SG International Holdings Limited

Registration number 09670387

Annual report and financial statements

For the year ended 30 June 2019

SG International Holdings Limited
(Reg. No. 09670387)

Annual report and financial Statements
for the year ended 30 June 2019

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SG International Holdings Limited

Strategic report

for the year ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019 for SG International Holdings Limited ("the Company") and its subsidiaries ("the Group").

Principal activities

The principal activity in which the Company is engaged is the holding of investments. Its subsidiaries are involved in the provision of time-critical delivery services across Europe (Supply Chain Europe) and suppliers of cars and vans and aftersales care to private motorists and businesses (Dealerships UK).

Review of the business

Supply Chain Europe

Activities

IN tIME Holding GmbH (IN tIME) is a logistics company headquartered in Germany. IN tIME has 19 (2018: 17) operating branches across Germany, Sweden, Hungary, Romania, the Czech Republic and Poland. It operates in the niche logistics sector of time-critical delivery services across 45 countries in Europe. Customers are in the automotive, electronics, hazardous goods, life sciences, pharmaceutical, temperature controlled, emergency blood and medical service industries. The business owns proprietary dispatching software that optimises transport capacity utilisation. The Group has a 75% equity interest in IN tIME. IN tIME has an 88% interest in Ader, a Spanish courier and express transport operator. Ader has 18 (2018: 17) offices throughout Spain. Ader specialises in the provision of dedicated and exclusive transport and logistics solutions. Subsequent to year end, IN tIME acquired an 80% interest in TLT, effective 5 July 2019. TLT is a Fifth Party Logistics provider focusing on organisational consulting and support, material flow planning, logistics, production, development and engineering services.

Results for 2019

IN tIME's results were negatively impacted by severe declines in Germany's new vehicle production volumes which were down 14.3%, resulting in the company's number of transport activities dropping by 22.9% and kilometres travelled declining by 21.7% during the financial year. The reduction in volumes was as a result of the manufacturers of all new passenger cars and light commercial vehicles, across 28 European Union countries, having to submit vehicles for the WLTP test, introduced from 1 September 2018. The WLTP, as well as the implementation of the Diesel Euro 6 Emissions Standard, all contributed to the sharp fall in automotive sales volumes. Despite the gross profit margin improving from 29.1% in the prior year to the current level of 30.3%, the reduction in volumes, the significant average diesel price increase of 10% for the year and a continued shortage of subcontractors in Germany have resulted in a sharp decline in the operating margin.

Dealerships UK

Activities

Allen Ford (UK) Limited ("Allen Ford") is the second largest independently-owned Ford franchise network in the UK, operating in a total of 32 dealership outlets. There are 24 (2018: 24) franchised Ford motor dealerships, four (2018: four) franchised Kia dealerships, two Suzuki dealerships, as well as a Mazda and a Fiat dealership in key franchise areas in England. The key locations include Ford dealerships in Coventry, Rugby, Nuneaton and Warwick and a Kia dealership in Solihull in the Midlands.

In Northampton County, Allen Ford has four Ford dealerships in Northampton Riverside, Daventry, Kettering and Bedford Road, with the latter being a commercial vehicle dealer. In Essex County, Allen Ford has eight Ford dealerships, two Kia dealerships, one Mazda and one Fiat dealership. One of the Ford dealerships, situated in Basildon, is regarded as the largest flagship for Ford in the UK and is immediately adjacent to the Ford UK Technical Centre. In the Wiltshire County, Allen Ford has a Ford dealership in Swindon and a Ford and Kia dealership in Bath. The final county of representation is Kent, where Allen Ford operates dealerships in Crayford and Gravesend together with both a Ford and Suzuki dealership in Sittingbourne. As one of the UK's leading Ford dealership groups, Allen Ford has substantial leverage, enabling it to stock large volumes of new and used passenger and light commercial vehicles (vans), which in turn gives the group a competitive advantage in the high-volume new vehicle market. The Group is also a Motability Premier Partner, which is the leading car scheme in the UK for disabled people, enabling them to use their UK Government-funded mobility allowance to lease a new car. Moreover, it is one of the UK's largest Privilege dealers, selling a high volume of cars at preferential prices to Ford, Jaguar, Land Rover and Aston Martin employees and their families.

Results for 2019

Allen Ford reported a strong set of results despite a challenging economic environment and the uncertainty regarding Britain's exit from the EU. Revenue decreased as a result of Allen Ford's total new unit sales declining by 9.5% and used unit sales by 8.8%. The overall UK retail vehicle market reported a decline of 5.1% in volumes over the prior year. Allen Ford's market share increased in Ford from 6.82% (2018) to 7.06% (2019) and Kia from 1.73% (2018) to 1.85% (2019).

Supply Chain Europe – Risks and Opportunities

The risks identified are as follows:

Material risks	Management of these risks
• **Competitive trading environment**	• Securing new contracts
• **Shortage of subcontractor drivers**	• Cost cutting initiatives
• **Brexit: Renegotiations of trade agreements between Eurozone countries and the UK**	• Developments continue to be monitored

The opportunities identified by Supply Chain Europe are as follows:

- Continue to explore new business opportunities in the logistics sector through acquisitions.
- Expand its time-critical delivery and courier service businesses into other regions, in particular the Southern and Eastern European environments.

Dealerships UK – Risks and Opportunities

The risks identified are as follows:

Material risks	Management of these risks
New vehicle market: New commercial stock availability continues to be poor.	• Monitoring market conditions and ensuring ahead of market trends. • Continuous source of available stock from other dealers
Key management: The loss of any senior executives will potentially create management and leadership challenges in this highly competitive market.	• Succession planning is ongoing and the management and reporting structures of the business are regularly reviewed and adapted to accommodate this where necessary.
Property Dilapidations: The onerous nature of UK leases with regard to the dilapidation process and cost at the end of a lease is an area of concern and of potential unbudgeted cost to the business.	• Consider budgeting for any potential costs that may arise, as well as undertaking intensive initial assessments of all properties. • Undertake detailed initial assessment of lease properties on commencement • Ensure strict record keeping of alterations and maintenance
Brexit: The long-term effect of Brexit on the UK economy when trade agreements are renegotiated.	• Ford vehicles are imported from Europe into the United Kingdom and trade negotiations and the timing thereof will be closely monitored. • Regular discussion with OEM's in order to adapt plans in the uncertain and changing environment.

The opportunities identified by Dealerships UK are as follows:

- New vehicle sales – Ford continues to be the market leader in the UK and Dealerships UK has a strong Ford presence with flagship dealerships in key locations.
- Fleet and Commercial – Demand continues to be high for commercial vehicles in the UK and is likely to increase if an orderly Brexit is achieved. Our dealerships are geographically well positioned to take advantage of this segment and potential opportunity.
- Used vehicle sales – Interest rates remain low and stable, with only small increases likely in the next 12 months. This together with potential Brexit disruption on new vehicle may increase used vehicle activity.

- Service and Parts – Customers keeping their vehicles for longer periods results in a greater opportunity for vehicles servicing, repairs and parts sales.
- Ownership of strategic properties – Availability of properties in the UK is limited and thus, relocation at the end of a lease is often challenging and costly. Significant cost and certainty of tenure advantages can be derived through the ownership of strategic properties.

Outlook for 2020

Supply Chain Europe

Subsequent to year end, IN tIME acquired an 80% interest in TLT for £10,400,000 effective 5 July 2019.

Supply Chain Europe's IN tIME will continue to be impacted by several issues, including the WLTP and the Diesel Euro 6 Emissions Standard, with all new vehicles in the EU having to fulfil the Euro 6 threshold values for nitrogen oxide and particle emissions by September 2019. These regulations are creating a short supply of new vehicles and together with the protracted Brexit negotiations, uncertainties remain significant in the immediate future.

IN tIME is exploring other opportunities in Europe, hence the acquisition of the interest in TLT, the opening of new industry verticals and cost-containment initiatives as the motor industry in Europe reels under extended testing protocols and political uncertainty.

Dealerships UK

The UK dealership market is expected to remain under pressure as a result of the uncertainty pertaining to the outcome of Brexit and the change in government policies on diesel technology. This shift toward the use of the latest cleaner Euro 6 diesel standard and the bottleneck expected at OEMs following the implementation of WLTP is expected to continue to affect supply and demand in certain segments. The strong Ford and Kia presence of Dealerships UK remains the key to the Groups resilience in the current market and to the delivery of our objectives.

Key performance indicators (KPIs)

The directors manage the company's operations on a divisional basis which consists of Supply Chain Europe and Dealerships UK ("The Group")

The performance of the group is set out in the financial statements that accompany this report. In summary:

SG International Holdings Limited

Strategic report
for the year ended 30 June 2019 (continued)

Key performance indicators (KPIs) (continued)

	2019	2018
	£'000	£'000
Revenue	**685,141**	753,049
Gross profit	**111,770**	118,672
Operating profit	**17,080**	21,078
Profit before taxation	**8,726**	12,543

On behalf of the Board

Colin Brown
Director

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28/2/2020

SG International Holdings Limited

Statement of directors' responsibilities in respect of the annual report, strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

On behalf of the board;

Colin Brown
Authorised director

28/2/2020

SG International Holdings Limited

Directors' report

for the year ended 30 June 2019

The Directors present their Annual Report and the audited financial statements of SG International Holdings Limited (the Company) and its subsidiaries (the Group) for the year ended 30 June 2019.

The Company is a private company limited by shares and is incorporated and domiciled in the UK.

Nature of business

The Company operates as a holding company of a group of companies involved in providing time-critical delivery services across Europe and car dealerships in the UK.

Financial results and dividends

The results of the Group including the Company and the state of its affairs are set out in the Strategic Report on pages 2 to 6.

The Company received an interim dividend of £8,500,000 during the year (2018: £nil). The directors do not recommend the payment of a dividend (2018: £nil).

Future developments

The directors are confident that the business is well positioned to take advantage of any expansion opportunities, either through organic growth or by way of acquisition and look forward to future increases.

Financial risk management

The Financial risk management of the group is detailed in note 29 of the financial statements.

Directors and secretary

The following were directors during the year and to the date of this report:

P Mountford
C Brown
A Chambers
P Wood
The secretary of the Company is Higgs Secretarial Limited.

Qualifying third-party indemnity provisions

The company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

Holding company

The Company's holding company is Bluefin Investments Limited, which is registered in Mauritius and which owns 100% of the Company's ordinary shares. The Company's ultimate holding company is Super Group Limited, which is registered in the Republic of South Africa.

Employee involvement

The company maintains policies aimed at informing employees of, and involving them in, matters relating to the company's activities and performance, as appropriate to their employment.

Disabled employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board;

Colin Brown

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28/2/2020

Independent auditors' report to the members of SG International Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, SG International Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2019 and of the group's profit and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statements of financial position as at 30 June 2019; the statement of comprehensive income, the statements of cash flows, and the statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities. With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of SG International Holdings Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report, strategic report, the directors' report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
28 February 2020

SG International Holdings Limited

Statements of financial position

as at 30 June 2019

		Group		Company	
	Note	2019	2018	2019	2018
Assets		**£'000**	£'000	**£'000**	£'000
Non-current					
Property, plant and equipment	*3*	**60,428**	59,345	**1,984**	29,098
Intangible assets	*4*	**29,964**	34,220	**–**	–
Goodwill	*5*	**138,701**	137,398	**–**	–
Deferred tax assets	*7*	**350**	418	**–**	–
Investments in subsidiaries	*8*	**–**	–	**73,422**	73,422
Other non-current assets	*9*	**161**	156	**–**	–
		229,604	231,537	**75,406**	102,520
Current assets					
Inventories	*10*	**147,883**	136,951	**–**	–
Trade and other receivables	*11*	**53,249**	63,003	**57**	87
Loans to fellow subsidiaries	*6*	**4**	4	**7,665**	4
Cash and cash equivalents	*12*	**42,328**	50,808	**934**	3,267
		243,464	250,766	**8,656**	3,358
Total assets		**473,068**	482,303	**84,062**	105,878
Equity					
Capital and reserves attributable to equity holders	*18*	**105,810**	90,201	**54,512**	41,638
Non-controlling interests	*19*	**16,194**	16,606	**–**	–
Total equity		**122,004**	106,807	**54,512**	41,638
Non-current liabilities					
Interest-bearing borrowings	*13*	**10,189**	97,121	**7,446**	39,729
Non-controlling interest put option	*14*	**2,060**	7,799	**2,060**	7,799
Loans from fellow subsidiaries	*17*	**93,429**	39,740	**–**	–
Provisions	*16*	**206**	179	**–**	–
Deferred tax liabilities	*7*	**7,651**	11,118	**–**	–
		113,535	155,957	**9,506**	47,528
Current liabilities					
Interest-bearing borrowings	*13*	**10,101**	7,617	**4,927**	7,598
Trade and other payables	*15*	**207,993**	202,255	**6**	549
Taxation payable		**270**	1,522	**–**	–
Provisions	*16*	**4,097**	4,688	**43**	16
Loans from fellow subsidiaries	*17*	**15,068**	3,457	**15,068**	8,549
		237,529	219,539	**20,044**	16,712
Total liabilities		**351,064**	375,496	**29,550**	64,240
Total equity and liabilities		**473,068**	482,303	**84,062**	105,878

The notes on pages 17 to 80 form an integral part of these consolidated financial statements.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account. The Company made a profit of £ 7,135,000 (2018: loss of £ 13,990,000).

These financial statements were approved by the Board of Directors on 28/2/2020 and were signed on its behalf by: Colin Brown

(Registration number 09670387)

SG International Holdings Limited

Statement of comprehensive income

for the year ended 30 June 2019

	Note	Group 2019 £'000	2018 £'000
Revenue	*20*	**685,141**	753,049
Cost of sales	*23.3*	**(573,371)**	(634,377)
Gross profit		**111,770**	118,672
Other operating income	*21*	**20,184**	20,154
Other operating expenses	*22*	**(107,501)**	(109,554)
Earnings before interest, tax, impairment, depreciation and amortisation		**24,453**	29,272
Depreciation and amortisation	*23*	**(7,373)**	(7,129)
Impairment	*23*	**-**	(1,065)
Operating profit		**17,080**	21,078
Finance income	*24*	**29**	8
Finance costs	*24*	**(8,383)**	(8,543)
Net financing expense		**(8,354)**	(8,535)
Profit before tax		**8,726**	12,543
Taxation	*25*	**(35)**	(3,695)
Profit for the year		**8,691**	8,848
(Loss)/Profit for the year attributable to:			
Non-controlling interest	*19*	**(601)**	340
Equity holders of SG International Holdings Limited		**9,292**	8,508
		8,691	8,848
Other comprehensive income for the year			
Items which will be reclassified to profit or loss			
Foreign operation translation adjustment		**225**	1,587
Items which will not be reclassified to profit or loss			
Deferred tax adjustment relating to prior years		**539**	3,169
Tax effect of land and buildings		**-**	(1,586)
		539	1,583
Other comprehensive income for the year (net of tax)		**764**	3,170
Total comprehensive income for the year (net of tax)		**9,455**	12,018
Total comprehensive income for the year attributable to:			
Non-controlling interest		**(415)**	467
Equity holders of SG International Holdings Limited		**9,870**	11,551
		9,455	12,018

The notes on pages 17 to 80 form an integral part of these consolidated financial statements.

SG International Holdings Limited

Statements of changes in equity

for the year ended 30 June 2019

Group	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
Balance at 1 July 2017	36,097	34,941	274	7,042	78,354	15,236	93,590
Other comprehensive income for the year							
Revaluation of land and buildings	–	–	–	3,169	3,169	–	3,169
Tax effect on revaluation of land and buildings	–	–	–	(1,586)	(1,586)	–	(1,586)
Foreign operation translation adjustment	–	–	–	1,460	1,460	127	1,587
Profit for the year	–	–	8,508	–	8,508	340	8,848
Total comprehensive income for the year	–	–	8,508	3,043	11,551	467	12,018
Transactions with equity partners							
Non-controlling interest in respect of subsidiaries							
– acquired	–	–	–	–	–	903	903
– increase in shareholding	–	–	33	–	33	–	33
– decrease in shareholding	–	–	(59)	–	(59)	–	(59)
Non-controlling interest put option movements	–	–	322	–	322	–	322
Balance at 30 June 2018	36,097	34,941	9,078	10,085	90,201	16,606	106,807
Other comprehensive income/(expense) for the year							
Foreign operation translation adjustment	–	–	–	39	39	186	225
Transfer between reserves of depreciation on revaluation	–	–	17	(17)	–	–	–
Other comprehensive income	–	–	539	–	539	–	539
Profit / (Loss) for the year	–	–	9,292	–	9,292	(601)	8,691
Total comprehensive income/(expense) for the year	–	–	9,848	22	9,870	(415)	9,455
Transactions with equity partners							
Non-controlling interest in respect of subsidiaries							
– acquired	–	–	–	–	–	3	3
Non-controlling interest put option movements	–	–	5,739	–	5,739	–	5,739
Balance at 30 June 2019	36,097	34,941	24,665	10,107	105,810	16,194	122,004

The notes on pages 17 to 80 form an integral part of these consolidated financial statements.

SG International Holdings Limited

Statements of changes in equity

for the year ended 30 June 2019 (continued)

Company

	Share capital £'000	Share premium £'000	Accumulated Losses £'000	Other reserves £'000	Total equity £'000
Balance at 1 July 2017	36,097	34,941	(15,732)	–	55,306
Other comprehensive income for the year					
Loss for the year	–	–	(13,990)	–	(13,990)
Total comprehensive expense for the year	–	–	(13,990)	–	(13,990)
Transactions with equity partners					
Non-controlling interest put option movements	–	–	322	–	322
Balance at 30 June 2018	36,097	34,941	(29,400)	–	41,638
Other comprehensive income for the year					
Profit for the year	–	–	7,135	–	7,135
Total comprehensive expense for the year	–	–	7,135	–	7,135
Non-controlling interest put option movements	–	–	5,739	–	5,739
Balance at 30 June 2019	**36,097**	**34,941**	**(16,526)**	–	**54,512**

The notes on pages 17 to 80 form an integral part of these consolidated financial statements.

SG International Holdings Limited

Statements of cash flows

for the year ended 30 June 2019

	Note	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash flows from operating activities					
Cash generated from/(used in) operations	*26*	**28,464**	32,499	**(583)**	630
Finance income	*24.1*	**29**	8	**5**	–
Finance costs		**(8,400)**	(5,534)	**(1,570)**	(1,858)
Taxation paid	*27*	**(4,915)**	(6,041)	**–**	–
Net cash from/ (used in) operating activities		**15,178**	20,932	**(2,148)**	(1,228)
Cash flows from investing activities					
Additions to property plant and equipment	*3*	**(3,484)**	(1,768)	**–**	–
Additions to intangibles	*4*	**(597)**	(516)	**–**	–
Proceeds on disposals of property plant and equipment		**203**	–	**–**	–
Loans received/(granted)	*9*	**5**	(156)	**–**	–
Investment in subsidiaries	*2*	**–**	(23,164)	**–**	(24,239)
Cash dividends received		**-**	-	**8,500**	-
Net cash used in investing activities		**(3,873)**	(25,604)	**8,500**	(24,239)
Cash flows from financing activities					
Proceeds from the issue of share capital		**–**	–	**–**	–
Interest bearing borrowings (repaid)/raised		**(84,279)**	14,240	**(34,954)**	12,668
Loans from fellow subsidiaries raised		**64,129**	3,025	**26,269**	9,288
Net cash (used in)/from financing activities		**(20,150)**	17,265	**(8,685)**	21,956
Net (decrease)/increase in cash and cash equivalents		**(8,845)**	12,593	**(2,333)**	(3,511)
Cash and cash equivalents at beginning of year		**50,808**	38,084	**3,267**	6,778
Effect of exchange rate fluctuations on cash held		**365**	131	**–**	–
Cash and cash equivalents at end of year		**42,328**	50,808	**934**	3,267

The notes on pages 17 to 80 form an integral part of these consolidated financial statements.

SG International Holdings Limited

Notes to the financial statements

for the year ended 30 June 2019

1. **Accounting policies**

1.1 Nature of operations

The principal activities of SG International Holdings Limited and its subsidiaries include vehicle dealerships and operations in the niche logistics sector of time-critical delivery services ("TDS"). Countries of operation include the UK, Germany, Sweden, Hungary, Romania, the Czech Republic, Poland and Spain.

1.2 Subsequent events

Acquisition of Trans-Logo-Tech (TLT) Gmbh (Germany):

IN tIME Service GMBH acquired 80% interest in TLT on 5 July 2019 for £10,400,000. This acquisition will form part of the Supply Chain Europe segment.

1.3 Material changes

There have been no material changes in the financial or trading position of the Company and its subsidiaries (the Group) between 30 June 2019 and the date of the approval of the financial statements.

1.4 General information and statement of compliance with IFRSs

SG International Holdings Limited (the "Company") is a private limited company incorporated and domiciled in the UK. Its registered office and principal place of business is Allen Ford (UK) Limited, Tachbrook Park Drive, Warwick, CV34 6SY.

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs") as issued by the International Accounting Standards Board (IASB). The financial statements comply with IFRS.

1.5 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies have been applied consistently by Group entities. The accounting policies are relevant to both the group (consolidated financial statements) and the company (separate financial statements).

Basis of measurement

The financial statements of the Group and Company have been prepared on the historical cost basis, except for:

- financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss; and
- financial assets and financial liabilities designated as hedging instruments measured at fair value through profit or loss.

The financial statements are prepared on the going concern basis.
The financial statements are presented in Pound Sterling (GBP), the currency of the parent, and all values are rounded to the nearest thousand (GBP'000), except when otherwise indicated.

1. Accounting policies ***(continued)***

1.5 Accounting policies *(continued)*

Statement of compliance

Basis of preparation

The financial statements are prepared in compliance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards as adopted by the European Union ("Adopted IFRSs") as issued by the International Accounting Standards Board (IASB).

Under section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgements and assumptions that affect reported amounts. It also requires management to exercise its judgement in the process of applying the accounting policies.

Actual results may vary from these estimates. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 33. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected.

Basis of consolidation

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested for impairment annually. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest at the acquisition date is determined as the non-controlling shareholder's proportionate share of the fair value of the net assets of subsidiaries acquired. Goodwill is excluded when allocating the non-controlling shareholders proportionate share of the fair value of assets and liabilities acquired. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes these interests to have a deficit balance.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interests (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Inter-company transactions, balances and unrealised gains and losses between Group entities are eliminated on consolidation.

Goodwill

Goodwill on acquisition is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The acquisition method of accounting is used to account for the acquisition of business.

The consideration transferred is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the acquisition date irrespective of the extent of any non-controlling interest. Any excess of the consideration transferred over the at acquisition date fair values of the identifiable net assets acquired is recognised as goodwill. If the consideration transferred is less than the fair value at acquisition date of the Group's share of the net assets of the subsidiary acquired (i.e. discount on acquisition), the difference is recognised directly in profit or loss.

At acquisition date fair values of the identifiable assets and liabilities are determined by reference to market values of those or similar items, where available, or by discounting expected future cash flows to present values using a market-related discount rate.

Goodwill arising on a business combination is allocated among the Group's CGUs that are expected to benefit from synergies as a result of the business combination. This allocation is based on management's assessment of the synergies gained and is not dependent on the location of the acquired assets.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated, are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

Transaction costs

Costs related to acquisitions, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination are expensed as incurred.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Property, plant and equipment

Property, plant and equipment, excluding land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses. Land and buildings are measured at fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land is not depreciated. Cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

Freehold properties are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. 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. The most recent valuations occurred in 2018.

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 repairs and maintenance expenditures are charged to profit or loss during the financial year in which they are incurred.

The depreciable amount of the asset is recognised in profit or loss on a straight-line basis. The current estimated useful lives are as follows:

Buildings	20 to 50 years
Leasehold improvements	5 to 6 years
Rental and transport fleet	4 to 10 years
Furniture and fittings	6 years
Computer equipment	3 to 5 years
Plant and workshop equipment	4 to 7 years

Depreciation of an asset commences when it is available for use and is in the location and condition necessary for it to be capable of operating in the manner intended by management. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Fair value of land and buildings is determined by reference to market-based evidence. This is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at measurement date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use.

Gains or losses on the disposal of property, plant and equipment are credited or charged to the profit or loss and are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment.

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Group as lessor

Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The transaction is accounted for as a sale of an asset.

The selling price is recorded at the present value of the minimum lease payments receivable with a corresponding finance lease receivable recorded on the statement of financial position.

Lease payments received are allocated between capital repayments and interest income using the effective interest method to achieve a constant rate of interest on the remaining balance of the lease receivable.

Operating leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Group as lessee

Finance leases

Leases where the Group assumes substantially all the benefits and risks of ownership incidental to ownership of the item are classified as finance leases.

Finance leases are capitalised as property, plant and equipment at the lower of fair value and the present value of the minimum lease payments at the inception of the lease with an equivalent amount being stated as a finance lease borrowing.

The capitalised amount is depreciated over the asset's useful life. Where there is no reasonable certainty that ownership of the asset will be obtained at the end of the lease, the capitalised amount is depreciated over the shorter of the asset's useful life and the lease term.

Lease payments are allocated between capital repayments and borrowing costs using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the borrowing.

Operating leases

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Lease payments, net of any incentives received from the lessor under an operating lease, are recognised in profit or loss over the lease term on a straight-line basis and the leased assets are not recognised on the Group's statement of financial position.

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Intangible assets

Internally generated

No value is attributed to internally generated trademarks or similar rights and assets. Costs incurred on these items are charged to profit or loss in the year in which they are incurred.

Acquired both separately and as part of a business combination

Intangible assets acquired separately are measured initially at cost and those acquired through a business combination at acquisition date fair value. Cost includes the fair value of the consideration transferred to acquire the asset. Intangible assets are carried at cost (or fair value at acquisition) less any accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortised unless they have an indefinite useful life.

Amortisation is recognised in profit or loss on a straight-line basis over the current expected useful life of the intangible asset.

An intangible asset has an indefinite useful life when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Indefinite useful life intangible assets are tested for impairment annually.

The amortisation method and amortisation period for intangible assets with a finite useful life is reviewed annually at each financial year-end. The current estimated useful lives are as follows:

Software	3 to 7 years;
Trade name	Vary depending on trade name expected life;
Customer relations	Vary depending on assessment of relationship

Amortisation is charged to the depreciation and amortisation line item within the statement of comprehensive income.

Software

Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. Expenditure on internally developed software is capitalised if it meets the criteria for capitalising development expenditure and will probably generate economic benefits exceeding costs beyond one year. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Expenditure incurred to restore or maintain the originally assessed future economic benefits of existing software systems is recognised in profit or loss.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in discounted provisions as a result of the passage of time is recognised as a finance cost in profit or loss.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. Where the contractual residual value for motor vehicles exceeds the anticipated proceeds from the contract at reporting date, an onerous contract provision for residual risk is recognised. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected cost of continuing with the contract.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and transporting the inventory to its present location and condition. Cost of vehicle inventory is net of incentives received from manufacturers in respect of target achievements.

Cost is determined as follows:

- New, used and demonstration vehicles – Actual unit cost on a first-in first-out basis.
- Consumables and other inventory – Weighted average cost.
- Parts, accessories and automotive components – Actual unit cost on a first-in first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion, selling expenses and provision for obsolete and damaged stock.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to a business combination, items recognised directly in equity or other comprehensive income.

Current taxation

The current tax charge is the expected tax payable on the taxable income for the year using tax rates enacted or subsequently enacted at the reporting date and any adjustments to tax payable in respect of prior years. In situations when there is doubt regarding the tax treatment of a transaction, a provision is recognised based on the best estimate of the amount of tax payable.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Income tax *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all temporary differences between the carrying values of assets and liabilities for accounting purposes and the amounts used for tax purposes. No deferred tax is provided on temporary differences relating to:

- the initial recognition of goodwill;
- the initial recognition (other than in a business combination) of an asset or liability to the extent that neither accounting nor taxable profit is affected on acquisition; and
- temporary differences relating to interests in subsidiaries and equity-accounted investees to the extent it is probable these will not reverse in the foreseeable future.

The amount of deferred tax is determined using tax rates enacted or substantively enacted in the relevant jurisdictions at reporting dates that are expected to apply when the asset is realised or liability settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income tax levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for all deductible temporary differences, including unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be realised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of the underlying assets and liabilities. Deferred tax liabilities have not been provided on undistributed earnings of foreign subsidiaries and associates where those earnings are not expected to be distributed.

The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Value added taxation (VAT)

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

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in GBP, rounded to the nearest thousand, which is the Company's functional and Company's and Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are accounted for at rates of exchange ruling on the date of the transactions. Gains and losses arising from the settlement of such transactions are recognised in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date.

Unrealised translation differences on such monetary assets and liabilities are recognised in profit or loss in the year in which they occur.

Foreign operations

The results and financial position of all the Group entities that have a functional currency different from the Group presentation currency are translated into the presentation currency.

Assets and liabilities of foreign operations are translated at rates of exchange ruling at the reporting date. Income and expenditure of foreign operations are translated at the rate of exchange at the transaction date or the average rate of exchange for the reporting period. Gains or losses arising on the translation of foreign operations are recognised in other comprehensive income and presented as foreign currency translation reserves in equity. Where the operation is not a wholly owned subsidiary, the relevant proportionate share of the translation difference is allocated to non-controlling interests.

On consolidation, exchange differences arising from the translation of a monetary item that forms part of a reporting entity's net investment in foreign operations, including the borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and presented as a foreign currency translation reserve in equity.

When a foreign operation is sold or partly sold resulting in a loss of control, the share of the related cumulative gains and losses, including taxes, previously recognised in the foreign currency translation reserve is reclassified to profit or loss on disposal as part of the gain or loss on disposal.

When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of the cumulative foreign currency translation reserve is reallocated to non-controlling interests.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Impairment of assets

Non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recovered. If any such indication exists then the asset's or cash-generating unit's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A cash-generating unit is the smallest identifiable asset group that generates cash flows which are largely independent from other assets and groups.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or group of cash-generating units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost of disposal. Corporate assets are allocated proportionately to the cash-generating unit that uses the asset when performing the impairment test.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Impairment of assets *(continued)*

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of assets is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Subsequent to 1 July 2018, financial assets are assessed for impairment using a forward-looking ECL model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. The impairment model applies to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component. The Group has also chosen to apply this policy for trade receivables, trade finance debtors, agency debtors and contract assets with a significant financing component.
The estimated ECLs in respect of trade and sundry receivables were calculated based on actual credit loss experience over previous years. Actual credit loss experience was adjusted by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.
The cash and cash equivalents are held with banks and financial institution counterparties. The estimated impairment on cash and cash equivalents was calculated based on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment losses for financial assets measured at amortised cost is recognised in profit or loss.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Financial assets (continued)

Financial assets are written off only when all reasonable attempts at recovery have been taken and failed. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. The recovery of previously written off financial assets is recognised in profit or loss.

Prior to 1 July 2018, the Group established an allowance for impairment that represented its estimate of incurred losses in respect of trade and sundry receivables. The main components of this allowance was a specific loss component that related to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that had been incurred but not yet identified. The collective loss allowance was determined based on historical data of payment statistics for similar financial assets.

The adoption of the new standard did not have an impact on the results and there is no impact to the opening balances as at 1 July 2018.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, short-term money market instruments and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost. Foreign cash balances are translated using the exchange rate at the reporting date.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above net of outstanding bank overdrafts.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables. Non-derivative financial instruments are recognised initially at fair value.

Financial assets

All purchases and sales of financial assets are recognised on the trade date, being the date that the Group commits to purchase or sell the asset.

The Group classifies its financial assets into the following categories:

- Measured at fair value through profit or loss; and
- Loans and receivables.

The classification is dependent on the purpose for which the financial asset is acquired. Management determines the classification of its financial assets on initial recognition.

The amount recognised on initial recognition in respect of financial assets not subsequently measured at fair value through profit or loss includes transaction costs associated with the financial asset (such as advisors' and agents' fees and commissions, duties and levies by regulatory agencies).

Financial assets measured at fair value through profit or loss

Financial assets are classified as measured at fair value through profit or loss, if acquired principally for the purpose of selling in the short term, they form part of a portfolio with a pattern of short-term profit taking, or if so designated by management.

Derivatives are also categorised as financial assets at fair value through profit or loss unless they are designated as hedges.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arose when the Group provided money, goods or services directly to a debtor with no intention of trading the receivable.

1. Accounting policies ***(continued)***

1.5 Accounting policies *(continued)*

Financial assets *(continued)*

Subsequent measurement

After initial recognition, financial assets, which are classified as measured at fair value through profit or loss, are measured at fair value.

Gains or losses on financial assets measured at fair value through profit or loss are recognised in profit or loss.

Foreign exchange gains and losses, interest calculated in respect of interest-bearing financial assets on the effective interest method and dividends are recognised directly in profit or loss. For financial assets carried at amortised cost, gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Non-controlling interest put options

Non-controlling interest put options are put options over non-controlling interests accounted for using the present access method. Written put options in respect of which the Group does not have an unconditional right to avoid the delivery of cash, are recognised as financial liabilities. Under this method, the non-controlling interest is not derecognised when the financial liability in respect of the put option is recognised, as the non-controlling interest still has present access to the economic benefits associated with the underlying ownership interest. Non-controlling interest put options are initially recognised at the present value of expected future cash flows and subsequently remeasured at the present value of expected future cash flows with any changes in value (accretion and interest) through equity.

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Financial assets *(continued)*

Offset

Financial instruments are offset and the net amount reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to cash flows expire or there is a transfer of the rights to receive contractual cash flows in a transaction in which substantially all the risks and rewards are transferred. A financial liability is derecognised when it is legally extinguished.

Employee benefits

Short-term employee benefits

Remuneration paid to employees for services rendered is recognised in profit or loss as the services are provided.
An accrual is made for accumulated unpaid and unutilised leave.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under a short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-retirement benefits

The Group operates a number of defined contribution plans under which it pays fixed contributions into separate retirement funds. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The fund assets are held in separate trustee administered funds.

The plans are generally funded by payments from employees and the relevant Group companies. Contributions to defined contribution plans are recognised in profit or loss in the year to which they relate.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. The difference between the issue price and the nominal value is recognised as an increase in share premium.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Revenue from contract with customers

Revenue is recognised net of indirect taxes, rebates and trade discounts and represents the fair value of amounts receivable in respect of the sale of products and services rendered. Where group companies act as agents and are remunerated on a commission or fee basis, only the commission and fee income, not the value of business handled, are recognised as revenue.

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and is based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Subsequent to 1 July 2018, the Group provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures in respect of revenue. The Group applies the five step process to identify revenue, namely:

- identify the contract(s) with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to each of the performance obligations in the contract; and
- recognise the revenue when the entity satisfies the performance obligations.

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

Where two or more performance obligations exist for a contract, a relative stand-alone selling price is allocated to each obligation. Where the contract provides for an end to end solution, the contract is considered as an integrated set of obligations and accounted for as a single obligation.

Payments by customers are typically made within 30 - 60 days of revenue being recognised. Where payments are deferred for a period beyond 12 months after revenue being recognised, a significant financing component is included in the contract. Revenue is recognised at the present value of the consideration receivable over the contract period with the balance of the consideration being recognised as finance income over time.

Notes to the financial statements
for the year ended 30 June 2019 (continued)

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Revenue from contract with customers *(continued)*

The main sources of revenue and how they are recognised is as follows:

Revenue from Dealerships

Sale of vehicles and parts

The Group sells passenger and commercial vehicles including parts to customers. Revenue is recognised at the point in time when the goods are delivered or accepted by the customer.

The adoption of the new standard did not have an impact on the results and there is no impact to the opening balances as at 1 July 2018.

Servicing of vehicles

The Group enters into contracts to provide servicing on vehicles. Revenue is recognised at the point in time when the vehicle is ready for collection. Due to the nature of this business a typical service is completed the same day and therefore the adoption of the new standard did not have an impact on the results and there is no impact to the opening balances as at 1 July 2018.

Prior to 1 July 2018, revenue was recognised when the following criteria were met:

- there was no continuing involvement in the asset;
- delivery had occurred or services had been rendered and the significant risks and rewards of ownership had been transferred to the purchaser;
- costs could be reliably measured;
- the selling price was fixed or determinable; and
- collectability was reasonably assured.

The timing of revenue recognition was as follows:

Revenue from:

- the sale of products was recognised when risks and rewards of ownership had been transferred to the buyer and the Group no longer retained continuing managerial involvement associated with ownership;
- services rendered were based on the stage of completion of the transaction, based on the proportion that costs incurred to date bore to the total cost of the project. Where the contract outcome could not be measured reliably, revenue was recognised only to the extent that expenses recognised were recoverable; and
- interest received was recognised on a time proportion basis using the effective interest method.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Revenue from contract with customers *(continued)*

Revenue from Supply Chain Services

Time critical delivery and courier services

The Group performs time critical delivery and courier services in Europe. Due to the nature of the business the collection and delivery of the customer products are performed in a short period of time. Revenue is recognised at the point in time when offloading the goods.

The adoption of the new standard did not have an impact on the results and there is no impact to the opening balances as at 1 July 2018.

Operating profit

Operating profit comprises profit before net finance costs, income from investments and income tax expense.

Net interest

Net interest is calculated as finance cost after deducting interest received.

1. Accounting policies *(continued)*

1.5 Accounting policies *(continued)*

Accounting standards that are not yet effective

At the reporting date the following standards and interpretations were in issue but not yet effective:

Effective for reporting periods starting on or after 1 July 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendment to IAS 28)
- Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)
- Annual Improvements to IFRS Standards 2015/2017 Cycle various standards

The Group will adopt the above standards and interpretations when they become effective.
The Group has held workshops and compiled calculations to determine the potential impact of the adoption of IFRS 16 on the financial statements.

IFRS 16 – Leases replaces IAS 17 – Leases, IFRIC 4 – determining whether an arrangement contains a lease, SIC –15 – operating leases – incentives and SIC – 27 – evaluating the substance of transactions involving the legal form of a lease.

The standard introduced changes to lessee accounting, in particular, the requirement to recognise leases currently classified as operating leases in the statement of financial position. The standard requires a lessee to recognise a right-of-use asset, representing its rights to use the underlying lease asset, and a lease liability representing its obligation to make lease payments, with certain exceptions for short-term leases or leases of low-value assets, on the statement of financial position. The initial assessment indicates that the right-of-use asset as at 30 June 2020 will be approximately £50 million, the right-of-use liability will be approximately £54 million and an opening retained earnings adjustment of approximately £0.7 million which will affect the Consolidated Statement of Financial Position. The lease expenses will decrease by approximately £0.7 million; the depreciation expense will increase by approximately £7.6 million and the finance costs will increase by approximately £2.1 million in the Consolidated Statement of Comprehensive Income for the year ended 30 June 2020. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

1. **Accounting policies** *(continued)*

1.5 Accounting policies *(continued)*

Accounting standards that are not yet effective (continued)

Transition
The Group plans to apply IFRS 16 on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting this standard will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 with no restatement of the comparative period presented. The Group is not required to make any adjustments for leases in which it is a lessor except where it is an intermediate lessor in a sub-lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:
- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The Board's initial view is that the adoption of IFRIC 23 will not have a material impact.

Effective for the financial year commencing 1 July 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

Effective for the financial year commencing 1 July 2021:

- IFRS 17 Insurance Contracts

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the Group). Amendments to IFRS 9, IAS 28, IAS 19, IFRS 3, IAS 1 and IAS 8 as well as IFRS 17 are not applicable to the business of the Group and will therefore have no impact on future financial statements.

The Board's initial view on the other standards not yet effective is that the impact is not expected to be material.

2. **Acquisitions in the current year**

There were no acquisitions made during the financial year ended 30 June 2019.

3. Property, plant and equipment

Group	Land, buildings and leasehold improvements £'000	Plant and workshop equipment £'000	Furniture and fittings £'000	Computer equipment £'000	Rental and transport fleet £'000	Total £'000
2019						
Cost						
Balance at the beginning of the year	54,515	1,591	5,238	688	974	63,006
Additions	1,618	110	1,166	36	554	3,484
Disposals	(178)	-	(273)	(324)	(9)	(784)
Net exchange differences	16	(6)	10	4	23	47
Balance at the end of the year	55,971	1,695	6,141	404	1,542	65,753
Depreciation and impairment						
Balance at the beginning of the year	(780)	(470)	(1,922)	(236)	(253)	(3,661)
Current year depreciation	(639)	(197)	(1,023)	(166)	(224)	(2,249)
Disposal accumulated depreciation	-	-	260	321	4	585
Net exchange differences	-	9	(2)	(1)	(6)	-
Balance at the end of the year	(1,419)	(658)	(2,687)	(82)	(479)	(5,325)
Carrying amount at the end of the year	54,552	1,037	3,454	322	1,063	60,428

Group 2018	Land, buildings and leasehold improvements £'000	Plant and workshop equipment £'000	Furniture and fittings £'000	Computer equipment £'000	Rental and transport fleet £'000	Total £'000
Cost						
Balance at the beginning of the year	36,924	827	4,083	532	950	43,316
Additions	47	162	1,115	183	261	1,768
Disposals	–	(77)	(50)	(31)	(245)	(403)
Impairment	(1,065)	–	–	–	–	(1,065)
Revaluations	3,169	–	–	–	–	3,169
Acquisition of business	15,442	679	84	–	–	16,205
Net exchange differences	(2)	–	6	4	8	16
Balance at the end of the year	54,515	1,591	5,238	688	974	63,006
Depreciation and impairment						
Balance at the beginning of the year	(384)	(322)	(869)	(109)	(236)	(1,920)
Current year depreciation	(396)	(221)	(1,115)	(157)	(172)	(2,061)
Disposal accumulated depreciation	–	76	46	31	157	310
Net exchange differences	–	(3)	16	(1)	(2)	10
Balance at the end of the year	(780)	(470)	(1,922)	(236)	(253)	(3,661)
Carrying amount at the end of the year	53,735	1,121	3,316	452	721	59,345

3. Property, plant and equipment (continued)

During the preceding financial year freehold properties were professionally valued in June 2018 by Rapleys LLP to fair value of £23,100,000 in accordance with RICS Appraisal and Valuation standards. This resulted in a charge to the Income statement in 2018 for property impairment relating to three properties of £1,065,000 and a transfer to the revaluation reserve relating to a revaluation surplus on five properties of £3,169,000 in Allen Ford (UK) Limited.

An analysis of the five freehold properties that are carried at fair value, to show the carrying amount that would have been recognised had the assets been carried under the cost model, is as follows:

	2019 £'000	2018 £'000
Historical cost equivalent	**12,135**	12,231
Amount of revaluation reserve	**3,152**	3,169
Net book value	**15,287**	15,400

There was a transfer between the revaluation reserve and retained earnings in the year of £17,000 (2018: £nil) for the difference between depreciation based on the revalued carrying amount and depreciation based on the historical cost of the revalued properties.

Company	**Land, buildings and leasehold improvements £'000**	**Plant and workshop equipment £'000**	**Furniture and workshop equipment £'000**	**Computer equipment £'000**	**Rental and transport fleet £'000**	**Total £'000**
2019						
Cost						
Balance at the beginning of the year	29,098	–	–	–	–	29,098
Transfers – restructure	(27,098)	–	–	–	–	(27,098)
Balance at the end of the year	2,000	–	–	–	–	2,000
Depreciation and impairment						
Balance at the beginning of the year	–	–	–	–	–	–
Current year depreciation	(16)	–	–	–	–	(16)
Balance at the end of the year	(16)	–	–	–	–	(16)
Carrying amount at the end of the year	1,984	–	–	–	–	1,984

A restructure was performed during the year whereby properties worth £27,098,000 in the Company were transferred to Allen Ford (UK) Limited – one of the group's trading entities.

3. Property, plant and equipment

Company

2018						
Cost						
Balance at the beginning of the year	–	–	–	–	–	–
Transfers – restructure	29,098	–	–	–	–	29,098
Balance at the end of the year	29,098	–	–	–	–	29,098
Carrying amount at the end of the year	29,098	–	–	–	–	29,098

A restructure was performed during 2018 whereby the properties in subsidiaries, Essex Auto Group Limited and Slough Motor Company Limited were hived up to the holding company.

SG International Holdings Limited

Notes to the financial statements
for the year ended 30 June 2019 (continued)

4. Intangible assets

2019	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
Cost				
Balance at the beginning of the year	13,385	3,353	30,709	47,447
Additions	–	555	42	597
Disposals	–	(410)	–	(410)
Net exchange differences	170	45	342	557
Balance at the end of the year	13,555	3,543	31,093	48,191
Amortisation and impairment				
Balance at the beginning of the year	–	(825)	(12,402)	(13,227)
Amortisation for the year	–	(467)	(4,657)	(5,124)
Disposals	–	350	–	350
Net exchange differences	–	(12)	(214)	(226)
Balance at the end of the year	–	(954)	(17,273)	(18,227)
Carrying amount at end of the year	13,555	2,589	13,820	29,964

Analysis of balance at the end of the year

2019	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
Purchased	13,555	2,589	13,820	29,964
Internally generated	–	–	–	–
	13,555	2,589	13,820	29,964
Intangible assets with indefinite useful life	13,555	–	–	13,555
Intangible assets with definite useful life	–	2,589	13,820	16,409
	13,555	2,589	13,820	29,964

The indefinite useful life intangible pertains to IN tIME and Ader trade names which have been used in the European marketplace for over 20 years and will continue to be used indefinitely. The trade names were tested for impairment at year end as an "umbrella" trade name and used the Relief from Royalty valuation method by applying 100% of net sales and an applied royalty rate of 0.6% and 2.2% of revenues for IN tIME and Ader respectively.

SG International Holdings Limited

Notes to the financial statements

for the year ended 30 June 2019 (continued)

4. Intangible assets *(continued)*

2018	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
Cost				
Balance at the beginning of the year	8,061	2,552	28,737	39,350
Additions	–	167	349	516
Disposals	–	(36)	–	(36)
Acquisitions through business combinations	5,200	650	1,419	7,269
Net exchange differences	124	20	204	348
Balance at the end of the year	13,385	3,353	30,709	47,447
Amortisation and impairment				
Balance at the beginning of the year	–	(437)	(7,701)	(8,138)
Amortisation for the year	–	(421)	(4,647)	(5,068)
Disposals	–	36	–	36
Net exchange differences	–	(3)	(54)	(57)
Balance at the end of the year	–	(825)	(12,402)	(13,227)
Carrying amount at end of the year	13,385	2,528	18,307	34,220

Analysis of balance at the end of the year

2018	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
Purchased	13,385	2,528	18,307	34,220
Internally generated	–	–	–	–
	13,385	2,528	18,307	34,220
Intangible assets with indefinite useful life	13,385	–	–	13,385
Intangible assets with definite useful life	–	2,528	18,307	20,835
	13,385	2,528	18,307	34,220

5. Goodwill

	2019 £'000	2018 £'000
Cost and net book value		
Balance at the beginning of the year	**137,398**	123,600
Acquisitions of business	**-**	12,886
Net exchange differences	**1,303**	912
Balance at the end of the year	**138,701**	137,398
Goodwill per cash-generating unit		
Supply chain – Offshore	**104,154**	102,851
Dealerships UK	**34,547**	34,547
	138,701	137,398

Goodwill acquired through business combinations has been attributed to individual cash-generating units. The carrying amount of goodwill is subject to annual impairment tests using forecasts of future cash flows and the value-in-use method. No impairment was required in the current or prior year. Write-down of other assets' carrying values in the relevant cash-generating unit was not required. These calculations use projected earnings based on historic operating results.

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes. The impairment test was based on a value-in-use approach. Value-in-use was determined by discounting the future cash flows generated from the continuing use of the business and was based on the following key assumptions:

Supply Chain – Europe

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth between 3.5% and 4.0% and a terminal value growth rate of 2.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- A pre-tax discount rate of 7.2% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

Dealerships – Dealerships UK

- Cash flows were projected based on actual operating results, a five-year forecast of revenue growth of 1.0% and a terminal value growth rate of 2.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for once off expenditure.
- A pre-tax discount rate of 7.5% was applied in determining the recoverable amount. The discount rate reflects the specific risks related to the CGU.
- The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external and internal data sources.

The Directors do not consider there to be a reasonably possible change in assumptions that would result in the carrying value exceeding the value-in-use.

5. Goodwill (continued)

Sensitivity analysis on key assumptions:

A sensitivity analysis was performed on the discount rate where it was increased to 10% and no impairment was required. The Directors believe that the terminal value growth rate of 2.0% was conservative and hence did not require any adjustment in the sensitivity analysis.

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of both cash-generating units to exceed its recoverable amount.

6. Loans to fellow subsidiaries

	Group		Company	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Super Group (EU Investments) Limited	**4**	4	**4**	4
Allen Ford (UK) Limited	**-**	-	**7,661**	-
	4	4	**7,665**	4

The interest-free loan is receivable from Super Group (EU Investments) Limited, a fellow subsidiary of SG International Holdings Limited. The loan is unsecured with no repayment terms.

The interest-free loan in the Company is receivable from Allen Ford (UK) Limited, a fellow subsidiary of SG International Holdings Limited. The loan is unsecured with no repayment terms.

7. Deferred tax assets/(liabilities)

	2019	2018
	£'000	£'000
Balance at beginning of the year	**(10,700)**	(9,798)
Adjustment relating to prior years	**2,161**	-
Liability transferred from Bestodeck Limited group	**-**	(2,137)
Charged/(credited) to profit and loss during the year	**1,317**	-
Temporary differences	**-**	1,733
Translation adjustment	**(79)**	(498)
Balance at end of year	**(7,301)**	(10,700)
The deferred tax provision is made up as follows:		
Accelerated capital allowances	**(216)**	(1,022)
Other timing differences	**(7,085)**	(9,678)
	(7,301)	(10,700)
The deferred tax is split into:		
	(7,301)	(10,700)
Deferred Tax Assets	**350**	418
Deferred Tax Liabilities	**(7,651)**	(11,118)

Deferred tax assets have been recognized only to the extent that the amount of unused tax losses relating to the Group's operations can be carried forward indefinitely and there is evidence that it is probable that sufficient taxable profits will be available in the future to utilise tax losses carried forward.

SG International Holdings Limited

Notes to the financial statements

for the year ended 30 June 2019 (continued)

8. Investments in subsidiaries

Name	Principal place of business/ country of incorporation	Currency	Ownership interest %	Registered address	£'000 At cost
2019					
IN tIME Holding GmbH	Germany	EUR	75	Am Kirchhorster See 1, 30916 Isernhagen Germany	**36,097**
Allen Ford (UK) Limited	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV 34 6SY	**37,325**
Essex Auto Group Limited (EAG)	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV 34 6SY	**15,600**
Bestodeck Limited (SMC)	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY	**24,239**
					113,261
Less: Impairment of investments in EAG and SMC					**(39 839)**
					73,422

The impairment of investments emanates from a restructure during 2018 whereby the properties and trade and assets of EAG on SMC were hived up into the holding company.

Name	Principal place of business/ country of incorporation	Currency	Ownership interest %	Registered address	£'000 At cost
2018					
IN tIME Holding GmbH	Germany	EUR	75	Am Kirchhorster See 1, 30916 Isernhagen Germany	36,097
Allen Ford (UK) Limited	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV 34 6SY	37,325
Essex Auto Group Limited (EAG)	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV 34 6SY	15,600
Bestodeck Limited (SMC)	UK	GBP	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY	24,239
					113,261
Less: Impairment of investments in EAG and SMC					(39 839)
					73,422

Please note that the principal subsidiaries are included here. The full list of subsidiaries are included within the related undertakings note.

	2019 £'000	2018 £'000
9. Other non-current assets		
Balance at beginning of the year	**156**	–
Loans granted in IN tIME	**-**	154
Interest capitalized during the year	**5**	2
Balance at end of year	**161**	156
Split of capital and interest		
Amount advanced	**154**	154
Interest capitalised during the year	**7**	2
	161	156

The loans granted are to second line management of IN tIME for the acquisition of shares in Ader. Interest rate is at 2% per annum and is capitalised. The loan has a fixed term of 8 years and is denominated in Euro.

10. Inventories	**2019 £'000**	2018 £'000
New vehicles	**108,253**	93,811
Used vehicles	**24,202**	26,381
Demo vehicles	**13,345**	12,881
Parts and accessories	**1,749**	3,769
Work in progress	**7**	–
Other inventory	**327**	109
	147,883	136,951

Impairment of inventory amounted to £ Nil (2018 – £ 142,000).

Additional disclosures – Inventories **Carrying value of inventory:**

2019	**Carried at net realisable value £'000**	**Held under interest-free floor plan obligations £'000**	**Held under interest-bearing floor plan obligations £'000**
New vehicles	**–**	**98,077**	**10,176**
Used vehicles	**24,202**	**–**	**–**
Demo vehicles	**13,345**	**–**	**–**
Parts and accessories	**1,749**	**–**	**–**
Other inventory	**334**	**–**	**–**
	39,630	**98,077**	**10,176**

10. Inventories *(continued)*

Additional disclosures – Inventories (continued)

	Carrying value of inventory:		
	Carried at net realisable value £'000	**Held under interest-free floor plan obligations £'000**	**Held under interest-bearing floor plan obligations £'000**
2018			
New vehicles	–	65,300	28,511
Used vehicles	6,398	–	19,983
Demo vehicles	7,816	–	5,065
Parts and accessories	3,769	–	–
Other inventory	109	–	–
	18,092	65,300	53,559

11. Trade and other receivables

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Trade receivables	**44,145**	55,528	–	–
Sundry receivables	**740**	186	**55**	85
Prepayments	**3,658**	3,987	**2**	2
VAT	**4,270**	2,972	–	–
Deposits	**424**	322	–	–
Staff debtors	**12**	8	–	–
Trade and other receivables	**53,249**	63,003	**57**	87

Trade receivables are reported after an impairment allowance of £136,000 (2018 – £388,000).

There were no intercompany trade and other receivables transactions during the year under review.

	Group		Company	
Currency analysis	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000
Pound Sterling	**20,218**	21,189	**57**	87
Euro	**33,031**	41,814	–	–
	53,249	63,003	**57**	87

	Group		Company	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
12. Cash and cash equivalents/ bank overdrafts				
Cash and cash equivalents	**42,328**	50,808	**934**	3,267
	42,328	50,808	**934**	3,267
Currency analysis				
Pound Sterling	**19,917**	37,327	**934**	3,267
Euro	**22,411**	13,481	**–**	–
	42,328	50,808	**934**	3,267

	2019	2018
	£'000	£'000
13. Interest-bearing borrowings - Group		
13.1 Secured property borrowings	**7,917**	29,134
Property borrowing bearing interest at three-month LIBOR plus 175 basis points (2018: three-month LIBOR plus 175 basis points) is secured by land, buildings and property with a carrying value of £23,102,000 (2018 - £23,102,000) and are repayable in quarterly payments with the final bullet payment due in December 2021.	**7,917**	9,132
Bridging finance, which bore interest at three-month LIBOR plus 250 basis points, was secured by shares in EAG, SMC and shareholder guarantees and was repaid in full in June 2019.	**-**	20,002

		2019 £'000	2018 £'000
13.	**Interest-bearing borrowings** *(continued)*		
13.2	**Acquisition borrowings**	**12,373**	75,604
	The credit facility bears interest at three-month LIBOR plus 300 basis points (2018: three-month LIBOR plus 300 basis point) and is repayable quarterly with the final bullet payment due in June 2023. The facility is secured by shares in Allen Ford UK and shareholder guarantees.	**12,373**	11,303
	The credit facility bore interest at three-month Euro Interbank Offered Rate (EURIBOR) plus 250 basis points. The facility was secured by shares in IN tIME and shareholder guarantees. The debt was fully repaid in June 2019.	-	9,989
	The credit facility bore interest at three-month EURIBOR plus 300 basis points. The facility was secured by shares in IN tIME and shareholder guarantees. The debt was fully repaid in June 2019.	-	31,705
	The credit facility bore interest at three-month EURIBOR plus 300 basis points. The facility was secured by shares in IN tIME and shareholder guarantees. The debt was fully repaid in June 2019.	-	6,579
	The credit facility bore interest at three-month LIBOR plus 300 basis points and was secured by shares in EAG, SMC and Allen Ford. The debt was fully repaid during June 2019.	-	16,028
	Total interest-bearing borrowings	**20,290**	104,738
	Short-term portion reflected under current liabilities	**(10,101)**	(7,617)
	Long-term portion reflected under non-current liabilities	**10,189**	97,121
	Repayment terms		
	Current	**10,101**	7,617
	More than 1 year	**10,189**	97,121
		20,290	104,738
	Currency analysis		
	Pound Sterling	**20,290**	56,459
	Euro	-	48,279
		20,290	104,738

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for the year ended 30 June 2019 (continued)

13. Interest-bearing borrowings *(continued)*

13.3 Interest-bearing borrowings - Company

13.3 Secured property borrowings	-	19,996
Bridging finance, which bore interest at three-month LIBOR plus 250 basis points, was secured by shares in EAG, SMC and shareholder guarantees and was repaid in full in June 2019.	-	19,996
13.3 Acquisition borrowings	**12,373**	27,331
The credit facility bears interest at three-month LIBOR plus 300 basis points (2018: three-month LIBOR plus 300 basis point) and is repayable quarterly with the final bullet payment due in June 2023. The facility is secured by shares in Allen Ford UK and shareholder guarantees.	**12,373**	11,303
The credit facility bore interest at three-month LIBOR plus 300 basis points and was secured by shares in EAG, SMC and Allen Ford. The debt was fully repaid during June 2019.	-	16,028
Total interest-bearing borrowings	**12,373**	47,329
Short-term portion reflected under current liabilities	**(4,927)**	(7,598)
Long-term portion reflected under non-current liabilities	**7,446**	39,729
Repayment terms		
Current	**4,927**	7,598
More than 1 year	**7,446**	39,729
	12,373	47,329
Currency analysis		
Pound Sterling	**12,373**	47,329

	2019 £'000	2018 £'000
14. Non-controlling interest put option		
The Group entered into business combinations which included clauses whereby the non-controlling interest equity holders are able to put 100% of their shareholding to the Group for a limited time period at the expiry date of the respective options.		
intIME Holding GmbH		
The put option available to the non-controlling interest is exercisable from 30 June 2020 to 30 June 2025. The value of the put option is based on an estimation of the enterprise value at the initial exercise date. The agreement indicates that the enterprise value is calculated by applying a price earnings multiple of 7.5 to the average of the preceding 3 years audited EBITDA of IN tIME and adjusting the result by adding cash and deducting the debt on the specific date.		
In arriving at the option value at 30 June 2020, an average EBITDA of €11,895,000 (2018 - €15,180,000) and a pre-tax discount rate of 7.7% (2018: 7.7%) was used. This is a level 3 fair value valuation.		
The discount rate used is adjusted to reflect the most affordable funding available to the Group at the reporting date.	**2,060**	7,799

The following table shows a reconciliation from the opening to closing balances of level 3 financial instruments carried at fair value:

	2019 £'000	2018 £'000
Financial liabilities – Put option liabilities		
Balance at the beginning of the year	**7,799**	8,121
Movement of NCI liability in statement of changes in equity:		
– Fair value and foreign currency translation adjustment	**(5,739)**	(322)
Balance at the end of the year	**2,060**	7,799

Sensitivity analysis:

Financial liabilities – Put option liabilities
The significant assumption included in the fair value measurement of the put option liabilities relates to the projected earnings that is not observable in the market. The following table shows how the fair value of the liabilities would change if the earnings assumption was increased by 100bps:

	Fair value £'000	Increase in liability £'000
IN tIME	**2,223**	**163**

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for the year ended 30 June 2019 (continued)

15. Trade and other payables	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade payables	**25,445**	25,728	–	–
Floorplan payables	**151,508**	135,483	–	–
Interest bearing floorplan	**53,431**	50,619	–	–
Interest free floorplan	**98,077**	84,864	–	–
Trade payables – vehicles	**5,146**	8,953	–	–
Accruals	**21,211**	21,639	**6**	549
VAT payable	-	1,527	–	–
Sundry payables	**4,448**	8,530	–	–
Deferred income	**235**	395	–	–
	207,993	202,255	**6**	549

There were no intercompany trade and other payables transactions during the year under review.

Currency analysis

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Pound Sterling	**178,860**	170,775	**6**	549
Euro	**29,133**	31,480	–	–
	207,993	202,255	**6**	549

16. Provisions

	Employee-related provisions £'000	Other provisions £'000	Total £'000
Group			
2019			
Movement summary			
Balance at the beginning of the year	**994**	**3,873**	**4,867**
Increase in provisions	**24**	**899**	**923**
Provisions reversed	**(25)**	**(72)**	**(97)**
Payments against provision	**(788)**	**(612)**	**(1,400)**
Acquisition of business	-	-	-
Translation adjustment	**1**	**9**	**10**
Balance at the end of the year	**206**	**4,097**	**4,303**
Short-term	-	**4,097**	**4,097**
Long-term	**206**	–	**206**
Balance at the end of the year	**206**	**4,097**	**4,303**

16. Provisions *(continued)*

Group *(continued)*	**Employee-related provisions £'000**	**Other provisions £'000**	**Total £'000**
2018			
Movement summary			
Balance at the beginning of the year	740	762	1,502
Increase in provisions	835	2,823	3,658
Provisions reversed	(20)	(88)	(108)
Payments against provision	(679)	(631)	(1,310)
Acquisition of business	113	999	1,112
Translation adjustment	5	8	13
Balance at the end of the year	994	3,873	4,867
Short-term	815	3,873	4,688
Long-term	179	–	179
Balance at the end of the year	994	3,873	4,867

Company

2019			
Movement summary			
Balance at the beginning of the year	–	**16**	**16**
Increase in provisions	–	**62**	**62**
Payments against provision	–	**(35)**	**(35)**
Balance at the end of the year	–	**43**	**43**
Short-term	–	**43**	**43**
Long-term	–	–	–
Balance at the end of the year	–	**43**	**43**
2018			
Movement summary			
Balance at the beginning of the year	–	–	–
Increase in provisions	–	31	31
Payments against provision	–	(15)	(15)
Balance at the end of the year	–	16	16
Short-term	–	16	16
Long-term	–	–	–
Balance at the end of the year	–	16	16

Employee-related liabilities relate to pension provisions. The pension provision is estimated based on the expected payment which will be made in respect of the services provided in the current financial year, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

16. Provisions *(continued)*

Included under other provisions is a dilapidation provision, which has been recognized in relation to future obligations for the maintenance of leasehold properties. The provision is management's best estimate of the obligation which forms part of the company's unavoidable cost of meeting its obligations under its lease contracts. The provision is expected to be utilised as property leases expire which will be between 1 and 115 years.

17. Loans from fellow subsidiaries	**Group** 2019 £'000	Group 2018 £'000	**Company** 2019 £'000	Company 2018 £'000
Non-current				
Super Group (EU Investments) Limited	**46,644**	39,740	–	–
Super Group Limited - Loan 1	**46,785**	-	–	–
	93,429	39,740	–	–
Current				
Bluefin Investments Limited – interest bearing	**121**	111	**121**	111
Bluefin Investments Limited – non-interest bearing	**369**	345	**369**	345
Super Group Limited – Loan 2	**14,578**	3,001	**14,578**	3,001
Allen Ford (UK) Limited	–	–	-	5,092
	15,068	3,457	**15,068**	8,549
Split of capital and interest				
Amount advanced	**105,549**	40,189	**14,916**	8,544
Interest accrued until 30 June 2019	**2,948**	3,008	**152**	5
	108,497	43,197	**15,068**	8,549

The balance owing to Super Group (EU Investments) Limited is unsecured and has a fixed term of eight years. The Loans are denominated in Euro with interest rates of 6.6% and 6.4% on the balances of GBP 40.1m and GBP 6.5m respectively.

The interest-bearing loan 1 from Super Group Limited is unsecured, bears interest at Euribor 3 months + 3 %. The loan has a fixed terms of 5 years.

The interest-bearing loan from Bluefin Investments Limited is unsecured, bears interest at USD Libor 3 months + 3% and has no fixed repayment terms. The non-interest-bearing loan from Bluefin Investments Limited is unsecured, interest free and has no fixed repayment terms.

The interest-bearing loan 2 from Super Group Limited is unsecured, bears interest at GBP Libor 3 months + 1.5% on the balance of GBP 3m and interest of GBP Libor 3 months + 1.92% on the balance of GBP 11.6m There are no fixed repayment terms.

The balance owing by the Company to Allen Ford (UK) Limited is unsecured, interest free and has no fixed repayment.

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for the year ended 30 June 2019 (continued)

	Group		Company	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
18. Capital and reserves				
Share capital	**36,097**	36,097	**36,097**	36,097
Share premium	**34,941**	34,941	**34,941**	34,941
Retained earnings/ (accumulated losses)	**24,665**	9,078	**(16,526)**	(29,400)
Other reserves (refer note 18.1)	**10,107**	10,085	**-**	-
	105,810	90,201	**54,512**	41,638
Issued share capital				
1 ordinary share subscribed for £1 on 3 July 2015	*	*	*	*
36 096 689 ordinary shares of £1 each allotted on 14 October 2015	**36,097**	36,097	**36,097**	36,097
1 ordinary share subscribed for £1 on 28 September 2016	*	*	*	*
1 ordinary share subscribed for £1 on 10 January 2017	*	*	*	*
1 ordinary share subscribed for £1 on 13 March 2017	*	*	*	*
1 ordinary share subscribed for £1 on 23 June 2017	*	*	*	*
	36,097	36,097	**36,097**	36,097

Rights and restrictions related to share capital

All shares rank equally with regard to the company's residual assets and all shares are authorized.

* Less than GBP 1,000.

	2019	2018
	£'000	£'000
18.1 Other reserves		
Translation reserve	**10,107**	8,502
Revaluation of land and buildings	**-**	1,583
	10,107	10,085

The translation reserve comprises all foreign exchange differences arising from the translation of entities reporting in currencies other than the presentation currency of the holding company.

19. Non-controlling interests

	IN tIME £'000 2019	IN tIME £'000 2018
Non-current assets	**135,747**	138,328
Current assets	**55,430**	55,308
Non-current liabilities	**(100,464)**	(96,367)
Current liabilities	**(29,251)**	(33,846)
Net assets	**61,462**	63,423
Revenue	**156,241**	179,369
Profit after tax	**2,682**	1,160
Other comprehensive income	**–**	–
Total comprehensive (expense)/income	**2,682**	1,160
Cash flows from operating activities	**5,996**	6,554
Cash flows from investing activities	**(1,578)**	(11,262)
Cash flows from financing activities	**4,247**	5,440
Net change in cash and cash equivalents	**8,665**	732
NCI percentage	**25.0%**	25.0%
Carrying amount of NCI	**16,194**	16,606
(Loss)/Profit allocated to NCI	**(601)**	340
OCI allocated to NCI [1]	**6**	1,162
Dividend paid to NCI	**–**	–

[1] The OCI allocated to the NCI of IN tIME of £6,000 (2018 – £1,162,000) is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different.

The principal place of business of IN tIME is in the Eurozone and incorporation is in Germany.

20. Revenue

	2019 £'000	2018 £'000
Supply Chain Europe	**156,241**	179,369
Time critical delivery and courier services	**154,751**	178,517
Other	**1,490**	852
Dealerships	**528,900**	573,680
Sale of vehicle and parts	**498,466**	548,844
Servicing of vehicles	**30,434**	24,836
Total Revenue	**685,141**	753,049

Revenue is recognised at a point in time

20. Revenue (continued)

Refer to page 34 in the accounting policies for the impact of the adoption of IFRS 15.

Other revenue under Supply Chain Europe pertains warehousing.

Split of Revenue by geography:

	2019 £'000	2018 £'000
UK	**528,900**	573,680
Europe	**156,241**	179,369
Total Revenue	**685,141**	753,049

	Group	
21. Other operating income	**2019 £'000**	2018 £'000
Commission received	**18,234**	17,743
Bad debt recovered	**4**	15
Realised foreign exchange gain	**150**	36
Other income	**1,796**	2,360
	20,184	20,154

Notes to the financial statements
for the year ended 30 June 2019 (continued)

22. Other operating expenses

	Group		Company	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Auditors' remuneration				
– audit fees	**326**	377	**61**	46
Operating leases	**6,453**	5,970	**–**	–
– vehicles and other	**2,057**	1,876	**–**	–
– buildings	**4,221**	3,904	**–**	–
– plant and equipment	**175**	190	**–**	–
Foreign exchange losses	**103**	62	**–**	–
Bad debts written off	**49**	44	**–**	–
Legal fees	**502**	878	**(9)**	394
Rentals	**3,393**	2,800	**–**	–
Salaries and wages	**61,403**	62,725	**–**	–
Amounts paid to key management personnel	**2,012**	1,333	**–**	–
Loss on sale of property, plant and equipment	**18**	95	**–**	–
Other operating expenses	**33,242**	35,270	**175**	175
	107,501	109,554	**227**	615

22.1 Auditors' remuneration

During the year, the group (including its overseas subsidiaries) obtained the following services from the company's auditors and its associates:

	Group	
	2019	2018
	£'000	£'000
Audit fees for consolidated financial statements	**61**	46
Audit fees for financial statements of the company's subsidiaries	**235**	299
Tax compliance services	**30**	32
	326	377

23. Operating profit

Operating profit is arrived at after taking into account the following:

		2019	2018
23.1	Depreciation and amortisation	**£'000**	£'000
	Depreciation of property, plant and equipment	**2,249**	2,061
	– buildings and leasehold improvements	**639**	396
	– plant and workshop equipment	**197**	221
	– furniture and fittings	**1,023**	1,115
	– computer equipment	**166**	157
	– rental and transport fleet	**224**	172
	Amortisation of intangible assets	**5,124**	5,068
	– software	**467**	421
	– customer relations	**4,657**	4,647
		7,373	7,129
23.2	Impairment of property, plant and equipment	**-**	1,065
23.3	Cost of sales	**573,371**	634,377

23. Operating profit *(continued)*

23.4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees (Average)	
	2019	2018
Directors and Senior Management	**43**	41
Middle-management	**151**	135
Sales and service	**871**	931
Administration and Logistics	**1,127**	1,075
	2,192	2,182

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	**54,329**	54,859
Share based payments	**-**	-
Social security costs	**3,724**	4,472
Contributions to defined contribution plan	**5,363**	4,727
	63,416	64,058

Directors' remuneration

Directors' emoluments	**192**	1,263
Company contributions to defined contribution pension schemes	**27**	70
	219	1,333

	2019	2018
Number of directors accruing benefits under:	**Number**	Number
Defined contribution schemes	1	2
<u>In respect of the highest paid director of the Company:</u>		
Aggregate emoluments	192	187
Company contributions to defined contribution schemes	27	27

The highest paid director did not exercise any share options and made no contributions in respect of money purchase schemes.

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		Group		Company	
		2019	2018	**2019**	2018
24.	**Finance income and Expense**	**£'000**	£'000	**£'000**	£'000
24.1	Finance income				
	Bank accounts	**25**	1	**5**	–
	Receiver of revenue	**4**	5	**–**	–
	Long-term loans	**-**	2	**–**	–
	Other	**-**	–	**–**	–
		29	8	**5**	–
24.2	Finance costs				
	Borrowings	**5,315**	5,454	**1,418**	1,852
	Group companies (refer to note 30)	**2,948**	2,989	**152**	6
	Receiver of revenue	**63**	34	**–**	–
	Bank accounts	**57**	66	**–**	–
		8,383	8,543	**1,570**	1,858

25. **Taxation**	**2019**	2018
	£'000	£'000
Current tax:		
UK Corporation tax on profit for the year	**2,333**	2,613
Non-UK Corporation tax	**1,216**	3,089
Adjustment in respect of prior years	**(355)**	(338)
Total current tax	**3,194**	5,364
Deferred tax:		
UK - Current year	**41**	(264)
Non-UK Current year	**(1,297)**	(1,348)
Adjustment in respect of prior years	**(1,899)**	(84)
Effect of changes in tax rates	**(4)**	27
Total deferred tax	**(3,159)**	(1,669)
Tax on profit	**35**	3,695

Reconciliation of tax charge
The tax expense for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK for the year ended 30 June 2019 of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
Profit before taxation	**8,726**	12,543
Taxation at the standard rate of corporation tax in the UK of 19% (2018: 19%)	**1,658**	2,383
Effects of:		
- Adjustment in respect of prior years	**(2,194)**	(422)
- Expenses not deductible for tax purposes	**480**	168
- Tax rate changes	**(4)**	22
- Foreign tax	**95**	1,544
Tax Charge	**35**	3,695

Effect of future tax rate changes

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities at 30 June 2019 have been calculated based on these rates.

26 (a) Cash generated from/ (used in) operations

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Reconciliation of profit/ (loss) before tax to cash generated from/ (used in) operations:				
Profit/(loss) before tax	8,726	12,543	6,823	(13,991)
Depreciation and amortisation	7,373	7,129	16	–
Impairment	-	1,065	-	39,839
Interest paid	8,383	8,543	1,570	1,858
Interest received	(29)	(8)	(5)	–
(Profit)/Loss on disposal of property, plant and equipment	(5)	93	–	–
Unrealised foreign exchange losses/(gains)	13	(21)	13	(4)
Bad debts	35	29	–	–
Other non-cash movements	21	-	-	-
Dividend received	–	–	(8,500)	(27,742)
(Decrease) / Increase in provisions	(597)	2,185	26	17
Operating cash flow	23,920	31,558	(57)	(23)
Working capital changes	4,544	941	(526)	653
(Increase)/decrease in trade and other receivables	(729)	(3,490)	17	211
(Increase)/decrease in inventories	(10,931)	(8,944)	–	–
Increase/(decrease) in trade and other payables	16,204	13,375	(543)	442
Cash generated from/ (used in) operations	28,464	32,499	(583)	630

26 (b) Net debt

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash and cash equivalents	42,328	50,808	934	3,267
Borrowings – repayable within one year	(10,101)	(7,617)	(4,927)	(7,598)
Borrowings – repayable after one year	(10,189)	(97,121)	(7,446)	(39,729)
Net cash / (debt)	22,038	(53,930)	(11,439)	(44,060)

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Cash and cash equivalents	42,328	50,808	934	3,267
Gross debt – variable interest rates	(20,290)	(104,738)	(12,373)	(47,327)
Net debt	22,038	(53,930)	(11,439)	(44,060)

		Group		Company	
		2019	2018	**2019**	2018
27.	**Income tax paid**	**£'000**	£'000	**£'000**	£'000
	Balance at the beginning of the year	**(1,522)**	(1,650)	–	–
	Charge for the current year	**(3,583)**	(5,364)	–	–
	Translation adjustment and other movements	**(260)**	(549)	–	–
	Balance at the end of the year	**450**	1,522	–	–
		(4,915)	(6,041)	–	–

		Group	
		2019	2018
28.	**Capital expenditure commitments and rental commitments**	**£'000**	£'000
28.1	Capital commitments		
	Intangible assets		
	Contracted	**179**	–
	Authorised by directors but not yet contracted	**219**	–
	Total authorised by directors	**398**	–
	Property, plant and equipment		
	Contracted	-	248
	Authorised by directors but not yet contracted	**2,633**	2,770
	Total authorised by directors	**2,633**	3,018

This capital expenditure will be financed by proceeds on disposal of related assets, funds generated by the businesses and borrowing facilities available to the Group.

28.2 Operating rental commitments

Total rental commitments	**75,020**	72,720
– less than one year	**8,837**	8,785
– between one and five years	**26,703**	29,137
– thereafter	**39,480**	34,798

Operating rental agreements have been negotiated at market-related terms and rates with numerous suppliers.

29. Financial risk management and financial instruments

29.1 Introduction

The Group's ultimate holding company has risk management and central treasury functions that manage the financial risks relating to the Group's operations. The risk management function takes responsibility for the identification, measurement and monitoring of risk. The central treasury provides services to the businesses, co-ordinates access to domestic and international foreign markets and manages the financial risks relating to the Group's operations. The Group's credit, liquidity, foreign currency and interest rate risks are continually monitored. In order to manage these risks, the Group's ultimate holding company has developed a risk management process to facilitate control and monitoring of these risks. The Risk Committee meets regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of risks. Senior management also meet on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury strategies against revised economic forecasts.

29.2 Risk profile

In the course of the Group's business operations it is exposed to credit, liquidity, and market risk which includes foreign currency and interest rate risk. The risk management policy of the Group relating to each of these risks is discussed under the respective headings. Where appropriate, derivative financial instruments are used as a means of reducing exposure to fluctuations in foreign exchange rates and interest rates. Whilst these financial instruments are subject to the risk of market rates changing subsequent to acquisition, such changes are generally expected to be offset by opposite effects on the items being hedged. The Group finances its operations through a mixture of retained profits, bank overdrafts, bank revolving credit borrowings and interest-bearing borrowings.

29.3 Capital management

The board's policy is to maintain healthy capital ratios so as to maintain investor, creditor and market confidence and to sustain future development of the business on a capital-efficient basis. The board monitors its capital structure determining the appropriate debt-to-equity ratio in light of changing economic conditions. The Group invests in growth opportunities, both organic and acquisitive, that complement its strategy applying hurdle rate methodology utilising the weighted average cost of capital (WACC). The board also monitors the level of dividends to ordinary shareholders. The board recognises debt as an important component of its capital structure in support of its leveraged business models. The optimal mix of debt and equity is determined in order to minimise the overall cost of capital and maximise shareholder value.

29. Financial risk management and financial instruments *(continued)*

29.4 Credit risk

Credit risk relates to potential exposure in respect of cash and cash equivalents, loans to fellow subsidiaries, trade receivables and other receivables. Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Where appropriate, the Group obtains collateral or credit insurance on outstanding debts to mitigate risk.

Counterparties to financial instruments consist of a large number of high credit-rated financial institutions. The Group does not expect any counterparties to fail to meet their obligations, given their high credit ratings. The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. Counterparty credit limits are in place which are reviewed and approved by the respective subsidiary boards. Trade accounts receivable consist of a large number of customers spread across diverse industries and geographical areas. Adequate allowance for credit losses has been made. No single customer represents more than 10% of the Group's total revenue for the years ended or total trade receivables at 30 June 2019 and 30 June 2018.

The maximum exposure to credit risk at the reporting date was:	**2019 £'000**	2018 £'000
Trade receivables net of allowance for credit losses	**44,145**	55,528
Other receivables (excluding prepayments, lease straight-line debtor, finance lease receivable, FEC assets and VAT)	**436**	330
Cash and cash equivalents	**42,328**	50,808
	86,909	106,666

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
Europe	**31,320**	41,054
United Kingdom and other	**12,961**	14,862
	44,281	55,916

Gross debtors by trade debtor type

Retail debtors	**3,143**	4,589
End user trade debtors	**9,818**	10,273
Contract debtors	**31,320**	41,054
	44,281	55,916

Financial risk management and financial instruments *(continued)*

Credit Risk (continued)

Impairment allowance of trade receivables	**2019** **£'000**	2018 £'000
Balance at beginning of year	**(388)**	(153)
Movement in impairment allowance	**253**	(15)
Subsidiary acquired	**-**	(219)
Translation adjustment	**(1)**	(1)
Balance at end of year	**(136)**	(388)
Made up as follows		
Trade receivables	**(136)**	(388)

The following table provides information about the credit risk exposure and expected credit losses (ECLs) for trade receivables:

	TRADE RECEIVABLES				
	Gross carrying amount	**Not past due**	**Past due**	**Loss allowance**	**Weighted average loss rate**
0 - 30 days	**38,773**	**38,773**	**-**	**-**	**0.00%**
31 - 60 days	**3,444**	**3,444**	**-**	**-**	**0.00%**
61 - 90 days	**979**	**862**	**117**	**30**	**3.06%**
91 - 120 days	**174**	**144**	**30**	**15**	**8.62%**
>120 days	**911**	**728**	**183**	**91**	**9.98%**
	44,281	**43,951**	**330**	**136**	**0.31%**

The impact of adopting IFRS 9 on 1 July 2018 is Nil.

The Group uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are based on actual credit losses over prior years. These rates take into account current conditions and the Group's view of expected economic conditions.

29. Financial risk management and financial instruments *(continued)*

29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet is financial obligations as they fall due. To manage this risk, Group companies manage their working capital, capital expenditure and cash flow and annually assess the financial viability of customers. In order to mitigate any liquidity risk that may arise, adequate unutilised banking facilities and reserve borrowing capacity is maintained per Group policy. The Group continually monitors forecast and actual cash flows and actively matches maturity profiles of financial assets and liabilities.

The following disclosure is based on the contractual maturities of the specific financial liabilities, including estimated interest payments:

29. Financial risk management and financial instruments *(continued)*

29.5 Liquidity risk *(continued)*

	Carrying amount £'000	Within 6 months £'000	6 – 12 months £'000	1 – 2 years £'000	2 – 5 years £'000	After 5 years £'000	Total contractual cash flows £'000
2019							
Non-derivative financial liabilities							
Secured property borrowings	**7,917**	**712**	**4,664**	**492**	**2,352**	**–**	**8,220**
Acquisition borrowings	**12,373**	**2,691**	**2,641**	**5,385**	**4,716**	**–**	**15,433**
Trade and other payables [1]	**207,759**	**182,049**	**23,329**	**–**	**–**	**2,386**	**207,764**
	228,049	**185,452**	**30,634**	**5,877**	**7,068**	**2,386**	**231,417**
Derivative financial liabilities							
Non-controlling interest put options	**2,060**	**–**	**–**	**2,224**	**-**	**–**	**2,224**
2018							
Non-derivative financial liabilities							
Secured property borrowings	29,134	1,006	1,001	21,457	7,044	–	30,508
Acquisition borrowings	75,604	6,570	7,028	13,816	54,440	–	81,854
Trade and other payables [1]	200,333	195,097	7,943	–	–	1,348	204,388
	305,071	202,673	15,972	35,273	61,484	1,348	316,750
Derivative financial liabilities							
Non-controlling interest put options	7,799	–	–	–	9,093	–	9,093

[1] Trade and other payables form an integral part of the day-to-day working capital structure. The maturity profile depicts the expected cash outflows excluding any increase in trade and other payables as a result of normal activity. Trade and other payables exclude VAT and deferred income.

29. Financial risk management and financial instruments *(continued)*

29.6 Market risk

Market risk comprises foreign currency and interest rate risk only.

Foreign currency risk

	Average rate		Closing rate	
Exchange rates to GBP	**2019**	2018	**2019**	2018
Euro	**1.1344**	1.1298	**1.1160**	1.1304
USD	**1.2938**	1.3460	**1.2694**	1.3207

Foreign currency risk exposure

Financial instruments analysed in Pound Sterling equivalent of foreign currency:

Group	**Pound Sterling £'000**	**Euro £'000**	**Total £'000**
2019			
Financial Assets			
Loans to fellow subsidiaries	**–**	**4**	**4**
Cash and cash equivalents	**19,917**	**22,411**	**42,328**
Trade and other receivables	**12,961**	**32,360**	**45,321**
Financial Liabilities			
Loans from fellow subsidiaries	**15,068**	**93,429**	**108,497**
Secured property borrowings	**7,917**	**–**	**7,917**
Acquisition borrowings	**12,373**	**-**	**12,373**
Non-controlling interest put option	**–**	**2,060**	**2,060**
Trade and other payables	**179,502**	**28,257**	**207,759**
2018			
Financial Assets			
Loans to fellow subsidiaries	–	4	4
Cash and cash equivalents	37,327	13,481	50,808
Trade and other receivables	14,862	41,182	56,044
Financial Liabilities			
Loans from fellow subsidiaries	3,457	39,740	43,197
Secured property borrowings	29,134	–	29,134
Acquisition borrowings	27,325	48,279	75,604
Non-controlling interest put option	–	7,799	7,799
Trade and other payables	170,383	29,950	200,333

29. Financial risk management and financial instruments *(continued)*

29.6 Market risk *(continue)*

Company	**Pound Sterling £'000**	**Euro £'000**	**Total £'000**
2019			
Financial Assets			
Loans to fellow subsidiaries	**7,661**	**4**	**7,665**
Cash and cash equivalents	**934**	-	**934**
Trade and other receivables	**57**	-	**57**
Financial Liabilities			
Loans from fellow subsidiaries	**15,068**	-	**15,068**
Acquisition borrowings	**12,373**	-	**12,373**
Non-controlling interest put option	–	**2,060**	**2,060**
Trade and other payables	**6**	-	**6**
2018			
Financial Assets			
Loans to fellow subsidiaries	-	4	4
Cash and cash equivalents	3,267	-	3,267
Trade and other receivables	87	-	87
Financial Liabilities			
Loans from fellow subsidiaries	8,549	-	8,549
Acquisition borrowings	27,331	-	27,331
Non-controlling interest put option	–	7,799	7,799
Trade and other payables	549	-	549

Sensitivity analysis on Group level

A 10% strengthening in the GBP against the following currencies at year-end would have (decreased)/increased equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

	Equity		**Profit or loss**	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Euro	**(5,518)**	(5,688)	**(6,897)**	(7,110)

A 10% weakening in the GBP will have an equal and opposite effect on equity and profit or loss.

29. Financial risk management and financial instruments *(continued)*

29.7 Interest rate risk

Exposure to interest rate risk on debt is monitored by management. The Group's borrowings are principally secured properties borrowings in the UK and acquisitions borrowings in Euro, following the acquisition of IN tIME. Borrowings from Group companies are at both fixed and floating interest rates.

	2019 **£'000**	2018 £'000
At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:		
Fixed rate instruments		
Financial assets	**1,176**	515
Financial liabilities	**(72,303)**	(69,909)
	(71,127)	(69,394)
Variable rate instruments		
Financial assets	**86,473**	106,337
Financial liabilities	**(167,856)**	(200,952)
	(81,383)	(94,615)

29. Financial risk management and financial instruments *(continued)*

29.7 Interest rate risk *(continued)*

Sensitivity analysis:

A 100-basis point increase in the interest rate will have the following increase/(decrease) effect on profit or loss and/or equity.

The analysis assumes that all other variables, in particular currency, remain constant. The analysis is performed as follows:

	2019	2018
	£'000	£'000
Fixed rate instruments		
Profit before tax effect 100 basis point increase	**(703)**	(626)
Equity effect 100 basis point increase	**(562)**	(501)
Variable rate instruments		
(Loss)/profit before tax effect 100 basis point increase	**(880)**	(1,133)
Equity effect 100 basis point increase	**(704)**	(906)

29.8 Fair value of financial instruments

The Group's financial instruments consist mainly of cash and cash equivalents, trade receivables, other receivables, trade payables, other payables, and borrowings. The recorded amount is described below as the carrying amount, otherwise known as book value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

29.8.1 Cash and cash equivalents and other non-current assets

Cash and cash equivalents

The carrying amount of cash and other financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Other

For all other instruments for which there are no quoted market prices, a reasonable estimate of fair value has been calculated based on the expected cash flows or the underlying net asset base for each instrument.

29.8.2 Short-term borrowings

The carrying amount approximates fair value because of the short yield to maturity of those instruments and the application of market related interest rates.

29.8.3 Long-term borrowings

The fair value of the long-term borrowings is based on the quoted market price for the same or similar borrowings or on the current rates available for borrowings with the same maturity profile and effective interest rate with similar cash flows. The fair value of non-current borrowings and other payables with variable interest rates approximates their carrying amounts.

30. Related party transactions

Identity of related parties

The Group has related party relationships with retirement benefit funds and its key management personnel.

"Key management personnel" has been defined as the executive and non-executive directors. The definition of related parties includes the close members of family of key management personnel and any other entity over which key management exercises control, significant influence or joint control. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner, and dependents of the individual or the individual's domestic partner.

Parent entities

Bluefin Investments Limited is the parent entity. The ultimate parent and controlling entity is Super Group Limited, incorporated in South Africa and listed on the Johannesburg Stock Exchange. The Registered office, which is the location of where copies of the parents' group accounts are available to the public, of Super Group Limited is 27, Impala Road, Chislehurston, Sandton, 2196, Johannesburg, South Africa.

Subsidiaries

Interests in subsidiaries are set out in note 8.

Transactions with fellow subsidiaries

Loans to fellow subsidiaries – Refer to note 6
Loans from fellow subsidiaries – Refer to note 17

Transactions with holding company and fellow subsidiaries

	Holding company		**Fellow subsidiaries**	
	2019	2018	**2019**	2018
	£'000	£'000	**£'000**	£'000
Transactions during the year				
Interest paid	**152**	6	**2,948**	2,989

31. Going concern

The directors consider that the Group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the consolidated financial statements. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

32. Subsequent events

Acquisition of Trans-Logo-Tech (TLT) Gmbh (Germany):

IN tIME Service GMBH acquired 80% interest in TLT on 5 July 2019 for £10,400,000 in cash. This acquisition will form part of the Supply Chain Europe segment.

The preliminary assessment indicates that there are £3,200,000 of assets and £1,825,000 of liabilities at book value within the acquired TLT business. Determination of the purchase price allocation and the related impact on next year's accounts is in progress.

33. Critical accounting estimates, judgements and key assumptions

The directors have considered the Group and Company's critical accounting policies, key sources of uncertainty and areas where critical accounting judgements were required in applying the Group's accounting policies.

Critical accounting policies

The directors are satisfied that the critical accounting policies are appropriate to the Group and Company.

Key sources of uncertainty and critical accounting judgements in applying the Group's accounting policies

Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. The Group makes estimates, judgements and assumptions concerning the future. Those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

33. Critical accounting estimates, judgements and key assumptions *(continued)*

Goodwill and indefinite useful life intangible assets valuation

The recoverable amount of these assets is reviewed in terms of the accounting policies in note 1.

When assessing the recoverable amount, the following factors are taken into consideration:
- Projected cash flows;
- Terminal value;
- Discount rates; and
- Royalty rates.

Impairment of assets

The Group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell.

Inventories

Impairment provisions or write downs to net realisable value are raised against inventory when it is considered that the amount realisable from such inventory's sale is less than its carrying amount. In determining whether a particular item of inventory could be considered to be overvalued, the following factors are taken into consideration:

- saleability;
- sub-standard quality and damage; and
- historical and forecast sales.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables using the ECL model and when their collectability is considered to be doubtful based on objective evidence that a loss event has occurred. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been impaired. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- age;
- sector;
- customer current financial status; and
- disputes with the customer.

33. Critical accounting estimates, judgements and key assumptions *(continued)*

Property, plant and equipment

The residual values of property, plant and equipment are considered significant, for certain classes of property, plant and equipment (e.g. motor vehicles). The estimation of the useful lives is based on historic performance as well as expectation about future use and therefore requires a degree of judgement to be applied by management. The depreciation rates represent management's current best estimate of the useful lives of the assets. Residual values are determined taking into account generally accepted industry-based market forecasts adjusted where necessary to take into account factors specific to the asset.

Intangible assets with indefinite life

The Group assesses whether an intangible purchased as part of a business combination has an indefinite useful life. The following considerations are taken into account:

- whether the Group intends to maintain the intangible;
- whether the Group has the ability to maintain the intangible
- the level of future expenditure required to maintain the intangible;
- the stability of the industry in which the intangible operates.

Non-controlling interest put options

The fair value of the put options over non-controlling interest in a subsidiary company is determined by using a discounted future cash flow analysis.

The Group uses its judgment to select a variety of methods and assumptions made are based on market and Group specific conditions existing at each reporting period.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in future against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates and competitive forces.

33. Critical accounting estimates, judgements and key assumptions *(continued)*

Income tax

The Group operates in numerous tax jurisdictions and is subject to tax legislation that is open to interpretation. This requires a degree of judgement to be applied by management in determining income tax.

Valuation and asset lives of separately identifiable intangible assets

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are subject to contractual or legal rights or are separately transferable and their value can be reliably estimated.

In order to determine the fair value of the separately identifiable intangible assets on a business combination, management use their best knowledge to make estimates when utilising the Group's valuation methodologies. The valuation methodologies require input based on assumptions about the future and use discounted cash flows and free cash flow forecasts.

34. Retirement benefits

All eligible employees are members of defined contribution schemes administered by the Group or are members of funds within the various industries in which they are employed. Contributions are paid by the members and the Group. The assets of these schemes are held in administered trust funds separated from the Group's assets. Scheme assets primarily consist of listed shares and property unit trusts and fixed income securities.

The benefits provided are determined by accumulated contributions and returns on investments. The benefits offered vary according to the legal, fiscal and economic conditions of each fund. Trustees are appointed by the Group companies and representatives of the employees. The trustees monitor investment performance and portfolio characteristics on a regular basis to ensure fund managers are meeting expectations with respect to their investment approach.

The Group has no exposure to any post-retirement benefit obligations.

	2019	2018
	£'000	£'000
Contributions to defined contribution funds	**5,363**	4,727

35. Related undertakings

In accordance with section 409 of the Companies Act 2006, a full list of subsidiaries as at 30 June 2019 is shown below:

Subsidiaries

Name and address	**Brief description of the activities carried on by the company**	**Percentage owned**
UK		
Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY		
Allen Ford (UK) Limited	Dealership	100%
Essex Auto Group Limited (EAG)	Dealership	100%
Charles H Allen Limited	Dealership	100%
CHA (2005) Limited	Dealership	100%
Bestodeck Limited (SMC)	Dealership	100%
Swale Motors Limited	Dealership	100%
Slough Motor Company Limited	Dealership	100%
IN tIME Express Logistics UK Limited	Logistics services	100%
AM Kirchhorster See 1, 30916 Isernhagen, Germany		
SG IN tIME Holdings	Holding company	75%
IN tIME Service Gmbh	Holding company	75%
Express Logistik Gmbh	Logistics services	75%

35. Related undertakings *(continued)*

Subsidiaries *(continued)*

Name and address	**Brief description of the activities carried on by the company**	**Percentage owned**
Hungary *Tibormajori ut.9, 9027 Gyor Hungary* Direkt-Trans Kft	Logistics services	75%
Romania *Str. Barcelona 8, 550018 Sibiu, Romania* Direct Kuriere SRL	Logistics services	75%
Poland *Jerczmanowska 17, 54-530 Wroclaw, Poland* Express Logistics spz	Logistics services	75%
Czech Republic *Valcha 139, 30100 Pilsen, Czech Republic* Express Logistics sro	Logistics services	75%
Sweden *Karbingatan 20, 25467 Helsingborg, Sweden* Express AB	Logistics services	75%
Spain Carrer de la Civtat d'E/X 6-8, E-08027 Barcelona	Logistics services	66%