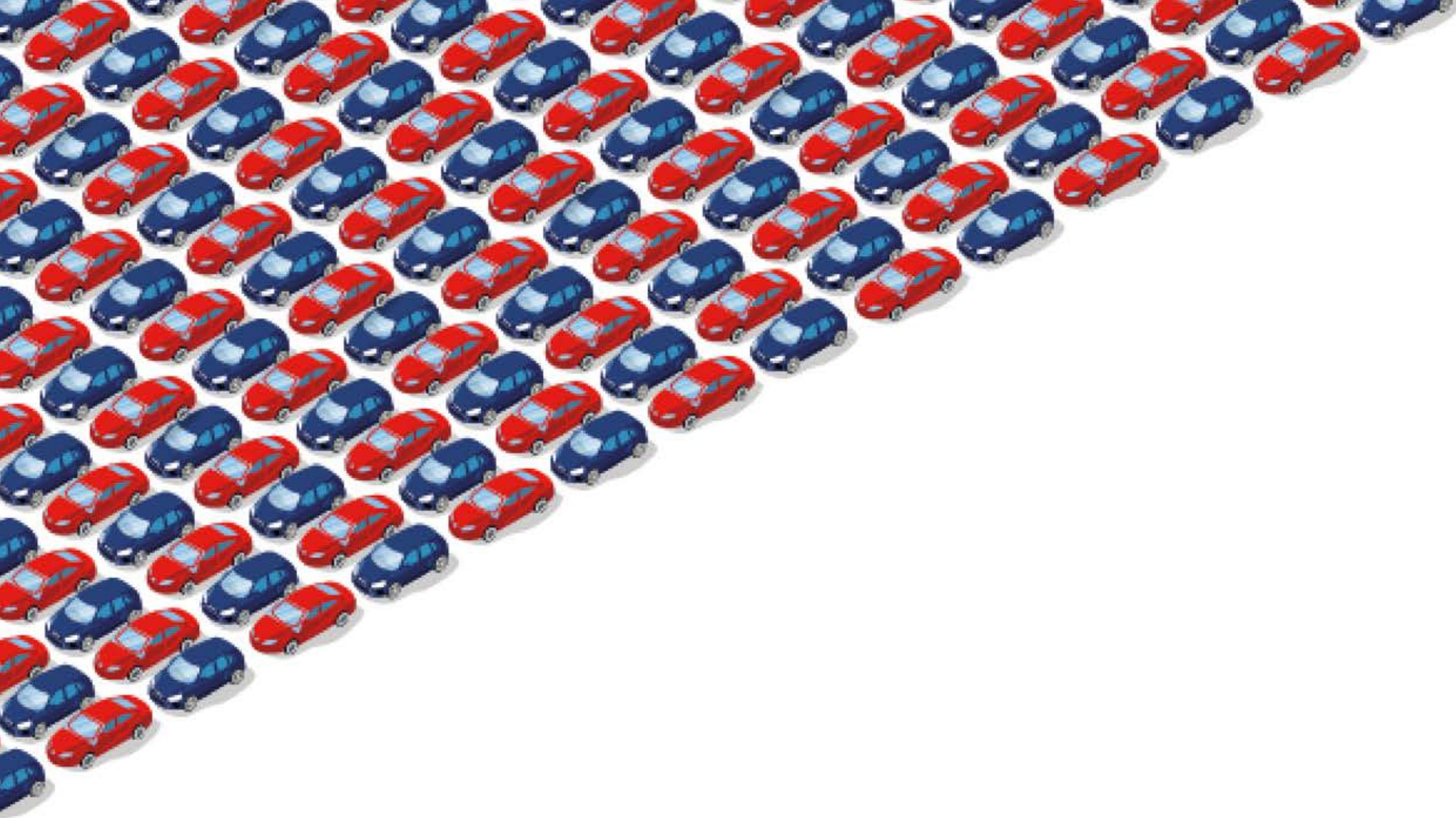

BCA Marketplace plc

Preliminary Results for the year ended 2 April 2017

27 June 2017

BCA Marketplace plc (LSE:BCA) - Preliminary Results for the 12 months ended 2 April 2017

BCA Marketplace plc was formed to build a cohesive, broad-based services business in the automotive sector. 2017 has delivered strong results and strategic progress for the Group.

RESULTS IN BRIEF

	2017	2016
Revenue	£2,029.7m	£1,153.1m
Adjusted EBITDA	£135.6m	£98.5m
Operating profit	£74.3m	£16.3m
Net debt	£260.5m	£170.7m
Adjusted diluted earnings per share	9.10p	7.00p
Diluted earnings per share	5.10p	1.20p
Full year dividend (per share)	6.75p	6.00p

FINANCIAL HIGHLIGHTS

- Revenue of £2,029.7m (2016: £1,153.1m) as a result of growth in outsourced remarketing contracts, webuyanycar.com and acquisitions
- Adjusted EBITDA of £135.6m (2016: £98.5m), up 37.7%
- Operating profit of £74.3m (2016: £16.3m) stated after;
    - amortisation of acquired intangibles of £38.5m (2016: £34.4m); and
    - net significant and non-recurring credits of £2.4m (2016: net debits of £30.8m)
- Net debt of £260.5m (2016: £170.7m)
- Diluted earnings per share of 5.1p and adjusted diluted earnings per share of 9.1p (up 30%)
- Full year dividend of 6.75p per share a 12.5% increase on prior period (including a proposed 4.55p final dividend to be paid on 29 September 2017)

OPERATIONAL HIGHLIGHTS

- UK Vehicle Remarketing volume of 956,000 units
- International Vehicle Remarketing volume of 347,000 units
- WeBuyAnyCar sold 194,000 units, an increase of 12.8%
- The Automotive Services division was formed
- UK Vehicle Remarketing recorded its 70th year of trading since its first auction
- WeBuyAnyCar purchased its one millionth vehicle
- Acquisition of Paragon Automotive Limited in July 2016
- A new auction centre at Perry Barr, Birmingham was opened

Commenting on the results, Executive Chairman, Avril Palmer-Baunack, said "We are pleased to announce that the Group has delivered another strong set of financial results, above market expectations, and with an increased dividend. With growth across all divisions, the Group continues to cement its position as the leading partner of choice for all areas of the automotive market. This result was driven by a combination of organic volume growth, increasing penetration of new and existing services, improved efficiency and the early benefits of operating synergies from the acquired businesses. This has driven an increase of 37.7% in adjusted EBITDA to £135.6m and adjusted diluted earnings per share has increased to 9.1p, up 30.0% (compared to 7.0p in 2016). Operating profit has increased by £58.0m to £74.3m, driven by the growth in adjusted EBITDA and a lower level of significant one-off and non-recurring items relating to acquisitions and corporate activity.

In July 2016 we acquired Paragon Group, the leading provider of de-fleet and refurbishment vehicle services in the UK, and an important component towards achieving our vision to be the leading, integrated, automotive services business. In March 2017 we acquired an alloy wheel refurbishment business, Supreme Wheels Direct, further adding to our range of in-house services. These acquisitions are consistent with our strategic aim to provide a seamless and efficient one-stop shop for the passage of vehicles throughout their life cycle.

As a result of the integration of acquired businesses, organic growth and new outsourced remarketing contracts, Group revenue exceeded £2.0 billion in the year (2016: £1.2 billion).

The Group continues with its T4G (Together for Growth) strategy with our physical infrastructure, digital tools, experienced, committed employees and our customer always at the heart of our business. The new financial year began well and the Board remains confident of the Group's continuing performance."

About BCA Marketplace plc

BCA owns and operates the UK's and Europe's largest used vehicle exchange, both in terms of the number of vehicles sold and revenue, and with WeBuyAnyCar, is the UK's leading provider of vehicle buying services. The Group's Automotive Services division has the largest transporter fleet in the UK, significant storage capacity and technical expertise in vehicle preparation and refurbishment.

From technical and logistics services for new vehicles, refurbishment, storage and logistics for the growing used sector and the core remarketing and auction operation, BCA offers the economies of scale and range of services to meet the needs of an impressive portfolio of customers.

As the automotive industry continues to evolve, BCA Marketplace is uniquely placed to deliver a comprehensive range of linked services through the combined infrastructure of regional de-fleet facilities, vehicle logistics and preparation centres and a suite of remarketing channels, including physical, hybrid and digital exchanges. BCA's Partner Finance offering provides additional liquidity to buyers to support growth.

BCA is investing and innovating in its business today in order to be best placed to benefit from the changing face of the automotive industry of tomorrow.

www.bcamarketplaceplc.com

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Notes

i. Adjusted EBITDA and adjusted diluted earnings per share are non-IFRS financial measures and are referred to within the report. Divisional operating reviews are focused on adjusted EBITDA in order to give a more meaningful analysis, since depreciation, interest and tax are principally managed centrally on behalf of the Group and significant or non-recurring items do not directly correlate to continuing divisional operating performance. Similarly adjusted diluted earnings per share are focused on by the Board as this measure adds back significant or non-recurring items, net of the items taxation impact, as they do not directly correlate to continuing Group operating performance. A reconciliation of adjusted EBITDA to operating profit is provided in the Financial Performance part of the Our Performance section. The adjustments between IFRS financial measures and the non-IFRS measures are explained further in the segmental analysis and earnings per share notes (note 3 and note 6 of the condensed consolidated financial statements).

ii. The Group definition of Net Debt excludes BCA Partner Finance funding and finance leases – see Cash Flow and Net Debt section within the Our Performance section of the report for further details.

iii. In order to present its financial position in the most meaningful way, BCA Marketplace prepares its accounts to a Sunday within seven days of 31 March, this year being the 52 weeks to 2 April 2017.

iv. The prior period is a 15 month period ended 3 April 2016 that contains 12 months of trading of the BCA Group from its acquisition on 2 April 2015, and incorporates other acquired businesses from their respective dates of acquisition by the Group.

v. Prior period comparatives have been re-presented to reflect the expanded operating divisions. See the Our Performance section of the report for further details.

OUR PERFORMANCE

During the year, management has made significant progress in the integration of the acquired businesses to form the Automotive Services division, bringing together the facilities and capabilities of BCA Automotive (acquired August 2015), Ambrosetti (February 2016) and Paragon (July 2016) with BCA Logistics (previously part of the BCA Remarketing UK business). The four retained SMA sites (acquired June 2015) were all rebranded as BCA and integrated within the UK Vehicle Remarketing division.

Results Summary	Revenue Year ended 2 April 2017 £m	Adjusted EBITDA Year ended 2 April 2017 £m	Operating profit Year ended 2 April 2017 £m	Revenue Year ended 3 April 2016 £m	Adjusted EBITDA Year ended 3 April 2016 £m	Operating profit Year ended 3 April 2016 £m
UK Vehicle Remarketing	753.8	84.0	57.8	242.3	69.1	40.9
International Vehicle Remarketing	135.4	26.2	11.7	109.5	18.9	5.1
Vehicle Buying	837.0	19.5	12.2	698.4	16.1	8.3
Automotive Services	303.5	17.2	7.4	102.9	4.2	1.3
Group costs	-	(11.3)	(14.8)	-	(9.8)	(39.3)
Total	2,029.7	135.6	74.3	1,153.1	98.5	16.3

As the divisional structure has expanded, the prior period comparatives have been re-presented to reflect the four operating divisions; UK Vehicle Remarketing, International Vehicle Remarketing, Vehicle Buying and Automotive Services. Group costs are reported separately. A reconciliation to the prior year divisional structure has been included within the segmental note.

Group revenue was £2,029.7m (2016: £1,153.1m), with growth driven across all divisions. Substantial revenue increases arose from new outsourced remarketing contracts in UK Vehicle Remarketing and the growth of Vehicle Buying; where the Group takes ownership of the vehicles before onward sale through the remarketing channel and sells vehicles in its own right as opposed to on an agency basis where only a fee is recognised. The newly created Automotive Services division delivered revenue of £303.5m, including Paragon since its acquisition, and the impact of a full year's results for BCA Automotive and Ambrosetti.

Strong volumes in each of the divisions produced an adjusted EBITDA for the year of £135.6m (2016: £98.5m), an increase of 37.7%.

UK Vehicle Remarketing adjusted EBITDA was up 21.6% driven by growth of 7.7% in volumes, the increased penetration of BCA Partner Finance and operational efficiencies. International Vehicle Remarketing saw a 4.2% increase in volumes and as a result of operational gearing and a more favourable exchange rate, generated a 38.6% increase in adjusted EBITDA. Vehicle Buying adjusted EBITDA increased 21.1% as a result of a 12.8% increase in WeBuyAnyCar volumes and a breakeven performance in Vehicle Buying - International. The year on year increase in Automotive Services adjusted EBITDA is a result of the impact of acquisitions and operational efficiencies.

Operating profit increased by £58.0m driven by the growth in adjusted EBITDA set out above, and a lower level of significant one-off and non-recurring items than the prior year. The prior year included significant acquisition and placing costs in relation to the acquisition of the BCA Group and listing on the Main Market, which were not repeated in the current year. Amortisation of acquisition intangible assets increased by £4.1m to £38.5m as a result of the Paragon acquisition and the full year impact of the prior year acquisitions.

UK Vehicle Remarketing

Revenue growth in the division of 211.1% was delivered primarily as a result of new outsourced remarketing contracts where BCA takes title to the vehicles and remarkets them in its own capacity. These outsourced remarketing contracts underline the Group's capability to deliver full outsourced solutions to customers utilising our scale and service offering in the automotive services sector. These contracts provide a controlled supply of high quality, newer vehicles to the remarketing network, enhancing the variety of available stock in the Exchange.

Highlights	Year ended 2 April 2017	Year ended 3 April 2016	Change
Vehicles sold ('000)	956	888	+7.7%
Revenue per vehicle (£)	788	273	+188.6%
Revenue (£m)	753.8	242.3	+211.1%
Adjusted EBITDA (£m)	84.0	69.1	+21.6%
Operating profit (£m)	57.8	40.9	+41.3%
Adjusted EBITDA per vehicle (£)	88	78	+12.8%
Adjusted EBITDA margin (%)	11.1	28.5	

Ongoing structural changes in the UK market, including the impact of wider corporate ownership of vehicles through their first life, combined with new customer wins, generated volume growth of 7.7% in the year. Buyer demand remained consistently strong, with high conversion rates driving efficiency in the Exchange.

BCA Live Online penetration continued to increase, with more online bids demonstrating buyers' greater confidence in transacting digitally with BCA, increasing the number of active bidders in each auction. Continued investment in imagery, appraisal and warranty products enhances buyers' information and assurance, bringing them a better understanding of the vehicles offered. This leads to both strong conversion rates and price performance.

October saw the opening of the new auction centre at Perry Barr, Birmingham, which contains three auction lanes plus a state-of-the-art digital auction suite. There is undercover viewing for 450 vehicles, customer parking for over 400 vehicles, a restaurant, barista kiosk and business suites. It is delivering a programme of modern, premium OEM vehicle sales in the heart of the country. The site in nearby Castle Bromwich, Birmingham continues to operate its complementary Light Commercial Vehicle ('LCV') and older vehicle sales programme. The Group continues to invest in the estate to appropriately target vehicle types by channel. Developments including Manchester Belle Vue LCV centre and Bedford Remarketing are set to complete during 2017/18. The conversion of former SMA sites to the BCA brand, products, services and processes has improved their efficiency and contributed to the overall UK Vehicle Remarketing performance.

BCA Partner Finance continues to enhance liquidity and capacity for dealers, increasing buyer demand. Continued growth in the number of dealers using BCA Partner Finance and a corresponding increase in the number of financed units has seen penetration increase to 11.3% of all UK Vehicle Remarketing units sold in March 2017 (March 2016: 7.0%). The resulting loan book has grown to £113.4m (2016: £64.7m). In March, BCA Partner Finance introduced a new part-exchange finance product, where dealers through the BCA Dealer Pro application can value and finance part-exchange vehicles in the same way they finance those acquired in the Group's auctions. This solution helps dealers manage their stock efficiently and grow their business.

The improvement in adjusted EBITDA of 21.6% to £84.0m reflects the increased penetration of BCA Partner Finance, BCA Live Online and other services (BCA Assured and BCA Dealer Pro). It also reflects the improved operational efficiency resulting from the increased volume of vehicles and greater utilisation of the Group's in-house transport capability. Adjusted EBITDA margin in the UK decreased to 11.1% as a result of the increased volume of outsourced remarketing transactions where the Group recognises the vehicle sales revenue, reducing the reported margin.

International Vehicle Remarketing

The International Vehicle Remarketing division increased volume to 347,000, a growth of 4.2% compared to the prior year. This, along with a favourable exchange rate, drove a 38.6% growth in adjusted EBITDA (22.8% at constant exchange rates), reflecting operational gearing from the extensively online model. If measured at constant prior year exchange rates, revenue and adjusted EBITDA per unit would have been £345 and £67 (2016: £329 and £57, growth of 4.9% and 17.5%) respectively. The average exchange rate for the year was €1.194:£1 compared to €1.350:£1 in the prior year.

Highlights	Year ended 2 April 2017	Year ended 3 April 2016	Change
Vehicles sold ('000)	347	333	+4.2%
Revenue per vehicle (£)	390	329	+18.5%
Revenue (£m)	135.4	109.5	+23.7%
Adjusted EBITDA (£m)	26.2	18.9	+38.6%
Operating profit (£m)	11.7	5.1	+129.4%
Adjusted EBITDA per vehicle (£)	76	57	+33.3%
Adjusted EBITDA margin (%)	19.4	17.3	

Management continue to focus on raising awareness of auctions and building strong relationships with vendors and buyers. In the year BCA MarketPrice, the Group's European dealer-focused part-exchange valuation tool, drove growth in remarketing volumes, while helping vendors to maximise their part-exchange performance. BCA MarketPrice provided 1.1m valuations (2016: 0.9m) to a dealer base that has grown to over 1800 dealers (2016: 1400).

The Group's geographical coverage, flexible sites and availability of online platforms, supported by its ability to collect, inspect, store and deliver vehicles, ensures accessibility to a wide number of buyers through both physical and electronic auctions. This infrastructure has the capacity to allow efficient growth as demand from vendors and buyers increases across Europe. Whilst BCA operates in nine countries, the buyer base was spread across 56 countries (2016: 53).

The European market has the potential for a significant number of cross border transactions, volumes of which grew during the year, with 45,275 (2016: 36,033) units sold in BCA auctions being exported by buyers from different countries. In order to make this process as efficient and seamless as possible for buyers, branch appraisal and imaging, processes and systems are being standardised, providing a consistent buyer experience across the whole BCA network. To lead this work the European management team was strengthened, with a number of appointments including a European Operations Director. As the Group's 'One Europe' programme develops a greater proportion of vehicles are expected to be exported as buyers access the vehicles they require from the Group's extensive stock.

Vehicle Buying

The Vehicle Buying division incorporates WeBuyAnyCar in the UK and vehicle buying operations in Europe.

Highlights – UK	Year ended 2 April 2017	Year ended 3 April 2016	Change
Vehicles sold ('000)	194	172	+12.8%
Revenue per vehicle (£)	4,114	4,003	+2.8%
Revenue (£m)	798.1	688.6	+15.9%
Adjusted EBITDA (£m)	19.5	16.9	+15.4%
Operating profit (£m)	12.2	9.9	+23.2%
Adjusted EBITDA per vehicle (£)	101	98	+3.1%
Adjusted EBITDA margin (%)	2.4	2.5	

Highlights – International	Year ended 2 April 2017	Year ended 3 April 2016	Change
Vehicles sold ('000)	7.0	3.0	+133.3%
Revenue (£m)	38.9	9.8	+296.9%
Adjusted EBITDA (£m)	-	(0.8)	-
Operating result/(loss) (£m)	-	(1.6)	-

WeBuyAnyCar celebrated ten years of trading and recorded the one millionth vehicle purchase in the year. Strong volume sales growth of 22,000 units (12.8%) cemented the market leading position. The division provides a diverse, controlled supply of vehicles into the UK Vehicle Remarketing division, with the proportion of vehicles sourced from this 'third disposal channel' now representing over 20% of UK Remarketing volume. Through a varied auction programme, the average WeBuyAnyCar vehicle is sold within ten days of purchase, maximising efficiency and minimising risks of price changes.

The model and evolving advertising have focused on communicating and delivering an easy, convenient and secure experience to consumers. With a network of over 200 branches, WeBuyAnyCar is close to customers throughout the UK, and make offers on vehicles, regardless of mileage, age or condition. Vehicles purchased in the year ranged in age from a 27 day old Vauxhall Viva to a 27 year old Suzuki Vitara and in price from a £50 Toyota Starlet to a £150,000 Rolls-Royce Wraith Coupe.

We are proud that in the year webuyanycar.com achieved a 5 star out of 5 in the Trustpilot ratings. We continue to focus on providing a transparent service and earning increased customer trust in the service we provide.

The increased volume drove a 15.4% improvement in adjusted EBITDA to £19.5m. The continued refinement of the valuation process allowed margins to be tightly controlled while delivering volume growth.

In Europe, vehicle buying is focused on purchasing vehicles directly from OEMs and other corporate entities and remarketing these through the International Vehicle Remarketing division. These initiatives will continue to be deployed where they bring benefits in volume, awareness or efficiency and deliver increased value for OEMs and corporates. These operations are used to enrich the mix in Vehicle Remarketing operations or to support customer requirements, so are managed to cover operating costs in the Vehicle Buying division.

Automotive Services

This division was created to bring together the new and used vehicle storage, preparation, handling, enhancement, refurbishment and transport capabilities of the acquired businesses, enabling the Group to provide a comprehensive suite of services to customers. As the integration has progressed, the geographic coverage, efficiency and capability of the customer offering has improved. Automotive Services is driven by large contracts and relationships with OEMs and corporate clients where the Group's scale and capacity help customers manage, process and move significant numbers of vehicles. The division operates from a network of new and used vehicle processing centres across the UK.

Highlights – UK	Year ended 2 April 2017	Year ended 3 April 2016	Change
Revenue (£m)	303.5	102.9	+194.9%
Adjusted EBITDA (£m)	17.2	4.2	+309.5%
Operating profit (£m)	7.4	1.3	+469.2%
Adjusted EBITDA margin (%)	5.7	4.1	

Revenue and adjusted EBITDA growth stemmed from a combination of the acquisition of Paragon (see note 4 of the condensed consolidated financial statements), the full year impact of prior year acquisitions and organic growth.

BCA Vehicle Services handles, processes, enhances, stores and distributes new vehicles (imported into, or manufactured in, the UK) to the franchised dealer network or directly to fleet customers, on behalf of the automotive OEMs.

Shortly before year end the Group completed the acquisition of Supreme Wheels, which brings the capabilities and facilities to refurbish large volumes of alloy wheels to an as new standard.

BCA Fleet Solutions includes used vehicle processing centres that provide refurbishment and associated services to customers (principally corporate fleet owners including OEMs and their captive finance companies, rental and leasing companies), enhancing vehicles to agreed standards before remarketing. With a capability to process over 400,000 vehicles annually and storage for over 75,000 vehicles at its technical and storage locations, the Group has the capacity and capability to meet the needs of major fleet operators.

This division also owns and operates a logistics network comprising transporters, sites, plated drivers, and inspect and collect services.

The ongoing integration programme for the logistics network, including branch transport, single and multiple vehicle movements and the movement of vehicles to and from technical centres, is progressing well. During the year the number of in-house transporters dedicated to serving the auction branch network and spot movements increased, improving efficiencies within the Group and reducing our dependency on third parties.

The latest generation of BCA Inspect Pro has brought enhanced functionality to the Group's inspect and collect services and is rapidly being taken up by fleet operators.

The cost pressures experienced in UK logistics in the prior year were addressed largely through greater stability of the driver team and a change in the business model to roll out a hub and spoke network, enabling the use of the in-house fleet for longer distance moves. Profitability improved as a result of these actions.

Group costs

Group costs of £11.3m were incurred in the year (2016: £9.8m). This reflects the share based payment IFRS2 charge of £1.6m, an increase of £1.0m due to a full year's charge, the full Board of Directors for the year, and the increased costs of the larger business.

Financial performance

The divisional operating reviews are focused on adjusted EBITDA as this is the measure used by management to monitor business performance. Depreciation, amortisation, significant or non-recurring items, interest and taxation are managed at a Group level and do not directly impact operating performance of the divisions. The following table reconciles adjusted EBITDA to statutory operating profit, and the overall performance of the Group.

	Adjusted EBITDA	Depreciation and amortisation	Amortisation of acquired intangibles	Significant or non-recurring items	Operating profit
	Year ended 2 April 2017	Year ended 2 April 2017	Year ended 2 April 2017	Year ended 2 April 2017	Year ended 2 April 2017
	£m	£m	£m	£m	£m
UK Vehicle Remarketing	84.0	(12.5)	(18.5)	4.8	57.8
International Vehicle Remarketing	26.2	(3.3)	(11.5)	0.3	11.7
Vehicle Buying	19.5	(1.6)	(5.7)	-	12.2
Automotive Services	17.2	(7.7)	(2.8)	0.7	7.4
Group costs	(11.3)	(0.1)	-	(3.4)	(14.8)
Total	135.6	(25.2)	(38.5)	2.4	74.3

	Adjusted EBITDA Year ended 3 April 2016 £m	Depreciation and amortisation Year ended 3 April 2016 £m	Amortisation of acquired intangibles Year ended 3 April 2016 £m	Significant or non-recurring items Year ended 3 April 2016 £m	Operating profit Year ended 3 April 2016 £m
UK Vehicle Remarketing	69.1	(9.8)	(18.4)	-	40.9
International Vehicle Remarketing	18.9	(2.9)	(10.1)	(0.8)	5.1
Vehicle Buying	16.1	(1.2)	(5.8)	(0.8)	8.3
Automotive Services	4.2	(2.8)	(0.1)	-	1.3
Group costs	(9.8)	(0.3)	-	(29.2)	(39.3)
Total	98.5	(17.0)	(34.4)	(30.8)	16.3

Amortisation of acquired intangible assets was £38.5m in the year (2016 £34.4m) as a result of the full year effect of prior year acquisitions and the amortisation of Paragon intangible assets from 18 July 2016. Significant or non-recurring items of £2.4m (2016: net cost of £30.8m) consist of a profit on sale and lease back of the Perry Barr site of £5.3m (2016: nil), partially offset by acquisition related items of £2.9m (2016: £27.4m).

Refinancing

During the second half of the year, the Group completed a refinancing of the business providing a new increased debt facility of £250m term loan and £250m of revolving credit facility, an extended period and at an improved margin compared with the previous facility. As a result of the refinance, the remainder of debt issue costs (£4.9m) in relation to the old facility were written off in accordance with the accounting policy. Costs in respect of the new facility were capitalised and will be expensed over the life of the facility.

Cash flow and net debt

During the period the Group generated strong cash flow from operations of £138.3m (2016: £89.9m) and ended the period with net debt of £260.5m (2016: £170.7m). The Group definition of net debt excludes the debts relating to BCA Partner Finance and finance leases, as these are funded under separate asset-backed lending agreements.

At year end, the Group had additional asset-backed facilities in relation to BCA Partner Finance totaling £120m (2016: £60m), of which £69.0m (2016: £40.2m) was drawn, reflecting increased use of the senior Group facility and retained profits to fund this operation. BCA Partner Finance trade receivables supported by the facility grew to £113.4m (2016: £64.7m).

Finance leases principally relating to land, buildings and transporters totalled £30.8m (2016: £26.9m).

The Group continues to operate comfortably within its banking covenant, and following the refinancing has sufficient headroom for future projects.

Taxation

The effective tax rate for the period of 27.1% is higher than the standard rate of corporation tax in the UK as a result of significant or non-recurring items, a future rate change and the impact of higher income tax rates in Europe.

Significant or non-recurring items primarily relate to the acquisition of the Paragon business and the net de-recognition of deferred tax on UK tax losses. Based on the nature of the losses and resulting restrictions on their use, it is not considered probable that the asset will be recoverable. Excluding the impacts of rate changes, significant and non-recurring items and prior year adjustments the Group has an underlying effective tax rate of 21.8%.

Earnings per share and dividends

Adjusted basic and diluted earnings per share were 9.2p and 9.1p (2016: 7.1p and 7.0p respectively). Earnings per share has been adjusted by using adjusted earnings and number of shares in issue for the period as shown in note 6. Statutory basic and diluted earnings were 5.2p per share and 5.1p per share (2016: 1.2p per share).

The Group continues to manage its capital across reinvesting for organic growth, acquisitions in line with strategy and maintaining its dividend pay-out ratio. The Board is committed to a progressive dividend policy for the Group to reflect its strong earnings potential and cash flow characteristics. The Company has significant distributable reserves, and the cash generated by the operating companies in the Group can be distributed up the Group by dividends as required. The Board is targeting a pay-out ratio of 75% of earnings as dividends in the medium term. In addition to the 2.20p per share paid in January 2017 (2016: 2.00p per share paid in December 2015), the Board is pleased to propose a dividend of 4.55p per share (2016: 4.00p per share), subject to approval at the Annual General Meeting ('AGM') on 7 September 2017, to be paid on 29 September 2017 to shareholders on the Register on 15 September 2017.

Avril Palmer-Baunack
Executive Chairman

Tim Lampert
Chief Financial Officer

OUTLOOK & STRATEGY

The new financial year has started well, with performance since the year end being in line with our expectations. Growth continues with a combination of new business wins and organic growth with existing customers. These developments, together with further planned improvements in operational efficiency through our Together for Growth programme, continue to give the Board encouragement for the future.

The Group's strategy is to create value through acquisition and organic growth in the automotive sectors across the UK and Europe. The aim is to integrate along the automotive value chain, focusing on developing extended, unified solutions: increasing volumes, creating value-added services and improving efficiencies.

Forward-looking statements

This document may contain forward-looking statements that may or may not prove accurate. For example statements referring to growth, trends, second half, perform well, in line with expectations are intended to be forward-looking statements. The business is not highly seasonal between the reported period and the second half. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 2 April 2017		For the 15 months ended 3 April 2016	
		£m	£m	£m	£m
Revenue	3		2,029.7		1,153.1
Cost of sales			(1,624.5)		(844.5)
Gross profit			405.2		308.6
Operating costs			(330.9)		(292.3)
Operating profit	3		74.3		16.3
Finance income			0.4		0.3
Finance costs			(18.3)		(12.7)
Profit before income tax			56.4		3.9
Income tax (charge)/credit	7		(15.3)		3.8
Profit for the year/period			41.1		7.7
Attributable to:					
Equity owners of the parent			40.9		7.7
Non-controlling interests			0.2		-
			41.1		7.7
Earnings per share from continuing operations attributable to the equity holders of the Parent during the year/period					
Basic earnings per share (pence)	6		5.2		1.2
Diluted earnings per share (pence)	6		5.1		1.2

		Note	£m		£m	
Operating profit:			74.3		16.3	
Add:	- Depreciation and amortisation		25.2		17.0	
	- Amortisation of acquired intangibles	3	38.5		34.4	
	- Acquisition related items	3	2.9		27.4	
	- Business closure costs	3	-		1.1	
	- Profit on sale and leaseback	3	(5.3)		-	
	- Other significant or non-recurring items	3	-		2.3	
Adjusted EBITDA:			135.6		98.5	
Less:	- Depreciation and amortisation		(25.2)		(17.0)	
	- Net Finance costs		(17.9)		(12.4)	
Add:	- Arrangement fees write-off		4.9		-	
Adjusted profit before tax			97.4		69.1	

Adjusted earnings per share from continuing operations attributable to the equity holders of the Parent during the year/period

	Note	£m	£m	£m	£m
Adjusted basic earnings per share (pence)	6		9.2		7.1
Adjusted diluted earnings per share (pence)	6		9.1		7.0

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Profit for the year/period	41.1	7.7
Other comprehensive income:		
Items that will not be reclassified to the income statement		
Remeasurements on defined benefit schemes, including deferred tax	(7.9)	(0.3)
Deferred tax on net movements in share based payments	0.1	-
Items that may be subsequently reclassified to the income statement		
Foreign exchange translation	22.4	29.0
Total other comprehensive income, net of tax	14.6	28.7
Total comprehensive profit for the year/period	55.7	36.4
Attributable to:		
Equity owners of the parent	55.5	36.4
Non-controlling interests	0.2	-
	55.7	36.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity owners of the parent							
	Share capital £m	Share premium £m	Merger reserve £m	Foreign exchange reserve £m	(Accumulated deficit)/ retained profit £m	Total £m	Non-controlling interests £m	Total equity £m
Balance as at 31 December 2014	0.3	28.7	-	-	(0.3)	28.7	-	28.7
Total comprehensive income for the period								
Profit for the period	-	-	-	-	7.7	7.7	-	7.7
Other comprehensive income	-	-	-	29.0	(0.3)	28.7	-	28.7
Total comprehensive income for the period	-	-	-	29.0	7.4	36.4	-	36.4
Contribution and distributions								
Net proceeds from shares issued	7.5	986.6	103.6	-	-	1,097.7	-	1,097.7
Capital reduction	-	(1,015.3)	-	-	1,015.3	-	-	-
Share based payments	-	-	-	-	0.6	0.6	-	0.6
Dividends paid	-	-	-	-	(15.6)	(15.6)	-	(15.6)
Changes in ownership interests								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	(0.2)	(0.2)
Total transactions with owners	7.5	(28.7)	103.6	-	1,000.3	1,082.7	(0.2)	1,082.5
Balance at 3 April 2016	7.8	-	103.6	29.0	1,007.4	1,147.8	(0.2)	1,147.6
Total comprehensive income for the year								
Profit for the year	-	-	-	-	40.9	40.9	0.2	41.1
Other comprehensive income	-	-	-	22.4	(7.8)	14.6	-	14.6
Total comprehensive income for the year	-	-	-	22.4	33.1	55.5	0.2	55.7
Contributions and distributions								
Share based payments	-	-	-	-	1.6	1.6	-	1.6
Dividends paid	-	-	-	-	(48.4)	(48.4	-	(48.4)
Changes in ownership interests								
Acquisition of subsidiary with non-controlling interest	-	-	-	-	(0.6)	(0.6)	0.2	(0.4)
Total transactions with owners	-	-	-	-	(47.4)	(47.4)	0.2	(47.2)
Balance at 2 April 2017	7.8	-	103.6	51.4	993.1	1,155.9	0.2	1,156.1

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 2 April 2017 £m	As at 3 April 2016 £m
Non-current assets			
Intangible assets		1,559.5	1,449.5
Property, plant and equipment		133.3	115.5
Deferred tax assets		11.8	15.9
Total non-current assets		1,704.6	1,580.9
Current assets			
Inventories		58.3	19.3
Trade and other receivables		337.1	210.0
Cash and cash equivalents		84.4	102.4
Current tax		-	0.3
Total current assets		479.8	332.0
Total assets		2,184.4	1,912.9
Non-current liabilities			
Bank borrowings	8	(254.9)	(273.1)
Trade and other payables		(101.9)	(88.7)
Pension deficit		(17.3)	(7.6)
Provisions		(17.7)	(18.7)
Deferred tax liabilities		(113.3)	(110.8)
Total non-current liabilities		(505.1)	(498.9)
Current liabilities			
Bank borrowings	8	(90.0)	-
Partner Finance borrowings	9	(69.0)	(40.2)
Trade and other payables		(358.5)	(225.3)
Current tax		(4.5)	-
Provisions		(1.2)	(0.9)
Total current liabilities		(523.2)	(266.4)
Total liabilities		(1,028.3)	(765.3)
Net assets		1,156.1	1,147.6
Equity shareholders' funds			
Share capital		7.8	7.8
Merger reserve		103.6	103.6
Foreign exchange reserve		51.4	29.0
Retained profit		993.1	1,007.4
Equity shareholders' funds		1,155.9	1,147.8
Non-controlling interests		0.2	(0.2)
Total shareholders' funds		1,156.1	1,147.6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Cash generated from operations	5	138.3	89.9
Increase in Partner Finance loan book		(48.7)	(36.6)
Interest paid		(8.9)	(6.1)
Interest received		0.1	0.3
Tax paid		(13.3)	(3.7)
Net cash inform from operating activities before acquisition related cash flows		67.5	43.8
Acquisition related cash flows		(3.0)	(46.4)
Net cash inflow/(outflow) from operating activities		64.5	(2.6)
Cash flows from investing activities			
Purchase of property, plant and equipment		(53.8)	(24.6)
Purchase of intangible assets		(10.9)	(13.3)
Proceeds from sale of property, plant and equipment		36.6	4.9
Proceeds from sale of assets held for sale		-	1.5
Acquisition of subsidiary undertakings, net of cash acquired		(99.6)	(690.3)
Net cash outflow from investing activities		(127.7)	(721.8)
Cash flows from financing activities			
Proceeds from share issue		-	993.4
Dividends paid	10	(48.4)	(15.6)
Proceeds from borrowings		400.0	275.0
Repayments of borrowings		(335.0)	(468.6)
Financing fees paid	8	(2.9)	(7.7)
Proceeds from sale and leaseback of finance leases		5.8	-
Payment of finance lease liabilities		(6.0)	(1.8)
Increase in Partner Finance borrowings		28.8	20.5
Net cash inflow from financing activities		42.3	795.2
Net (decrease)/increase in cash and cash equivalents		(20.9)	70.8
Foreign exchange on cash held		2.9	2.8
Cash and cash equivalents brought forward		102.4	28.8
Cash and cash equivalents at year/period end		84.4	102.4

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

BCA Marketplace plc (the 'Company'), was incorporated in April 2014 with the aim to acquire and manage companies in the UK and European automotive sector. On 2 April 2015, BCA Marketplace plc acquired the BCA Group ('BCA Group'). This was followed by the acquisitions of SMA Vehicle Remarketing Limited ('SMA') on 1 June 2015, Stobart Automotive Limited ('BCA Automotive') on 25 August 2015 and Ambrosetti (U.K.) Limited ('Ambrosetti') on 4 February 2016. On 18 July 2016 Paragon Automotive Limited Group of Companies ('Paragon') was acquired, followed by Supreme Wheels Direct Limited ('Supreme Wheels') on 31 March 2017, both are discussed further in note 4.

The comparative period in these financial statements is for a 15 month period ended 3 April 2016, however, this represents 12 months of trading since the BCA Group acquisition on 2 April 2015, and incorporates other acquired companies from their respective dates of acquisition by the Group.

The Company is a public limited company, listed on the London Stock Exchange and incorporated and domiciled in the UK with the registered number 09019615. The address of the Company's registered office is BCA Marketplace plc, BCA Bedford, Coronation Business Park, Kempston Hardwick, Bedford, MK43 9PR.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The condensed consolidated financial statements set out above do not constitute the Company's statutory accounts for the year ended 2 April 2017 or the 15 months ended 3 April 2016 but are derived from those accounts. Statutory accounts for the 15 months ended 3 April 2016 have been delivered to the Registrar of Companies, and those for the year ended 2 April 2017 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated financial statements for the year ended 2 April 2017 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') interpretations as adopted by the European Union ('Adopted IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The condensed consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivatives) at fair value through profit or loss.

The same accounting policies, presentation and methods of computation have been applied in these financial statements as were applied in the consolidated financial statements of the Group as at and for the 15 month period ended 3 April 2016.

The financial statements and the notes to the financial statements are presented in millions of pounds sterling ('£m') except where otherwise indicated.

(b) Going concern

The Group maintains a mixture of medium-term debt, committed credit facilities, finance lease arrangements and cash reserves, which together are designed to ensure that the Group has sufficient available funds to finance its operations. The Board reviews forecasts of the Group's liquidity requirements based on a range of scenarios to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. During the year the Group agreed a new loan facility, as discussed in note 8, which enhances the Group's liquidity.

After making appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties, the Directors are satisfied that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

(c) Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Losses applicable to non-controlling interests are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Gains arising from transactions with jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

3. SEGMENTAL REPORTING

Key Performance Indicator – adjusted EBITDA

Management uses an adjusted profit measure to monitor the on-going profitability of the Group, which is defined as Earnings before interest, taxation, depreciation and amortisation ('EBITDA') adjusted for significant and non-recurring items. The significant and non-recurring items that are excluded from EBITDA to calculate adjusted EBITDA are as follows:

- acquisition expenses and gains and losses on business combinations, disposals and changes in ownership;
- income and expenses that are significant and non-recurring or non-trading in nature, including business closure costs, restructuring costs and onerous lease provisions;
- impairment charges and accelerated depreciation and amortisation on property, plant and equipment, intangibles and goodwill;
- amortisation of intangible assets arising on acquisition of businesses;

The Directors primarily use the adjusted EBITDA measure when making decisions about the Group's activities as it is the most reliable and relevant profit measure across all segments. As this is a non-GAAP measure, adjusted EBITDA measures used by other entities may not be calculated in the same way and hence are not directly comparable.

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used both to assess performance and make strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating Segments'.

The Board of Directors consider the business to be split into the four main divisions generating revenue: Vehicle Remarketing UK, Vehicle Remarketing International, Vehicle Buying and Automotive Services. Group Costs comprise central head office functions and any costs not directly attributable to the segments.

Information on segment assets and liabilities is not regularly reported to the Board of Directors and is therefore not disclosed.

3. SEGMENTAL REPORTING *continued*

	For the year ended 2 April 2017					
	Vehicle Remarketing		Vehicle Buying	Automotive Services	Group Costs	Total
	UK	International				
	£m	£m	£m	£m	£m	£m
Revenue						
Total revenue	756.7	136.3	837.4	321.2	-	2,051.6
Inter-segment revenue	(2.9)	(0.9)	(0.4)	(17.7)	-	(21.9)
Total revenue from external customers	753.8	135.4	837.0	303.5	-	2,029.7
Adjusted EBITDA	84.0	26.2	19.5	17.2	(11.3)	135.6
Depreciation and amortisation	(12.5)	(3.3)	(1.6)	(7.7)	(0.1)	(25.2)
	71.5	22.9	17.9	9.5	(11.4)	110.4
Amortisation of acquired intangibles	(18.5)	(11.5)	(5.7)	(2.8)	-	(38.5)
Acquisition related items	(0.5)	0.3	-	0.7	(3.4)	(2.9)
Profit on sale and leaseback	5.3	-	-	-	-	5.3
Operating profit	57.8	11.7	12.2	7.4	(14.8)	74.3
Finance income						0.4
Finance cost						(18.3)
Profit before taxation						56.4
Capital expenditure	30.1	2.9	1.1	36.4	-	70.5

Acquisition related items primarily relate to the acquisition of the Paragon Group. Profit on sale and leaseback represents the net profit following the disposal of an auction site and its subsequent leaseback on an operating lease basis.

The segmental reporting table that follows has been re-presented from that disclosed in the Annual Report and Accounts 2016. The re-presentation reflects the changes to Group segments and therefore provides a more meaningful comparison. The total amounts adjusted between segments are shown in the table below. Further details of the change in segmentation are discussed in the 'Our Performance' section.

	Segmental information re-presented for the 15 months ended 3 April 2016						
	Vehicle Remarketing		Vehicle Buying	Automotive Services	Other	Group Costs	Total
	UK	International					
	£m	£m	£m	£m	£m	£m	£m
External revenue as reported	267.2	109.5	698.4	-	78.0	-	1,153.1
Adjustments	(24.9)	-	-	102.9	(78.0)	-	-
External revenue as re-presented	242.3	109.5	698.4	102.9	-	-	1,153.1
Adjusted EBITDA as reported	69.4	18.9	16.1	-	(5.9)	-	98.5
Adjustments	(0.3)	-	-	4.2	5.9	(9.8)	-
Adjusted EBITDA as re-presented	69.1	18.9	16.1	4.2	-	(9.8)	98.5

3. SEGMENTAL REPORTING *continued*

For the 15 months ended 3 April 2016

	Vehicle Remarketing		Vehicle Buying	Automotive Services	Group Costs	Total
	UK	International				
	£m	£m	£m	£m	£m	£m
Revenue						
Total revenue	245.3	109.9	698.4	111.9	-	1,165.5
Inter-segment revenue	(3.0)	(0.4)	-	(9.0)	-	(12.4)
Total revenue from external customers	242.3	109.5	698.4	102.9	-	1,153.1
Adjusted EBITDA	69.1	18.9	16.1	4.2	(9.8)	98.5
Depreciation and amortisation	(9.8)	(2.9)	(1.2)	(2.8)	(0.3)	(17.0)
	59.3	16.0	14.9	1.4	(10.1)	81.5
Amortisation of acquired intangibles	(18.4)	(10.1)	(5.8)	(0.1)	-	(34.4)
Acquisition costs	-	-	-	-	(27.4)	(27.4)
Business closure costs	-	-	(0.8)	-	(0.3)	(1.1)
Other significant or non-recurring items	-	(0.8)	-	-	(1.5)	(2.3)
Operating profit	40.9	5.1	8.3	1.3	(39.3)	16.3
Finance income						0.3
Finance cost						(12.7)
Profit before taxation						3.9
Capital expenditure	25.6	3.4	2.1	20.3	0.1	51.5

Revenue with external customers in the UK and Ireland represents £1.8bn (2016: £1.1bn) of the Group's revenue, with the other £0.2bn (2016: £0.1bn) being generated within Europe. Revenue by type is shown below:

	For the year ended 2 April 2017	For the 15 months ended 3 April 2016
	£m	£m
Sale of goods	1,284.0	699.6
Rendering of services	734.0	446.8
Interest	11.7	6.7
Total revenue	2,029.7	1,153.1

4. ACQUISITIONS

The following acquisition has been made by the Group in the year:

Paragon

On 18 July 2016 the Group acquired 100% of the Ordinary shares of Paragon Automotive Limited and subsidiary companies for initial consideration of £102.7m, which is subject to adjustment based on certain circumstances and contingent earn-out payments of up to a maximum of £30m, subject to achievement of financial and market targets over the two financial years ending March 2017 and 2018. Management provisionally estimates that earn-out payments of £20m will be made over this period, which together with expected adjustments to the initial consideration and discounting for the time-value of money, represent a fair value of £18.6m. Following the year end the March 2017 earn out payment was paid.

As the leading provider of outsourced vehicle services in the UK, Paragon supplements recent acquisitions and the Group's current offerings in logistics, refurbishment, imaging, inspection and finance. The acquisition will enable BCA to provide a comprehensive suite of services across the automotive supply chain to OEMs, corporate fleets and dealers alike. The fair values of the assets and liabilities (excluding cash and borrowings) have been determined on a provisional basis whilst being formally reviewed and will be finalised within 12 months of acquisition.

			Provisional fair value £m
Intangible assets:	-	Brand	5.9
	-	Customer relationships	44.6
	-	Software net book value	0.3
Property, plant and equipment			8.4
Inventories			2.0
Trade and other receivables			28.4
Cash and cash equivalents			4.7
Trade and other payables			(32.1)
Deferred tax liability			(9.3)
Borrowings			(2.8)
Net assets acquired			50.1
Goodwill			71.2
Consideration			
Initial consideration			102.7
Consideration contingent upon events after acquisition date			18.6
Total consideration			121.3

The net movements in net assets and goodwill of £0.7m since the Interim report for the six months ended 2 October 2016 predominantly reflect updates to working capital items.

Goodwill arising on the acquisition represents the assembled workforce, geographical coverage and buyer synergies from combining the Paragon operations with those of the Group.

The fair value of acquired receivables was £25.5m. The gross contractual amounts receivable were £25.9m, of which £0.4m were not expected to be received.

4. ACQUISITIONS *continued*

Supreme Wheels

On 31 March 2017 the Group acquired 75% of the Ordinary shares of Supreme Wheels Direct Limited for initial consideration of £1.6m, which was settled in cash. There is a put and call option to purchase the remaining 25% of the Ordinary shares three years after acquisition. Management has provisionally estimated the amount to purchase the remaining shares, which with discounting for the time value of money, represents a fair value of £0.6m.

Impact of acquisition

The consolidated income statement includes revenue and profit before tax, before non-recurring items, for acquisitions in the period of £125.0m and £3.0m respectively. Had the acquisitions occurred on 4 April 2016, it is estimated that their revenue and profit before tax, before non-recurring items, for the year ended 2 April 2017 would have been £178.2m and £5.2m respectively. In determining these amounts, management have assumed that the fair value adjustments that arose on the date of the acquisitions and all circumstances of the acquisitions would have been the same if the acquisitions had taken place on 4 April 2016.

Prior period acquisitions

BCA Marketplace plc made four acquisitions in the prior period and in each case acquired 100% of the share capital, with the consideration settled in cash unless otherwise stated.

In accordance with IFRS 3, final measurement period adjustments were made to the provisional values disclosed in the Annual Report and Accounts 2016 relating to the acquisitions listed below. This resulted in a restatement of £1.0m following the revaluation of a property.

BCA Group (acquired 2 April 2015)

The BCA Group was acquired for £815.5m satisfied by £711.2m in cash and £104.3m by the issue of 69,535,522 Ordinary shares. The fair value of the Ordinary shares issued was based on the placing share price of the Company at 2 April 2015 of £1.50 per share. The BCA Group is the number one vehicle remarketing business in the UK and Europe, as well as owning WeBuyAnyCar, the market leading vehicle buying business in the UK. This acquisition was the first in the Group's initial strategy of acquiring and developing substantial businesses in the automotive sector.

Goodwill has arisen on the acquisition due to the unique position that the BCA Group has in the automotive sector. The BCA Group has created a marketplace and a proposition with an assembled workforce, significant barriers to entry and geographical presence generating a value that cannot be defined and measured as an intangible asset. As such the excess over the identified net assets has been recognised as goodwill.

SMA (acquired 1 June 2015)

SMA operates within the vehicle remarketing sector of the automotive industry and therefore complements the acquisition of the BCA Group. Goodwill represents the assembled workforce and geographic coverage which are not identified as intangible assets in their own right.

BCA Automotive (acquired 25 August 2015)

BCA Automotive operates vehicle transporters in the UK and therefore complements the acquisition of the BCA Group and SMA through its additional logistics expertise and geographical coverage. Goodwill arising on the acquisition represents the assembled workforce, logistics capabilities and buyer synergies arising from the combining of the operations of BCA Automotive with the logistics businesses within the BCA Group and SMA.

Ambrosetti (acquired 4 February 2016)

Ambrosetti specialises in vehicle preparation, refurbishment and de-fleet services as well as logistics services from its storage facilities in Northamptonshire and Kent. The acquisition therefore adds to the Group's

4. ACQUISITIONS *continued*

capability to provide services along the automotive value chain, from factory gates or port with technical and logistics services for new vehicles to refurbishment and logistics services for used vehicles and the core remarketing and auction operation. Goodwill represents the assembled workforce and geographic coverage which are not identified as intangible assets in their own right.

The following table summarises the consideration transferred, and the recognised amounts of assets and liabilities assumed at the acquisition date in the prior period:

			As reported 3 April 2016	Adjustments to provisional fair values	Fair value
			£m	£m	£m
Intangible assets:	-	Brand	161.0	-	161.0
	-	Vendor relationships	338.1	-	338.1
	-	Buyer relationships	62.4	-	62.4
	-	Software fair value uplift	22.5	-	22.5
	-	Software net book value	21.2	-	21.2
Property, plant and equipment			89.6	(1.0)	88.6
Inventories			15.3	-	15.3
Trade and other receivables			180.8	-	180.8
Cash and cash equivalents			79.8	-	79.8
Trade and other payables			(346.4)	-	(346.4)
Provisions			(21.1)	-	(21.1)
Pension liability			(8.2)	-	(8.2)
Deferred tax liability			(98.8)	-	(98.8)
Borrowings			(469.2)	-	(469.2)
Net assets acquired			27.0	(1.0)	26.0
Goodwill			846.6	1.0	847.6
Consideration			873.8	-	873.8
Non-controlling interests			(0.2)	-	(0.2)
Total consideration			873.6	-	873.6
Fair value of acquired receivables			154.4	-	154.4
Gross contractual amounts receivable			155.8	-	155.8
Contractual cash flows not expected to be received			1.4	-	1.4

5. CASH GENERATED FROM OPERATIONS

	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Cash flows from operating activities		
Profit for the year/period	41.1	7.7
Adjustments for:		
Income tax charge/(credit)	15.3	(3.8)
Finance income	(0.4)	(0.3)
Finance costs	18.3	12.7
Depreciation	14.3	7.8
Amortisation	49.4	43.6
Profit on sale of property, plant and equipment	(4.5)	(0.2)
Loss on sale of intangibles	0.7	-
Equity-settled share based payments	1.6	0.6
Retirement benefit obligations	(0.2)	(1.0)
Significant or non-recurring items	2.1	27.4
Changes in working capital:		
Inventories	(36.8)	(3.7)
Trade and other receivables	(46.4)	8.3
Trade and other payables	84.9	(7.7)
Provisions	(1.1)	(1.5)
Cash generated from operations	138.3	89.9

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

	For the year ended 2 April 2017	For the 15 months ended 3 April 2016
Profit for the year/period attributable to equity shareholders (£m)	40.9	7.7
	m	m
Weighted average number of share used in calculated basic earnings per share	780.2	630.2
Incremental shares in respect of employee share schemes	16.5	13.0
Weighted average number of shares used in calculating diluted earnings per share	796.7	643.2
Basic earnings per share (pence)	5.2	1.2
Diluted earnings per share (pence)	5.1	1.2

6. EARNINGS PER SHARE *continued*

Key Performance Indicator – Adjusted earnings per share

Adjusted earnings per share is presented in addition to that required by IAS 33, Earnings per Share, to align the adjusted earnings measure with the performance measure reviewed by the Directors. The Directors consider that this gives a more appropriate indication of underlying performance. Adjusted earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary shareholders, adjusted for significant or non-recurring items and their associated tax impact, by the weighted average number of Ordinary shares outstanding during the period.

The prior period adjusted diluted earnings per share figure below has been calculated using the weighted average number of shares in issue for the 12 month period from the Placing and acquisition of the BCA Group on 2 April 2015, as opposed to the full 15 month period that the comparative represents. Management believe this adjustment to the weighted average number of shares is consistent with the earnings of the BCA Group which are included for the same period.

	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Profit for the year/period attributable to equity shareholders	40.9	7.7
Add back:		
Significant or non-recurring items	41.0	65.2
Tax credit on significant or non-recurring items	(9.7)	(17.7)
Adjusted earnings	72.2	55.2
	m	m
Weighted average number of shares used in calculated basic earnings per share	780.2	780.2
Incremental shares in respect of employee share schemes	16.5	13.1
Weighted average number of shares used in calculating diluted earnings per share	796.7	793.3
Adjusted basic earnings per share (pence)	9.2	7.1
Adjusted diluted earnings per share (pence)	9.1	7.0

7. INCOME TAX

Current taxation	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Current tax on profit for the period	18.7	3.6
Adjustments in respect of prior periods	(0.1)	-
Total current tax charge	18.6	3.6
Deferred taxation		
Origination and reversal of temporary differences	(5.7)	1.7
Adjustments in respect of prior periods	2.7	-
Changes in recognition of deferred tax	2.4	-
Impact of change of UK Tax rate	(2.7)	(9.1)
Total deferred tax credit	(3.3)	(7.4)
Income tax charge/(credit)	15.3	(3.8)

The tax charge/credit for the period differs from the standard rate of corporation tax in the UK of 20.0% (2016: 20.2%). The differences are explained below:

	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m
Profit on ordinary activities before tax	56.4	3.9
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 20.0% (2016: 20.2%)	11.3	0.8
Effects of:		
Expenses not deductible for tax purposes	1.3	6.9
Income not subject to tax	(0.4)	(2.5)
Reduction in UK tax rate	(2.7)	(9.1)
Changes in recognition of deferred tax	2.4	(0.4)
Effect of different tax rates on profits earned outside the UK	0.8	0.5
Adjustments in respect of prior periods	2.6	-
Total taxation charge/(credit)	15.3	(3.8)

The Group has operations across Europe, however the principal location of trading where the majority of business profits are derived is the UK. The effective tax rate has therefore been referenced to the UK corporation tax rate of 20.0% for the period.

Effective tax rate

The effective tax rate for the year of 27.1% is higher than the standard rate of corporation tax in the UK as a result of significant or non-recurring items, rate change and the impact of higher income tax rates in Europe.

Changes in recognition of deferred tax relate to the net de-recognition of deferred tax on UK tax losses. Based on the nature of the losses and resulting restrictions on their use, it is not considered probable that the asset will be recoverable.

7. INCOME TAX *continued*

Excluding the impacts of rate changes, significant and non-recurring items and prior year adjustments the Group has an underlying effective tax rate of 21.8%. This is higher than the 20.4% effective tax rate estimated in the Interim Report for the six months ended 2 October 2016, primarily due to European business performance. The effective tax rate in 2017 will depend on the geographical mix of profits and changes to the legislation.

Reductions in UK tax rate

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017), 18% (effective 1 April 2020) and 17% (effective 1 April 2020) were substantively enacted prior to the balance sheet date. This will reduce the Group's future tax charge accordingly. Deferred tax assets and liabilities reported at the balance sheet date have been measured using these rates.

8. BANK BORROWINGS

	As at 2 April 2017 £m	As at 3 April 2016 £m
Non-current		
Bank borrowings	254.9	273.1
Current		
Bank borrowings	90.0	-

In February 2017 the Group agreed a £500m multi-currency facility, including a £250m revolving facility and a £250m term loan. The term loan was drawn down in full and £90m of the revolving facility was also drawn down, net of transaction costs of £2.9m, and used to repay the previous debt facility held within the Group. The facility will run for four years with an option for a further 12 months by mutual consent, with no repayment of capital due before that time.

Carrying amounts are stated net of unamortised transaction costs. The transaction costs, together with the interest expense, are being allocated to the income statement over the term of the facility at a constant rate on the carrying amount. The fair value of bank borrowings is equal to the nominal value of the bank loan as the impact of discounting is not significant. The fair value of gross bank borrowings is £347.6m, (2016: £279.3m) which is equal to the nominal value. The effective interest rate including the impact of non-utilisation fees on the revolving facility and the utilisation fees for the letters of credit drawn down from the revolving facility, as well as the amortisation of debt issue costs is 3.0% (2016: 3.5%).

The Group's principal bank loans at 2 April 2017 were denominated in Sterling £296.3m, (2016: £231.3m) and Euros €60.0m (2016: €60.0m), and bear variable interest based on LIBOR and EURIBOR respectively. They were secured by a fixed and floating charge over the Group's present and future assets.

As part of the acquisition of Paragon during the year the Group also acquired an invoice discounting facility held within Paragon. This facility was repaid in February 2017 and has not been replaced.

At 2 April 2017, the Group had issued letters of credit in the ordinary course of business of £5.5m (2016: £5.5m) and drawn down £90.0m (2016: £nil) on the revolving facility, leaving the following as undrawn borrowing facilities:

	As at 2 April 2017 £m	As at 3 April 2016 £m
Floating rate borrowings		
Expiring beyond one year	154.5	94.5

9. PARTNER FINANCE BORROWINGS

The Group has an asset-backed finance facility to fund the Partner Finance business. This is a revolving facility that allows a drawdown of up to £120.0m. The amount is advanced solely to a Partner Finance subsidiary in respect of specific receivables. Interest is charged on the drawn down element of the facility at a variable rate of interest, based on the Bank of England base rate. At 2 April 2017 the borrowings were £69.0m (2016: £40.2m).

10. DIVIDENDS

An interim dividend of £17.2m, 2.20p per share (2016: £15.6m, 2.00p per share), was paid on 31 January 2017 to shareholders on the Register on 16 December 2016.

After the balance sheet date a final dividend of 4.55p per qualifying Ordinary share has been proposed by the Directors (2016: 4.00p per share), subject to approval by shareholders at the AGM. This will be payable on 29 September 2017 to shareholders on the Register on 15 September 2017. The final dividend has not been provided for.

11. RELATED PARTY TRANSACTIONS

Remuneration of the Directors, who constitute the key management personnel of the Group, has been disclosed in the Remuneration Committee report in the Annual Report and Accounts 2017. Other related party transactions with the Group are as follows:

	Transaction amount		Balance owed/(owing)	
Related party relationship	For the year ended 2 April 2017 £m	For the 15 months ended 3 April 2016 £m	As at 2 April 2017 £m	As at 3 April 2016 £m
BCA Gestão de Pátios S.A.	-	(0.1)	-	(0.1)
Marwyn Capital LLP	(0.7)	(7.7)	-	-
Axio Capital Solutions Ltd	-	(0.1)	-	-

Payments to Marwyn Capital LLP relate to acquisition fees, corporate finance advisory fees and ongoing administrative and office services.

Axio Capital Solutions Ltd, a company related to Marwyn, provides company secretarial services. BCA Gestão de Pátios S.A., a joint venture, was disposed of on 15 June 2016.

The Group has not made any provision for bad or doubtful debts in respect of related party debtors, nor has any guarantee been given during the period regarding related party transactions.

12. EVENTS AFTER THE PERIOD END

After the balance sheet date, deferred consideration in respect of the Paragon acquisition was paid (see note 4).

For more information

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