
BNP PARIBAS NOMINEES PTY LTD	3,012,451	1.17
CPU SHARE PLANS PTY LIMITED	2,602,154	1.01
BERNE NO 132 NOMINEES PTY LTD	2,444,101	0.95
BIRRELL INVESTMENTS PTY LTD	2,000,000	0.78
D COLMAN	1,881,710	0.73
BNP PARIBAS NOMS PTY LTD	1,843,558	0.72
PULO RD PTY LTD	1,746,935	0.68
LG MCGRATH INVESTMENTS PTY LTD	1,428,632	0.56
HEGFORD PTY LTD	1,371,652	0.53

Shareholder Information continued

As at 10 March 2022

Distribution of Shareholders

Range			No. of shareholders
1	-	1,000	5,438
1,001	-	5,000	3,789
5,001	-	10,000	803
10,001	-	100,000	803
100,001 and over			109
			10,942

505 shareholders hold less than a marketable parcel of 40 shares at $12.75 per share.

Substantial Shareholders[1]

	Notice date	No. of shares[1]
WFM Motors Pty Ltd	23 September 2019	69,536,516
Vernon Charles Wheatley/Jove Pty Ltd	17 November 2019	15,356,763

1 As disclosed in substantial holding notices received by the Company

Performance Rights and Options

230,053 performance rights, 2,173,910 unvested options and 329,818 vested options are on issue to 15 holders pursuant to the Company's equity incentive plans. Vesting is subject to achievement or waiver of pre-determined performance hurdles. Performance rights and options do not have any dividend or voting rights.

Employee Incentive Scheme

3,887,280 shares were purchased on-market during the reporting period for the purposes of our employee incentive scheme at an average price of $13.54 per share.

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 https://www.eagersautomotive.com.au/shareholders/corporate-governance/.

Corporate Directory

Eagers Automotive Limited

ABN 87 009 680 013

Incorporation

Incorporated in Queensland on 17 April 1957

Registered Office

5 Edmund Street
Newstead Qld 4006

Postal Address

PO Box 199
Fortitude Valley Qld 4006

Telephone

(07) 3608 7100

Facsimile

(07) 3608 7111

Website

www.eagersautomotive.com.au

Auditor

Deloitte Touché Tohmatsu
Riverside Centre
123 Eagle Street
Brisbane Qld 4001

Share Registry

Computershare Investor Services Pty Limited
Level 1
200 Mary Street
Brisbane Qld 4000

Enquiries within Australia: 1300 552 270
Enquiries outside Australia: +61 3 9415 4000

Board of Directors

Tim Crommelin, *Chairman, Non-executive Director*
Nick Politis, *Non-executive Director*
Dan Ryan, *Non-executive Director*
David Cowper, *Non-executive Director*
Marcus Birrell, *Non-executive Director*
Sophie Moore, *Executive Director & Chief Financial Officer*
Greg Duncan, *Non-executive Director*
David Blackhall, *Non-executive Director*
Michelle Prater, *Non-executive Director*

Chief Executive Officer

Keith Thornton

Company Secretary

Denis Stark

Controlled Entities

As at 10 March 2022

Entity	ACN
A.C.N. 132 712 111 PTY LTD	132 712 111
A.P. FORD PTY. LTD.	010 602 383
A.P. GROUP PTY LTD	010 030 994
A.P. MOTORS (NO 1) PTY. LTD.	010 585 234
A.P. MOTORS (NO 2) PTY. LTD.	010 585 243
A.P. MOTORS (NO.3) PTY. LTD.	010 585 252
A.P. MOTORS PTY. LTD.	010 579 996
ACM AUTOS HOLDINGS PTY LTD	621 081 552
ACM AUTOS PTY LTD	121 604 082
ACM LIVERPOOL PTY LTD	121 604 055
ADTRANS AUSTRALIA PTY. LTD.	008 278 171
ADTRANS AUTOMOTIVE GROUP PTY LTD	007 866 917
ADTRANS CORPORATE PTY LTD	056 340 928
ADTRANS GROUP PTY LTD	008 129 477
ADTRANS HINO PTY LTD	127 369 260
ADTRANS TRUCK CENTRE PTY LTD	106 764 327
ADTRANS TRUCKS PTY. LTD.	008 264 935
ADTRANS USED PTY. LTD.	074 561 514
ADVERPRO PTY LTD	612 630 618
AHG 1 PTY LTD	116 779 198
AHG AUTOMOTIVE MINING AND INDUSTRIAL SOLUTIONS PTY LTD	162 034 111
AHG COATINGS PTY LTD	609 750 558
AHG FINANCE 2005 PTY LTD	112 854 387
AHG FINANCE PTY LTD	064 015 676
AHG FRANCHISED AUTOMOTIVE PTY LTD	128 362 185
AHG INTERNATIONAL PTY LTD	147 802 211
AHG MANAGEMENT COMPANY PTY LTD	147 802 337
AHG NEWCASTLE PTY LTD	600 832 755
AHG PROPERTY PTY LTD	131 182 968
AHG SERVICES (NSW) PTY LTD	132 055 728

Entity	ACN
AHG SERVICES (QLD) PTY LTD	132 055 737
AHG SERVICES (VIC) PTY LTD	145 856 328
AHG SERVICES (WA) PTY LTD	132 055 700
AHG TRADE PARTS PTY LTD	609 816 257
AHG TRAINING PTY LTD	159 538 226
AHG WA (2015) Pty Ltd	603 598 750
AHGCL 2016 Pty Ltd	615 618 678
AHGSW 2018 Pty Ltd	626 195 668
AP TOWNSVILLE PTY LTD	600 279 927
APE CARS MGMT PTY LTD	632 136 906
ASSOCIATED FINANCE PTY. LIMITED	009 677 678
AUCKLAND AUTO COLLECTION LIMITED	939375
AUSTRAL PTY LTD	009 662 202
AUT 6. PTY LTD	008 985 886
AUTO AD PTY LTD	605 815 021
AUTOMOTIVE HOLDINGS GROUP (QUEENSLAND) PTY LTD	127 499 683
AUTOMOTIVE HOLDINGS GROUP (VICTORIA) PTY LTD	158 935 249
AUTOMOTIVE HOLDINGS GROUP PTY LTD	111 470 038
BASW PTY LTD	601 452 199
BIG ROCK 2005 PTY LTD	112 854 403
BIG ROCK PTY LTD	008 968 867
BILL BUCKLE AUTOS PTY LTD	000 388 054
BILL BUCKLE HOLDINGS PTY LIMITED	062 951 106
BILL BUCKLE LEASING PTY LIMITED	000 871 910
BLACK AUTO CQ PTY LTD	135 015 191
BOONARGA WELDING PTY LTD	099 480 903
BRADSTREET MOTORS HOLDINGS PTY LTD	602 181 386
BRADSTREET MOTORS PTY LIMITED	061 172 183
CARDIFF CAR CITY HOLDINGS PTY LTD	602 181 751
CARDIFF CAR CITY PTY LIMITED	062 072 299

Controlled Entities continued

As at 10 March 2022

Entity	ACN
CARLIN AUCTION SERVICES (NSW) PTY	069 462 148
CARLINS AUTOMOTIVE AUCTIONEERS PTY LTD	069 430 182
CARLINS AUTOMOTIVE AUCTIONEERS (QLD) PTY LTD	648 699 325
CARLINS AUTOMOTIVE AUCTIONEERS (SA) PTY LTD	639 409 537
CARLINS AUTOMOTIVE AUCTIONEERS (WA) PTY LTD	121 606 826
CARLINS GROUP HOLDINGS PTY LTD	619 469 966
CARSPLUS AUSTRALIA PTY LTD	082 428 279
CARZOOS PTY LTD	608 791 911
CASTLE HILL AUTOS NO. 1 PTY. LTD.	148 096 244
CASTLEGATE ENTERPRISES PTY LTD	088 414 715
CFD (2012) PTY LTD	158 508 233
CH AUTO PTY LTD	600 297 783
CHEAP CARS QLD PTY LTD	616 472 729
CHELLINGWORTH PTY LTD	112 854 467
CITY AUTO (2016) HOLDINGS PTY LTD	611 922 993
CITY AUTO (2016) PTY LTD	611 928 968
CITY AUTOMOTIVE GROUP PTY LIMITED	067 985 602
CITY MOTORS (1981) PTY LTD	008 973 402
CRAMPTON AUTOMOTIVE PTY LTD	057 283 253
DRIVE A WHILE PTY LTD	168 250 128
DUAL AUTOS PTY LTD	113 068 830
DUNCAN AUTOS 2005 PTY LTD	112 854 485
DUNCAN AUTOS PTY LTD	093 664 192
E. G. EAGER & SON PTY. LTD.	009 658 306
EACAB Pty Ltd	652 679 000
EAGERS FINANCE PTY. LTD.	009 721 288
EAGERS MD PTY LTD	009 727 753
EAGERS NOMINEES PTY. LTD.	009 723 488
EAGERS RETAIL PTY. LTD.	009 662 211
EASST Pty Ltd	651 942 264

Entity	ACN
EASY AUTO 123 PTY LTD	148 136 314
ESSENDON AUTO (2017) PTY LTD	616 989 596
EUROCARS (SA) PTY LTD	114 124 346
FALCONET PTY. LTD.	008 936 409
FERNTREE GULLY AUTOS HOLDINGS PTY LTD	613 081 208
FERNTREE GULLY AUTOS PTY LTD	145 562 401
FINMO PTY LTD	621 801 054
GIANT AUTOS (1997) PTY LTD	078 830 770
GIANT AUTOS PTY LTD	112 854 832
GRAHAM CORNES MOTORS PTY. LTD.	008 123 993
GRAND AUTOS 2005 PTY LTD	112 854 878
HIGHLAND AUTOS PTY LTD	121 604 297
HIGHLAND KACKELL PTY LTD	121 805 785
HM (2015) Holdings Pty Ltd	605 790 065
HM (2015) PTY LTD	605 791 142
IB MD PTY LTD	169 210 173
IB MOTORS PTY LTD	169 209 607
JANASEN PTY LTD	009 388 621
JANETTO HOLDINGS PTY LTD	104 649 505
KINGSPOINT PTY LTD	104 766 565
LEASELINE & GENERAL FINANCE PTY. LTD.	010 131 361
LIONTEAM PTY LTD	112 854 458
LWC INTERNATIONAL LIMITED	3361910
LWC LIMITED	1861124
MAITLAND CITY MOTOR GROUP HOLDINGS PTY LTD	602 179 000
MAITLAND CITY MOTOR GROUP PTY LTD	112 526 431
MATCHACAR PTY LTD	609 773 873
MB VIC PTY LTD	608 791 877
MBSA MOTORS PTY LTD	132 711 892
MCM AUTOS PTY LTD	121 606 862

Controlled Entities continued

As at 10 March 2022

Entity	ACN
MCM SUTHERLAND PTY LTD	121 606 808
MELBOURNE CITY AUTOS (2012) PTY LTD	150 616 747
MELBOURNE TRUCK AND BUS CENTRE PTY LTD	143 202 699
MELVILLE AUTOS 2005 PTY LTD	112 854 421
MELVILLE AUTOS PTY LTD	107 617 774
MORNINGTON AUTO GROUP (2012) PTY LTD	150 616 890
MOTORS GROUP (GLEN WAVERLEY) PTY LTD	164 997 228
MOTORS TAS PTY LTD	608 791 680
NEWCASTLE COMMERCIAL VEHICLES PTY LTD	157 829 626
NORTH CITY (1981) PTY LTD	008 974 061
NORTH CITY 2005 PTY LTD	113 532 077
NORTHSIDE AUTOS 2005 PTY LTD	112 854 805
NORTHSIDE NISSAN (1986) PTY LTD	008 974 070
NORTHWEST (WA) PTY LTD	158 935 294
NOVATED DIRECT PTY LTD	164 980 705
NSW VEHICLE WHOLESALE PTY LIMITED	140 971 259
NUFORD FORD PTY LTD	112 854 449
NUNDAH MOTORS PTY. LTD.	009 681 556
OPM (2012) HOLDINGS PTY LTD	623 139 177
OPM (2012) PTY LTD	158 377 452
OSBORNE PARK AUTOS PTY LTD	112 854 476
PENRITH AUTO (2016) PTY LTD	611 323 150
PERTH AUTO ALLIANCE PTY LTD	089 353 346
PRECISION AUTOMOTIVE TECHNOLOGY PTY LTD	163 233 207
PT (2013) PTY LTD	162 030 015
RENT TWO BUY PTY LTD	165 880 562
RL SUBLESSOR PTY LTD	639 689 320
SABALAN HOLDINGS PTY LTD	602 181 117
SABALAN PTY LTD	002 698 188
SHEMAPEL 2005 PTY LTD	112 854 412

Entity	ACN
SOUTH WEST QUEENSLAND MOTORS PTY LTD	600 279 589
SOUTHEAST AUTOMOTIVE GROUP PTY LTD	103 071 290
SOUTHERN AUTOMOTIVE GROUP PTY LTD	103 181 237
SOUTHSIDE AUTOS (1981) PTY LTD	008 968 821
SOUTHSIDE AUTOS 2005 PTY LTD	112 854 369
SOUTHWEST AUTOMOTIVE GROUP PTY LTD	096 279 480
SUBMO PTY LTD	637 015 457
SWGT PTY LTD	098 706 051
TOTAL AUTOS (1990) PTY LTD	009 162 387
TOTAL AUTOS 2005 PTY LTD	112 854 896
VEHICLE STORAGE & ENGINEERING PTY LTD	121 604 242
VMS PTY. LTD.	121 604 037
WA TRUCKS PTY LTD	112 854 341
WEBSTER TRUCKS MGMT PTY LTD	632 136 899
WESTERN EQUIPMENT RENTALS PTY LTD	131 269 184
WIDEVALLEY PTY LTD	065 389 120
WS MOTORS PTY LTD	608 791 804
ZUPP HOLDINGS PTY. LTD.	009 824 462
ZUPPS ASPLEY PTY. LTD.	009 900 298
ZUPPS GOLD COAST PTY. LTD.	009 681 261
ZUPPS MT GRAVATT PTY LTD	009 695 694
ZUPPS PARTS PTY. LTD.	009 842 648

eagers automotive

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