Company number: 09670387

SG International Holdings Limited

Annual Report and Financial Statements for the year ended 30 June 2021

SG International Holdings Limited

Contents

SG International Holdings Limited

Directors and Key Advisors

Directors
C A Brown
A G Chambers
P W Mountford
P M Wood

Secretary
Higgs Secretarial Limited

Registration No.
09670387

Registered Office
Allen Ford
Tachbrook Park Drive
Warwick
United Kingdom
CV34 6SY

Independent Auditors
PricewaterhouseCoopers LLP
One Chamberlain Square
Birmingham
B3 3AX

SG International Holdings Limited

Strategic report
For the year ended 30 June 2021

The directors present their Strategic Report for the year ended 30 June 2021 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

Total shareholders' funds at 30 June 2021 for the Group were £85,892,000 (2020: £82,329,000) and for the Company were £20,134,000 (2020: £20,363,000). The directors consider the position of the Company at the end of the year to be satisfactory.

Supply Chain Europe

Activities

SG inTime Holdings GmbH (inTime) is a logistics company headquartered in Germany. inTime has 13 (2020: 13) operating branches across Germany, Sweden, Hungary, Romania, the Czech Republic, Poland and the UK. Considered an industry leader in the niche logistics sector of time-critical delivery services, the business serves customers spanning the automotive, electronics, hazardous goods, life sciences and engineering industries in 45 European countries. inTime's proprietary dispatching software and time-independent cargo network provide competitive edge in the form of flexible, secure and efficient logistics and courier solutions.

The Company increased its interests in both inTime and Ader during the year and as at 30 June 2021 has an 80.0% equity interest in inTime, who holds a 93.3% interest in Ader, a Spanish courier and express transport operator. Ader has 19 (2020: 18) offices throughout Spain and specialises in the provision of dedicated and exclusive transport and logistics solutions.

inTime also holds an 80.0% interest in TLT, a Fifth Party Logistics provider focusing on organisational consulting and support, material flow planning, logistics and production.

Results for 2021

Supply Chain Europe inTime reported greatly improved results. Revenue increased by 17.2% on the back of a 14.5% increase in transport activities and a 21.1% increase in kilometers travelled.

Ader, the Spanish courier and express transport business, again reported an excellent performance off the back of a 36.7% increase in home delivery volumes. TLT was negatively impacted by the Covid-pandemic.

The restructuring and cost-saving initiatives positively contributed to the results, with the operating profit margin improving from a loss of 2.8% as at June 2020 to a profit of 2.6% as at June 2021.

Dealerships UK

Activities

Allen Motor Group comprises 29 (2020: 28) franchised motor dealerships in key franchise and retail locations across the UK. It operates the second largest independently owned Ford franchise network in the UK, with 23 (2020: 23) franchised Ford motor dealerships, five (June 2020: four) franchised Kia dealerships, and a Mazda Dealership.

This includes Ford dealerships in Coventry, Rugby, Nuneaton and Warwick and a Kia dealership in Solihull in the Midlands. In Northampton County, Allen Motor Group has four Ford dealerships in Northampton, Daventry, Kettering and Bedford Road, with the latter being a commercial vehicle dealer. In Essex County, Allen Motor Group has seven Ford dealerships, two Kia dealerships with a third opening early 2021 together with one Mazda dealership. One of the Ford dealerships, situated in Basildon, is regarded as the largest flagship Ford Store in the UK and is immediately adjacent to the Ford UK Technical Centre where we also operate a pop-up store to serve the significant Ford employee market.

In the Swindon County, Allen Motor Group has a Ford dealership in Swindon and both a Ford and Kia dealership in Bath. The final county of representation is Kent, where Allen Motor Group operates dealerships in Crayford, Gravesend and Sittingbourne.

As one of the UK's leading Ford dealership groups, Allen Motor Group 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 2021

Despite dealer showrooms across the UK being closed for almost five months of the financial year, Dealerships UK delivered commendable results. Showrooms reopened on 12 April 2021 and vehicle sales volumes in both new and used vehicles recovered rapidly, resulting in a very strong 4Q 2021 result. Revenue in increased by 18.8% to £496.7 million.

The successful implementation of a new Click-and-Collect digital sales platform that facilitated online sales during the months where the showrooms were closed, contributed to a growth of 36.5% in used vehicle sales and a 6.6% growth in new vehicle sales over the prior year. During the year, the Parts and Services business continued to operate successfully, and despite slightly lower activity levels, the department exceeded prior year contribution levels. The business utilised the UK government furlough and rates assistance schemes, which aided in saving jobs and controlling the costs during this very disjointed year.

During the financial year the Company utilised the Coronavirus Job Retention Scheme (CJRS) for staff who were furloughed, totalling £2.9 million. The Company has also benefitted from the Rates holiday given to retail businesses. No other government support was required or utilised by Dealerships UK.

Allen Ford outperformed the Ford UK passenger vehicle sales by 4.2% and matched the growth in LCVs of 38.0%.

Supply Chain Europe - Risks and Opportunities

The risks identified are as follows:

Material risks	Management of these risks
• Global semi-conductor shortage	• Diversification of industry exposure and customer base
• Shortage of subcontractor drivers	• Initiatives to recruit more subcontractor drivers from Eastern Europe • Expansion of own semi-trailer fleet
• Rising diesel price	• Diesel price sliding clauses with main customers and increase of customer prices, where possible.

The opportunities identified by Supply Chain Europe are as follows:

- Further diversification of industry base.
- Expansion of time-critical delivery and courier service businesses into Southern and Eastern Europe.
- Continued exploration of acquisition-based growth opportunities in the logistics sector.

Dealerships UK - Risks and Opportunities

The risks identified are as follows:

Material risks	Management of these risks
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	• Undertake detailed initial assessment of lease properties on commencement • Ensure strict record keeping of alterations and maintenance • Appropriate provisions are held on the Balance Sheet to counter the likely risks
Global shortage of semi-conductors	• Working closely with brand partners to mitigate risks • Reducing discounts where appropriate to ensure margins are optimised
Further lockdowns: The likelihood of further lockdowns due to the ongoing pandemic and the negative impact of the pandemic on the economy	• The business completed its plans to launch a full online buying solution for customers • Undertaken a cost reduction programme and continue to monitor headcount in relation to customer demand

The opportunities identified by Dealerships UK are as follows:

- Leverage Ford's market leading position and the Group's flagship locations to drive new vehicles sales.
- Grow the Kia franchise.
- Leverage the Group's geographic footprint and scale to drive growth in the fleet and commercial sectors.
- Availability of properties in the UK is limited and 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, which also mitigates an extremely landlord biased environment.
- A growing ageing vehicle car parc - with customers keeping their vehicles for longer periods - is expected to result in a greater opportunity for vehicle servicing, repairs and parts sales.
- Enhance digital capabilities to augment the sales pipeline and build brand equity.

Outlook for 2022

Supply Chain Europe

With German automotive manufacturing volumes beginning recovery, albeit at a slow rate due to the semiconductor crisis, our European businesses are in a good position for further financial and profit improvement in the forthcoming year. They will also continue to reap the benefits of a rationalised branch network and cost reductions undertaken in the year under review.

Dealerships UK

The UK dealerships are expected to perform strongly post the recent hard lockdowns and provided the microchip inventory crisis continues to abate. A strong Ford and Kia presence remains key to the Group's resilience and, in combination with a strong online digital sales strategy, will continue to positively position the Group in a rapidly evolving market.

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

Key performance indicators (KPIs)

	2021 **£000**	2020 £000
Revenue	**665,596**	560,194
Gross profit	**112,456**	98,665
Operating profit/(loss)	**14,618**	(30,233)
Profit/(loss) before taxation	**6,941**	(41,485)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies House Act 2006

The Directors are aware of their duty under section 172(1)(a) to (f) of the Companies House Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- The interests of the group's employees;
- The need to foster the group's relationships with suppliers, customers and others;
- The impact of the group's operations on the community and the environment;
- The desirability of the group maintaining a reputation for high standards of business conduct.

The Board is responsible for the control and oversight of the Group's affairs, for setting strategic priorities, supporting stakeholder engagement including communication with the Group's ultimate parent company, Super Group Limited, which is registered in the Republic of South Africa.

Employees

Engagement with employees is critical to the success of the Group. The Group engages employees through the following media:

- Communication from Group CEO
- In-house publications
- One-on-one meetings
- Team meetings
- Safety and environment meetings
- Conferences
- Employee achievement and service awards
- Intranet
- Fraud hotline (be heard)
- Functions

The Directors believe that economically viable and self-sustaining employment equity is an essential and integral part of corporate governance within the business units. Management of the business units has initiated a variety of employment equity programs. Individual development, equality and performance-based advancement are the cornerstones of the Group's approach to bring and maintain a balanced and highly skilled workforce. The Group also promotes gender equality which incorporates acceptance of equal and inalienable rights of women and men. It involves working with both to ensure equitable behaviors are practiced at home and in the workplace. Genuine equality cannot be measured by parity in numbers, but rather by improving overall quality of life so that equality is achieved without sacrificing gains for males or females.

Suppliers, Customers and others

The group is committed to delivering an outstanding experience for all of its customers and other stakeholders and looks to enhance its reputation of excellence in all areas of interactions. Dealerships UK continues to build relationships with other firms in the industry, benefiting the stakeholders of the group, including customers and the Motability charity. Supply Chain Europe prides itself on the concept of "Agile Logistics" in order to offer customers a high level of flexibility and security.

Suppliers, Customers and others (continued)

Customers and clients are important stakeholders for the success of the Group. The Group has customers and clients who range from large corporations and Government departments to individual customers. The Group engages with these stakeholders on various levels, including the following:

- Regular one-on-one meetings at customer's site
- Customer service meetings
- Customer feedback surveys
- Processes to respond to complaints in line with the business units' Consumer Protection legislations
- Appropriate customer entertainment and functions

Suppliers are important stakeholders as they are the providers of services, equipment and facilities that are required by the Group to service its customers. Group engagement with these stakeholders vary and include elements of the following:

- Attendance at dealer conferences
- Attendance at product launches
- Regular one-on-one meetings with key suppliers
- Attendance at technical conferences held by suppliers where appropriate

Community and Environment

The community is a key stakeholder seeing that both the Group and the employees are directly impacted by the communities in which the Group operates and employees live in. The Group's engagement with the communities includes contributions towards initiatives in respect of fundraising, donations and services within various communities.

Supply Chain Europe made a €5,000 donation to a charitable society that supports the children of Chernobyl.

Dealerships UK participated in the following activities:

- Official Supplier to the Lord's Taverners Charity. The Lord's Taverners is the official charity for recreational cricket and the UK's leading youth cricket and disability sports charity. Its charitable objective is to 'give young people a sporting chance'.
- The Test Track 10K Charity Run for the benefit of St. Luke's Hospice was cancelled due to Covid-19.
- Exhibited at Frankie's Classic Car Fest for the benefit of St. Francis Hospice.
- The sponsorship of a hole-in-one prize at the Burstead Golf Day for the benefit of Epilepsy Society was cancelled due to Covid-19.
- Donated GBP 1,000 to the Billericay Lions for the benefit of a number of charities including Hamelin House.
- Platinum Club sponsor for the Essex Cricket Graham Gooch Cricket Centre Refurbishment for the benefit of Youth Cricket, Disability Cricket and the Essex Cricket Foundation.
- Sponsorship of Appleton School Benfleet Business Workshop was cancelled due to Covid-19.
- Allen Ford helped to deliver free food for NHS staff during Covid-19 pandemic.

Community and Environment (continued)

- Posters supporting NHS Carers & Key Workers during Covid-19 pandemic.
- Supported the Look Good Feel Better, The Thames Hospice, Windsor Lions Club and Tusk's having supplied a van to help run The Lions of Windsor & Maidenhead Charity Club's 2019 public art event.

Throughout the Group, the recycling of paper, plastic and glass is encouraged and the necessary recycling bins are placed in various locations.

The Dealerships Division places significant emphasis on the recycling of used oil and parts, as well as ensuring that the environment is not impacted by the run-off of polluted water.

The Group continues to roll out recycling initiatives to all of its locations and continues to encourage additional recycling initiatives.

The desirability of the Group maintaining a reputation for high standards of business conduct

The Group is committed to high standards of honesty, integrity, behaviour and ethics in dealing with all stakeholders. All directors and employees of the Group are encouraged to subscribe to the ultimate holding company's Code of Ethics and Business Conduct, which requires them to maintain high personal ethical standards and to act in good faith and in the best interests of the Group. The Code also addresses conflicts of interest, particularly relating to directors and management. This ensures that the Group's business practices are conducted in an equitable manner. Employees are surveyed annually to ensure they are both aware of and understand the Group's Code of Ethics and Business Conduct.

SG International Holdings Limited

Strategic report
For the year ended 30 June 2021 (continued)

Statement on compliance with SECR

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions. The below information relates to the Allen Ford Motor Group only.

	July 20 - Jun21	**July 19 - Jun20**	**% Difference**
Total energy use covering combustion of gas (kWh)	3,100,385	4,648,466	-33.0%
Total energy use covering purchased electricity (kWh)	3,689,160	5,942,084	-38.0%
Total energy use covering other fuels (kWh)	52,017	486,163	-89.0%
Total energy use covering business travel (kWh)	6,856,901	6,218,050	10.0%
Total energy use covering electricity, gas, other fuels, and transport (kWh)	13,698,463	17,294,763	-21.0%
Total emissions generated through combustion of gas (tCO_2e)	568	855	-34.0%
Total emissions generated through use of purchased electricity (tCO_2e)	783	1,519	-48.0%
Total emissions generated through use of other fuels (tCO_2e)	12	117	-90.0%
Total emissions generated through business travel (tCO_2e)	1,821	1,726	6.0%
Total gross emissions (tCO_2e)	3,184	4,217	-24.0%
Intensity ratio - total gross emissions ($kgCO_2$ per sqft)	5.79	7.52	-23.0%
Intensity ratio - transport emissions ($kgCO_2$ per mile)	0.32	0.35	-9.0%

Statement on compliance with SECR (continued)

Energy efficiency actions

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Where possible moved to remote home working due to Covid. Will review when situation permits.
- Implemented and encouraged use of video conferencing.
- Travel reduced for business meetings due to Covid.
- On-going LED replacement program. Upgraded 436 light fittings to LED over 18 properties, with a projected consumption saving of 141,620kwh.
- Installation of electrical charging points at 23 showrooms.
- Improved roof insulation at certain sites.
- Installed new, more efficient heating systems at four branches.
- Moving to hybrid and electric fleet vehicles. Currently 36.0% of company vehicles are either full electric or hybrid.

Methodology used in the calculation of disclosures

SECR methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" used in conjunction with Government GHG reporting conversion factors.

On behalf of the Board

C A Brown
Director

Directors' Report
For the year ended 30 June 2021

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 2021.

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

Directors and secretary

The directors who held office during the year and up to the date of signature of financial statements were as follows:

C A Brown
A G Chambers
P W Mountford
P M 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.

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.

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 9.

The Company received an interim dividend of £Nil during the year (2020: £Nil). The directors do not recommend the payment of a dividend (2020: £Nil).

Holding company

The Company's holding company is Bluefin Investments Limited, which is registered in Mauritius and which owns 100.0% 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.

Financial risk management

The Financial risk management of the Group is detailed in note 33 of the financial statements.

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.

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, color, 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.

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.

Going concern

The Group maintained a healthy cash balance and net asset position.

The Group meets its working capital requirements, and services its funding arrangements, from cash flows generated from operations. After consideration of the forecasts and the range of support available, the directors have a reasonable expectation that the Group will be able to continue to meet its liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare the financial statements on a going concern basis.

Directors' report
For the year ended 30 June 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for safeguarding the assets of the group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and parent company's auditors are aware of that information.

SG International Holdings Limited

Directors' report
For the year ended 30 June 2021 (continued)

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.

This report was approved by the board and signed on its behalf by:

C A Brown
Director
Date: 15 / 12 / 2021

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 parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2021 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements 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 Consolidated and Parent Company Statements of Financial Position as at 30 June 2021; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated and Parent Company 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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

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.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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 parent 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 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 parent 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 parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation and breaches of employment and health and safety data, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias when determining accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management and consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions made by management in their accounting estimates, for example in relation to accruals and provisions and the recoverable value of Goodwill;
- identifying journal entries, in particular any journal entries posted with unusual account combinations and journal entries; and
- consideration of any changes to the control environment of the entity as a result of Covid-19

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 parent 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.

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

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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent 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 parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Neil Philpott

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
15 December 2021

SG International Holdings Limited

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 £000	2020 £000
Revenue	4	**665,596**	560,194
Cost of sales		**(553,140)**	(461,529)
Gross profit		**112,456**	98,665
Administrative expenses		**(94,810)**	(95,138)
Other operating income	5	**14,919**	14,085
Earnings before interest, tax, impairment, depreciation and amortisation EBITDA*		**32,565**	17,612
Depreciation and amortisation		**(17,947)**	(17,961)
Impairments		**-**	(29,884)
Operating profit/(loss)	6	**14,618**	(30,233)
Finance income	10	**604**	674
Finance costs	11	**(8,281)**	(11,926)
Profit/(loss) before income tax		**6,941**	(41,485)
Tax on profit/(loss)	12	**(1,444)**	2,475
Profit/(loss) for the financial year		**5,497**	(39,010)

All results relate to continuing operations.

*EBITDA refers to Earnings Before Interest, foreign exchange gains, Tax, Depreciation and Amortisation, impairment and exceptional costs.

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2021 (continued)

	2021 £000	2020 £000
Other comprehensive (expense)/income:		
Items which will be reclassified to profit and loss		
Foreign operation translation adjustment	**(1,459)**	253
Items that may be subsequently reclassified to profit or loss		
Deferred tax effect on adoption of IFRS 16	**-**	(879)
Other comprehensive expense for the financial year, net of tax	**(1,459)**	(626)
Total comprehensive income/(expense) for the financial year	**4,038**	(39,636)
Profit/(loss) for the year attributable to:		
- Non-controlling interest	**145**	(9,484)
- Equity holders of SG International Holdings Limited	**5,352**	(29,526)
	5,497	(39,010)
Total comprehensive income/(expense) for the year attributable to:		
- Non-controlling interest	**(218)**	(9,553)
- Equity holders of SG International Holdings Limited	**4,256**	(30,083)
	4,038	(39,636)

The notes on pages 29 to 88 are an integral part of these financial statements.

SG International Holdings Limited

Consolidated Statement of Financial Position
As at 30 June 2021

	Note	2021 £000	2020 £000
Non-current assets			
Intangible assets	13	**20,143**	26,799
Goodwill	14	**114,684**	119,218
Property, plant and equipment	15	**62,018**	59,903
Right of use assets	16	**56,743**	63,465
Deferred tax assets	17	**1,452**	1,856
Other non-current assets	19	**8,766**	11,167
		263,806	282,408
Current assets			
Inventories	20	**77,363**	144,897
Trade and other receivables	21	**42,393**	34,949
Tax receivable		**531**	1,202
Loans to fellow subsidiaries	22	**4**	5
Cash and cash equivalents	23	**38,618**	37,579
		158,909	218,632
Total assets		**422,715**	501,040
Equity attributable to owners of the parent			
Share capital	29	**36,097**	36,097
Share premium		**34,941**	34,941
Retained earnings/(accumulated losses)		**210**	(6,412)
Other reserves		**9,353**	10,412
Non-controlling interest		**5,291**	7,291
Total equity		**85,892**	82,329
Non-current liabilities			
Interest-bearing borrowings	24	**12,278**	20,639
Non-controlling interest put option	25	**-**	-
Loans from ultimate holding company and fellow subsidiaries	27	**91,842**	101,469
ROU Lease liabilities	16	**60,734**	69,504
Provisions	28	**3,936**	3,729
Deferred tax liabilities	17	**4,904**	6,637
		173,694	201,978

SG International Holdings Limited

Consolidated Statement of Financial Position
As at 30 June 2021 (continued)

	Note	2021 £000	2020 £000
Current liabilities			
Interest-bearing borrowings	24	**3,601**	5,006
Loans from ultimate holding company and fellow subsidiaries	27	**9,236**	
Trade and other payables	26	**139,036**	200,874
ROU Lease liabilities	16	**8,990**	9,501
Provisions	28	**2,266**	1,352
		163,129	216,733
Total liabilities		**336,823**	418,711
Total equity and liabilities		**422,715**	501,040

The financial statements on pages 19 to 88 were approved by the Board of Directors and signed on its behalf by:

C A Brown
Director
Date 15 / 12 / 2021

The notes on pages 29 to 88 are an integral part of these financial statements.

SG International Holdings Limited

Parent Company Statement of Financial Position
As at 30 June 2021

Company registered number: 09670387

	Note	2021 £000	2020 £000
Non-current assets			
Property plant and equipment	15	-	1,968
Investments in subsidiaries	18	**37,325**	37,325
		37,325	39,293
Current assets			
Trade and other receivables	21	**1**	12
Loans to fellow subsidiaries	22	**517**	464
Cash and cash equivalents	23	**606**	954
		1,124	1,430
Total assets		**38,449**	40,723
Equity attributable to owners of the parent			
Share capital	29	**36,097**	36,097
Share premium		**34,941**	34,941
Accumulated losses		**(50,904)**	(50,675)
Total equity		**20,134**	20,363
Non-current liabilities			
Interest bearing borrowings	24	-	4,520
Loans from ultimate holding company and fellow subsidiaries	27	**3,104**	2,998
		3,104	7,518
Current liabilities			
Interest bearing borrowings	24	-	2,260
Provisions	28	**53**	62
Loans from ultimate holding company and fellow subsidiaries	27	**15,158**	10,520
		15,211	12,842
Total liabilities		**18,315**	20,360
Total equity and liabilities		**38,449**	40,723

Parent Company Statement of Financial Position
As at 30 June 2021 (continued)

Company registered number: 09670387

As permitted by S408 Companies Act 2006, the Company has not presented its own income statement and related notes. The Company's loss for the year was £229,000 (2020: loss of £36,209,000). The current year loss includes an impairment of the investment of the Company in SG inTime Holding Gmbh of £Nil (2020: £36,097,000).

The financial statements on pages 19 to 88 were approved by the Board of Directors and signed on its behalf by:

C A Brown
Director
Date 15 / 12 / 2021

The notes on pages 29 to 88 are an integral part of these financial statements.

SG International Holdings Limited

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Share capital £000	Share premium £000	Other reserves £000	Retained earnings /(Accumulated losses) £000	Subtotal £000	Non-controlling interest £000	Total equity £000
At 1 July 2019		**36,097**	**34,941**	**10,107**	**21,916**	**103,061**	**15,834**	**118,895**
Comprehensive (expense)/income:								
Loss for the financial year		-	-	-	(29,526)	(29,526)	(9,484)	(39,010)
Foreign exchange translation		-	-	322	-	322	(69)	253
Transfer between reserves		-	-	(17)	17	-	-	-
Deferred tax effect on adoption of IFRS 16		-	-	-	(879)	(879)	-	(879)
Total comprehensive expense for the financial year		**-**	**-**	**305**	**(30,388)**	**(30,083)**	**(9,553)**	**(39,636)**
Transactions with owners:								
Non-controlling interest in respect of subsidiaries acquired		-	-	-	-	-	1,010	1,010
Non-controlling interest put option movements	25	-	-	-	2,060	2,060	-	2,060
Total transactions with shareholders		-	-	-	2,060	2,060	1,010	3,070
At 30 June 2020		**36,097**	**34,941**	**10,412**	**(6,412)**	**75,038**	**7,291**	**82,329**

SG International Holdings Limited

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021 (continued)

	Share capital £000	Share premium £000	Other reserves £000	(Accumulated)/ retained earnings losses £000	Subtotal £000	Non-controlling interest £000	Total equity £000
At 1 July 2020	**36,097**	**34,941**	**10,412**	**(6,412)**	**75,038**	**7,291**	**82,329**
Comprehensive income/(expense):							
Profit for the financial year	-	-	-	5,352	5,352	145	5,497
Foreign exchange translation	-	-	(1,096)	-	(1,096)	(363)	(1,459)
Transfer between reserves	-	-	37	(37)	-	-	-
Total comprehensive income for the financial year	**-**	**-**	**(1,059)**	**5,315**	**4,256**	**(218)**	**4,038**
Transactions with owners:							
Non-controlling interest in respect of subsidiaries acquired							
-Increase in shareholding	-	-	-	1,256	1,256	(1,256)	-
-decrease in shareholding	-	-	-	51	51	(526)	(475)
Total transactions with shareholders	**-**	**-**	**-**	**1,307**	**1,307**	**(1,782)**	**(475)**
At 30 June 2021	**36,097**	**34,941**	**9,353**	**210**	**80,601**	**5,291**	**85,892**

The notes on pages 29 to 88 are an integral part of these financial statements.

SG International Holdings Limited

Parent Company Statement of Changes in Equity
For the year ended 30 June 2021

	Note	Share capital £000	Share premium £000	Accumulated losses £000	Total equity £000
At 1 July 2019		**36,097**	**34,941**	**(16,526)**	**54,512**
Comprehensive expense:					
Loss for the financial year		-	-	(36,209)	(36,209)
Total comprehensive expense for the financial year		-	-	(36,209)	(36,209)
Transactions with owners:					
Non-controlling interest put option movements	25	-	-	2,060	2,060
Total transactions with shareholders		-	-	2,060	2,060
At 30 June 2020		**36,097**	**34,941**	**(50,675)**	**20,363**
Comprehensive expense:					
Loss for the financial year		-	-	(229)	(229)
Total comprehensive expense for the financial year		-	-	(229)	(229)
At 30 June 2021		**36,097**	**34,941**	**(50,904)**	**20,134**

The notes on pages 29 to 88 are an integral part of these financial statements.

SG International Holdings Limited

Consolidated Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 £000	2020 £000
Cash flows from operations			
Cash generated from operating activities	31	**31,275**	32,314
Income tax paid		**(1,826)**	(1,309)
Net cash generated from operations		**29,449**	31,005
Cash flows from investing activities			
Loans received		**-**	754
Finance income		**604**	674
Purchase of property, plant and equipment		**(5,425)**	(2,867)
Purchase of intangible assets		**(293)**	(682)
Proceeds on disposal of property, plant and equipment		**156**	1,717
Sub-lease receivable received		**1,049**	-
Subsidiary acquired		**(1,856)**	(10,705)
Net cash generated used in investing activities		**(5,765)**	(11,109)
Cash flows from financing activities			
Interest bearing loan repaid		**(9,673)**	(4,023)
Loans from fellow subsidiaries received/(repaid)		**6,068**	(8,695)
ROU lease liabilities repaid		**(9,658)**	(9,323)
Finance costs		**(8,281)**	(2,603)
Net cash used in financing activities		**(21,544)**	(24,644)
Net increase/(decrease) in cash and cash equivalents		**2,140**	(4,748)
Cash and cash equivalents at beginning of financial year		**37,579**	42,328
Effect of exchange rate fluctuations		**(1,101)**	(1)
Cash and cash equivalents at end of financial year		**38,618**	37,579

The notes on pages 29 to 88 are an integral part of these financial statements.

1. General information

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

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.

2. Accounting policies

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

2.1 Basis of Preparation

The Group's consolidated financial statements have been prepared on a going concern basis under the historical cost convention, except in the case of some freehold land which is measured at fair value through profit and loss under the revaluation model, and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company's individual financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

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 in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

2. Accounting policies (continued)

2.1 Basis of Preparation (continued)

Disclosure exemptions - Parent company individual financial statements
In preparing its individual financial statements under FRS 101, the Company has taken advantage of the following disclosure exemptions permitted by FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The following paragraphs of IAS 1 'Presentation of financial statements':
  - 10(d) (Statement of Cash Flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 40A-40D (prior year restatements)
  - 111 (cash flow statement information); and
  - 134-136 (capital management disclosures).
- IAS 7 'Statement of Cash Flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors';
- Paragraph 17 and 18A of IAS 24 'Related party disclosures'.

2.2 Going concern

The Directors are required to consider the appropriateness of the going concern basis when preparing the financial statements.

The Group maintained a healthy cash balance and net asset position.

The Group meets its working capital requirements, and services its funding arrangements, from cash flows generated from operations. The Group has prepared cash flow forecasts with reference to available facilities, including consideration of plausible downside sensitivity. The Group has various funding arrangements in place. The Dealerships UK business has external banking facilities which were revised during the year with an extension of the term to 2024. The banking arrangement has covenant requirements which are forecast to be achieved. The Supply Chain Europe business has intercompany funding arrangements. The parent company cleared its external banking facilities during the year and has intercompany funding arrangements (For more details see note 27).

After consideration of the forecasts and the range of support available, the directors have a reasonable expectation that the Group will be able to continue to meet its liabilities as they fall due for the foreseeable future and it is therefore appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies (continued)

2.3 Changes in accounting policies and disclosures

The Group has applied the following standards and amendments for the first time in their annual reporting year commencing 1 July 2020:

- Definition of Material- amendments to IAS 1 and IAS 8
- Definition of a Business- amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting
- Covid-19 related Rent Concessions-amendments to IFRS 16

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current period.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. These include:

- Adoption of UK- IFRS for the preparation of financial statements (effective 1 January 2021)
- Interest Rate Benchmark Reform- amendments to IFRS 9, IAS 39 and IFRS 7 (effective 1 January 2021)
- Classification of liabilities as current or non-current- amendments to IAS 1 (effective 1 January 2020, possibly deferred to 1 January 2023)
- Property, Plant and Equipment: Proceeds before intended use: amendments to IAS 16 (effective 1 January 2022)
- Reference to the Conceptual Framework- amendments to IFRS 3 (effective 1 January 2022)
- Onerous Contracts- Cost of Fulfilling a Contract- amendments to IAS 37 (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018- 2020 (effective 1 January 2022)
- Sale or contribution of assets between an investor and its associate or joint venture- amendments to IFRS 10 and IAS 28 (no effective date as yet)
- IFRS 17 Insurance Contracts (originally effective 1 January 2021, but extended to 1 January 2023)

2. Accounting policies (continued)

2.4 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.

Both CHA 2005 Limited and Charles H Allen Limited, which are dormant entities, have been excluded from the consolidation by virtue of s394A of the Companies Act 2006. These entities are also exempt from filing individual financial statements with the registrar by virtue of s448A of the Companies Act 2006.

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.

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.

2. **Accounting policies (continued)**

2.4 Basis of consolidation (continued)

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.

2.5 Revenue

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.

2. Accounting policies (continued)

2.5 Revenue (continued)

Revenue from contract with customers (continued)

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.

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.

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.

2. Accounting policies (continued)

2.5 Revenue (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.

2.6 Grant income

Grants and other amounts receivable from government are recognised in administrative expenses. Such amounts receivable as compensation for expenses already incurred are recognised when they become receivable.

2.7 Operating profit

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

2.8 Net interest

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

2.9 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.

2. Accounting policies (continued)

2.9 Property, plant and equipment (continued)

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.

2.10 Leases

Lease classification

The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

All qualifying leases are recognised as a right of use asset and a corresponding lease liability is recognised at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables,
- variable lease payments that are based on an index or a rate, initially measured using the index rate or rate at the commencement date,
- amounts expected to be payable under residual value guarantees,
- the exercise prices of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option.

2. Accounting policies (continued)

2.10 Leases (continued)

Payments in respect of short term and / or low value leases continue to be charged to the income statement on a straight-line basis over the term of the lease, income received from sub leasing has been reported in other income. Break clauses have been utilised by the company in calculating the value of the right of use asset where applicable.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The lease payments are discounted using the interest implicit in the lease. If the rate cannot be determined, the lessee's incremental borrowing rate is used. The interest element of the finance cost is charged to the Consolidated Statement of Comprehensive Income over the lease period. The property, plant and equipment acquired under leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.11 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.

2. Accounting policies (continued)

2.11 Intangible assets (continued)

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.

2.12 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.

2. Accounting policies (continued)

2.13 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.

2.14 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.

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.

2. Accounting policies (continued)

2.14 Income tax

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.

2.15 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.

2. Accounting policies (continued)

2.15 Foreign currencies (continued)

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.

2.16 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.

2. Accounting policies (continued)

2.16 Impairment of assets (continued)

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.

2.17 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
- Amortised costs.

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.

Amortised cost

Trade and other receivables classified as financial instruments 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.

Subsequent measurement

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

2. Accounting policies (continued)

2.17 Financial instruments (continued)

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.

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.

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Impairment of 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.

Financial assets are assessed for impairment using a forward-looking Expected Credit Losses (ECL) model. This requires 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.

2. Accounting policies (continued)

2.17 Financial instruments (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.

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.

2.18 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.

2.19 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.

3. 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 heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Goodwill and indefinite useful life intangible assets valuation

The recoverable amount of these assets is reviewed in terms of the accounting policies in note 2.

When assessing the recoverable amount, the following factors are taken into consideration:

- Projected cash flows;
- Terminal value;
- Discount rates; and
- Royalty rates.

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; and
- the stability of the industry in which the intangible operates.

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.

The Group tests whether assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell.

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

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.

Property, plant and equipment: Valuation and depreciation

Management determines the estimated useful lives and related depreciation charges for the company's tangible fixed assets. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned. Management conducts an annual exercise to determine whether the carrying value of freehold property represents a material departure from its fair value, in which case a revaluation of the freehold property portfolio is performed. When conducting a revaluation, management utilises the work of an independent valuation expert.

Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that taxable income will be available in the 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.

4. Revenue

	2021 £000	2020 £000
Supply Chain Europe		
Time critical delivery and courier services	**167,693**	143,250
Other	**1,249**	951
	168,942	144,201
Dealerships		
Sale of vehicle and parts	**466,894**	390,117
Servicing of vehicles	**29,760**	25,876
	496,654	415,993
Total Revenue	**665,596**	560,194

Revenue is recognised at a point in time.

Revenue split by geographical location:

	2021 £000	2020 £000
UK	**496,654**	415,993
Europe	**168,942**	144,201
Total revenue	**665,596**	560,194

5. Other operating income

	2021 £000	2020 £000
Commission received	**11,815**	9,921
Bad debt recovered	**15**	25
Profit on lease modification	**732**	-
Realised foreign exchange gain	**87**	139
Other income	**2,270**	4,000
	14,919	14,085

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2021	2020
	£000	£000
Depreciation of property, plant and equipment	2,709	2,508
Depreciation of right of use assets	9,451	9,696
Amortisation of intangible assets	5,787	5,757
Grant income	(3,046)	(4,628)
Impairment of goodwill	-	28,853
Impairment of intangibles	-	1,535
Impairment reversal on intercompany loans	-	(505)
Foreign exchange losses	120	76
Loss on sale of property, plant and equipment	122	166

7. Auditors' remuneration

Fees payable to the Group's auditors for the audit of the Parent Company and the consolidated financial statements:

	2021	2020
	£000	£000
Audit fees for consolidated financial statements	46	44
Audit fees for financial statements of the Company's subsidiaries	170	194
Tax compliance services	13	13
Fees payable to the company's auditors in respect of all other services	11	32
	240	283

8. Employees

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

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Directors and Senior Management	42	45	1	1
Middle management	165	152	1	-
Sales, administration and Logistics	1,728	1,838	-	-
	1,935	2,035	2	1

8. Employees (continued)

The aggregate payroll costs of these employees charged in the Statement of Comprehensive Income was as follows:

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Wages and salaries	**51,516**	50,107	139	123
Social security costs	**8,742**	8,198	-	-
Other pension costs	**1,179**	1,077	-	28
	61,437	59,382	139	151

The Company has four directors in total, one of which is remunerated by the Company with the remaining directors remunerated by other group companies.

9. Directors' remuneration

The Company has four directors in total, one of which is remunerated by a direct subsidiary of the Company, Allen Ford (UK) Limited, while the remaining directors are remunerated by the Company's ultimate parent undertaking, Super Group Limited.

Since it is not practicable to determine an accurate proportion of these directors' emoluments which relate to the management of SG International Holdings Limited, the emoluments of the directors of the Company are fully included within the financial statements of the aforementioned companies.

10. Finance income

	2021	2020
	£000	£000
Bank accounts	14	66
Long-term loans	585	590
Other	5	18
	604	674

11. Finance costs

	2021	2020
	£000	£000
Borrowings	1,923	3,441
ROU lease liability	3,406	3,706
Group companies	2,947	4,737
Other finance costs	5	42
	8,281	11,926

12. Tax on profit/(loss)

	2021 £000	2020 £000
Current tax		
UK Corporation tax on profit/(loss) for the year	**1,516**	125
Non-UK Corporation tax	**1,262**	(40)
Adjustments in respect of prior years	**(30)**	(254)
Total current tax	**2,748**	(169)
Deferred tax		
UK - Current year	**(40)**	8
Non-UK Current year	**(1,362)**	(2,301)
Adjustment in respect of prior years	**121**	-
Effect of changes in tax rates	**(23)**	(13)
Total deferred tax	**(1,304)**	(2,306)
Tax on profit/(loss)	**1,444**	(2,475)

	2021 £000	2020 £000
Factors affecting the tax charge/(credit) for the year:		
Profit/(loss) before taxation	**6,941**	(41,485)
Profit/(loss) before taxation multiplied by weighted average rate of tax of 19.0% (2020: 19.0%)	**1,319**	(7,882)
Effects of:		
Adjustment in respect of prior years		
- Adjustment in respect of prior years	**(30)**	(254)
- Expenses not deductible for tax purposes	**1,044**	9,970
- Tax rate changes	**-**	-
- Foreign tax	**(889)**	(4,499)
- Capital Gains Tax	**-**	190
Tax charge/(credit)	**1,444**	(2,475)

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25.0% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19.0% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had not been substantively enacted at the balance sheet date and therefore no adjustment has been made to deferred taxation balances to account for this change.

13. Intangible assets

	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
2021				
Cost				
Balance at the beginning of the year	14,549	4,272	33,869	52,690
Additions	-	293	-	293
Net exchange differences	(701)	(239)	(1,619)	(2,559)
Balance at the end of the year	13,848	4,326	32,250	50,424
Amortisation and impairment				
Balance at the beginning of the year	(1,535)	(1,579)	(22,777)	(25,891)
Amortisation for the year	-	(679)	(5,108)	(5,787)
Net exchange differences	-	106	1,291	1,397
Balance at the end of the year	(1,535)	(2,152)	(26,594)	(30,281)
Carrying amount at end of the year	12,313	2,174	5,656	20,143
Analysis of balance at the end of the year				
2021				
Purchased	12,313	2,174	5,656	20,143
Intangible assets with indefinite useful life	12,313	-	-	12,313
Intangible assets with definite useful life	-	2,174	5,656	7,830
	12,313	2,174	5,656	20,143

13. Intangible assets (continued)

	Trade name £'000	Software £'000	Customer relationships £'000	Total £'000
2020				
Cost				
Balance at the beginning of the year	13,555	3,543	31,093	48,191
Additions	-	682	-	682
Reclassification from advanced payments	-	(238)	-	(238)
Acquisitions through business combinations	856	228	2,378	3,462
Net exchange differences	138	57	398	593
Balance at the end of the year	14,549	4,272	33,869	52,690
Amortisation and impairment				
Balance at the beginning of the year	-	(954)	(17,273)	(18,227)
Amortisation for the year	-	(595)	(5,162)	(5,757)
Impairments	(1,535)	-	-	(1,535)
Net exchange differences	-	(30)	(342)	(372)
Balance at the end of the year	(1,535)	(1,579)	(22,777)	(25,891)
Carrying amount at end of the year	13,014	2,693	11,092	26,799
Analysis of balance at the end of the year				
2020				
Purchased	13,014	2,693	11,092	26,799
Internally generated	-	-	-	-
	13,014	2,693	11,092	26,799
Intangible assets with indefinite useful life	13,014	-	-	13,014
Intangible assets with definite useful life	-	2,693	11,092	13,785
	13,014	2,693	11,092	26,799

The indefinite useful life intangible pertains to inTime 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 inTime and Ader respectively.

13. Intangible assets (continued)

The impairment loss for inTime in prior year is due to reduced trading which was significantly impacted by the on-going problems in the automotive sector in Germany and Europe such as the Worldwide Harmonised Light Vehicle Test Procedure, as well as the impact of the COVID pandemic which led to a strong decrease in revenue.

The key assumptions used in assessing the impairment for the year are as follows:

Growth rate	**1.0%**
Discount rate	**8.0%**
Projection period	**5 years**

The key assumptions that differ from past experience include an increase in the inTime revenue in 2021 of 18%, which is has been used due to the improvement of the problems in the automotive sector in Germany and Europe, and the forecast was adjusted for the impact of COVID-19 on the 2020 results.

14. Goodwill

Group	**2021**	2020
	£000	£000
Cost and net book value		
Balance at the beginning of the year	**119,218**	138,701
Acquisitions of business	**-**	8,724
Impairment	**-**	(28,853)
Net exchange differences	**(4,534)**	646
Balance at the end of the year	**114,684**	119,218
Goodwill per cash-generating unit		
Supply chain – Offshore	**80,112**	84,671
Dealerships UK	**34,572**	34,547
	114,684	119,218

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. These calculations use projected earnings based on historic operating results.

Impairment testing for cash generating units containing goodwill

Goodwill acquired through business combinations has been attributed to individual cash-generating units (CGU). The carrying amount of goodwill is subject to annual impairment tests using forecasts of future cash flows and the value-in-use method. Impairments of £Nil (2020: £28,853,000) were recognized in the current year.

14. Goodwill (continued)

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 2.0% and 11.5% and a terminal value growth rate between 1.0% and 2.0%.
- Direct costs were forecast based on the margins historically achieved by the business.
- Overheads were forecast based on current levels adjusted for one off expenditure.
- A pre-tax discount rate between 4.9% and 5.1% 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 one off expenditure.
- A pre-tax discount rate between 6.3% and 6.5% 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.

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.

Supply Chain – Europe
The directors believe that the terminal value growth rate between 1.0% and 2.0% and five-year forecast of revenue growth between 2.0% and 11.5% were conservative and hence did not require any adjustment in the sensitivity analysis. The discount rate was increased to 10.0% and no impairment was required.

14. Goodwill (continued)

Dealerships – Dealerships UK

The directors believe that the terminal value growth rate of 2.0% and five-year forecast of revenue growth of 1.0% were conservative and hence did not require any adjustment in the sensitivity analysis. The discount rate was increased to 10.0% and no impairment was required.

15. Property, plant and equipment

2021 Group	Land, buildings and leasehold improve-ments £'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	55,611	2,528	6,702	426	1,734	67,001
Additions	1,769	150	1,723	67	1,716	5,425
Disposals	(777)	-	(2,113)	(3)	(295)	(3,188)
Translation adjustment	(77)	(106)	(75)	(25)	(139)	(422)
Balance at the end of the year	56,526	2,572	6,237	465	3,016	68,816
Accumulated depreciation and impairment						
Balance at the beginning of the year	(2,146)	(885)	(3,300)	(233)	(534)	(7,098)
Current year depreciation	(317)	(218)	(1,749)	(86)	(339)	(2,709)
Disposal accumulated depreciation	644	-	2,027	1	196	2,868
Translation adjustment	(434)	57	470	15	33	141
Balance at the end of the year	(2,253)	(1,046)	(2,552)	(303)	(644)	(6,798)
Carrying amount at the end of the year	54,273	1,526	3,685	162	2,372	62,018

15. Property, plant and equipment (continued)

2020 Group	Land, buildings and leasehold improve ments £'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	55,971	1,695	6,141	404	1,542	65,753
Additions	674	641	1,083	39	431	2,868
Disposals	(1,071)	–	(576)	(22)	(265)	(1,934)
Acquisition of business	17	155	34	-	3	209
Net exchange differences	20	37	20	5	23	105
Balance at the end of the year	55,611	2,528	6,702	426	1,734	67,001
Accumulated depreciation and impairment						
Balance at the beginning of the year	(1,419)	(658)	(2,687)	(82)	(479)	(5,325)
Current year depreciation	(748)	(212)	(1,144)	(153)	(251)	(2,508)
Disposal accumulated depreciation	26	-	534	8	203	771
Net exchange differences	(5)	(15)	(3)	(6)	(7)	(36)
Balance at the end of the year	(2,146)	(885)	(3,300)	(233)	(534)	(7,098)
Carrying amount at the end of the year	53,465	1,643	3,402	193	1,200	59,903

15. Property, plant and equipment (continued)

£40,478,000 (2020: £40,844,000) of land and buildings have been pledged as security against the borrowings.

An analysis of the eight 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:

	2021	2020
	£000	£000
Historical cost equivalent	**11,942**	12,039
Amount of revaluation reserve	**3,118**	3,135
Net book value	**15,060**	15,174

These freehold properties were last revalued in 2018 by an independent valuer in accordance with RICS Appraisal and Valuation standards.

There was a transfer between the Revaluation reserve and Retained earnings in the year of £37,000 (2020: £17,000) 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**	**Total £'000**
2021		
Cost		
Balance at the beginning of the year	**2,000**	**2,000**
Disposal	**(2,000)**	**(2,000)**
Balance at the end of the year	**-**	**-**
Accumulated depreciation and impairment		
Balance at the beginning of the year	**(32)**	**(32)**
Disposal	**32**	**32**
Balance at the end of the year	**-**	**-**
Carrying amount at the end of the year	**-**	**-**

15. Property, plant and equipment (continued)

Company	Land, buildings and leasehold improvements £'000	Total £'000
2020		
Cost		
Balance at the beginning of the year	2,000	2,000
Movements	-	-
Balance at the end of the year	2,000	2,000
Accumulated depreciation and impairment		
Balance at the beginning of the year	(16)	(16)
Current year depreciation	(16)	(16)
Balance at the end of the year	(32)	(32)
Carrying amount at the end of the year	1,968	1,968

16. Leases

This note provides information for the leases where the Group is the lessee.

Amounts recognised in the Balance Sheet

Right of use assets

The Company has recognised the following in respect on assets leases which entirely relate to Land, buildings and leasehold improvements:

Group	**2021**	2020
	£'000	£'000
Cost		
Balance at the beginning of the year	**73,357**	-
Additions	**7,630**	51,295
Acquired through business combinations	**-**	20,833
Disposals	**(3,940)**	-
Translation adjustment	**(2,442)**	1,229
Balance at the end of the year	**74,605**	73,357
Depreciation and impairment		
Balance at the beginning of the year	**(9,892)**	-
Current year depreciation	**(9,451)**	(9,696)
Depreciation on disposal	**935**	-
Translation adjustments	**546**	(196)
Balance at the end of the year	**(17,862)**	(9,892)
Carrying amount at the end of the year	**56,743**	63,465

Information for right of use assets is summarised below:

Net book value

Group	**2021**	2020
	£'000	£'000
Land, buildings and leasehold improvements	**53,567**	60,472
Rental and transport fleet	**3,128**	2,942
Other	**48**	51
Balance at the end of the year	**56,743**	63,465

16. Leases (continued)

The Group leases land and buildings and rental and transport fleet for periods are between 1 years and 115 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease agreements do not impose any covenants.

The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The total cash outflow relating to leases during the year was £9,658,000 (2020: £9,323,000).

Lease liability

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

	2021			2020		
	Current £'000	**Non-current £'000**	**Total £'000**	Current £'000	Non-current £'000	Total £'000
Lease liability	**8,990**	**60,734**	**69,724**	9,501	69,504	79,005

The contractual payments of the leases are outlined below:

Future lease payments

	2021 £000	2020 £000
Within one year	**8,990**	9,501
Between 1-5 years	**27,453**	11,644
Over 5 years	**33,281**	57,860
	69,724	79,005

Amounts recognised in the Statement of Comprehensive Income:

	2021 £000	2020 £000
Depreciation charge on right of use assets	**9,451**	**9,696**
Interest expense on leases (included in finance costs)	**3,406**	**3,706**

17. Deferred tax assets/(liabilities)

	2021 £000	2020 £000
Balance at beginning of the year	**(4,781)**	(7,301)
Adjustment relating to prior years	**(176)**	-
Acquisition of business	**-**	(593)
Credited to profit and loss during the year	**1,304**	2,293
Credited to equity during the year	**-**	879
Translation adjustment	**201**	(59)
Balance at end of year	**(3,452)**	(4,781)
The deferred tax provision is made up as follows:		
Accelerated capital allowances	**(413)**	(215)
Other timing differences	**(3,039)**	(4,566)
	(3,452)	(4,781)
The deferred tax is split into:		
Deferred tax assets	**1,452**	1,856
Deferred tax liabilities	**(4,904)**	(6,637)
	(3,452)	(4,781)

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.

It is not considered possible to estimate the amount of deferred tax assets or liabilities which are expected to be settled within 12 months of the year-end.

There are no unrecognized deferred tax assets in the Company or the Group.

18. Investments in subsidiaries

	Company 2021 £000	2020 £000
Net book value		
Net book value: opening	**37,325**	73,422
Impairment of investments in Intime	**-**	(36,097)
Balance at end of year	**37,325**	37,325

In the prior year, the investment of the Company in inTime Holding GmbH was written down and remained written down in current year, as a result of goodwill impairment of £Nil (2020: £28,853,000) pertaining to Supply Chain Europe accounted in the Consolidated Financial Statements.

SG International Holdings Limited purchased an additional 5% in June 2021 of SG inTime Holdings GmbH (total ownership interest % is now 80%).

Name	Principal place of business/ country of incorporation	Principal activity	Ownership interest %	Registered address
Allen Ford (UK) Limited	UK	Dealership	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
Essex Auto Group Limited (EAG) *	UK	Dealership	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
Bestodeck Limited (SMC) *	UK	Dealership	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
Swale Motors Limited *	UK	Dealership	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
Slough Motor Company Limited *	UK	Dealership	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
inTime Express Logistics UK Limited	UK	Logistic services	80	Bicester Road Industrial Estate Faraday Road Unit 10, GB- HP19 8RY Aylesbury
SG inTime Holdings GmbH	Germany	Holding company	80	Am Kirchhorster See 1, 30916 Isernhagen Germany
inTime Service GmbH	Germany	Holding company	80	Am Kirchhorster See 1, 30916 Isernhagen Germany

18. Investments in subsidiaries (continued)

Name	Principal place of business/ country of incorporation	Principal activity	Ownership interest %	Registered address
inTime Express Logistik GmbH	Germany	Logistics services	80	Am Kirchhorster See 1, 30916 Isernhagen Germany
Direkt-Trans Kft.	Hungary	Logistics services	80	Tibormajori ut.9, 9027 Gyor Hungary
inTime Direct-Kuriere S.R.L.	Romania	Logistics services	80	Str. Barcelona 8, 550018 Sibiu, Romania
inTime Express Logistics Sp.z.o.o.	Poland	Logistics services	80	Jerczmanowska 17, 54-530 Wroclaw, Poland
inTime Express Logistics s.r.o.	Czech Republic	Logistics services	80	Valcha 139, 30100 Pilsen, Czech Republic
inTime Express AB	Sweden	Logistics services	80	Karbingatan 20, 25467 Helsingborg, Sweden
Servicios Empresariales Ader, S.A.	Spain	Logistics services	74	C/ Ciudad de Elche, 6 -8 bajos, E-08027 Barcelona
Grupader S.A.	Spain	Logistics services	74	C/ Ciudad de Elche, 6 -8 bajos, E-08027 Barcelona
Avant Rent S.A.	Spain	Logistics services	74	C/ Ciudad de Elche, 6 -8 bajos, E-08027 Barcelona
Green City Messengers S.L.	Spain	Logistics services	74	C/ Ciudad de Elche, 6 -8 bajos, E-08027 Barcelona
Trans -Logo-Tech (TLT) Gmbh	Germany	Logistics services	64	Hans-Grüninger-Weg 11, 71706 Markgröningen, Germany
Charles H. Allen Limited*	UK	Dormant	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY
CHA (2005) Limited	UK	Dormant	100	Tachbrook Park Drive, Leamington Spa, Warwick, CV34 6SY

* Entity is dormant

19. Other non-current assets

2021	Sub lease receivable £000	Loan receivable granted £000	Total £000
Opening	11,001	166	11,167
Sub-lease modification	(876)	-	(876)
Interest capitalized	-	3	3
Sub-lease granted	92	-	92
Loan receivable repaid	-	(33)	(33)
Sub-lease receivable repaid	(1,016)	-	(1,016)
Foreign currency translation reserve	(564)	(7)	(571)
	8,637	129	8,766

Split of capital and interest	
Amount advanced	8,750
Interest capitalised	16
	8,766

2020	Sub lease receivable £000	Loan receivable granted £000	Total £000
Opening	-	163	163
Interest capitalized	-	4	4
Lease receivable additions	458	-	458
Sub-lease acquired	4,759	-	4,759
Sub-lease granted	6,202	-	6,202
Sub-lease receivable	(755)		(755)
Foreign currency translation reserve	337	(1)	336
	11,001	166	11,167

Split of capital and interest	
Amount advanced	11,154
Interest capitalised	13
	11,167

The loans granted in 2018 of £154,000, are to second line management of Ader for the acquisition of shares in Servicios Empresariales Ader. Interest rate is at 2.0% per annum and is capitalised. The loan has a fixed term of 8 years and is denominated in Euro.

20. Inventories

	2021 £000	2020 £000
New vehicles	**36,251**	110,093
Used vehicles	**25,397**	23,118
Demo vehicles	**13,475**	9,102
Parts and accessories	**1,911**	2,076
Work in progress	**-**	9
Other inventory	**329**	499
	77,363	144,897

Inventory recognised as an expense during the year totaled £470,825,000 (2020: £392,677,000).

During the year, the write-down of inventories to fair value less costs to sell was £Nil (2020: £Nil).

Included in inventory is a provision for obsolete stock of £5,811,000 (2020: £3,678,567).

20. Inventories (continued)

Additional disclosures – Inventories

	Carrying value of inventory:			
	Carried at net realisable value	Held under interest-free floor plan obligations	Held under interest-bearing floor plan obligations	Total
2021	**£'000**	**£'000**	**£'000**	**£'000**
New vehicles	**-**	**24,424**	**11,827**	**36,251**
Used vehicles	**8,549**	**-**	**16,848**	**25,397**
Demo vehicles	**2,736**	**-**	**10,739**	**13,475**
Parts and accessories	**1,911**	**-**	**-**	**1,911**
Other inventory	**329**	**-**	**-**	**329**
	13,525	**24,424**	**39,414**	**77,363**

	Carrying value of inventory:			
	Carried at net realisable value	Held under interest-free floor plan obligations	Held under interest-bearing floor plan obligations	Total
2020	**£'000**	**£'000**	**£'000**	**£'000**
New vehicles	-	35,299	74,794	110,093
Used vehicles	23,118	-	-	23,118
Demo vehicles	9,102	-	-	9,102
Parts and accessories	2,076	-	-	2,076
Other inventory	508	-	-	508
	34,804	35,299	74,794	144,897

21. Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade receivables	**38,358**	31,473	**-**	-
Sundry receivables	**1,115**	1,474	**-**	-
Prepayments	**2,354**	1,414	**1**	12
VAT	**47**	156	**-**	-
Deposits	**483**	416	**-**	-
Staff debtors	**36**	16	**-**	-
	42,393	34,949	**1**	12

Trade receivables are reported after a provision for doubtful debts of £456,000 (2020: £348,000).

	Group		Company	
	2021	2020	**2021**	2020
Currency analysis	**£000**	£000	**£000**	£000
Pound Sterling	**11,220**	9,562	**1**	12
Euro	**31,173**	25,387	**-**	-
	42,393	34,949	**1**	12

22. Loans to fellow subsidiaries

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Super Group (EU Investments) Limited	**4**	5	**4**	-
Allen Ford (UK) Limited	**-**	-	**513**	464
	4	5	**517**	464

The interest-free loan is receivable from Super Group (EU Investments) Limited, a fellow subsidiary of SG International Holdings Limited. The loan is unsecured and receivable on demand.

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 and receivable on demand.

23. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Cash and cash equivalents	**38,618**	37,579	**606**	954
	38,618	37,579	**606**	954
Currency analysis				
Pound Sterling	**18,395**	18,625	**606**	954
Euro	**20,223**	18,954	**-**	-
	38,618	37,579	**606**	954

24. Interest-bearing borrowings

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Secured property borrowings	**14,305**	17,053	**-**	-
Acquisition borrowings	**-**	6,772	**-**	6,780
Liquidity facility	**1,574**	1,820	**-**	-
	15,879	25,645	**-**	6,780
Maturity analysis				
Falling due within one year	**3,601**	5,006	**-**	2,260
Falling due after one year	**12,278**	20,639	**-**	4,520
	15,879	25,645	**-**	6,780
Currency analysis				
Pound Sterling	**14,305**	23,825	**-**	6,780
Euro	**1,574**	1,820	**-**	-
	15,879	25,645	**-**	6,780

Secured property borrowings

Property borrowing bearing interest at three-month LIBOR plus 175 and 215 basis points (2020: three-month LIBOR plus 175 basis points) is secured by land, buildings and property with a carrying value of £40,478,000 (2020: £40,844,000) and are repayable in quarterly payments with the final bullet payment due in December 2021.

Acquisition borrowings

The credit facility bore interest at three-month LIBOR plus 300 basis points and was repaid in January 2021. The facility was secured by shares in Allen Ford UK and holding company guarantees.

24. Interest-bearing borrowings (continued)

Liquidity facility

The unsecured Coronavirus liquidity facility bears interest at 1.25% and is guaranteed up to 70% by the Spanish government. The facility had a 12-month payment holiday until May 2021 and is payable in 24 monthly instalments starting in May 2021 and ending in April 2023.

25. 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.

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 inTime group 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 €8,111,000 and a pre-tax discount rate of 6.5% 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.

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

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Financial liabilities – Put option liabilities				
Balance at the beginning of the year	-	2,060	-	2,060
Movement of NCI liability in Statement of Changes in Equity:				
– Fair value adjustment	-	(2,060)	-	(2,060)
Balance at the end of the year	-	-	-	-

26. Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Trade payables	**28,883**	20,842	**-**	-
Floorplan payables	**67,538**	146,405	**-**	-
Trade payables – vehicles	**5,368**	4,916	**-**	-
Accruals	**26,753**	22,556	**-**	-
Sundry payables	**2,624**	3,775	**-**	-
Other tax and social security	**7,592**	843	**-**	-
Deferred income	**278**	1,537	**-**	-
	139,036	200,874	**-**	-

Floorplan payables include £43,114,000 (2020: £111,105,000) interest bearing floorplan and £24,424,000 (2020: £35,299,000) interest free floorplan.

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

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Currency analysis				
Pound Sterling	**106,096**	173,164	**-**	-
Euro	**32,940**	27,710	**-**	-
	139,036	200,874	**-**	-

27. Loans from ultimate holding company and fellow subsidiaries

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Non-current				
Super Group (EU Investments) Limited	**57,372**	55,866	**-**	-
Super Group Limited - Loan 1	**31,366**	42,605	**-**	-
Super Group Limited - Loan 2	**-**	2,998	**-**	2,998
Super Group Limited – Loan 3	**3,104**	-	**3,104**	-
	91,842	101,469	**3,104**	2,998
Current				
Super Group Limited- Loan 1	**4,469**	-	**-**	-
Super Group Limited - Loan 2	**3,000**	-	**3,000**	-
Super Group Limited - Loan 3	**1,767**		**1,767**	
Allen Ford (UK) Limited	**-**	-	**10,391**	10,520
	9,236	-	**15,158**	10,520
Split of capital and interest				
Amount advanced	**98,131**	96,735	**18,185**	13,241
Interest accrued until 30 June	**2,947**	4,734	**77**	277
	101,078	101,469	**18,262**	13,518

The balance owing to Super Group (EU Investments) Limited is unsecured and has a fixed term of 8 years, 4 years and 5 years. The loans are denominated in EURO with interest rates of 3.0% (2020: 6.6%, 6.45% and 3.0%), 3 month EURIBOR plus 300 basis points and 3 month EURIBOR plus 140 basis points on the balances of £54,420,000 (2020: £43,328,000, £7,020,000 and £5,517,000), £ 1,812,000 and £1,140,000 respectively.

The interest bearing loan 1 from Super Group Limited is unsecured, bears interest at 3 month EURIBOR plus 300 basis points (2020: 3 month EURIBOR plus 300 basis points). The loans have fixed terms of 5 years.

The interest bearing loan 2 from Super Group Limited is unsecured, bears interest at three month LIBOR plus 150 basis points (2020: 3 month LIBOR plus 150 basis points). The remaining balance is repayable on 27 June 2022.

The interest bearing loan 3 from Super Group Limited was entered into on the 25th January 2021. The loan is unsecured, bears interest at three-month LIBOR plus 130 basis points. Payments are due quarterly.

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

28. Provisions

	Employee-related provisions £'000	Other provisions £'000	Total £'000
Group			
2021			
Movement summary			
Balance at the beginning of the year	743	4,338	5,081
Increase in provisions	621	1,791	2,412
Provisions reversed	-	(199)	(199)
Payments against provision	(517)	(473)	(990)
Translation adjustment	(42)	(60)	(102)
Balance at the end of the year	805	5,397	6,202
Short-term	562	1,704	2,266
Long-term	243	3,693	3,936
Balance at the end of the year	805	5,397	6,202

	Employee-related provisions £'000	Other provisions £'000	Total £'000
Group			
2020			
Movement summary			
Balance at the beginning of the year	206	4,097	4,303
Increase in provisions	1,046	4,246	5,292
Provisions reversed	-	(51)	(51)
Payments against provision	(583)	(4,239)	(4,822)
Acquisition of business	56	276	332
Translation adjustment	18	9	27
Balance at the end of the year	743	4,338	5,081
Short-term	511	841	1,352
Long-term	232	3,497	3,729
Balance at the end of the year	743	4,338	5,081

Notes to the Financial Statements
For the year ended 30 June 2021 (continued)

28. Provisions (continued)

	Other provisions £'000	Total £'000
Company		
2021		
Movement summary		
Balance at the beginning of the year	**62**	**62**
Increase in provisions	**40**	**40**
Payments against provision	**(49)**	**(49)**
Balance at the end of the year	**53**	**53**
Short-term	**53**	**53**
Long-term	**-**	**-**
Balance at the end of the year	**53**	**53**

	Other provisions £'000	Total £'000
Company		
2020		
Movement summary		
Balance at the beginning of the year	43	43
Increase in provisions	82	82
Payments against provision	(63)	(63)
Balance at the end of the year	62	62
Short-term	62	62
Long-term	-	-
Balance at the end of the year	62	62

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.

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 15 years.

29. Share capital

	Group		Company	
	2021	2020	**2021**	2020
	£000	£000	**£000**	£000
Issued share capital				
36 096 694 ordinary shares of £1 each	**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.

Reserve	**Description and purpose**
Share capital	Nominal value of subscribed shares.
Share premium	Amounts subscribed for share capital in excess of the nominal value.
Capital redemption reserve	Amounts transferred following the redemption or purchase of a company's own shares.
Other reserves	Other reserves relates entirely to translation reserves. 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.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

30. Non-controlling interests

	inTime £'000 2021	inTime £'000 2020
Non-current assets	**146,751**	161,605
Current assets	**51,515**	44,632
Non-current liabilities	**(137,082)**	(149,165)
Current liabilities	**(42,236)**	(35,910)
Net assets	**18,948**	21,162
Revenue	**168,942**	144,200
Profit/(loss) after tax	**(288)**	(38,892)
Other comprehensive income/(expense)	**-**	-
Total comprehensive income/(expense)	**(288)**	(38,892)
Cash flows from operating activities	**11,227**	9,219
Cash flows from investing activities	**(2,043)**	4,464
Cash flows from financing activities	**(6,635)**	(16,284)
Net change in cash and cash equivalents	**2,549**	(2,601)
NCI percentage	**20.0%**	25.0%
Carrying amount of NCI	**5,291**	7,291
Profit/ (loss) allocated to NCI	**145**	(9,484)
OCI allocated to NCI [1]	**(1,129)**	(69)
Dividend paid to NCI	**-**	-

[1] The difference between OCI in inTime of £Nil and the OCI allocated to the NCI of inTime of (£1,129,000) is due to the foreign currency translation reserve movement which arose due to the presentation currency of the Group being different to inTime.

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

31. Cash generated from operations

	Group	
	2021	2020
	£000	£000
Reconciliation of profit/(loss) before tax to cash generated from operations:		
Profit/(loss) before tax	**6,941**	(41,485)
Depreciation and amortisation	**17,947**	17,961
Impairment	**(732)**	29,884
Interest paid	**8,281**	11,926
Interest received	**(604)**	(674)
(Loss)/profit on disposal of property, plant and equipment	**165**	(555)
Unrealised foreign exchange losses	**-**	10
Bad debts	**31**	14
Other non-cash movements	**(227)**	(1,505)
Increase in provisions	**1,199**	395
Operating cash flow	**33,001**	15,971
Working capital changes	**(1,726)**	16,343
(Increase)/decrease in trade and other receivables	**(9,082)**	32,482
Decrease in inventories	**67,525**	3,115
Decrease in trade and other payables	**(60,169)**	(19,254)
Cash generated from operations	**31,275**	32,314

32. Net cash

	Group	
	2021	2020
	£000	£000
Cash and cash equivalents	**38,618**	37,579
Borrowings – repayable within one year	**(3,601)**	(5,006)
Borrowings – repayable after one year	**(12,278)**	(20,639)
Net cash	**22,739**	11,934
Cash and cash equivalents	**38,618**	37,579
Gross debt – variable interest rates	**(14,305)**	(23,825)
Gross debt – fixed interest rates	**(1,574)**	(1,820)
Net cash	**22,739**	11,934

33. Financial risk management and financial instruments

The Group's principal financial instruments are set out below and stated at their carrying amounts.

	Group	
	2021	2020
	£000	£000
Financial assets at amortised cost		
Trade receivables net of allowance for credit losses	**38,358**	31,473
Other receivables (excluding prepayments, lease straight-line debtor, FEC assets and VAT)	**1,634**	432
Loans to fellow subsidiaries	**4**	5
Cash and cash equivalents	**38,618**	37,579
	78,614	69,489
Financial liabilities at amortised cost		
Loans from fellow subsidiaries	**101,078**	101,469
Secured property borrowings	**14,305**	17,053
Acquisition borrowings	**-**	6,772
Liquidity facility	**1,574**	1,820
Lease liability	**69,724**	79,005
Trade and other payables (excluding other tax and deferred income)	**131,166**	199,337
	317,847	405,456

33. Financial risk management and financial instruments (continued)

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. Together with divisional management, 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.

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.

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.

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 10.0% of the Group's total revenue for the years ended or total trade receivables at 30 June 2021 and 30 June 2020.

33. Financial risk management and financial instruments (continued)

Credit risk (continued)

	2021	2020
The maximum exposure to credit risk at the reporting date was:	**£'000**	£'000
Trade receivables net of allowance for credit losses	**38,358**	31,473
Other receivables (excluding prepayments, lease straight-line debtor, lease receivable, FEC assets and VAT)	**519**	432
Cash and cash equivalents	**38,618**	37,579
	77,495	69,484
The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:		
Europe	**29,362**	23,018
United Kingdom and other	**9,452**	8,803
	38,814	31,821
Gross debtors by trade debtor type		
Retail debtors	**3,325**	900
End user trade debtors	**6,127**	7,903
Contract debtors	**29,362**	23,018
	38,814	31,821
Impairment allowance of trade receivables		
Balance at beginning of year	**(348)**	(136)
Movement in impairment allowance	**(131)**	(178)
Subsidiary acquired	**-**	(26)
Translation adjustment	**23**	(8)
Balance at end of year	**(456)**	(348)
Made up as follows		
Trade receivables	**(456)**	(348)

33. Financial risk management and financial instruments (continued)

Credit risk (continued)

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

TRADE RECEIVABLES 2021

	Gross carrying amount	Not past due	Past due	Loss allowance	Weighted average loss rate
	£000	£000	£000	£000	£000
0 - 30 days	24,263	22,836	1,427	7	0.0%
31 - 60 days	8,602	8,382	220	5	0.0%
61 - 90 days	4,021	3,831	190	-	0.0%
91 - 120 days	1,515	1,350	165	-	0.0%
>120 days	413	21	392	280	68.0%
	38,814	36,420	2,394	292	1.0%

TRADE RECEIVABLES 2020

	Gross carrying amount	Not past due	Past due	Loss allowance	Weighted average loss rate
	£000	£000	£000	£000	£000
0 - 30 days	21,406	19,675	1,731	1	0.0%
31 - 60 days	6,129	5,838	291	1	0.0%
61 - 90 days	2,125	2,025	100	0	0.0%
91 - 120 days	1,872	1,782	90	44	2.0%
>120 days	289	165	124	128	44.0%
	31,821	29,485	2,336	174	1.0%

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.

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:

33. Financial risk management and financial instruments (continued)

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
2021							
Non-derivative financial liabilities							
Secured property borrowings	**14,305**	**1,528**	**1,513**	**2,980**	**8,892**	**-**	**14,913**
Other financial liabilities	**1,574**	**435**	**435**	**724**	**-**	**-**	**1,594**
Trade and other payables [1]	**131,166**	**115,140**	**11,148**	**-**	**887**	**703**	**127,878**
Lease liabilities	**69,724**	**3,998**	**4,496**	**7,748**	**17,133**	**36,349**	**69,724**
	216,769	**121,101**	**17,592**	**11,452**	**26,912**	**37,052**	**214,109**
2020							
Non-derivative financial liabilities							
Secured property borrowings	17,053	1,559	1,544	7,264	7,728	-	18,095
Other financial liabilities	8,592	1,261	1,386	3,310	3,076	-	9,033
Trade and other payables [1]	199,337	131,172	66,105	-	938	743	198,958
Lease liabilities	79,005	1,607	1,558	3,095	23,227	46,276	75,763
	303,988	135,599	70,593	13,669	34,969	47,019	301,849
Derivative financial liabilities							
Non-controlling interest put options	-	-	-	-	-	-	-

[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.

33. Financial risk management and financial instruments (continued)

Market risk

Market risk comprises foreign currency and interest rate risk only.

Foreign currency risk

Exchange rates to GBP	Average rate 2021	Average rate 2020	Closing rate 2021	Closing rate 2020
Euro	**1.1284**	1.1381	**1.1660**	1.1032
USD	**1.3478**	1.2584	**1.3834**	1.2387

Foreign currency risk exposure

Financial instruments analysed in Pound Sterling equivalent of foreign currency:

Group	Pound Sterling £'000	Euro £'000	Total £'000
2021			
Financial Assets			
Loans to fellow subsidiaries	**-**	**4**	**4**
Cash and cash equivalents	**18,395**	**20,223**	**38,618**
Trade and other receivables	**9,449**	**30,542**	**39,991**
Financial Liabilities			
Loans from fellow subsidiaries	**4,871**	**96,207**	**98,078**
Secured property borrowings	**14,305**	**-**	**14,305**
Liquidity facility	**-**	**1,574**	**1,574**
Trade and other payables	**99,212**	**31,954**	**131,165**
Lease liability	**69,724**	**-**	**69,724**
2020			
Financial Assets			
Loans to fellow subsidiaries	-	5	5
Cash and cash equivalents	18,625	18,954	37,579
Trade and other receivables	8,803	24,576	33,379
Financial Liabilities			
Loans from fellow subsidiaries	2,998	98,471	101,469
Secured property borrowings	17,053	-	17,053
Acquisition borrowings	6,772	-	6,772
Liquid facility	-	1,820	1,820
Lease liability	79,005	-	79,005
Trade and other payables	173,104	26,233	199,337

33. Financial risk management and financial instruments (continued)

Market risk (continued)

Sensitivity analysis on Group level
A 10.0% 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	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Euro	**(6,077)**	(6,722)	**(7,597)**	(8,299)

A 10.0% weakening in the GBP will have an equal and opposite effect on equity and profit or loss.

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 inTime. Borrowings from Group companies are at both fixed and floating interest rates.

	2021	2020
	£'000	£'000
At reporting date the interest rate profile of the Group's interest-bearing financial instruments was:		
Fixed rate instruments		
Financial assets	**1,634**	1,906
Financial liabilities	**(88,327)**	(84,017)
	(86,693)	(82,111)
Variable rate instruments		
Financial assets	**79,378**	70,622
Financial liabilities	**(229,251)**	(320,596)
	(149,873)	(249,974)

33. Financial risk management and financial instruments (continued)

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:

	2021	2020
	£'000	£'000
Fixed rate instruments profit/ (loss)		
Profit before tax effect 100 basis point increase	**(844)**	(766)
Equity effect 100 basis point increase	**(675)**	(613)
Variable rate instruments		
Loss before tax effect 100 basis point increase	**(1,999)**	(1,657)
Equity effect 100 basis point increase	**(1,599)**	(1,325)

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:

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.

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.

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.

34. 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 financial statements 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 18.

Transactions with fellow subsidiaries

Loans to fellow subsidiaries – Refer to note 22.

Loans from fellow subsidiaries – Refer to note 27.

	Holding company		**Fellow subsidiaries**	
	2021	2020	**2021**	2020
	£'000	£'000	**£'000**	£'000
Transactions during the year				
Interest paid	**77**	277	**2,947**	4,737

Key management compensation

There are no other key management personnel who are not directors of the Company. Directors remuneration has been disclosed in note 9.

35. Capital expenditure commitments and rental commitments

	Group	
	2021	2020
	£000	£000
Capital commitments		
Intangible assets		
Contracted	**110**	-
Authorised by directors but not yet contracted	**190**	236
Total authorised by directors	**300**	236
Property, plant and equipment		
Contracted	**2,091**	406
Authorised by directors but not yet contracted	**964**	5,052
Total authorised by directors	**3,055**	5,458

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.

The Group leases property, transport fleet and other equipment. From 1 July 2019, the Group has recognised right of use assets for these assets except for the short term and low value leases (see note 16). The rental commitments for short team and low value leases were £Nil (2020: £165,000)