MOTORPOINT
GROUP PLC

Motorpoint Group Plc Annual Report and Accounts 2019

The UK's largest independent vehicle retailer

Motorpoint sells nearly new vehicles, most of which are up to two years old and have covered fewer than 15,000 miles.

We sell vehicles from all of the biggest brands, with our best sellers including models from Ford, Vauxhall, Volkswagen, Nissan, Hyundai, Audi, BMW and Mercedes-Benz.

We operate from **12 retail sites** across Great Britain, supported by a central contact centre which deals with digital and telephone enquiries.

Our **Auction4Cars.com**, a business to business digital auction platform, allows an efficient and quick route for sale of part-exchange vehicles which do not fall into our nearly new retail criteria.

> Our value-orientated, customer-friendly proposition combined with the strength of our people and quality of our multi-channel offering, has enabled us to grow and to welcome record levels of repeat customers through our doors, in spite of the challenging market backdrop.

MARK CARPENTER, CHIEF EXECUTIVE OFFICER

see page 4 for more information

CONTENTS

STRATEGIC HIGHLIGHTS

- Peterborough Preparation Centre development on track for opening in H1 FY20.
- Record levels of repeat customers, increasing to 30% of total customers, up from 26% in FY18.
- Obtained Gold Trusted Service rating from Feefo for FY19, the third year in succession.
- Acquired 13th retail site positioned to be opened for late FY20.
- Positioned in the Sunday Times Best 100 Companies To Work For, our fifth consecutive year in the top 100.
- Continued share buyback programme, reflecting ongoing strong cash generation.

FINANCIAL HIGHLIGHTS

Profit before taxation and exceptional items[1]

2019	£22.9m
2018	£20.8m

Profit before taxation

2019	£22.9m
2018	£20.0m

Cash generated from operations

2019	£24.3m
2018	£20.2m

Operating cash conversion[1]

2019	99%
2018	95%

Basic Earnings per Share

2019	18.7p
2018	16.0p

Total dividend per share

(2.5p interim plus 5.0p recommended final dividend per share)

2019	7.5p
2018	6.6p

1. The Group uses a variety of APMs that are not defined under IFRS to assess its performance. We have included the rationale for this alongside a reconciliation to the nearest measures prepared in accordance with IFRS.

see page 100 for more information

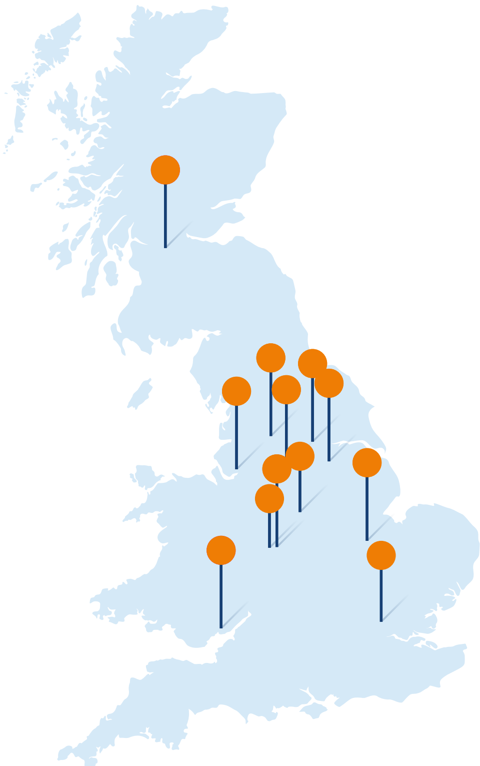
The Car Buyers' Champion

Our vision is "to be the Car Buyers' Champion by offering unrivalled Choice, Value and Service".

Car Buyers' Champion

We achieve this through our focus on our breadth of stock, data driven approach to ensuring our pricing is keen and continued focus on innovation and delivering outstanding customer service.

Our people are at the heart of our business, not least in ensuring the quality of the customer experience; this is why we are determined to continually focus on our team engagement.



Our retail overview

Our aim today is exactly the same as when we opened our doors in 1998, which is to provide customers with the lowest prices on a huge selection of low mileage nearly new cars. We constantly innovate to deliver outstanding customer service; the foundation for our record levels of repeat customers.

We operate from 12 retail sites across Great Britain, supported by a central contact centre which deals with digital and telephone enquiries.

Our retail website

Our website allows us to maintain a convenient and reliable user experience as customer preferences evolve. We are always looking to develop new and existing sales channels and manage technologies including smartphones and tablets.

Our business to business overview

Our Auction4Cars.com, a business to business digital auction platform, allows an efficient and quick route for sale of part-exchange vehicles which do not fall into our nearly new retail criteria.

WHAT THIS MEANS FOR OUR CUSTOMERS

Choice
A broad range of vehicles always available, from different manufacturers and across a spectrum of price points. Customers can choose to reserve online or buy at any one of our 12 sites.

Value
Being the biggest allows us to command competitive prices when we source stock and we pass those savings on to our customers.

Modest capital investment in new sites and no requirement to pay for goodwill helps manage the overhead base.

Service
100% stock mobility across the UK between any of our sites. Convenience-led initiatives, such as Same Day Driveaway, and a range of financing and ancillary products available.

Part-exchanges competitively priced and managed through Auction4Cars.com.

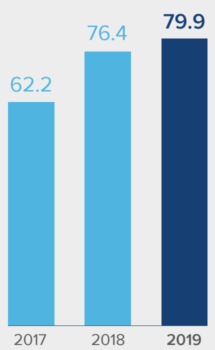
WHAT THIS MEANS FOR OUR PEOPLE

- For the fifth year running we were named in the Sunday Times 100 Best Companies to Work For
- Motorpoint Minimum Wage commitment means all of our team members earn the Real Living Wage or above
- Staff discount and Sharesave schemes are available
- Our values driven culture ensures industry leading staff retention rates

+75% of management recruited from within Motorpoint

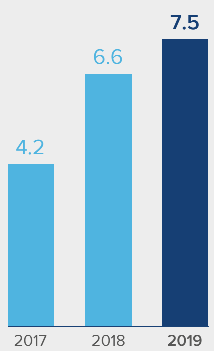
WHAT THIS MEANS FOR OUR SHAREHOLDERS

Gross profit (£m)



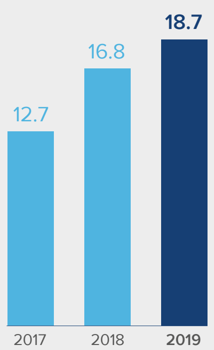
Gross Profit continued to strengthen, only narrowly behind the Revenue growth rate.

Dividends since IPO (p)



2019 final dividend proposed and subject to Shareholders approval.

Adjusted EPS (p)



> Motorpoint has delivered a resilient trading performance for the year, against a backdrop of challenging customer confidence and ongoing political uncertainty.

MARK CARPENTER, CHIEF EXECUTIVE OFFICER

Overview

I am delighted to report that we have continued to enjoy the benefits of our unique operating model, taking market share and achieving double-digit profit growth.

Despite the current consumer environment of caution and insecurity, we have welcomed back more repeat customers than ever before, achieved record new levels of customer satisfaction, and continued the development of our outstanding team.

During the year we have launched new customer initiatives, such as our Motorpoint Price Pledge and our new lower finance rate. We have built our new Preparation Centre in Peterborough, which will become fully operational in the coming months, and we have refreshed our Glasgow site with our updated retail aesthetic. We have embedded the 5 new sites opened within the last 5 years and have invested substantial management time in developing our operational systems and data use.

We look ahead to the new year with our sights set on taking further market share, both from the ongoing performance of our like-for-like stores, and upcoming new openings.

Putting the team first

Unchanged in our operating model, everything starts with our team. The Motorpoint Virtuous Circle is central to our approach, with our passionate focus on developing the team at the heart of everything that we do.

As we grow, it is ever more important to keep our culture and values alive and prominent across the team – whether as part of our recruitment process, team-member induction, ongoing personal development, or as the criteria for identifying senior leaders of the future. We remain proud to be leaders in people development and are convinced this will maintain our differentiated style from the rest of the car retail industry, and be a major driver of our continued success.

We have introduced new team benefits during the year, such as a dedicated retail-benefits portal and regular flexible leave to allow our team to pursue charitable, social or personal projects called "One Big Dream", more details of which are on page 29. These benefits are in line with our ambition to be the UK's most admired retailer, and we know that to get there we need to have a fully-engaged and motivated team.

We have also committed for 2 consecutive years to have a minimum pay rate that is again in line with the current Real Living Wage. This is based on living costs and is more than the national minimum wage and was communicated across the team in the April pay award.

We have run our third ShareSave scheme, again offering the opportunity to the whole business to become Motorpoint shareholders and thereby share in the financial rewards of their endeavours.

I am delighted to confirm that we have been awarded a place in the Sunday Times Top 100 Companies to Work For, for the fifth consecutive year. This is an independent recognition of our team's engagement, and a huge acknowledgement of the hard work of our managers.

Customers

In this volatile market we firmly believe that our position as the Car Buyers' Champion allows us to stand out from the competition – we are seeing this recognised by our customers, with our volume of sales to repeat customers stepping up in every site across the estate, with our total proportion of repeat sales now hitting 30%.

This level of loyalty is recognition of our strategy of delivering unrivalled Choice, Value and Service:

Choice – our unique independent model allows us to source and sell from the broadest range of suppliers. In the year we have stocked over 300 different models from 39 manufacturers, and we are able to rapidly follow emerging customer preferences, such as through our increasing proportion of hybrid and electric sales.

Value – we are a supermarket, predicated on working to a high volume and keeping our cost base modest. This allows us to pass on the savings to our customers, reinforcing our volume model. We support our cars with a competitive finance and ancillary offering, where we also champion low prices, such as where we have reduced our customer finance rate across all cars from December 2018.

Service – service is what will ultimately set us apart in the market. We measure ourselves primarily using Net Promotor Score ("NPS") – on this measure we have improved again, finishing the year on an exceptional 78%, up from 77% last year. We are delighted with this level of customer satisfaction, but are always striving for more, and constantly challenge our processes to make the car-buying experience as smooth as possible.

Financial strength

We have closed the year, again with a strong and robust balance sheet – with an operating cash conversion for the year of over 99%, FY19 ended with a net cash position of £13.8m and no Structural Debt. This closing position is even more pleasing given the total cash return to shareholders we have achieved (£6.9m ordinary dividends plus £8.8m of share buyback), and capital invested in both the new Peterborough Preparation Centre and in refurbishment at our Glasgow site.

We have executed particularly strong cost disciplines in the year, commensurate with the slightly lower rate of sales growth, through diligent operational management and a focus on efficiency.

In May 2019, the Board of Directors announced a new share buyback programme of up to £10m (subject to shareholder approval at the next AGM), extending the programme announced in August 2018. The Board is recommending a full year dividend of 5.0 pence per share, taking the total dividend for the year to 7.5 pence per share. This level of proposed dividend maintains a consistent dividend cover to last year, and again underscores our confidence in delivering strong, profitable sales and cash flow, and generating superior financial returns.

Current trading and outlook

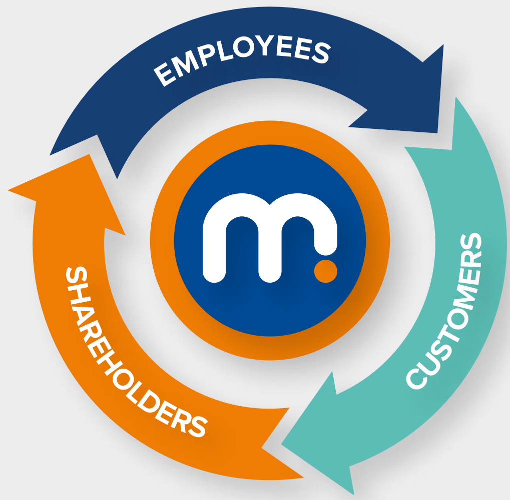
We enter FY20 with optimism but remain cognisant of the uncertain market and political environment.

Motorpoint's operations are ideally placed to continue taking market share in FY20 and we enter the year with a healthy and competitive stock mix, and fantastic levels of team engagement.

We continue to monitor the ongoing political uncertainty and its inevitable impact on customer confidence, but maintain our focus on the operations within our control to continue to deliver as the Car Buyers' Champion.

Mark Carpenter
Chief Executive Officer
11 June 2019

THE RIGHT CULTURE FOR SUCCESS



Our Vision

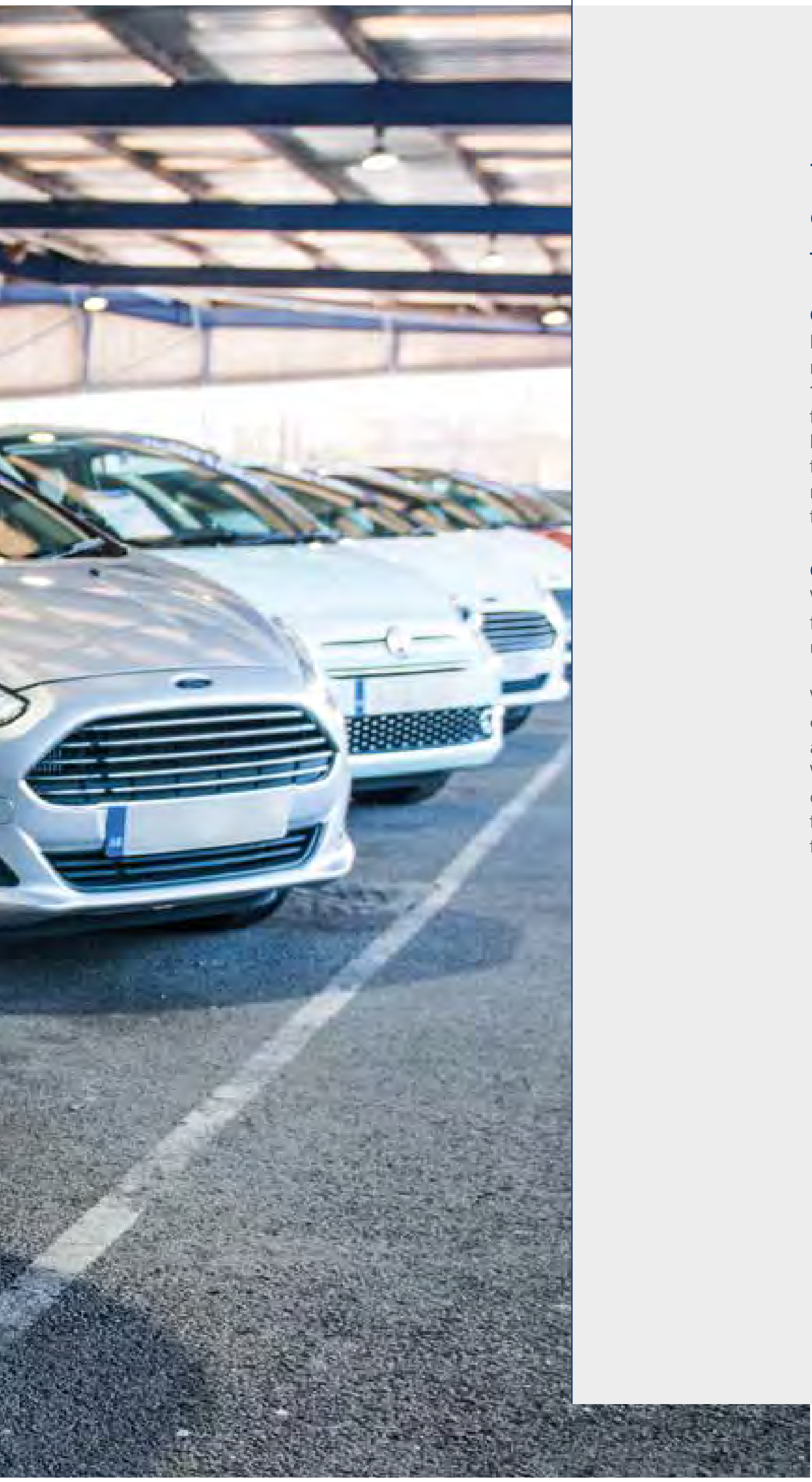
To be the Car Buyers' Champion by offering unrivalled Choice, Value and Service.

Our Core Values

- Proud
- Supportive
- Happy
- Honest

see page 9 for more information

We are well positioned to take market share



The UK nearly new car market was narrowly down in FY19 and we are well positioned to take market share.

Car market

Motorpoint's core proposition is the sale of nearly new cars, the vast majority of which are up to 2 years old and have covered fewer than 15,000 miles. We monitor available market statistics, notably from the SMMT, which give us transaction volumes for 0-3 year old cars but do not include recorded mileage. We therefore use the transaction volumes alone as a proxy for our available market. The nearly new car market narrowly declined throughout FY19, though the Group increased its market share.

Consumer confidence

We note that consumer confidence metrics have remained subdued for the year, despite the economy enjoying very modest unemployment and inflationary pressures.

We predicate our business model on being relevant in a breadth of economic conditions, and note that our growth over FY19 has been achieved in spite of the more challenging consumer environment. We therefore continue to believe that an environment where consumer confidence is unsettled will put increasing pressure on the weaker players in the market, but allow us to win market share through our focus on Choice, Value and Service.

Proudly independent

We can open sites where we see opportunity, buy the stock that our customers are demanding and take pride in developing our people to deliver the Motorpoint values.

WHAT MAKES US DIFFERENT

New sites and growth opportunity
We can open wherever we see a market opportunity; speed and scale are in our control. We can choose to buy an existing dealer, or develop a new operation, avoiding the need for goodwill payments.

Breadth of stock
On average 35 brands are available on site or online, spanning all of the leading makes and models, sourced from multiple channels. All stock is available nationally and can be moved to a customer's local site for £99.

Retail product offer
Our retail proposition continues to be 100% on nearly new cars; our product offering is supported by providing finance packages to our customers through our finance partners as well as offering warranty, insurance and paint protection products. We continue to operate both on site and via our digital channel and have seen an increase in volumes across both sales channels.

Operational control
We have no external restrictions or controls. Proprietary systems can be built; we have bespoke values-led development and staff engagement programmes; marketing can be via any channel or into any geography; our modest showroom fit-out costs support Motorpoint's value proposition.

Brand and reputation
We build our own brand independently; our reputation is formed purely by how our team and customers feel about us.

Financing
We are free to negotiate for the most competitive terms on the external market.

see page 10 for more information

CUSTOMER CHANNELS

Retail sites
The retail sites contain showrooms, light vehicle preparation, storage and valet services, as well as administrative functions as appropriate. All sites offer café facilities. Locations are generally positioned for ease of access and are optimally located within a 30 minute drive of an appropriate population demographic.

Retail website
The Group's retail website (www.motorpoint.co.uk) is developed and maintained by a dedicated in-house IT function. The website is a key cornerstone of the operations, and is vital to driving footfall to the retail sites.

motorpoint.co.uk

Part-exchanges
For part-exchanges falling outside of the Group's nearly new criteria, Motorpoint operates Auction4Cars.com, a business to business online auction platform.

see page 10 for more information

OPERATIONAL SUPPORT

Digital support

The website is supported by a dedicated national contact centre which handles email, phone and web chat enquiries. The contact centre will reserve vehicles for collection at a convenient retail site, arrange for transportation if required, value any part-exchange vehicle and offer finance and other related products.

Management support

Management is focused on generating efficient returns for the business and the diligent and efficient employment of capital resources. Through a cost-effective opening and operating programme and a relentless drive on stock turn, management has been able to generate strong, recurring levels of return on capital employed.

SUPPORTED BY OUR PEOPLE AND VALUES

Our operating model is focused on putting the employee first. This means empowering our employees and giving them the skills and confidence to champion the customer. We achieve this through living our core values and team commitments.

We are proud of what we do, how we do it and the people who make it happen – we stand out from the crowd and are proud to work as part of Team Motorpoint.

We have a one team ethos and understand that together we achieve more. We are a united team focused on a common goal and vision and will always help our customers and colleagues alike #drivingdreams®.

We enjoy what we do and we show it – a smile is contagious and our teams wear them naturally with pride. A happy team makes for a better working environment which in turn translates to a great customer experience.

We speak the truth and give honest feedback at all times, this applies to our teams, investors and customers. Courage and honesty is the vehicle for positive change and Team Motorpoint has embraced this.

see page 26 for more information

Operational choice

We are not a franchise operation, so are free from the influence that the franchised dealers may feel from their manufacturer partners. This allows us to take market opportunities where available and operate without brand restriction.

STRATEGIC PILLAR	HOW WE PERFORMED THIS YEAR	OUR MEDIUM-TERM GOALS
Grow in our local markets	All of our sales increase of 6.8% this year was fulfilled by our existing estate, through a combination of site and online sales. Our most recent site opening was Sheffield in April 2017, which forms one of our "Developing" cohort of sites opened within the last 5 years. Our sites have benefited from a deeper stock range, more competitive finance pricing, and slicker systems.	None of our "Established" sites have yet stopped growing, and so should continue to take market share. Our "Developing" sites have significant opportunity to grow to achieve the same success, and are still on a progression of building a repeat customer base. With the upcoming opening of the Peterborough Preparation Centre, we will release retail site space for further growth at the most constrained sites.
Grow online sales	Our online sales have grown again, and are included in the 6.8% total revenue growth performance. Improved customer data use has facilitated a more personalised marketing and communications programme, driving an increase in online sales conversion.	Launch of new customer initiatives throughout FY20, to support increased customer digital functionality, and ultimately to achieve customer self-service of all critical components of the car buying journey.
Open new sites	Site 13 was secured immediately after the year end, and negotiations on a number of other sites are well progressed.	Open an average of one new site per year, to a medium-term target of 20 sites.

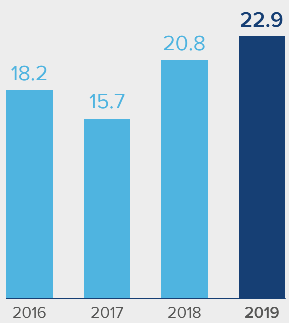
Key benefits of buying your next car from Motorpoint:

- Motorpoint Price Pledge
- Extensive Choice
- Great Value
- Award Winning Service
- Same Day Driveaway
- Competitive Part-Exchange Prices
- Flexible Finance Options
- Reserve Online and Collect at Site
- Test Drives Readily Available
- Open Every Day (& until late weekdays)

FINANCIAL KPIs

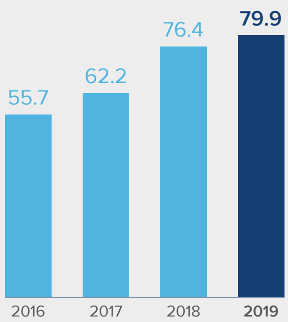
Adjusted PBT (£m)[1]

Adjusted PBT grew to record highs of £22.9m, growth of 10.1%.



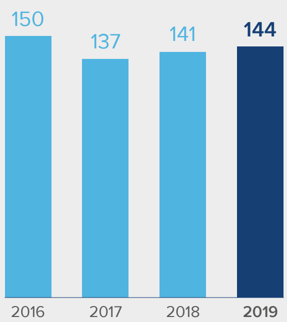
Gross Profit (£m)

Gross Profit continued to strengthen only narrowly behind Revenue growth rate.



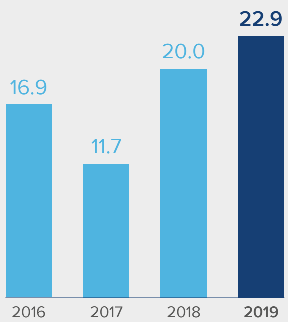
GP/Adjusted Overheads (%)[1]

We have opened 5 new sites n the last 5 years, with the improving contribution from these developing sites supporting another improvement in GP/Adjusted Overheads.



PBT (£m)

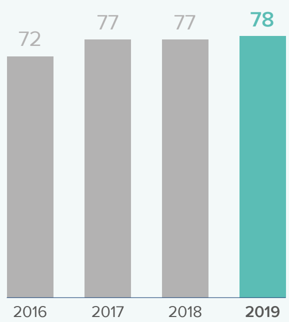
PBT grew to record highs of £22.9m with growth of 14.5% compared to FY18.



NON-FINANCIAL KPIs

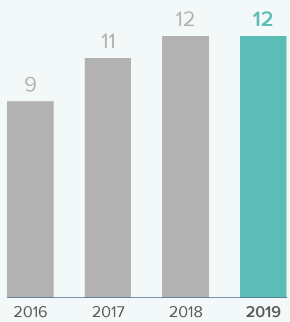
Net Promoter Score (%)

Customer satisfaction has continued to strengthen, with the record levels of NPS being maintained.



Number of sites as at 31 March

The Group has acquired its 13th retail site post year end which is scheduled to open in late FY20.



1. APM see page 100 for more information

> The Group has again achieved a year of progress against the market, with Revenue up by nearly 7% and Adjusted PBT up by 10% to £22.9m.
>
> MARK MORRIS, CHAIRMAN

Trading and financial performance

The Group has again achieved a year of progress against the market, with Revenue up by nearly 7% and Adjusted PBT up by 10% to £22.9m. Whilst this performance lags the internal aspirations that we set ourselves at the beginning of the year, I am delighted that we have continued to take market share against an unhelpful backdrop of consumer and political uncertainty.

Over the year we have seen a raft of general retailers come under trading pressure, and downgrades within our immediate competitor group. In the face of this volatility the investment thesis of Motorpoint's operational and financial resilience stands out even more than normal. We finished the year with a healthy cash position, and no structural debt. Our Gross Profit to Overheads ratio, which exemplifies our robust operational gearing, grew again to 144.5%.

Capital expenditure remained modest given the importance of the investments that have been made in the new Peterborough Preparation Centre and the site refresh in Glasgow, and Overheads have been well controlled, commensurate with the lower rate of sales growth in the second half of the year. Working capital management remains core to our cash-generative proposition, and the Group has achieved an operating cash conversion of 98.8%.

Our market

There has been very little positive momentum in the broader new car market in the year, and we again see our opportunity in the nearly new sector to be one of continuing growth of our market share.

The nearly new car market has narrowly declined, however, we have continued to bolster our position as the UK's largest independent car retailer through our unique customer proposition of Choice, Value and Service.

Dividend and buyback

I am pleased to announce that the Directors have recommended a final dividend of 5.0 pence per share, taking the total for the year to 7.50 pence per share. This represents a dividend cover, consistent with last year, of 2.5 times adjusted EPS.

Our buyback has achieved steady progress, buying a total of 3,992,000 shares during the year of which 3,988,464 were cancelled, representing 3.98% of the opening shares in issue. The average market price paid, excluding stamp duty or commission, was £2.20.

The year ahead

Motorpoint is again well positioned to continue its growth, with positive momentum within the existing estate, and our anticipated 13th site in Swansea due to open later
in the year. I remain cautious of the external and macroeconomic environment, but believe that with its unique operating model and outstanding Executive team, Motorpoint is well placed to continue its market share growth and out performance of the competition.

Mark Morris
Chairman
11 June 2019

> Double-digit EPS growth has been achieved through good gross profit growth and strong operating cost control. A total of £15.7m cash has been returned to shareholders through a combination of ordinary dividends and share buyback.

JAMES GILMOUR, CHIEF FINANCIAL OFFICER

Resilient trading in FY19 has contributed to a year of continued growth amidst a challenging market environment. Full year Revenue growth of 6.8% has driven Gross Profit up by 4.6% and Adjusted Operating Profit[1] up by 11.3%.

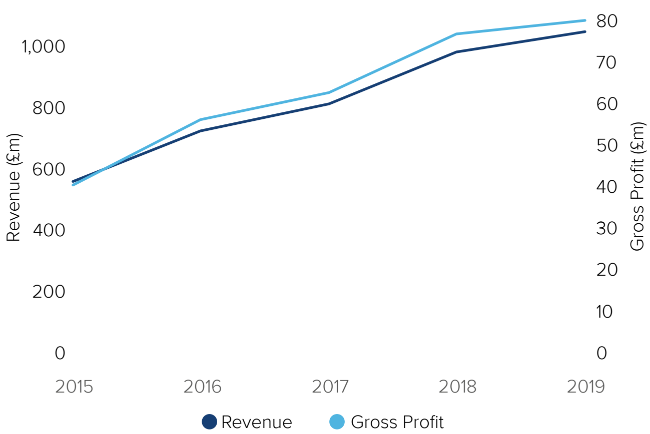
Tight cost discipline was achieved in the face of a more modest underlying top-line growth rate, particularly in the second half of the year. Our key Gross Profit/Overheads[1] metric has risen to 144.5% as the operating costs of the newer site openings are increasingly covered by their maturing sales performances. Operating Cash Conversion[1] of 99% has allowed £15.7m of cash to be returned to shareholders through dividends and the buyback programme.

Revenue and gross profit

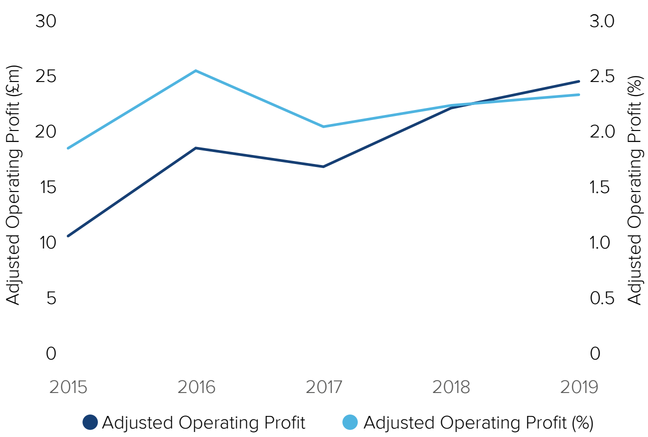
Revenue for the year increased by 6.8% to £1,058.7m (FY18: £991.2m), across existing sites as there were no new sites openings in the year.

Gross margins for FY19 softened slightly, to 7.5% (FY18: 7.7%) due to the breadth of stock available on the market although this level is in line with historical norms. The Revenue growth increased full year gross profit by 4.6% to £79.9m (FY18: £76.4m). The year on year increase was more pronounced in the first half of the year. FY19's second half margin performance fell below normal seasonal trends due to more aggressive pricing in a consumer market disrupted by the ongoing political and economic uncertainty.

Revenue and gross profit over past 5 years



Adjusted operating profit over past 5 years



1. APM see page 100 for more information

Adjusted operating profit

Adjusted Operating Profit (Operating Profit Before Exceptional Items)[1] for the year increased by 11.3% to £24.6m (FY18: £22.1m).

Pre Exceptional Operating Expenses[1] increased by £1.0m to £55.3m (FY18: £54.3m).

Team costs

Total team costs increased by £0.4m, driven in part by higher commissions for units sold.

The cost of share-based compensation schemes decreased as a result of the FY17 PSP scheme not vesting for the majority of participants. Further detail is included in the Annual Report on Remuneration on page 51.

Site costs

Site costs decreased by £0.3m as a result of negotiating rates assessments at a number of sites. This has led to a lower rateable value going forwards at these sites.

Other costs

Other Operating Expenses increased by £0.9m as a result of increased investment in the IT platform for future site growth and investing in the in-house marketing team capability.

Operating profit

The reconciliation from Adjusted Operating Profit[1] to Operating Profit is shown below; the only reconciling item is the exceptional costs in FY18.

Operating Profit reconciliation	FY19 £m	FY18 £m
Adjusted Operating Profit	**24.6**	22.1
Exceptional Items	**–**	(0.8)
Operating Profit	**24.6**	21.3
Finance Expense	**(1.7)**	(1.3)
Profit Before Tax	**22.9**	20.0
Taxation	**(4.6)**	(4.0)
Profit After Tax	**18.3**	16.0

The finance expense of £1.7m is the Group's interest costs.

During the year the Group increased its stocking facility with Blackhorse by £5m, taking the total Blackhorse facility to £75m, in addition to the existing £20m stocking facility with Lombard North Central Plc.

Total stocking finance facilities available total £95m, of which £82.2m was drawn at 31 March 2019. £1.6m of interest cost was incurred during the year under these facilities, an increase of £0.5m as a result of higher utilisation over the year in line with higher average stock levels.

The existing £20m facility with Santander UK Plc is split between £6m available as an overdraft and £14m available as a revolving credit facility. At 31 March 2019, there were no drawings under the facility. The facility has been utilised at various points during the year with an interest cost in the year of £0.1m. The facility is available for a fixed term of five years from 10 May 2016.

Share-based payment compensation

The cost of share-based compensation schemes is included in Operating Profit. There are three schemes which are the Share Incentive Plan (SIP), Performance Share Plan (PSP) and Save As You Earn (SAYE) scheme.

The SIP constituted an award of £1,000 for all employees with at least one year of continuous service as at the award announcement date, 24 May 2016. The SIP was made as recognition of our team who had been instrumental in building the Motorpoint business to be ready for IPO. The shares awarded will vest after a three-year period from the date of grant dependent only on remaining in Motorpoint's continued employment.

The PSP is for Executive Directors and certain key Senior Managers. Awards made under the PSP are nil cost options. The extent to which such awards vest depend on the Group's performance over a three-year period. It is the intention of the Board that a new award will be made during each future financial period, and awards were made in FY17, FY18 and FY19. The FY17 award relates to the three-year period ending 31 March 2019 and is due to mature in June 2019 but the majority will not vest as the EPS measures were not met.

The SAYE scheme was launched by Motorpoint in December 2016, and further schemes were issued in both December 2017 and December 2018. It is anticipated that a further scheme will be launched in each future year, subject to Board approval.

Further information on share-based compensation schemes is included in note 29 to the Consolidated Financial Statements.

1 APM see page 100 for more information

Exceptional items

There have been no exceptional items in the period. The exceptional cost of £0.8m in the prior period relates to the VAT treatment of rebates received from a single supplier over the four years prior and was paid during FY18. Volume rebates from this supplier are an area of specific focus from HMRC across the industry. We have submitted a claim, and had a notice of appeal acknowledged, noting a reliance on an existing case brought with HMRC. We continue to monitor this case and industry developments with interest. Volume rebates received from this supplier in both FY18 and FY19 have been accounted for in line with the HMRC assessment, despite our ongoing claim, with underlying gross margin being adjusted down accordingly.

Taxation

The tax charge in the period is for the amounts assessable for UK corporation tax in the year net of prior year adjustments and deferred tax credits.

Financial position

The financial position of the Group is strong with net assets having increased by £2.6m to £29.0m.

Financial position	FY19 £m	FY18 £m
ASSETS		
Non-current assets		
Property, plant and equipment	**8.3**	5.4
Deferred tax assets	**0.5**	0.5
Total non-current assets	**8.8**	5.9
Current assets		
Inventories	**116.2**	104.0
Trade receivables	**8.6**	6.5
Other receivables	**0.5**	0.8
Prepayments	**2.3**	4.4
Accrued income	**2.5**	1.2
Cash and cash equivalents	**13.8**	15.6
Total current assets	**143.9**	132.5
Total assets	**152.7**	138.4
LIABILITIES		
Current liabilities		
Trade creditors	**(17.4)**	(13.8)
Stocking finance facilities	**(82.2)**	(69.0)
Other taxes and social security	**(0.8)**	(0.6)
VAT payable	**(0.9)**	(4.5)
Accruals	**(18.7)**	(17.0)
Contract liabilities	**(1.4)**	(3.5)
Current tax liabilities	**(2.1)**	(2.0)
Current liabilities	**(123.5)**	(110.4)
Contract liabilities over one year	**(0.2)**	(1.6)
Total non-current liabilities	**(0.2)**	(1.6)
Total liabilities	**(123.7)**	(112.0)
NET ASSETS	**29.0**	26.4

A significant amount of the capital expenditure is the preparation centre at Peterborough which has been developed to support storage and preparation activities opening in early FY20. Other capital expenditure in the year included £0.4m for a refurbishment of the Glasgow showroom.

Stock levels have increased by 11.7% to £116.2m (FY18: £104.0m). Stock has increased due to good availability around the year end, and to provide a broad range of choice at existing sites. Stock provisions, calculated on a basis consistent with the prior year, have been maintained at £1.4m (FY18: £1.4m).

Stocking finance facilities drawn at 31 March 2019 total £82.2m (FY18: £69.0m), there was unutilised headroom within these facilities of £12.8m (FY18: £21.0m).

Trade receivables are amounts due in the short term from Motorpoint partner vehicle finance providers, the majority of these are paid on the next working day. The balance has increased by £2.1m to £8.6m (FY18: £6.5m) which in part is due to the year end falling over the weekend.

Prepayments are predominantly rent and rates for the retail sites, together with deferred costs for extended guarantees.

Accrued income is rebates and commissions from vehicle suppliers and finance houses.

Trade and other payables include amounts owed to suppliers for vehicles and goods and services, amounts drawn under the stocking finance facility, as well as any amounts owed to employees for commissions and bonuses.

Contract liabilities, both less than and over one year, are the extended guarantee products which were sold prior to December 2016. These revenues are recognised over the period to which the guarantee relates, together with any associated direct costs, with these costs being prepaid. From 1 December 2016, Motorpoint ceased sale of the extended guarantee product as principal, replaced by the sale of a new extended warranty product which is fully underwritten with a third party insurer, with Motorpoint now acting as sales agent. Commission on such sales is recognised as revenue at the point of sale.

The deferred revenue relating to the historical guarantee product will be substantially released by the end of FY20.

Cash and cash equivalents of £13.8m (FY18: £15.6m) are solely amounts held on deposit account.

Cash flow and working capital

The Group continues to be highly cash generative; cash reserves for the year decreased by £1.8m after the impact of the buyback (£8.8m) and dividends (£6.9m), leaving us well positioned to continue the share buyback as announced in May 2019.

Cash flow	FY19 £m	FY18 £m
Cash flow from operations before movements in working capital and cash flow on exceptional items	**25.9**	24.1
Net working capital movement	**(1.6)**	(3.1)
Cash flow from operations before exceptional items	**24.3**	21.0
Payments in respect of exceptional items	**–**	(0.8)
Interest paid	**(1.7)**	(1.3)
Income tax paid	**(4.5)**	(3.9)
Net cash generated from operating activities	**18.1**	15.0
Cash flows from investing activities		
Purchases of property, plant and equipment	**(4.2)**	(1.3)
Cash outflows to related parties	**–**	(0.4)
Net cash used in investing activities	**(4.2)**	(1.7)
Cash flows from financing activities		
Dividends	**(6.9)**	(4.9)
Payments to acquire own shares	**(8.8)**	(0.1)
Net cash used in financing activities	**(15.7)**	(5.0)
Net (decrease) / increase in cash and cash equivalents	**(1.8)**	8.3

Cash flow from operations is the cash generated from operations prior to exceptional items and adjusting for non-cash transactions such as share-based compensation charges. The increase in the year is predominantly driven by the increased profit before tax generated by the Group.

The net working capital outflow in the year is substantially driven by the slight increase in debtor balances as at the end of the year. Increases in stock have been funded by increased utilisation of stocking facilities.

Payments in respect of the exceptional item in FY18 of £0.8m are the cash outflow to settle the HMRC assessment as outlined in the Exceptional Items section of this report.

Capital expenditure primarily includes spend of £2.5m on the preparation centre at Peterborough and a £0.4m refurbishment of the Glasgow showroom.

Dividend

In June 2019, the Board proposed a final dividend of 5.0 pence per share in respect of FY19. This will be tabled at the forthcoming AGM on 23 July 2019, and subject to approval will be paid to shareholders on the record date of 16 August with a payment date of 20 September 2019.

Together with the interim dividend of 2.5 pence per share that was paid on 15 March 2019, this will deliver a total dividend for the year of 7.5 pence per share.

Share buyback

We announced our intention to buyback up to £10m worth of our shares on 7 May 2019 replacing the £5 million programme announced on 14 August 2018. The purpose of this remains to reduce the share capital of the Company and return funds to shareholders; repurchased shares are typically being cancelled although the programme allows for shares to be held in treasury to allow the Company to satisfy employee share plan obligations. Subject to shareholder approval at the upcoming 2019 AGM, the current programme is expected to complete no later than the date of the Company's 2020 AGM.

Earnings per share

Earnings per Share for the period are shown below and it is with pleasure that we report an increase of 11.3% to our adjusted Earnings per Share.

The Board views the adjusted Earnings per Share[1] as the most appropriate metric for performance of the business as this excludes the impact of exceptional items in the previous year.

The dilutive impact of shares issued in relation to Motorpoint shares in issue is shown in note 13 to the Consolidated Financial Statements but given the three-year vesting period and immaterial nature of these, the Board believes the adjusted Basic Earnings per Share to be the most appropriate basis.

The reduction in share capital is due to the impact of the share buyback programmes announced in November 2017 and August 2018.

Earnings per share	FY19	FY18
Profit Attributable to Ordinary Shareholders (£m)	**18.3**	16.0
Exceptional Items (£m)	**–**	0.8
Adjusted Profit Attributable to Ordinary Shareholders (£m)	**18.3**	16.8
Weighted Average Number of Shares in Issue ('000)	**97,924**	100,193
Adjusted Basic Earnings Per Share[1] (Pence)	**18.7**	16.8
Basic Earnings Per Share (Pence)	**18.7**	16.0

1. APM see page 100 for more information

Developments in the year

In the current year the Group has adopted the following new standards and interpretations;

IFRS 9 Financial Instruments – addresses the classification, measurement and recognition of financial assets and financial liabilities, impairment and hedge accounting. The Group has assessed the criteria of the new standard and changes to classification of financial instruments and disclosure requirements were identified. No other material changes were required to the financial statements.

IFRS 15 Revenue from Contracts with Customers – deals with revenue recognition and establishes principles for reporting, and considers revenue recognition when there are multiple elements to the transaction. The Group has assessed the criteria of the new standard and additional disclosure requirements were identified. No other material changes were required to the financial statements.

Classification and Measurement of Share-based Payment Transactions – amendments to IFRS 2. The Group has assessed the criteria of the new amendments and no material impact from this standard has been identified.

The Group has not early adopted IFRS 16, which is mandatory for annual periods beginning on or after 1 January 2019, but has commenced its assessment of the standard's impact as set out below.

IFRS 16 Leasing – replaces existing leases guidance, principally IAS 17 Leases, and is effective for annual periods beginning on or after 1 January 2019.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ('ROU') asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases of 12 months or less and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group has reviewed all of the Group's leasing arrangements in light of the new standard and has included estimated figures which may be subject to change. The standard will primarily affect the accounting for the Group's operating leases, most notably in respect of property.

The Group plans to apply IFRS 16 initially on 1 April 2019, using the full retrospective approach. Therefore, the effect of adopting IFRS 16 will be the restatement of comparative information as if IFRS 16 had always applied. The disclosures below are based on current best estimates for the impact of IFRS 16.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The Group will also use practical expedient to account for a lease as a short-term lease if it has a remaining term of 12 months or less on transition. Under this approach, the Group would not recognise a ROU asset or lease liability for this lease. Instead, the Group would recognise rentals payable as an expense in its disclosure of total short-term lease expense.

As at the reporting date, the Group has non-cancellable operating lease commitments of £61.6m (see note 27). Of these commitments, approximately £0.4m relate to short-term leases and low-value leases which will be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments, the Group expects to recognise ROU assets of approximately £45.0m on 1 April 2019, lease liabilities of approximately £47.1m and deferred tax assets of approximately £0.6m (before adjustments including prepayments and accrued lease payments recognised as at 31 March 2019 of approximately £0.9m). Overall net assets will be approximately £3.7m lower, and net current liabilities will be approximately £2.8m higher due to the presentation of a portion of the liability as a current liability.

The Group expects that net profit after tax will decrease by approximately £0.7m for FY20 as a result of adopting IFRS 16.

EBITDA is expected to increase by approximately £4.3m, as the operating lease payments were included in EBITDA, but the amortisation of the ROU assets and interest on the lease liability are excluded from this measure.

Operating cash flows will increase and financing cash flows decrease by approximately £2.7m as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The adoption of IFRS 16 will have no impact on the Group's current banking covenants.

James Gilmour
Chief Financial Officer
11 June 2019

RISK MANAGEMENT

Approach to risk management

The Board is accountable for maintaining a policy of continuous identification and review of the principal risks facing the Group which could threaten its future performance or business model. On behalf of the Board, the Audit Committee reviews the effectiveness of Motorpoint's risk management processes.

The Compliance Committee is delegated responsibility, from the Audit Committee, for formally identifying and assessing these risks annually, measuring them against a defined set of criteria, and considering the likelihood of occurrence and potential impact to the Group. The Compliance Committee is formed of the two Executive Directors and the Company Secretary.

The most material risks (based on likelihood and impact as illustrated below) form our Group Risk Profile, which is reported to the Executive Board for review and challenge, ahead of final review and approval by the Board. These principal risks are then subject to Board discussion during the course of the year, as appropriate. To drive continuous improvement across the business, the Compliance Committee monitors the ongoing status of action plans against key risks quarterly.

Principal risks and uncertainties

On the following pages are details of our principal risks and uncertainties and the key mitigating activities in place to address them. It is recognised that the Group is exposed to risks wider than those listed. We disclose those we believe are likely to have the greatest impact on our business at this moment in time and which have been the subjects of debate at recent Board or Audit Committee meetings.

From time to time the Group has made changes to historical business and commercial practices where such activities did not meet, or may not have met, applicable laws or regulations (whether civil, criminal, regulatory or other) or the commercial and ethical values of the Group. Notwithstanding their discontinuation, certain aspects of these historical business and commercial practices could result in administrative, criminal, financial, regulatory or other action or proceedings and such actions or proceedings could have an adverse effect on the Group's reputation, business, financial condition and operating results.

RISK MANAGEMENT FRAMEWORK

1st line	Operational and management controls	• Site management with appropriate team structure including Heads of Operations • Visible, championed values and expected behaviour • Application of company policies and procedures • Employee induction, training and ongoing support • Operations Board oversight
2nd line	Risk and compliance monitoring	• Oversee and challenge risk management • Provide guidance and direction • Develop risk management framework • Committees, officers and third parties engaged to monitor and report on compliance
3rd line	Independent and external review	• Review 1st and 2nd lines • Consider and challenge the process • Be objective and offer assurance • Engagement of independent and external expertise

How the Board manages risk

The Board and each of its delegated Committees operate to a prescribed meeting agenda in order to ensure that all relevant risks are identified and addressed as appropriate. Key management information is reviewed in order to prescribe operating controls and performance monitoring against the Company's strategy and business plans.

The Non-Executive Directors have particular responsibility for monitoring the financial and operating performance, to ensure that progress is being made towards our agreed goals. The Board's responsibilities also include assessing the effectiveness of internal controls and the management of risk.

The Board's review of risk and controls

During the year, the Board considered all strategic matters, received key performance information on operating, financial and compliance matters and reviewed the results of corresponding controls and risk management. We received from the Audit Committee and from the Compliance Committee timely information and reports on all relevant aspects of risk and corresponding controls.

We reviewed all our key Company policies and ensured that all matters of internal control received adequate Board scrutiny and debate. At Board meetings, and informally via the Chairman, all Directors had the opportunity to raise matters of particular concern to them. There were no unresolved concerns in the year.

We concluded that appropriate controls are in place and functioning effectively. The Board considers that the Group's systems provide information which is adequate to permit the identification of key risks to its business and the proper assessment and mitigation of those risks.

Based on the work of the Audit Committee and the Compliance Committee, the Board has performed a robust assessment to ensure that (i) the principal risks and uncertainties facing the Group's business have been identified and assessed, taking into account any adaptations made to the Group's business strategies; and (ii) appropriate mitigation is in place.

Viability Statement

In accordance with the UK Corporate Governance Code, the Board has assessed the prospects of the Group over a period in excess of the 12 months required by the 'Going Concern' provision, selecting instead a period to the end of FY23 which takes into account the Group's current position and the potential impact of the principal risks and uncertainties as set out on pages 21 to 23.

In making their assessment the Directors considered the Group's current balance sheet, its strong track record of generating operational cash flows, the availability of facilities, and stress testing of the key trading assumptions within the Group's plan.

Based on this assessment, the Board confirms it has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2023.

The Board has determined that the period constitutes an appropriate period over which to provide its Viability Statement. This is the period detailed in our Strategic Plan which we approve each year as part of the strategic review. Whilst the Board has no reason to believe the Group will not be viable over a longer period, given the inherent uncertainty involved we believe this presents users of the Annual Report with a reasonable degree of confidence while still providing a medium-term perspective.

PRINCIPAL RISKS AND UNCERTAINTIES

Key

Increased risk | No change | Decreased risk

No.	Risk and impact	Mitigating controls	Change
1	**Competition** The UK vehicle market is highly competitive and customers have a broad choice of retailers, some of which offer comparable products. The market continues to see consolidation and innovation, through which our competitors have progressed their propositions. Concurrently, customer expectations and buying patterns are evolving, with the traditional research and purchase channels becoming ever more influenced by digital media, peer recommendations and convenience. Failing to stay ahead of the market or failing to adapt to changing customer behaviours faster than the competition could undermine our ability to meet our objectives.	We compete via our business model's consistent focus on Choice, Value and Service; each of these cornerstones is built into the business operation and reporting. For example, customer satisfaction ratings are used in the calculation of all bonuses or commissions across the business. We identify potential gaps in our proposition using both internal and external sources, for example by commissioning market research studies or mystery shopping best in class retailers.	No change
2	**Brand and reputation** As a function of being independent of manufacturer support, Motorpoint attracts new and repeat customers substantially through building a compelling perception of the Company's brand and reputation. Failure to maintain these would rapidly result in a loss of customer confidence and impact levels of business. Unfavourable publicity concerning the Company or the industry in which it operates could also have an adverse impact.	We have continued to expand awareness and relevance of our brand to both new and existing customers, through investment in our website and via more personalised outbound communications. Customer satisfaction, measured using the NPS system, sits at the heart of our operations and is subject to regular scrutiny across all levels of the business. We closely monitor customer perceptions using both qualitative and quantitative feedback, and respond quickly where possible.	No change
3	**Availability and terms of customer finance** Vehicle sales volumes rely on our customers being able to access affordable credit lines. As such the Company is exposed to the risk of lending institutions reducing, terminating or materially altering the terms and conditions on which they are willing to offer consumer credit to the Company's customers. Commission income generated by the Company acting as a regulated credit broker could be impacted if either the number of such arrangements reduces, or the structure and amount of commissions earned is altered.	The risk is spread by way of customer finance being offered through a panel of key relationship partners. We constantly monitor the market and emerging trends, working in conjunction with our partners to keep our consumer credit offer relevant, competitive and viable. Where possible we reinvest in the quality of the customer offer, preferring to build its appeal rather than maximise our commission rates.	No change
4	**Availability of supply** Given the absence of forward-purchase contracts with manufacturers or any other suppliers, there is a risk that future vehicle supply is insufficient to satisfy customer demand as the Company continues to grow. The high risk of Brexit-related disruption on the supply chain is likely to have at least some impact on Motorpoint – with circa 80% of new UK cars being imported from the EU, any movement in the foreign exchange, friction within the transport or customs process etc could manifest within pricing volume allocation to the UK.	We use a broad spread of supply channels, within each of which are long-standing relationships. As we grow, we will continue to diversify this supply base to minimise reliance on any one source. We employ an experienced buying team which is responsible for maintaining an efficient and effective supply chain. We are able to flex our buying criteria within the scope of our retail proposition (age and mileage of vehicles) to access more supply if any one segment contracts.	Increased risk Due to potential impact of EU Referendum.

Key

Increased risk | No change | Decreased risk

No.	Risk and impact	Mitigating controls	Change
5	**Regulation** The Company has various FCA permissions to carry on a range of regulated insurance and consumer credit activities from which it derives income. There is a risk that increased regulation or restrictions on the sales process or nature of these products would restrict the income available to the Company. The Company notes the FCA's Thematic Review TR19/2 released in April 2019, specifically focused on consumer insurance products. The introduction of this review, as per any other review, requires careful consideration and potential changes to business processes. In addition, whilst the Directors believe that the Company conducts its business in accordance with all applicable regulations and will endeavour to continue to do so, there remains a risk that the regulator will find that the business has not complied fully with such regulations. In such circumstances, the impact to the business of any regulatory fines and other costs, reputational damage and/or loss of FCA authorisation could be material. The introduction last year of the EU General Data Protection Regulation has necessitated many changes in business processes, and in record retention.	We carry out comprehensive and repeat training for our team members with regular experience checks, which includes compliance and exception monitoring and reporting. We are reviewing TR19/2 and guidance consultation, both internally and in conjunction with specialist advisors, to ensure our continued compliance and best practice. We have a number of policies and codes across the business outlining the mandatory requirements within the business. These are communicated to all staff via an employee handbook. We have a Compliance Committee which conducts regular reviews of the key regulatory risk areas, allocating control environment improvement objectives to relevant owners. We also operate a whistle blowing hotline which allows colleagues or suppliers to confidentially report any concerns or inappropriate behaviour within the business. A dedicated project has run from Summer 2017 to review and update systems and processes to achieve business readiness for GDPR.	Increased risk Due to the very recent release of a thematic review.
6	**Economic conditions** The Company operates entirely in Great Britain and therefore its business is affected by overall economic conditions and the level of customer confidence and spending in the country, including changes in factors such as unemployment, exchange rates, inflation or deflation and the cost of motoring. The ongoing volatile political environment and consumer uncertainty as a result of Brexit increases the risk of a downward shock to broad economic conditions and may have a tertiary impact on availability of labour.	We offer what we believe to be a compelling customer proposition, including a core element of Value. This allows customers to trade up (from older or higher mileage cars) or down (from new cars) as economic conditions fluctuate. We maintain a low-cost business model that allows us to maintain our selling prices as low as possible, and we always aim to be cheaper than the competition. We have an extensive forecasting process that enables actions to be taken in the medium term in response to evolving economic conditions. Continue to monitor.	Increased risk Due to potential impact of EU Referendum.
7	**Credit, liquidity and financing** The Company uses a selection of finance facilities to fund its operations, including a stock financing facility, which is secured against its retail vehicle stocks. A change in the pricing or a reduction in funding parameters and facility limits could significantly constrain the Group's ability to trade or the Group could be required to dispose of assets at below their market value or at a substantial discount.	A treasury policy and set of processes are in place to govern and control cash flow activities, including the investment of surplus cash. Forward-looking cash flow forecasts and covenant tests are prepared to ensure that sufficient liquidity and covenant headroom exists. We maintain a close relationship with the stock finance facility provider, with a minimum period of commitment in place to manage the risk of a diminution of lending appetite.	No change

Key

Increased risk · No change · Decreased risk

No.	Risk and impact	Mitigating controls	Change
8	**IT systems and business continuity** The Group is reliant on key IT systems, and disruption to these would adversely impact business operations. Data protection failure may lead to a potential prosecution and reputational damage to the brand.	All critical business systems have either third party maintenance contracts in place or dedicated internal resource. We utilise the services of an expert third party IT company to ensure that any investments made in technology are fit for purpose. We have a disaster recovery strategy including an approved Business Continuity Plan and an ongoing PCI compliance strategy.	No change
9	**Key management reliance** The Group is reliant on the high quality and ethos of the executive team as well as strong management and operational teams. The loss of one or more of these leaders could predicate poor implementation of the strategy or loss of operational oversight. This risk also encompasses the risk of management override of controls.	The key Senior and Operational Management are appropriately incentivised through bonus and share arrangements such that talent is retained. The composition and succession of the executive team is kept under constant review to ensure that it is appropriate to delivery of the Group's plans. Significant decisions for the business are made by the PLC Board, or via approved delegation by the Executive Board, with segregation of duties enforced on key business processes, such as the payables process.	No change

Driving Dreams™

Our culture is what drives our success. We are focused on driving dreams for our three priority stakeholders: Our Employees, Our Customers and Our Shareholders.

This people-centric culture is underpinned by our values and is the driver to our success. We start with our employees and ensure they receive everything in our power to increase their levels of satisfaction and engagement and are inspired daily to deliver an exceptional experience to our customers.

Living our values

A coaching culture remains at the heart of what we do. We have continued to invest in the coaching capability across our management teams and now have coaching champions in every site. With such an open and supportive culture we have been able to accelerate the feeling of pride and happiness in our teams, resulting in higher levels of operational performance.

On top of our coaching culture we have a bespoke values-based 121 tool, which is alive across our business at every level. This tool ensures every employee has a high impact discussion every month with their manager, looking at behavioural achievements, clear goal setting and recognising great results. This tool has helped employees really understand how to get maximum value from their 121s and build compelling personal development plans.

One vision

Our vision is clearly communicated and understood at every level of the business. All new starters are greeted by one of the Directors within their first two weeks of employment to talk them through it and the CEO also hosts ongoing internal forums throughout the year with existing teams.

Ensuring every person is clear on the role they play in achieving our goals is essential. We operate a company-wide, quarterly objective setting process known as our FAME Goals (Framework for Accountability and Management Engagement). Every Quarter, through robust consultation and review, we prioritise our operational objectives and key results and then communicate these global FAME goals across the business. This ensures total focus and alignment in all we are doing and allows every employee to set their quarterly objectives to focus on the key priorities. This one team mentality allows us to move at a greater pace, have more impact and celebrate success together.

Proud

We are incredibly proud of our team members and regularly say thank you with annual awards ceremonies, celebration days and quarterly team nights.

We were recognised in the Top 10 Best Regional Employers in three locations across the UK.

10% reduction of team turnover over 2 years

5th consecutive year in Sunday Times top 100 Best Companies to Work For

4.7 glassdoor rating

Our team

Male		Female
6	**PLC Board**	1
18	**Senior Manager** (Director, GM & Head of)	4
47	**Line Manager**	20
537	**Team Member**	135

Gender pay gap

We are proud that year on year we are attracting and promoting more female talent across our business. It is well known that the automotive industry has faced challenges over the years attracting and retaining female employees into key roles, something often pinpointed as a reason for our sector having a pay gap.

Our report showed that 94% of females earn more than the Motorpoint minimum wage on a pre-commission basis.

We are delighted to report that the number of females occupying line management roles has also increased since last year which was a key goal for us. Attracting more female talent into our sales and general management teams remains a core part of our diversity and inclusion strategy for the coming year.

	Contracted hourly pay	Bonus pay gap	Total pay gap
Mean pay gap	-3.8%	79%	19.5%
Median pay gap	0%	51.2%	7.7%

(- represents in favour of females)

Our full Gender Pay Gap report is available at www.motorpoint.co.uk/gender-pay-gap-report.

Highest levels of team engagement

We have clearly defined measures of success to show us that our virtuous circle is truly turning and delivering happiness and satisfaction for our employees. We monitor team engagement twice a year through our internal Driving Seat Survey and the B-Heard external survey, which is part of the Times Top 100 Best Companies to Work For judging process.

External reputation

We put a significant amount of care and commitment into our future talent. Building a robust external pipeline through our reputation as an employer of choice is essential to our growth plans. We are delighted with how well we have done against this and the increased level of quality applications we see for our vacancies. It is evident through the below measures our external employer brand is thriving.

Investing in our people

Career development & skills enhancement

We offer career and personal development to every employee from the moment they join us. We pride ourselves in having exceptional technical training in our sites and through specialist trainers across the business. Outside of a complete revitalised induction and on-boarding experience this year has also seen us continue to invest in the leadership capability of our team.

Management development

We have seen 75% of all management vacancies filled with internal talent over the last year and this is due to the increased focus and investment we have in our future leaders. Our fast track talent management programme returned for the fourth year running and has seen a mix of delegates join the programme from across the UK. We have also offered additional leadership development to our existing management teams looking at Leadership in Action, advance management apprenticeships and a bespoke Good to Great Management team programme for site-based management teams.

Skills for life

We recognise that understanding your own personal journey, goals and strengths is key to personal and professional success and so we ensure this self reflection and skills for life training is a core part of our career offer. We deliver Navigator for men and Springboard for women via a specialist training partner and have seen increased engagement, retention and confidence from all delegates who have been through these programmes.

Coaching champions

The coaching culture is growing from strength to strength and underpins our honest value, we continue to provide accredited training to all of our in house coaches.

Real living wage

We are thrilled to be able to say, for the second year running we have tracked the Motorpoint Minimum Wage at the Real Living Wage rate and ensure nobody earns lower than this, in any position.

Diversity & inclusion

We are passionate about having a diverse workforce and being a fully inclusive employer. We have a partnership in place with Peterborough College and have offered a number of supported internships in our workshop and Customer Service Team through their network. This partnership has enabled us to become a disability confident employer and we are incredibly proud of this achievement.

Investing in our communities

Becoming an integral part of the communities in which we sit matters to us. We ensure we add real value and are able to offer experiences to residents and their families that ordinarily they may not be able to access. Recent events have included family fun days, ice skating, a visit with Santa and even a drive-in cinema. These events also allow us to raise funds for our partner charities as well as provide a service and experience for the community. We are proud to say we have raised over £28,000 in 2018.

Each site has their own partner charity that the local team decide on and they complete activities and events all year round to generate funds.

Team first

Our operating model is focused on putting the team first. This means empowering our employees and giving them the skills and confidence to champion the customer. We achieve this through living our core values and team commitments.

Our high performing team is a result of continued investment in our people which is demonstrated by our successful Talent Management Programme of which:

78% delegates promoted

10 new delegates on the programme due to graduate in 2019

17 promotions into management across the Group

Career Development, High Performance, Good to Great

Newport Management Team are an example of how a number of our Learning and Development Programmes have supported the career development of individuals and directly influenced the high performance of the management team and the site.

This year their Good to Great journey was recognised by the Newport Team achieving:

- Site of the Year
- General Manager of the Year
- Customer Services Manager of the Year
- Good to Great Manager of the Year
- Nomination for Sales Manager of the Year

They achieved their commercial targets, broke sales records, achieved exceptionally high levels of engagement , improved the preparation process, involved the whole site in the FAME Goals and are a Best Companies 3 Star Management Team.

During this year Newport Team have gone through our Good to Great Leadership programme which has bought them together as a competent, confident and committed team.

Several members of this team have also taken part in our Talent Programme and Senior Talent Programme which have laid the foundations for individuals to grow, develop and be able to maximise on the investment made in them during the Good to Great Leadership programme. All these programmes develop what we consider to be the foundations of great leadership: self awareness, self management and self belief.

We use a mix of techniques for experiential learning that are very practical, memorable and challenging.

Chris Brown started as a trainee in 2007; as a Sales Manager he went through our management development programmes and when promoted to General Manager in 2017, took part in a General Manager development programme.

Andrew Davies's career has taken him from Sales Executive to Sales Controller and now Sales Manager – Andrew participated in our Talent Programme and he has worked hard to build a coaching culture in the Sales Team.

Kyle Prosser took part in our Talent Programme and in 2018 our Senior Talent programme. Kyle started with Motorpoint as a valeter and is now a highly respected leader in the business and Preparation Manager.

Jody Gully participated in the 2018 Senior Talent Programme and is considered the highest performing Customer Service Manager in the business with many looking to her for good practice and training in this area.

The Good to Great Leadership Programme uses Patrick Lencioni's model 'The Five Dysfunctions of Team' and takes the team through how to overcome these to achieve a high performance.

The context being that cohesive teams don't just manifest without work, but when they do, they:

- Make better, faster decisions.
- Tap into skills and opinions of all members.
- Avoid wasting time and energy on politics, confusion, and destructive conflict.
- Create a competitive advantage
- Are more enjoyable to work in.

The Newport Team demonstrate how performance and engagement can be significantly lifted by the impact of our innovative development programmes, the learning culture on site and the desire of the individuals to make the most of the opportunities provided to them for personal, professional and commercial growth.

Supporting great causes

Outside of our corporate charity partners our employees also wanted to be able to do their bit for their own personal charities. In order to facilitate this we have joined forces with Payroll Giving to set up a salary sacrifice charity giving scheme. All employees are now able to give any amount they wish to any charity they wish directly through their pay. As a business we cover the administration costs meaning there is 100% benefit to the charities selected.

£6k
Raised by members of our leadership team in The Big Sleep Out

Site	Charitable Partner	Sponsorship
Birmingham	Acorns Children's Hospice	St Patrick's Festival
Birtley	Sir Bobby Robson Foundation	Birtley Town Football Club
		Norton Ladies Football Club
Burnley	Lancashire MIND	Burnley 10k (part of the Run for All Series)
		Mental Elf Run
		Belvedere Interceptors (Local Amateur Football Club)
		Amelia Seager (Local Amateur Equestrian Rider)
Castleford	Prince of Wales Hospice	Castleford Tigers Rugby League
Chingford	Teens Unite	Chingford Summer Fayre
		Zak Hussain (Local Amateur Go-Kart Rider)
Derby	Royal School for the Deaf Derby (Derby Site)	Motorpoint Arena Nottingham
	Derby County Community Trust (Head Office)	Derby 3K
Glasgow	Guide Dogs for the Blind	Clyde Football Club
Newport	Newport MIND	Motorpoint Arena Cardiff
		Polo at the Manor (Celtic Manor)
Oldbury	Sandwell Parents for Disabled Children	
Peterborough	Sue Ryder Thorpe Hall Hospice	Peterborough United Football Club
Sheffield	Cash for Kids	Mission Christmas (Partnership with Hallam FM)
Widnes	James Bulger Memorial Trust	Widnes Vikings

In addition we have supported the following UK charities with donations:
Ear Foundation; Beauty With A Purpose Children's Charity; St David's Hospice; New Life; Derby Children's Hospital; Queens Medical Centre, Nottingham; Sandwell & West Birmingham NHS Your Trust Charity; Friends Of Larkswood School; Children with Cancer UK; Andy's Man Club; Bearded Villains East Anglia; and Aspire.

Supporting our environment

Greenhouse gas emission data

We are required to measure and report greenhouse gas emissions pursuant to the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The greenhouse gas reporting period is the calendar year January to December 2018. Emission factors used are from UK government (Defra) conversion factor guidance current for the year reported for carbon dioxide equivalent (CO_2e).

	2017	2018
Equivalent CO_2 emissions	2.0t	**1.9t**
No. of sites as at 31 December	12	**12**
Equivalent CO_2 per site	0.2t	**0.2t**

We have significantly invested in technology over the last 12 months allowing us to reduce our carbon footprint as we strive to head to a paperless operation. The new HR Systems have allowed for a completely paper free recruitment and on-boarding process. This has been further supported across the business with our new Check-In App and Book Pack processing systems.

As we also encourage our employees to think about their own carbon footprints we have enhanced our Cycle to Work offer. Previously we had a scheme offering one annual intake. This has now been extended to all year round and we have seen a major increase in uptake.

Supporting employee wellbeing

Employee wellbeing and mindfulness is of great importance. This year we held more employee forums and pulse surveys with our teams to really understand what mattered most to them. We are committed to a career at Motorpoint being a mechanic to achieve individual's dreams and so we have invested in a number of initiatives to support this.

One Big Dream

One Big Dream gives the gift of time and flexibility and allows an individual to take time out, once a month, fully paid and do something that matters to them. We only ask that employees do something that will genuinely drive their happiness. This benefit has received immense positive feedback and has been used across an array of activities. The diversity of people's selection demonstrates just how important it is to apply the flexibility to our employee benefits in order to have a real impact on personal wellbeing.

My M.O.T.

We have partnered with Reward Gateway and launched an internal benefits and discount portal called My Motorpoint Offers & Treats (My M.O.T). This allows employees to access thousands of discounts and cashback options across a number of major high street retailers. Employees can also see savings of up to 10% on everyday purchases such as groceries, insurance and casual dining. On top of this our employees get access to a health & wellbeing section with exercise, nutrition and fitness information and initiatives.

We also offer every employee financial support towards key health and wellbeing conditions and treatments including optical support, physical therapy and dental care through our healthcare scheme. Alongside this we offer full access to our 24 hour counselling support via our Employee Assistance Programme.

£3k
donated to Mind as part of our employee survey initiative

Health & safety

Health & Safety remains a key business priority. We have specialists within the field and hold quarterly Health & Safety forums. All of our employees complete training within their first 3 months of employment as well as annual refreshers on core processes to ensure knowledge and confidence is at the highest level. We carry out health and safety risk assessments regularly, with the results reported to both the Compliance Committee and the Board.

Incidents	RIDDOR	Days Lost	Hours Lost
67	1	0	3

Modern slavery

We continue to address the risks of modern slavery and human trafficking in response to the Modern Slavery Act 2015, including by debating and adopting a policy, raising awareness of the risks across the business, and working with suppliers to protect workers from abuse or exploitation.

Our Modern Slavery statement is included on our website at www.motorpoint.co.uk/anti-slavery-statement.

Whistleblower hotline, anti-corruption & anti-bribery

We operate a confidential whistle blower hotline which is available for all of our team and our suppliers, to give them the opportunity to raise any issues about dishonesty or malpractice within Motorpoint, the results of which are independently collated and submitted to the Compliance Committee. We also have an Anti-Corruption and Anti-Bribery policy in place which is reviewed and recommunicated annually.

Treating customers fairly

The Directors are committed to ensuring that the FCA principle of treating customers fairly (TCF) is applied in all areas of our day-to-day business activities. TCF is a core foundation of delivering our retail proposition of Choice, Value and Service, and is thereby fundamental to delivering long-term business value. To this end the Board has reviewed and maintained the 'Treating Customers Fairly and Vulnerable Customers' policy.

Through concerted focus, TCF has become an integral part of the culture and is subject to frequent and rigorous scrutiny within all forums that consider, inter alia, customer-facing processes, staff remuneration, and product selection. The Board is committed to delivering the best possible service to our customers, with objectives across Motorpoint reflecting this aim.

In particular, the following business areas are under constant review in light of changes to Motorpoint's business model, customer requirements or the regulatory environment:

- Marketing practices, including promotional material.
- Sales processes, whether on site, via the contact centre or digital.
- Customer communications.
- Record keeping.
- Complaints handling.

A review and reporting environment has been developed to ensure that Motorpoint's high expectations are met, and that all systems, people and processes are supported to achieve our TCF objectives, including via:

- qualitative quality controls, such as post sale customer interviews and mystery shoppers;
- quantitative quality controls, such as cancellation rates for products within their cooling-off period; and
- ongoing training and support for our team, including personalised and scheduled refresher training.

This Strategic Report is set out on pages 1 to 29 and is approved by the Board of Directors and signed on its behalf.

Mark Carpenter
Chief Executive Officer
11 June 2019

James Gilmour
Chief Financial Officer
11 June 2019

BOARD OF DIRECTORS AND COMPANY SECRETARY

EXECUTIVE DIRECTORS

Mark Carpenter
Chief Executive Officer

Date of appointment
12 April 2016

Committee memberships
Compliance, Nomination

Background and career
Mark was appointed CEO of Motorpoint Limited in May 2013 following 2 years as CFO. He has 17 years' experience in motor retail and was previously finance director of Sytner Group Plc from 2005 to 2010. Prior to this, Mark was with Andersen, where he qualified as a Chartered Accountant.

Areas of expertise
Motor retail and finance

Significant external roles
None

James Gilmour
Chief Financial Officer

Date of appointment
12 April 2016

Committee memberships
Compliance

Background and career
James has been CFO of Motorpoint Limited since August 2015. He has 11 years' experience in retail, having previously held a number of finance positions at Tesco, including 2 years as finance director of Tesco Slovakia. Prior to Tesco, James held positions with Volvo Financial Services and with Deloitte, where he qualified as a Chartered Accountant.

Areas of expertise
Motor retail, general retail and finance

Significant external roles
None

NON-EXECUTIVE DIRECTORS

Gordon Hurst
Independent Non-Executive Director and Chair of the Audit Committee

Date of appointment
13 May 2016

Committee memberships
Audit, Remuneration, Nomination

Background and career
Gordon spent the majority of his executive career with Capita Plc where he spent 27 years including 19 years as group finance director. Gordon trained as a Chartered Accountant with Coopers & Lybrand.

Areas of expertise
Finance

Significant external roles
None

Mary McNamara
Senior Independent Non-Executive Director and Chair of the Remuneration Committee

Date of appointment
13 May 2016 (SID from 21 October 2016)

Committee memberships
Remuneration, Audit, Nomination

Background and career
Mary was CEO of the Commercial Division and board director of the Banking Division at Close Brothers Group Plc. She spent 17 years with GE in a number of leadership roles, including CEO of the European Fleet Services business. Mary has also spent time with Skandia and 14 years at Harrods.

Areas of expertise
Financial services

Significant external roles
One Savings Bank Plc – Chair of Remuneration Committee
Dignity Plc – Chair of Remuneration Committee

COMPANY SECRETARY

Manjit Virk
Company Secretary

Date of appointment
11 May 2016

Committee memberships
Compliance. Secretary to Audit, Remuneration, Nomination

Background and career
Manjit was a senior associate corporate/commercial lawyer at Freeths LLP, having had a 14-year career as a solicitor.

Areas of expertise
Legal – corporate and commercial

Significant external roles
None

NON-EXECUTIVE CHAIRMAN

Mark Morris
Non-Executive Chairman

Date of appointment
12 April 2016

Committee memberships
Nomination (Chair)

Background and career
Mark has been Chairman of Motorpoint Limited since January 2013 and prior to that Chairman/consultant since December 2010. He has 20 years' experience in motor retail having been finance director and then managing director of Sytner Group Plc. Prior to his role at Sytner Group, Mark was in audit, business advisory and corporate finance with Price Waterhouse where he qualified as a Chartered Accountant.

Areas of expertise
Motor retail and finance

Significant external roles
None

Steve Weller
Independent Non-Executive Director

Date of appointment
13 May 2016

Committee memberships
Audit, Remuneration, Nomination

Background and career
Steve was CEO of uSwitch.com, one of the leading comparison websites, from 2006 to June 2018. uSwitch.com was expanded rapidly under Steve's leadership, where he successfully completed a management buy-out in 2013 with LDC and subsequently sold the business to ZPG Plc in 2015. Prior to this Steve was involved in a number of roles in the telecoms industry, including with Orange.

Areas of expertise
E-commerce and online

Significant external roles
None

David Shelton
Non-Executive Director

Date of appointment
Executive from 12 April 2016 to 31 March 2018

Committee memberships
None

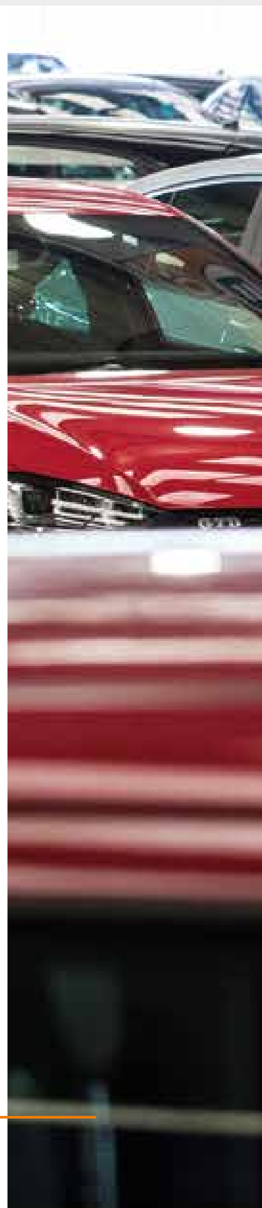
Background and career
David co-founded Motorpoint in March 1998 following a 10-year career as Buying Director for Motorhouse. David became a NED on 1 April 2018 having previously been an Executive Director.

Areas of expertise
Motor retail

Significant external roles
None

> The Board recognises the importance of, and is committed to, high standards of corporate governance and all Directors are fully aware of their duties and responsibilities under the UK Corporate Governance Code 2016 and 2018, the Disclosure and Transparency Rules and the Listing Rules.

MARK MORRIS, CHAIRMAN



I am pleased to confirm that Motorpoint continues to comply with the UK Corporate Governance Code 2016 (the Code), being the Code applicable for the relevant period and arrangements are being put in place to implement changes required in accordance with the 2018 version of the Code which will be reported on in the Company's FY20 Annual Report. The Code is available on the Financial Reporting Council's website (www.frc.org.uk).

Governance framework

The Directors are satisfied that Motorpoint has established procedures in place which provide a reasonable basis for the Board to make proper judgements on an ongoing basis as to the financial position and prospects of the Group. This Corporate Governance Report discusses the robust framework for controlling and managing the Group in further detail.

Directors

All of our Directors were appointed on or around flotation and have all remained in office throughout FY19 and continue to do so as at the date of this Report. They are listed along with their biographies on pages 30 and 31 of this Report. This year sees the third year of tenure for our NEDs who were appointed at float and they have all been reappointed for a further 3 years.

Annual General Meeting

This Annual Report remains the principal means of reporting to our shareholders on the Board's governance policies and therefore we welcome this opportunity to set out how the main and supporting principles of good corporate governance, as set out in the Code, the FRC Listing Rules and the Disclosure and Transparency Rules, have been applied in practice. We encourage our shareholders to attend our AGM which will be held on Tuesday 23 July 2019 at 11.00 am at Motorpoint Limited, Salisbury House, off Stephensons Way, Wyvern Business Park, Derby, DE21 6LY. This is a good opportunity for you to meet the Executive and NEDs. The notice of the AGM will be sent separately to shareholders along with this Report.


B
MOTORPOINT
COMPETITIVE PRICES PAID FOR PART EXCHANGES
INSTANT VALUATIONS AVAILABLE TODAY
motorpoint.co.uk
BUY AND DRIVE AWAY TODAY
AVAILABLE SEVEN DAYS A WEEK
PROTECT YOUR VEHICLE INVESTMENT
FINANCE AVAILABLE ON EVERY CAR
SPEAK TO A SALES ADVISOR TODAY
YR66 WLZ
LG66 TGJ

Leadership

The role of the Board

Mark Morris chairs the meetings and promotes a culture of openness and debate, including inviting the Executive Directors and the NEDs to debate and challenge Motorpoint's strategic matters which the NEDs have a greater understanding of. Mark sets the agendas for meetings in conjunction with the CEO, CFO and Company Secretary and ensures that Board papers are accurate, informative and distributed in good time for meetings.

The Board has a written statement of matters which are reserved for its decision, which was reviewed and updated in March 2019. This includes:

- Strategy and management.
- Structure and capital.
- Financial reporting controls.
- Internal controls.
- Contracts.
- Communication.
- Board membership and other appointments.
- Remuneration.
- Delegation of authority.
- Corporate governance matters.
- Policies.

The Board regularly considers Motorpoint's need for a ready supply of strong General Managers to support its strategy for growth and opening new sites. This includes keeping the current management teams on sites motivated and incentivised.

The NEDs have constructively challenged and helped develop proposal strategies when considering locations for new site openings and decisions surrounding the General Managers, among other matters.

The Chairman's primary role is to lead the Board and to ensure that it is effective in all aspects of its role. The CEO's primary role is to provide the overall management and leadership of the Company and to formulate/propose the Company's strategy to the Board. It is the responsibility of both to uphold and promote high standards of integrity and probity within the Group.

In order to ensure the success of the Company, it is essential that the Chairman and CEO have a close relationship, based upon trust, with the Chairman providing support and advice while respecting the importance of the CEO's executive responsibilities. It is particularly important that both promote effective relationships and open communication, both inside and outside the Boardroom, between Non-Executive and Executive Directors.

The roles of Chairman and CEO are clearly defined with the division of responsibility having been set out in writing and approved by the Board.

David Shelton sits on the Board as a NED, is a significant shareholder with an interest in 14.13% of the issued share capital of the Company via Shoby Investments Partnership Limited and is also director and shareholder of Shoby Properties Limited, which is landlord to a number of the Company's sites.

David Shelton has entered into a Relationship Agreement which is intended to ensure that the Company and the Group are capable of carrying on their business independently of Shoby and David Shelton, their respective associates and persons acting in concert with them or their respective associates at all times after Admission (Related Party Group). The agreement requires all transactions between the Related Party Group and the Group to be on arm's length and normal commercial terms. The Relationship Agreement is in force for so long as the Company remains listed and the undertakings are required from the Related Party Group so long as David/Shoby holds 10% or more of the voting rights in the Company.

Board and Committee attendance FY19

The Board has regular scheduled meetings most months throughout the year. The table below sets out the Directors' attendance at meetings of the Board and Committees for FY19.

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Mark Morris	10/10	3/3	–	1/1
Mark Carpenter	10/10	–	–	1/1
James Gilmour	10/10	–	–	–
Gordon Hurst	10/10	3/3	4/4	1/1
Mary McNamara	9/10[1]	3/3	4/4	1/1
David Shelton	10/10	–	–	–
Steve Weller	10/10	3/3	4/4	1/1

1. Mary McNamara did not attend a Board meeting on one date due to a medical emergency of a family member. She was provided the papers in advance of the meeting and had the opportunity to provide any comments or raise any queries to the Chairman, for raising at the meeting.

Roles and responsibilities

The Chairman's role

- Chair the Board, the Annual General Meeting and other shareholder meetings of the Company.
- Set the Board's agenda (primarily focused on strategy, performance, value creation and accountability) and ensure that adequate time is available for discussion of all agenda items, in particular strategic and complex/contentious issues.
- Ensure that clear strategic objectives of the Company are agreed by the Board and that these are monitored and regularly reviewed, and ensure that the Board determines the nature and extent of the significant risks that the Company is willing to embrace in implementing its strategy.
- Ensure that the Board has effective decision-making processes and applies sufficient challenge to major proposals.
- Ensure that an appropriate balance is maintained between the interests of shareholders and other stakeholders (employees, customers, suppliers and the community).
- Ensure that the Board, Audit, Remuneration and Nomination Committees are properly structured with appropriate terms of reference.
- Encourage all Board members to engage in Board and Committee meetings by drawing on their skills, experience, knowledge and, where appropriate, independence.
- Develop productive working relationships with all Executive Directors and the CEO.
- Consult the SID on Board matters in accordance with the Code.
- Demonstrate ethical leadership and promote the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.
- Ensure that the Board receives accurate, timely and clear information from the Company, including the CEO, the CFO, the Company Secretary and the wider management team, in particular regarding its performance, delivery of key strategies and key performance indicators, to enable the Board to make sound decisions.
- Maintain an effective and complementary Board, initiating change and succession in Board appointments, subject to Board and shareholder approval. This includes the identification and regular review of training/development needs of individual Directors as well as addressing the development needs of the business as a whole, with a view to enhancing overall effectiveness.
- Hold meetings with the NEDs, without the Executive Directors present.
- Together with the SID, ensure effective communication with shareholders and other stakeholders and that the Board is made aware of the views of those who provide the Company's capital.
- Promote a culture of mutual respect, openness and debate by facilitating the effective contribution of NEDs in particular and ensuring constructive relations between Executive Directors and NEDs.
- Be primarily responsible for the response from the Company to any takeover approach received by the Company.
- Build a close relationship of trust with the CEO and CFO, providing support and advice while respecting executive responsibility.
- Ensure that the performance of the Board, its Committees and individual Directors (including the CEO) is evaluated at least once a year and act on the results of such evaluation.

The CEO's role

- Formulate and propose the strategic direction of the Company and incorporate this into a business plan for regular discussion and agreement by the Board.
- Ensure that Board decisions are effectively implemented and progress reported back to the Board.
- Propose, and then ensure the implementation of, Company policies as agreed by the Board.
- Have overall responsibility for the operational and financial performance of the Company.
- Manage the Company's affairs and resources on behalf of the Board, except for those reserved for decision by the Board.
- Provide clear leadership, and inspire and support the Company's employees in all areas of the Company's business, including the development of ideas, products and operations. Ensure that employees have all relevant up to date information, including relevant information from the Board.
- Draw up succession plans for key Senior Management positions and specialist roles within the Company, ensure that these plans are discussed with the Board as appropriate and, where appropriate, make proposals to the Nomination Committee for the appointment of new Executive Directors. This includes the identification, development and promotion of succession candidates to prepare them for appointment into appropriate positions of leadership.
- Ensure that key relationships with customers and suppliers are fostered.
- Be the main day-to-day contact with existing and potential investors, providing the appropriate level of information about the Company's business, its results and strategic direction.
- Act as a liaison between the Company and the public, with responsibility for ensuring the profile of the Company.
- Ensure that there are appropriate processes in place to identify and manage risk in line with the Board's overarching risk principles.
- Agree and review the annual performance objectives for the other Executive Directors and members of the senior management team.

Senior Independent Director's role

- Provide a sounding board for the Chairman.
- Serve as an intermediary for the other Directors when necessary.
- Be available to shareholders if they have concerns which the normal channels through the Chairman, CEO or other Directors have failed to resolve.
- Meet with the other NEDs without Executive Directors present.
- Lead the annual evaluation of the Chairman's performance.

The role of the Independent Non-Executive Directors

- Scrutinise and monitor the performance of management.
- Constructively challenge the Executive Directors.
- Monitor the integrity of financial information, financial controls and systems of risk management.

The Company Secretary's role

- Ensure that good information flows within the Board and its Committees, between Senior Management and NEDs.
- Facilitate induction and assist with professional development and training.
- Advise the Board through the Chairman on all governance matters.
- Act as Secretary to the Board and all Committees.
- Assist in arranging independent professional advice for the Directors when required.
- Ensure that Board procedures are complied with.

Effectiveness

Composition of the Board

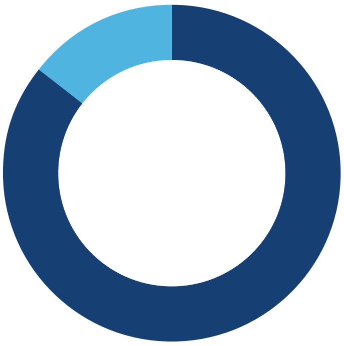
The Board comprised 5 NEDs and 2 Executive Directors, which is considered to be an adequate size to meet the requirements of the business.

Excluding the Chairman, more than half of the Board comprises NEDs, 3 of whom are considered by the Board to be independent, being Mary McNamara, Gordon Hurst and Steve Weller.

INED/NED/EXECUTIVE SPLIT

INED	3
NED	2
Executive	2

MALE/FEMALE SPLIT



Male	6
Female	1

Details of the NEDs' letters of appointment are set out on page 47 in the Remuneration Policy. The full terms and conditions are available for inspection on request from the Company Secretary and will be available for review 15 minutes prior to the AGM. Following consultation, the three-year tenure of the NEDs from IPO was extended after the reporting period for a further three years.

Evaluation

During the year, the Chairman led a formal evaluation of the Board's performance with the assistance of the Company Secretary by way of a questionnaire aligned closely to the Code, individual meetings, group meetings and open debate. The Board members are continually encouraged to provide feedback. The SID supports this process by leading the evaluation of the Chairman. As the Company is outside the FTSE350, no external evaluation is required, however the Chairman and Board considered the desirability of this and determined that the Company's internal evaluation was rigorous and adequate.

The Board is considering its role further in light of the 2018 Code and have begun debating and implementing changes to ensure compliance for FY20. The skill set and diversity on the Board is still considered appropriate, however the need for greater focus and visibility on succession planning was identified for the coming year. All of the existing Directors will be up for re-election at Motorpoint's next AGM. The biographies of the Directors are included on pages 30 to 31.

Accountability

Financial and business reporting

The Board is responsible for preparing the Annual Report and Accounts and considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders in compliance with the Code.

The Company's Viability Statement is on page 20 in the Strategic Report.

The Audit Committee Report is on pages 38 to 39.

The Directors confirm they have carried out a robust assessment of the principal risks facing the Company. The key risks are set out and considered in more detail on pages 19 to 23.

Relations with shareholders

The Board maintains a dialogue with its shareholders via monthly reporting from the CEO and CFO who meet regularly with investors and analysts to discuss the Company's performance. All shareholders have access to the Chairman and SID, who are available to discuss any questions which they may have in relation to the running of the Company.

The Board encourages shareholders to attend its AGM on 23 July 2019, details of which are in a notice of AGM to be sent to shareholders with this Report, and is always willing to answer questions, either in the meeting itself or, more informally, afterwards.

The Board recognises the need to ensure that all Directors are fully aware of the views of major shareholders. Copies of all analysts' research relating to the Company are circulated to Directors upon publication. The Company receives a monthly investor relations report which includes an analysis of the Company's shareholder register.

NOMINATION COMMITTEE REPORT

> Succession planning remains a key focus area for the Nomination Committee.

MARK MORRIS, NOMINATION COMMITTEE CHAIR

Nomination Committee Chair's Statement

The Nomination Committee (the Committee) is responsible for considering and making recommendations to the Board in respect of appointments to the Board, the Board Committees and the chairmanship of the Board Committees. It is also responsible for keeping the structure, size and composition of the Board under regular review, and for making recommendations to the Board with regard to any changes necessary, taking into account the skills and expertise that will be needed on the Board in the future.

The NEDs term under the appointment letters issued at IPO and in accordance with the Code expired on 12 May 2019. All of the INEDs and the Chairman consented to continue to act for the Company, their appointments were renewed and will be subject to re-election at the Company's upcoming AGM.

Committee composition

The Committee comprises 5 members: the CEO, Mark Carpenter; 3 independent NEDs, Gordon Hurst, Mary McNamara and Steve Weller; and the Non-Executive Chairman, Mark Morris.

The Committee is chaired by Mark Morris.

Committee responsibilities

The Committee leads the process for Board appointments and makes recommendations to the Board, and evaluates the balance of skills, experience, independence and knowledge on the Board. The Committee's full terms of reference can be found on the Company's website (Motorpointplc.com)

The Committee has considered the Board's diversity, including gender, race and professional diversity and still considers it to be appropriate.

The Committee met once for a scheduled meeting during the year and its activities included further considerations for Board succession. Details of the Committee attendance are included on page 34.

Main activities of the Committee during the year

- Renewal of a further three-year term for the Chairman, SID and INEDs.
- Considerations for bolstering the Executive team and focus on succession planning.
- Review of 2018 Code and FRC Guidance.
- Evaluation of the Board and Executive Directors' performance.

Our priorities for the year ahead

The Committee has commenced a more formal review of Board succession which will be progressed during the year ahead.

Mark Morris
Nomination Committee Chair
11 June 2019

> The Audit Committee plays a crucial role in assisting the Board by monitoring, reviewing and challenging the effectiveness of the Group's systems of control and process.

GORDON HURST, AUDIT COMMITTEE CHAIR

Audit Committee Chair's Statement

The Board has overall responsibility for managing the risks facing the business to protect as far as possible the long-term success of Motorpoint. The Audit Committee (the Committee) plays a crucial role in assisting the Board to discharge that duty by monitoring, reviewing and challenging the effectiveness of the Group's systems of control and processes concerning financial reporting; risk management and business continuity; and business assurance around areas such as fraud, bribery and corruption detection, and whistle blowing. The Committee also monitors and reviews the appointment of the Company's external auditors, including with regard to their independence and effectiveness, audit fees and the provision of non-audit services.

Audit Committee composition

The Committee comprises three independent NEDs: Gordon Hurst (Committee Chair), Mary McNamara and Steve Weller. The table on page 34 sets out each member's attendance record at Committee meetings during the financial year.

Although not members of the Committee, the Chairman, the CEO, the CFO and the Company Secretary are also invited to attend meetings (unless they have a conflict of interest), as are the external auditors.

The Committee Chair has regular dialogue with the external auditors, without the Executive Directors present.

The Board is satisfied that the Chair of the Committee, Gordon Hurst, has recent and relevant financial experience. He is a Chartered Accountant and has held executive roles in financial positions in other companies. The Committee's other members have all played an active role in Committee meetings held throughout the year.

The Committee has engaged the following external advisers to assist it in meeting its responsibilities: PricewaterhouseCoopers LLP (PwC) act as external auditors. The Company also receives advice as required from PwC, Deloitte and Pinsent Masons LLP on tax and legal issues relating to corporate matters.

Audit Committee responsibilities

The Committee's principal responsibilities are:

- monitoring the integrity of the Company's financial statements in relation to the Company's financial performance;
- reviewing the effectiveness and independence of the external audit process;
- assessing the potential requirement to build an internal audit function; and
- reviewing the effectiveness of the Group's financial and internal controls, including the process for the evaluation, assessment and management of risk.

The Committee met three times for scheduled meetings during the year and once since the year end.

The Committee's activities include:

- reviewing and approving the half year results to 30 September 2018 and the Annual Report and Accounts to 31 March 2019;
- considering reports from the external auditors and identifying any accounting or judgemental issues requiring its attention;
- overseeing the appointment of and relationship with the external auditors, including an assessment of their independence and a review of the policy for use of external auditors to provide non-audit services;
- reviewing and considering the requirement to build an internal audit function;
- considering accounting treatments for one-off transactions encountered in the year;
- reviewing and approving the Group's treasury policy;
- reviewing the Company's Risk Register and the risk mitigation actions undertaken during the year;
- considering reports on the Company's Anti-Bribery and Anti-Money Laundering policies;
- reviewing the Committee's Terms of Reference; and
- agreeing an appropriate period for the Viability Statement.

Financial reporting

The Committee has discussed areas of risk with the external auditors and agree for the following areas of heightened risk to be reviewed and assessed in the audit of the Company's performance in the financial year to 31 March 2019:

- Share option schemes: due to the complexity of IFRS 2 'Share-based Payment', and the continued growth in number of active schemes to Motorpoint employees and of grants under the Long-Term Incentive Plan in the year, there is a heightened risk of error from incorrect accounting treatment; and
- Property related provisions: we operate across a number of locations and if there is clear indication that a property will no longer be used for its intended operation, a provision may be required based on an estimate of potential liabilities for periods of lease where the property will not be used, together with costs associated with the leases for items such as dilapidations and other associated costs. Due to the judgement involved in determining these potential costs this is deemed a heightened risk.

New accounting standards: the adoption of new accounting standards has required a review and evaluation of expected impacts. In particular an evaluation of IFRS 16 as set out in the Financial Review highlights a material change in the presentation of the Company's Balance Sheet from FY20 onwards.

During the year the Committee reviewed these judgements, which are described further in the relevant accounting policies and detailed notes to the financial statements.

The external auditors reported to the Committee any misstatements that they had found in the course of their work and no material adjustments were required.

After reviewing the presentations and reports from management and consulting where necessary with the external auditors, the Committee was satisfied that the financial statements appropriately addressed the critical judgements and key estimates in respect of both the amounts reported and disclosures.

External audit

The Committee oversees the Group's relationship with the external auditors. In line with its Terms of Reference, the Committee undertakes a thorough assessment of the quality, effectiveness, value and independence of the audit provided by PwC each year, seeking the views of the Board, together with those of relevant members of the Executive Board.

The Board is satisfied that the Group has adequate policies and safeguards in place to ensure that PwC maintain their objectivity and independence. The external auditors report to the Committee annually on their independence from the Group.

To fulfil its responsibilities in respect of the independence and effectiveness of the external auditors, the Committee reviewed:

- the terms, areas of responsibility, duties and scope of work of the external auditors as set out in the engagement letter;
- the audit work plan for the Group;
- the detailed findings of the audit, including a discussion of any major issues that arose during the audit;
- confirmation from PwC of their independence and objectivity; and
- the audit fee and the extent of non-audit services provided during the year.

The external auditors are appointed by shareholders to provide an opinion on the financial statements and certain other disclosures prepared by the Directors. PwC acted as the external auditors to Motorpoint throughout the year.

The Board has a formal policy on the Group's relationship with PwC in respect of non-audit work. Proposals for all non-audit services above £50,000 must be approved by the Committee before any such work is carried out, and PwC may only provide such services if their advice does not conflict with their statutory responsibilities and ethical guidance.

Following the most recent review, the Committee recommended the reappointment of PwC as auditors of the Company, and PwC expressed their willingness to continue in office. A resolution to reappoint PwC and a resolution to enable the Directors to determine their remuneration will be proposed at the 2019 AGM.

Review of anti-bribery controls and whistle blowing

The Committee reviewed the Company's anti-bribery processes and controls and evaluated and approved these and the Company's bribery risk assessment. On its recommendation, the Board readopted the Company's anti-bribery policy statements and associated controls.

The Committee considered reports on known instances of alleged wrongdoing and matters reported on the Company's confidential reporting line and their investigation, reviewed the adequacy of whistle blowing procedures and commissioned follow-up action and improvements in risk related controls.

Gordon Hurst
Audit Committee Chair
11 June 2019

> The Remuneration Committee notes that in a challenging market the business has made positive progress in terms of top and bottom line growth, increased market share and record levels of customer and employee satisfaction.
>
> It is perhaps a reflection of our ambitious targets that have delivered reductions in executive Remuneration for 2019.

MARY MCNAMARA, REMUNERATION COMMITTEE CHAIR

Remuneration Committee Chair's Statement

I am pleased to present the Company's Directors' Remuneration Report for the financial year ended 31 March 2019. This report is split into two sections:

- The Directors' Remuneration Policy, which describes the remuneration policy that has been applied to the Executive Directors and NEDs of the Company since Admission. The policy was approved by shareholders at the 2017 AGM and after consultation with the Company's major shareholders, changes to the performance measures of the long-term incentives are proposed.
- The Annual Report on Remuneration, which sets out in detail how the remuneration policy has been applied in the year to 31 March 2019, as well as how it will be applied in the forthcoming year. This section of the report, as well as this introductory letter, will be subject to an advisory shareholder vote at the 2019 AGM.

Remuneration and how it supports our business strategy

The Remuneration Committee (the Committee) is responsible for setting and applying a remuneration policy which serves to provide fair and appropriate levels of remuneration to the Senior Management team, being the Executives and the operational Board which is considered in conjunction with all employee pay as well as the population for which the Committee is directly responsible for setting the pay for. The goals of the policy are to provide appropriate reward for strong performance and quality leadership; to ensure the retention of key employees; and to allow the Company to attract high-quality candidates where required. The Committee believes that the current policy is appropriate, provides alignment with the Company's shareholders, customers and employees and focuses the Executive Directors on the delivery of strong financial performance.

A sizeable portion of each Executive Director's total package is performance based, with performance measures linked to our key strategic objectives of delivering profitable Earnings growth, together with high levels of customer satisfaction and employee engagement. Furthermore, the award of share-based long-term incentives, in tandem with the share ownership guidelines, serve to directly align the interests of our Directors with those of our shareholders. The remuneration policy received strong support from shareholders at the 2017 AGM. A summary of the key elements of the policy and how they will be applied in the forthcoming financial year are set out opposite.

Summary of remuneration policy

Element	Description	Opportunity
Fixed salary	Set at a level to reflect the experience, skills and responsibilities of the individual as well as the scope and scale of their role.	Effective 1 April 2019: CEO: £274,125 CFO: £215,000
Benefits	Family private medical insurance, company car, fuel allowance and participation in the Company's all employee SAYE Scheme.	Market competitive.
Pension	Contributions paid to nominated personal pension funds for each Director.	10% of salary.
Variable annual bonus	Performance is measured with reference to an appropriate mix of financial and non-financial measures, determined annually by the Committee and in alignment with the Company's strategic objectives at that time. For FY20 bonuses are based on Adjusted PBT, retail volume growth, customer satisfaction and employee engagement metrics.	Up to 100% of salary.
Performance share plan	Annual awards of performance shares, vesting subject to challenging EPS growth and market share growth targets, measured over a period of three financial years. Awards are additionally subject to a two-year post vesting holding period during which time vested shares may not be sold (other than for tax). In addition, any vested awards must be retained (net of any taxes due) until the shareholding guidelines have been met.	Up to 125% of salary for awards made in FY20.

Remuneration in FY19

The remuneration policy remained unchanged in FY19.

Annual bonuses for FY19 were based on Adjusted PBT, customer satisfaction (NPS and Google ratings) and employee engagement (measured through participation in the Sunday Times 100 Best Companies to Work For survey). Whilst the performance of the Company during the year was within consensus, the target financial target for Adjusted PBT was not met, and as the other elements of the bonus were underpinned by financial performance no bonus was payable for FY19 performance.

An award under the Performance Share Plan (PSP) was granted in June 2016. Vesting of the award was contingent on EPS growth over the 3 financial years to 31 March 2019. Vesting of the shares required at least 12% EPS growth per annum with full vesting achieved for 20% EPS growth per annum. With EPS growth over the period of 8% per annum, the threshold target was not achieved and these awards will shortly lapse.

The table below provides a summary of total remuneration for the Executive Directors for FY19.

£'000	Salary	Benefits	Pension	Bonus	LTIP	Total
Mark Carpenter	£254	£8	£25	–	–	£287
James Gilmour	£195	£7	£20	–	–	£222

Application of the policy for FY20

It is noted that the salaries for both Executive Directors continue to remain below prevailing market rates. Whilst the Committee operates a general policy of restraint on fixed pay, further adjustments to the base salary levels have been made to ensure that the overall packages remain appropriate and as such a 7.5% increase to the base salary of each of the CEO and CFO has been approved with effect from 1 April 2019. The measures for the annual bonus remain linked to the delivery of strong financial performance targets, with customer and employee engagement measures also targeted under the annual bonus plan. In line with the Company's strategy and in recognition of the importance of all elements of our Virtuous Circle (see page 24), the financial underpin for the customer satisfaction and employee engagement measures will not apply for FY20. The Committee proposes to introduce a new measure for the performance share award opportunity in the form of 50% of the award to be payable for market share growth with an increased opportunity of 125% of base salary, and having consulted with its major shareholders this will be implemented in the award for FY20.

The Committee wishes to maintain an open and transparent dialogue with shareholders, and we will seek to consult with them in relation to the policy which will be reviewed and updated to be put forward for shareholder approval at the Company's 2020 AGM to accommodate and ensure alliance with the 2018 version of the Code. I welcome any comments or questions you may have with regards to any part of this report. I believe that the remuneration structures in place are appropriate and relevant for the Company, and I hope that you will support the relevant remuneration resolutions at our upcoming AGM.

Mary McNamara
Remuneration Committee Chair
11 June 2019

This section of the report sets out the remuneration policy for the Directors of Motorpoint Group Plc. The policy report was approved by shareholders at the AGM on 26 July 2017 and took effect from that date. No changes are proposed to the policy this year and therefore there will be no shareholder vote on the policy section of the Remuneration Report at the AGM. The current remuneration policy (as approved by shareholders in 2017) is set out here for reference purposes only.

Setting the remuneration policy

The Committee sets the remuneration policy for Executive Directors and other Senior Executives taking into account the Company's strategic objectives, shareholder expectations and the principles of the UK Corporate Governance Code. The aim of the remuneration policy is to provide an appropriate pay structure for the Executive Directors and Senior Management, to ensure their retention and to continue to focus them on delivering strong financial performance. The Company and the Committee are confident that the formal policy set out in this report is effective at driving continued good performance from the Executive Directors without overpaying, and is therefore appropriate for the Company.

Consideration of pay conditions within the wider team

When making decisions on executive remuneration, the Committee takes into account pay conditions for the Company as a whole, although it does not consult directly with employees on this subject.

The Group has a strong 'team culture' and accordingly there is consistency in how packages are structured across the whole Senior Management team, with all Executive Directors and Senior Managers participating in the same annual incentive plan and PSP from Admission.

However, there are some differences in the structure of the remuneration policy for the Executive Directors compared with other Senior Managers, which the Committee believes are necessary to reflect the different levels of responsibility. The two main differences are the increased emphasis on performance-related pay for Executive Directors (through a higher variable pay opportunity) and a greater focus on long-term alignment (through additional holding periods for the long-term incentive awards and minimum shareholding guidelines).

Shareholder views

The Committee values the views of the Company's shareholders and takes into account guidance from shareholder representative bodies.

Shareholder feedback received in relation to the AGM, as well as any additional feedback received during the year, will be considered as part of the Company's annual review. Before any significant changes to the policy are proposed, the Chair of the Committee will discuss these changes with the Company's major shareholders to ensure that the policy remains supportive of their interests.

Remuneration policy for Executive Directors

The table below sets out, for each element of pay, a summary of how remuneration is structured and how it supports the Company's strategy.

Purpose and link to strategy	Operation	Performance measurement	Maximum opportunity
Base salary			
To aid the recruitment of Executive Directors of a suitable calibre for the role and to provide a core level of reward to reflect the duties required.	Base salaries will normally be reviewed annually by the Committee with any increases typically taking effect from 1 July each year.	Base salary levels are set at a level to reflect the experience, skills and responsibilities of the individual as well as the scope and scale of their role. Increases to base salary will reflect the performance of the individual and Company and external indicators such as inflation.	While there is no maximum salary, increases will normally be in line with the typical level of increase awarded to other employees of the Group. However, since base salaries at Admission were set significantly below competitive market levels, the Committee reserves the right to award increases above the level set out above to ensure that the salaries appropriately reflect the role, responsibilities, performance and experience of the Directors. For details of the current base salary levels for the Executive Directors see page 54.

Purpose and link to strategy	Operation	Performance measurement	Maximum opportunity
Benefits			
To provide a market-competitive benefits package for the executives to aid recruitment and retention.	The benefits offered to Executive Directors comprise family medical insurance, company car and fuel allowance. The Committee may offer an equivalent cash allowance instead if it feels it is more suitable. Other reasonable benefits may be offered as appropriate (including, in exceptional circumstances, relocation and/or disturbance allowances). Executive Directors may also be reimbursed for any reasonable expenses incurred in performing their duties, and any income tax payable thereon.	Not applicable.	There is no maximum limit on the value of the benefits provided but the committee monitors the total cost of the benefit provision on a regular basis.
Pension			
To provide market-competitive pension arrangements for the executives and to aid recruitment and retention.	Executive Directors are eligible for a contribution to the Group personal pension plan, or any other nominated personal pension fund. Where appropriate, Executive Directors may instead receive a cash allowance in lieu of formal pension contributions, or a combination of both.	Not applicable.	10% of base salary.
Annual bonus			
To encourage improved financial and operational performance and align the interests of Directors with the short-term Company strategy.	Executive Directors are eligible for bonuses, payable in cash, on an annual basis. Bonus payments are subject to the achievement of annual performance targets. Annual bonuses are payable at the sole discretion of the Committee. All bonus payments are subject to appropriate recovery and withholding arrangements.	Performance will normally be based on a mix of financial and operational measures aligned to the strategic objectives of the business. Financial performance will usually be represented by Adjusted Profit before Tax targets, although the Committee reserves the right to include other measures in support of the Company strategy as it sees fit. Stretching performance targets will be determined taking into account internal and external forecasts, and will be set out on a retrospective basis in the Annual Report on remuneration, unless considered to still be commercially sensitive.	100% of salary.

Purpose and link to strategy	Operation	Performance measurement	Maximum opportunity
Long-term incentives			
To encourage improved financial and operational performance and align the interests of Directors with the long-term Company strategy and the interests of shareholders through share ownership.	The Company operates a PSP under which annual awards of conditional shares or nil cost options can be made to Executive Directors and selected Senior Managers. Awards will normally be granted following the publication of the Company's annual results each year. Awards made under the PSP will normally vest three years from the date of grant, subject to continued service and the satisfaction of pre-determined performance conditions. Any shares vesting to Executive Directors, other than those sold to settle tax and national insurance contributions, will be subject to a two-year holding period during which they may not be sold. Thereafter they will be subject to the normal share ownership guidelines as summarised below. The Committee may determine that dividend equivalents will accrue over the vesting/ holding period. Vesting of awards is at the sole discretion of the Committee. All payments are subject to recovery and withholding arrangements.	Stretching performance targets will be set for each award cycle. Vesting will normally be based on three-year EPS growth targets but for Senior Managers, vesting may include an element dependent on site performance. The Committee reserves the right to use other measures in support of the Company strategy as it sees fit. The Committee will seek to consult with major shareholders should it propose to introduce any other measure representing more than 25% of the total award.	Normally 100% of salary. However, an individual maximum of 150% of salary may apply in exceptional circumstances.
All employee share plans			
To align the interests of Directors and other employees with those of the shareholders through share ownership.	The Company has adopted employee share plans in which the Executive Directors are eligible to participate on the same terms as all other employees.	Not applicable.	Investment by Executive Director of £3,600 per annum for SAYE.
Shareholding guidelines			
To align the interests of Directors with those of the shareholders through share ownership.	All Executive Directors are required to build and maintain a shareholding equivalent in value to 200% of their annual base salary. Until this guideline is met, Directors must retain all shares vesting under the PSP (after payment of tax and national insurance contributions).	Not applicable.	Not applicable.

Choice of performance measures

The Committee retains flexibility as to the choice of performance measures for future annual bonus and PSP award cycles. Measures will be selected as appropriate to reflect the business strategy and to ensure the delivery of sound financial performance. The current performance measures are as follows:

Performance measure	Incentive plan	Link to strategy
Adjusted Profit before Tax	Annual bonus	Reflects the short-term operating and financial performance of the Company.
Retail volume growth	Annual bonus	New measure which reflects the medium-term operating and financial performance of the Company.
Customer satisfaction	Annual bonus	Reflects the importance of customers and the customer experience to the organisation and its ongoing success.
Employee engagement	Annual bonus	Reflects the importance of our employees and their contribution to the Group's performance.
Earnings per Share	Performance Share Plan	Reflects the long-term profitability of the Company and alignment with shareholders.
Market share growth	Performance Share Plan	New measure which reflects the medium-term profitability of the Company and alignment with shareholders.

Incentive plan operation

The Committee will operate the Company's incentive plans according to their respective rules and consistent with normal market practice, the Listing Rules and HMRC rules where relevant, including flexibility in a number of regards. This includes timing of awards, dealing with leavers and making adjustments to awards following acquisitions, disposals, changes in share capital and other merger and acquisition activity.

The Committee also retains the ability to adjust the targets and/or set different measures for the annual bonus plan and outstanding PSP awards if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Recovery and withholding provisions may be operated at the discretion of the Remuneration Committee in respect of awards granted under the annual bonus plan arrangements and the PSP in certain circumstances (including where there is a material misstatement or restatement of audited accounts, an error in assessing any applicable performance condition or bonus outcome, or in the event of gross misconduct on the part of the participant).

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration.

Remuneration policy for Non-Executive Directors

The table below sets out how pay is structured for NEDs.

Purpose and link to strategy	Operation	Performance measurement	Maximum opportunity
Fees			
To ensure a fair award for services provided to the Company.	NEDs receive a fixed base fee for their role on the Board, plus supplementary fees for additional responsibilities such as performing the role of SID, or chairing one of the Board Committees. The Non-Executive Chairman receives a fixed fee only, and is not eligible for any additional responsibility fees. Fee levels are reviewed on an annual basis, and may be increased taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity and other broadly comparable companies. Each NED will be entitled to be reimbursed for all reasonable expenses incurred by him in the course of his duties to the Company and has the benefit of indemnity insurance maintained by the Group on their behalf indemnifying him against liabilities he/she may potentially incur to third parties as a result of his/her office as Director. Where there has been a material increase in time commitment in the year fees may be temporarily increased to reflect this.	Not applicable.	Current fee levels are set out in the Annual Report on Remuneration. Aggregate fee levels are subject to the maximum limit of £500,000 a year set out in the Articles of Association.
Share ownership guidelines			
To align the interests of Directors those of the shareholders through share ownership.	All NEDs are encouraged to build and maintain a shareholding equivalent in value to 100% of their annual fees.	Not applicable.	Not applicable.

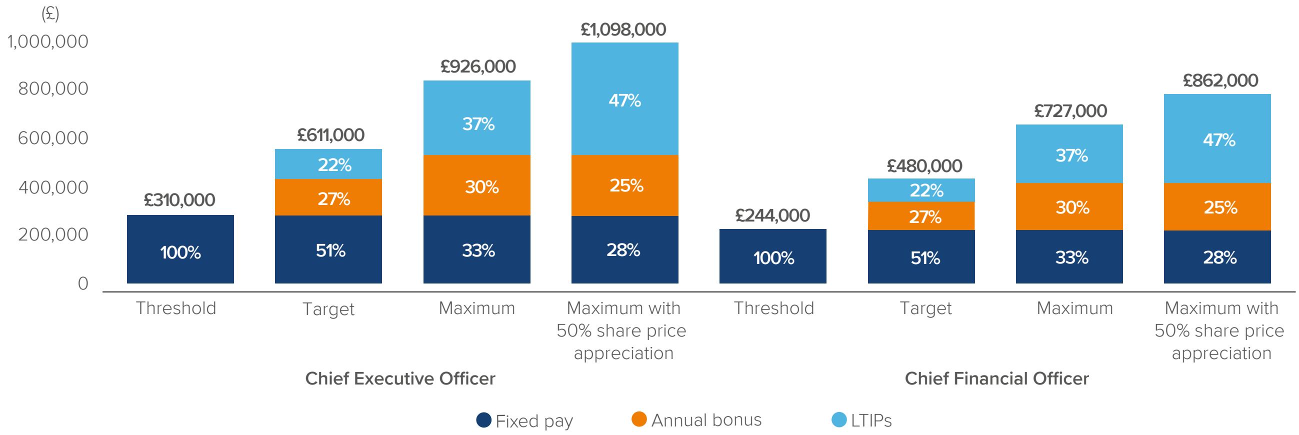
Reward scenarios

The bar charts below details how the composition of the Executive Directors' remuneration package varies at different levels of performance.

- Threshold includes fixed pay only (i.e. base salary, benefits and pension).
- On-target includes fixed pay, 60% of maximum bonus, and 50% vesting of PSP awards.
- Maximum includes fixed pay, maximum bonus payout, and full vesting of PSP awards.

Salary levels are effective as at 1 April 2019, and the value for benefits is the cost of providing those benefits in FY19.

No share price growth has been factored in to the chart (other than where indicated), and all amounts have been rounded to the nearest £1,000.



Approach to recruitment remuneration

New Executive Director hires (including those promoted internally) will be offered packages in line with the remuneration policy in place at the time, except as noted below:

- If it is considered appropriate to set the salary for a new Executive Director at a level which is below-market, his or her salary may be increased in future periods to achieve the desired market positioning by way of a series of phased above-inflation increases, subject to his or her continued development in the role.
- Any bonus payment for the year of joining will normally be pro-rated to reflect the proportion of the period worked, and the Committee may set different performance measures and targets, depending on the timing and nature of the appointment.
- The Committee recognises that it may be necessary in some circumstances to provide compensation for amounts forfeited from a previous employer ('buy out awards'). Any buy out awards would be limited to what is felt to be a fair estimate of the value of remuneration forfeited when leaving the former employer and would be structured so as to be, to the extent possible, no more generous in terms of the fair value and other key terms (e.g. time to vesting and performance targets) than the incentive it is replacing. Where possible any such payments would be facilitated through the Company's existing incentive plans, but, if not, the awards may be granted outside of these plans, as permitted under the Listing Rules, which allow for the grant of awards to facilitate the recruitment of an Executive Director.
- In the case of an internal appointment, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its original terms or adjusted as considered appropriate to reflect the new role.

External directorships

Executive Directors are permitted to take on external non-executive directorships at other listed companies, though normally only one other appointment, to bring a further external perspective to the Group and help in the development of key individuals' experience. In order to avoid any conflicts of interest, all appointments are subject to the approval of the Nominations Committee. Executive Directors are permitted to retain the fees arising from any appointments undertaken.

Service contracts and payments for loss of office

The terms of Directors' service contracts and letters of appointments are set out below.

Director	Date of contract/letter	Date of expiry	Notice period by Company or Director
Executive Directors			
Mark Carpenter	12 May 2016	N/A	9 months
James Gilmour	12 May 2016	N/A	9 months
NEDs			
Gordon Hurst	14 May 2019	14 May 2022	3 months
Mary McNamara	14 May 2019	14 May 2022	3 months
Mark Morris	14 May 2019	14 May 2022	3 months
Steve Weller	14 May 2019	14 May 2022	3 months
David Shelton	1 April 2018	1 April 2021	3 months

The remuneration-related elements of the current contracts for Executive Directors are as follows.

Provision	Treatment
Termination payment	The Company may (at its discretion) elect to terminate the employment by making a payment in lieu of notice equivalent in value to the base salary which the Executive Director would have received during any unexpired period of notice.
Mitigation	The payment in lieu of notice will be payable in monthly instalments (subject to mitigation, i.e. reduced on a pound for pound basis if alternative employment/engagement is taken up during the payment period).
Annual bonus	There is no contractual right to any bonus payment in the event of termination although in certain circumstances the Committee may exercise its discretion to pay a bonus for the period of employment and based on performance assessed after the end of the financial year.
Share awards	The default treatment, under the PSP plan rules, is for all unvested awards to lapse in full on cessation. However, if the participant ceases to be an employee or a Director within the Group because of his/her death, injury, disability, retirement, redundancy, their employing company or the business for which they work being sold out of the Group or in other circumstances at the discretion of the Committee, then his/her award will normally vest on the original scheduled vesting date (except in the case of death, where the default position will be for the award to vest on cessation of employment). The default position in this case is that an award will vest subject to: (i) the extent to which the performance conditions (if any) have been satisfied over the full performance period; and (ii) the pro-rating of the award by reference to the period of time served in employment during the normal vesting period. However, the Committee can decide to allow early vesting and/or reduce or eliminate the pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.
Change of control	In the event of a change of control or winding-up of the Company (otherwise than as part of a Group corporate reorganisation), all awards will vest early, subject to: (i) the extent that the performance conditions (if any) have been satisfied at that time; and (ii) the pro-rating of the awards to reflect the period of time between their grant and early vesting, although the Committee can decide to reduce or eliminate the pro-rating of an award if it regards it as appropriate to do so in the particular circumstances. In the event of a Group corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a change of control. If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of shares to a material extent, then the Remuneration Committee may decide that awards will vest on the basis which would apply in the case of a change of control as described above.
Other	Outstanding shares under all employee share plans will vest in accordance with the terms of the plan and HMRC legislation. The Committee may pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interest of the Company. Outplacement services and reimbursement of legal costs may also be provided.

ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and 9.8.6R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at our next AGM.

Membership of the Remuneration Committee

The Committee comprises the three Independent NEDs: Gordon Hurst, Mary McNamara and Steve Weller and is chaired by Mary McNamara.

The Chairman and CEO attend meetings by invitation but are not members of the Committee.

Advice to the Committee

The Committee receives information and takes advice from inside and outside the Group. Internal support is provided by the Company Secretary. The CEO and any other Director or employee may be invited to attend Committee meetings by the Chair where relevant. No individual is present when matters relating to his or her own remuneration are discussed.

Wholly independent advice on executive remuneration is received from the Executive Compensation practice of Aon plc. During the year, Aon provided the Group with advice in relation to the implementation and reporting of the remuneration policy, as well as in relation to the implementation of the Company's share plans. The total fees paid to Aon in respect of its services to the Committee during the year were £9,307 plus VAT. Aon is a member of the Remuneration Consultants' Code of Conduct and is a signatory to its Code of Conduct. Aon reports directly to the Chair of the Committee. The Committee is satisfied that the advice that it receives from Aon is objective and independent. Aon plc provides no other services to the Company.

Remuneration in FY19

Directors' single figure of remuneration (audited)

The table below shows the aggregate emoluments earned by the Directors of the Company during FY19 with comparative information for FY18.

£'000		Salary/fees	Benefits[1]	Pension	Bonus	LTIP[2]	Total
Mark Carpenter	FY19	254	8	25	–	–	287
	FY18	250	16	25	152	–	443
James Gilmour	FY19	195	7	20	–	–	222
	FY18	180	15	18	109	–	322
David Shelton[3]	FY19	40	–	–	–	–	40
	FY18	160[4]	30	–	78	–	268
Mark Morris	FY19	100	–	–	–	–	100
	FY18	100	–	–	–	–	100
Mary McNamara	FY19	53	–	–	–	–	53
	FY18	53	–	–	–	–	53
Gordon Hurst	FY19	48	–	–	–	–	48
	FY18	48	–	–	–	–	48
Steve Weller	FY19	40	–	–	–	–	40
	FY18	40	–	–	–	–	40

1. Relates to provision of family private medical insurance, company car, fuel allowance and participation in the all employee SAYE Scheme (valued as the discount given on the date of grant).
2. The PSP awards granted in June 2016 will lapse as the minimum performance threshold was not achieved.
3. David Shelton began a phased reduction in his contracted working hours during the course of FY18 and on 1 April 2018, he became a NED. His remuneration for FY18 was reduced pro-rata to reflect the reduction in time commitment during the year.
4. Includes £18k paid in lieu of pension in relation to FY17.

Details of variable pay earned in the year (audited)

Annual bonus

Executive Directors were eligible for a maximum annual bonus payment of 100% of salary, subject to profit before tax, customer and employment engagement measures and which is paid solely in cash.

Performance measure	Performance required[1] Threshold	Stretch	% salary payable at threshold performance	% salary payable at stretch performance	Outcome FY19	**Total payable as % of salary**
Adjusted PBT	£23.2m	£26.2m	20.0%	80.0%	£22.9m	**0%**
Customer – average NPS[2]	78	80	4.5%	6.0%	78	**0%[4]**
Customer – average Google Reviews Score[2]	4.7	4.8	4.5%	6.0%	4.6	**0%**
Employee engagement[2, 3]	2*	3*	6.0%	8.0%	2*	**0%[4]**
Total Achievement			35%	100%		**0%**

1. Payable on a sliding scale between target levels.
2. Subject to achieving threshold level of Adjusted PBT.
3. Assessment is conducted externally by Best Companies. The data gathering and analysis used for this survey is extensive and looks at anonymous feedback from employees on a range of areas linked to employee engagement, including leadership, wellbeing, social responsibility, training and development, team and colleagues, and pay and benefits and is rated by stars.
4. No payment due to financial underpin of reaching threshold for Adjusted Profit before Tax.

Outstanding share awards, including details of awards granted during the year and awards vesting based on performance to 31 March 2019 (audited)

The below table sets out details of the Executive Directors' outstanding awards under the PSP and other share schemes.

Name	Year of grant	Scheme	At 31 March 2018	Awards granted during the period	Awards vesting during the period	Awards due to lapse in relation to the period	At 31 March 2019	Date from which exercisable	Exercise price
Mark Carpenter	2016[1]	PSP	125,000	–	–	25,000	–	23 June 2019	
	2017[2]	PSP	180,505	–	–	–	180,505	21 July 2020	
	2018[3]	PSP	–	106,339	–	–	106,339	20 July 2021	
	2016[4]	SAYE	3,203	–	–	–	3,203	1 Feb 2020	112.39p
	2017[5]	SAYE	2,030	–	–	–	2,030	1 Feb 2021	177.30p
	2018[6]	SAYE	–	1,904	–	–	1,904	1 Feb 2022	189.00p
James Gilmour	2016[1]	PSP	90,000	–	–	90,000	–	23 June 2019	
	2017[2]	PSP	129,964	–	–	–	129,964	21 July 2020	
	2018[3]	PSP	–	83,403	–	–	83,403	20 July 2021	
	2016[2]	SAYE	3,203		–	–	3,203	1 Feb 2020	112.39p
	2017[5]	SAYE	2,030	–	–	–	2,030	1 Feb 2021	177.30p
	2018[6]	SAYE	–	1,904	–	–	1,904	1 Feb 2022	189.00p
David Shelton	2016[1]	PSP	105,000	–	–	105,000	–	23 June 2019	–
	2017[2]	PSP	90,975	–	–	–	90,975	21 July 2020	–

Performance Share Plan

Awards were made under the Company's PSP to the value of 100% of base salary for each Executive Director. Vesting is contingent on continued employment, and satisfaction of EPS growth targets, measured over the three financial years from the award.

The awards will ordinarily vest on the third anniversary of the date of grant, subject to achievement of the above performance conditions. A two-year post-vesting holding period will apply thereafter, during which time any vested shares (net of any taxes due) may not be sold.

1. PSP2016

The first awards made under the Company's PSP were made in June 2016 using an offer price on flotation of £2.00. The EPS growth targets measured of the three financial years from 1 April 2016 to 31 March 2019 are as follows:

	EPS growth CAGR	Vesting
Threshold	12%	25%
Maximum	20%	100%

EPS growth was achieved at 8% over the three-year period and therefore the awards have lapsed.

2. PSP2017

PSP awards were made in July 2017 based on the closing share price on the day before grant of 138.5 pence. The face values of the awards at date of grant were: Mark Carpenter £250,000, James Gilmour £180,000 and David Shelton £126,000. The EPS growth targets measured of the three financial years from 1 April 2017 to 31 March 2020 are as follows:

	EPS growth CAGR	Vesting
Threshold	18%	25%
Maximum	35%	100%

David Shelton began a phased reduction in his contracted working hours in June 2017. The number of shares granted to him in July 2017 was scaled back to reflect his reduced time commitment. On 1 April 2018, David became a NED of the Group. No further PSP awards have been granted to him. His outstanding unvested PSP awards will continue to vest on the normal vesting date, subject to performance. Any shares vesting to him will be reduced pro-rata to reflect the proportion of the period for which he was working in an executive capacity.

3. PSP2018

PSP awards were made in July 2018 based on the average of the closing middle-market quotations of the share price during the five dealing days before grant of 239.80 pence. The face values of the awards at date of grant were: Mark Carpenter £255,000 and James Gilmour £200,000. The EPS growth targets measured of the three financial years from 1 April 2018 to 31 March 2021 are as follows:

	EPS growth CAGR	Vesting
Threshold	10%	25%
Maximum	18%	100%

SAYE schemes

In December of each year since 2016, Motorpoint has launched a SAYE scheme for all permanent employees. Eligible employees are invited to subscribe for options over the Company's shares at an exercise price representing a 10% discount to the closing mid-market price the dealing day before the invitation date. The maximum subscription offered is £3,600 (equivalent to £100 per month over the 36-month saving period). In each year Mark Carpenter and James Gilmour have participated at the maximum limit.

	Exercise price	No. of participants	Share price on grant
FY17 SAYE	112.39p	335 out of 680	128.20p
FY18 SAYE	177.30p	286 out of 785	222.25p
FY19 SAYE	189.00p	204 out of 763	204.00p

Dilution limits

The Performance Share Plan and SAYE scheme were put in place on Admission. Awards under the Performance Share Plan are subject to a dilution limit for newly-issued and treasury shares of 5% of the share capital in any 10-year period. Awards under all share plans operated by the Company (including the SAYE Scheme) are subject to an overall dilution limit for newly-issued and treasury shares of 10% of the share capital in any 10-year period.

Table of Directors' share interests (audited)

The share interests of each Director as at 31 March 2019 (together with interests held by his or her connected persons) are set out in the table below.

Executive Directors are required by the remuneration policy to hold shares to the value of 200% of salary, and must retain any vesting PSP award (net of any taxes due), until this guideline is met. Additionally, the NEDs are expected to hold shares to the value of 100% of their annual fee. Shareholdings are set out as a percentage of salary or fees in the table below.

As at 31 March 2019, all Directors save for James Gilmour had met this requirement (FY18: 216%) and the change in relative position is due to the lower share price. Whilst encouraged, there is no requirement to make additional purchases of shares from own funds.

				At 31 March 2019	
Name	Beneficially owned shares	Unvested PSP awards	Unexercised SAYE options	Total	Percentage of salary/fees[1]
Executive Directors					
Mark Carpenter	8,874,556	411,844	7,137	9,293,537	6,877%
James Gilmour	175,317	303,367	7,137	485,821	173%
Non-Executive Directors					
Mark Morris	8,614,556	–	–	8,614,556	17,022%
Gordon Hurst	65,000	–	–	65,000	270%
Mary McNamara	65,500	–	–	65,500	247%
David Shelton	13,396,726	195,975	–	13,592,701	66,180%
Steve Weller	53,701	–	–	53,701	265%

1. Calculated as the value of all fully-owned shares held at 31 March 2019, valued using the three month average closing share price over the period to 31 March 2019 (197.6p), divided by base salary as effective 31 March 2019.
2. Shares held by Shoby Investments Limited, an entity of which D E Shelton is the sole shareholder.

During the period from 31 March 2019 to the publication of this report, there have been no changes in the Directors' share interests.

None of the directors hold any loans against their shares or otherwise use their shares as collateral.

Payments to former Directors and for loss of office (audited)

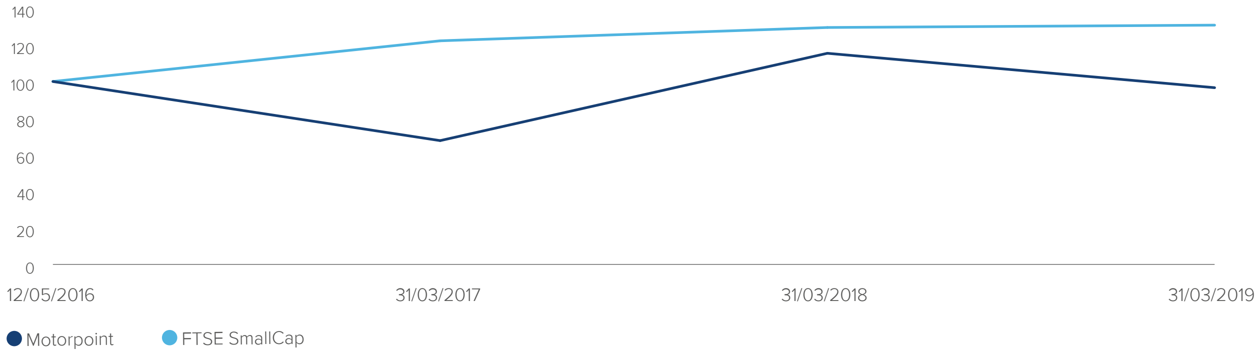
No payments were made to former Directors of the Company or in relation to loss of office during the year.

External directorships

None of the Executive Directors currently hold non-executive directorships at any other listed companies.

Total shareholder return and Chief Executive Officer earnings history

The chart below shows the Company's total shareholder return performance compared with that of the FTSE SmallCap Index over the period from the date of the Company's admission onto the London Stock Exchange, to 31 March 2019. The FTSE SmallCap Index has been chosen as an appropriate comparator as it is the index of which the Company is a constituent.



This graph shows the value, by 31 March 2019, of £100 invested in Motorpoint on 12 May 2016, compared with the value of £100 invested in the FTSE SmallCap Index on the same date. The other points plotted are the values at intervening financial year-ends.
Source: FactSet

The total remuneration figure for the CEO since 9 May 2016 is shown in the table below, along with the value of bonuses paid, and LTIP vesting, as a percentage of the maximum opportunity.

	FY17	FY18	FY19
Total remuneration (£'000)	262	443	**287**
Annual bonus (% of maximum)	–	61	**–**
LTIP vesting (% of maximum)	N/A[1]	N/A[1]	**–**

1. No long-term incentive awards were eligible to vest over the period in question.

Change in remuneration of the CEO

The table below shows compares the difference in remuneration payable to the CEO in FY18 and FY19, to the average employee of the Company. For the purpose of this disclosure, these figures have been compiled comparing the average of all employees in the corresponding periods separately and are based on annualised figures for each year.

	CEO			Average employees		
	FY18 £'000	**FY19 £'000**	Percentage change[1]	FY18 £'000	**FY19 £'000**	Percentage change[1]
Base annual salary	250	**254**[2]	2%	23	**23**	2%[3]
Taxable benefits	16	**8**	(50)%	1	**1**	0%
Bonus	152	**–**	(100)%	10	**10**	0%

1. Percentage change from FY18 to FY19.
2. Base salary increase of 2% effective from 1 July 2018.
3. The average employees' base annual salary increased to £23.4k in FY19 (FY18: £22.9k) but this is not reflected in the figures above due to rounding.

CEO to Employee Pay Ratio (The Companies (Miscellaneous Reporting) Regulations 2018) (2018 Reporting Regulations)

The table below discloses the ratio between the CEO's remuneration and Motorpoint's wider workforce in FY19. The Committee recognises that whilst the new regulations do not apply to Motorpoint's reporting until FY20, Motorpoint has chosen early adoption with respect to this aspect of the 2018 Reporting Regulations, which is in line with the recommendations from a number of shareholder representatives and proxy-voting bodies.

FY	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019	Option A	13.7:1	11.4:1	7.2:1

Disclosure of employee data used to calculate the ratios:

£'000	25th percentile	Median	75th percentile
Total pay and benefits of employees	21	25	40
Basic salary of employees	19	23	36

Motorpoint has chosen Option A (which provides a comparison of the Group's full time equivalent total remuneration for all UK employees against the CEO for FY19) as the most appropriate methodology to report the ratios, in line with the recommendation from the UK Governments Department for Business, Energy and Industrial Strategy and a number of shareholder representatives and proxy-voting bodies. This is also considered the most statistically accurate methodology.

The ratio above includes all UK-based employees who were employed in any part of the Group as at 31st March 2019. The employee remuneration data includes the full time equivalent data in respect of basic pay, bonus, commission, taxable benefits, share-based remuneration and pension benefits, so as to provide a comparable figure to the CEO's single figure total remuneration which is reported in the Directors' Remuneration table on page 49.

In calculating the bonus and commission elements for employees, we have used the bonus and commission paid to employees during FY19. In some instances employees receive bonus or commission payments in arrears, however due to a number of these elements (for example annual bonuses) not being finalised at the time of writing, this Report was written with these elements having not been reapportioned to the relevant financial year. In line with the legislation, the Company discloses this variation in methodology; however it considers that this approach provides a similar outcome.

During FY19 Motorpoint employed over 780 employees in a wide variety of different roles. The reward policies and practices for our employees is set by role. The Remuneration Committee also has responsibility for setting the remuneration of the Senior Management and reviews and monitors the Group's wider remuneration policies and practices for its General Manager population also.

The Committee believes the remuneration and ratio presented above is not representative of the CEO's responsibilities and contribution to the Group. The Committee will closely monitor any changes in the ratio during FY20 and will provide appropriate commentary on any change in the FY20 Annual Report and Accounts.

Relative importance of the spend on pay

The following table sets out the percentage change in staff costs, dividends paid and profit before tax in FY19 compared to the prior year.

	FY18 £m	**FY19 £m**	Percentage change
Total employee remuneration	28.0	**29.1**	3.9%
Dividends paid	4.9	**6.9**	40.8%
Profit before tax	20.0	**22.9**	14.5%

Statement of shareholder voting

The Company's latest AGM was held on 24 July 2018, at which the Annual Report on Remuneration was put forward for an advisory vote. The Committee is pleased to report that it received 98% votes in favour of the resolution. The remuneration policy was approved at the AGM held on 26 July 2017 and received unanimous support from shareholders.

	Binding vote on remuneration policy (2017 AGM)		Advisory vote on Annual Report on Remuneration (2018 AGM)	
Votes cast	Votes	Percentage	Votes	Percentage
For	73,446,640	100%	75,246,045	97.75%
Against	–	0%	1,733,756	2.25%
Total	73,446,640	100%	76,979,801	100%
Withheld	–	0%	–	–

Implementation of the policy in FY20

A summary of how the remuneration policy will be applied during the forthcoming financial year is set out below.

Base salaries

The Committee reviews the Executive Directors' base salaries on an annual basis. The Committee proposes to change the effective date of future salary increases to 1 April, in line with the Company's financial year and the rest of its work force. An increase of 7.5% is proposed to base salaries. Base salaries effective from 1 April 2019 are set out below.

	1 July 2018	1 April 2019	Percentage change
Mark Carpenter	£255,000	£274,125	7.5%
James Gilmour	£200,000	£215,000	7.5%

Benefits and pension

No changes are proposed to the provision of pension and benefits for FY20. Executive Directors will continue to receive family private medical insurance, a company car and fuel allowance. Pension contributions will amount to 10% of salary in line with the remuneration policy, and are payable into their nominated personal pension plans.

Annual bonus

There are no changes to the structure of the annual bonus plan proposed for FY20. Executive Directors will be eligible for an annual bonus payment up to a maximum of 100% of salary. Bonuses will be based on profit before tax, customer and employee engagement measures with each measure awarded independently. The Committee considers the forward-looking targets to be commercially sensitive as they relate to the current financial year, but full disclosure of targets and performance against them will be provided in next year's Annual Report.

Long-term incentives

Following consultation with the Company's major shareholders, changes to the structure of the long-term incentive arrangements are proposed for FY20. Executive Directors will receive an award of nil cost options under the Company's PSP following the announcement of its annual results.

These awards will have a face value of 125% of base salary, with the exact number of shares to be granted to be determined with reference to the average of the closing middle-market quotations of the shares during the five dealing days before the date of grant. Awards at this level will be made utilising the exceptional circumstances limit in the policy (which allows for the grant of awards of up to 150% of salary). The Committee feels that it is appropriate to grant awards at this level for FY20, recognising the low base salary levels on which the awards are based, and to ensure the Directors are appropriately incentivised and retained to lead the business in this challenging retail environment.

50% of vesting will be contingent on the Group EPS growth performance, measured over the three-year period from and including FY20 to FY22 and 50% of vesting will be contingent on the market share growth of 0 to two year old vehicles over the same period. The Committee determines the performance targets in place annually, and the required growth rates for the FY20 award have been set taking into account current market conditions and the Committee considered that they are appropriately challenging.

% of max award	Threshold	Stretch	% at threshold	% at stretch
Market share growth (0–2 year)	5.0%	10.0%	12.5%	50%
EPS growth (CAGR)	7.5%	12.0%	12.5%	50%
Total achievement			25% of max	100%

These awards will ordinarily vest on the third anniversary of the date of grant, subject to achievement of the above performance conditions. A 2-year post vesting holding period will apply thereafter, during which time any vested shares (net of any taxes due) may not be sold.

Chairman and Non-Executive Directors' fees

The fees payable to the NEDs of the Company remain unchanged for FY20 are as follows:

Non-Executive Chairman	£100,000
Other NEDs	£40,000
Additional responsibility fees:	
Chair of the Remuneration Committee	£7,500
Chair of the Audit Committee	£7,500
Senior Independent Director	£5,000

Approval

This report was approved by the Board of Directors on 11 June 2019 and is signed on its behalf by:

Mary McNamara
Remuneration Committee Chair
11 June 2019

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Group and the Company, for the year ended 31 March 2019.

This Directors' Report includes information which is included elsewhere in the Annual Report as indicated in the table below, and which is incorporated into this report by reference.

Information	Page reference	
Management Report	1 to 29	This Directors' Report and the Strategic Report form the Management Report for the purposes of DTR4.1.5R.
Directors	30 and 31	Details of the Directors and their full biographies.
Dividends	12, 17	Details of the final dividend recommended by the Board.
Future developments	1 to 26	
The Code	32	We are compliant with the UK Corporate Governance Code 2016.
Employee engagement	24 to 29	Provision of information to employees. Details of our employee share schemes.
Gender Pay Gap	25	
Greenhouse gas emissions	29	
Important post year end events	12 and 58	Purchase of 13th retail site and £10m buyback programme announced on 7 May 2019.
Share capital	85	Notes to the consolidated financial statement 25 Share Capital.
Directors' interests	52	Table of Directors' share interests. There have been no changes in these interests since the year end to the date of this Report.
AGM	32	
Directors' service contracts	47	Details of unexpired term of Directors' service contract.
Restrictions on transfer of securities	34	Details of David Shelton's Relationship Agreement.
Financial instruments	81	Note 23 Financial Instruments and Risk Management.

Indemnity provisions
The Company has qualifying third party indemnity provisions in force for the benefit of its Directors in accordance with Section 234 of the Companies Act 2006 and has had Directors and Officers liability insurance cover in place for the year and up to the date of signing this report.

Audit information
In accordance with Section 418 of the Companies Act 2006 each of the Directors confirms that:
- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that he/she ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern
When considering the going concern principle for the accounts of Motorpoint Group Plc the Directors have considered the current profitable financial projections and facilities of the consolidated Group and that it will continue in operation for a period not less than 12 months from the date of this report.

Motorpoint Group Plc, the Company, is in a net liability position; however, this is wholly as a result of amounts owed to Motorpoint Limited, a company which it owns. As such the Directors do not see the net liability position as a risk when considering the going concern of the Company.

Political donations
The Company has not made any political donations in FY19.

Employees
Motorpoint is an equal opportunities employer and our culture is one that promotes excellence and celebrates success. We are committed to eliminating discrimination and encouraging diversity. We take pride in having a workplace which celebrates diversity. Our aim is that our people will be truly representative of all sections of society and reflect the diverse customer base that we enjoy.

It is important that each person feels respected and is able to perform to the best of their ability – we do not tolerate any form of discrimination activity and actively promote equal opportunities. Motorpoint proudly employs a number of people with a registered disability and gives full and fair consideration to new applications for employment made by disabled persons, this also includes internal promotions throughout the business.

Our training and development interventions are available to all staff and we ensure reasonable adjustments are made for new and existing team members, should they be required, to accommodate their needs and deliver a safe and welcoming work environment. This support applies throughout an employee's career with us and should an individual find their circumstances change during their employment and they become disabled we would ensure total support and inclusion.

The Company's policies and practices for its employees are consistent with its values and support its long-term sustainable success. We value our employees' voice and regularly consult with them through twice yearly engagement surveys, monthly all hands meetings, monthly team forums and quarterly forums with the CEO. This ongoing and open communication ensures our employees are able to raise any matters of concern and also ensures their views are shared, which we put at the heart of the Board's decision-making process.

Our employees are passionate about the Company performance and in order to further encourage this, we offer all staff the opportunity to take part in the Motorpoint Sharesave plan each year, which provides our team members an avenue to make savings and become shareholders of the Company at a discounted rate. We also offer a number of internal bonus and incentive schemes to drive customer experience and shareholder return.

Disclosable share interests

As at 31 March 2019, the Company had been notified of the following voting interests in the Ordinary Share capital of the Company in accordance with DTR5 of the FCA's Disclosure Guidance and Transparency Rules. This information is published on a Regulated Information Service and on the Company's website. Percentages are shown as notified, calculated with reference to the Company's disclosed share capital as at the date of the movement triggering the notification. It is noted that these holdings are likely to have change since the Company was notified, but there is no requirement to notify until a relevant threshold has been crossed.

	As at 31 March 2019	
Shareholder and date of notification to the Company	No. of Ordinary Shares	% of issued shares at notification
Lizard Investors LLC – 7 Jan 19	2,971,032	3.07
Aggregate of Standard Life Aberdeen plc affiliates – 2 Jan 19	9,726,895	10.04
Immersion Capital LLP – 16 Oct 18	12,976,600	13.31
Long Light Capital, LLC – 29 June 18	6,260,314	6.29
Shoby Investments Partnership Limited – 29 June 18	13,396,726	13.6

In the period from 31 March 2019 to the date of this Report, the Company has been notified that Immersion Capital LLC's interest has changed to 14,726,600 shares and 15.32%.

Shares

Voting rights

Each Ordinary Share entitles the holder to vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is duly demanded.

At any general meeting of the Company every member who is present in person (or by proxy) shall on a show of hands have one vote and on a poll shall have one vote for each share of which he/she is the holder. The Articles of Association provide a deadline for submission of proxy forms of not than less than 48 hours before the time appointed for holding the meeting or adjourned meeting. No member may vote at any general meeting either in person or by proxy, in respect of a share held by him/her, unless all amounts presently payable by him/her in respect of that share have been paid or the Board determines otherwise.

Pre-emption disapplication

During the year the Board has not allotted any Ordinary Shares.

Restrictions on transfer of securities

At the time of the IPO David Shelton entered into a Relationship Agreement, see page 34 for details. So far as the Company is aware, the independence provisions have been complied with.

Authority to allot shares

The Directors have authority to allot Ordinary Shares up to a maximum nominal amount of £665,360 (66,536,000 shares, representing approximately two thirds of the Company's existing share capital at 15 June 2018), of which 33,268,000 shares (representing approximately one third of the Company's issued ordinary share capital) can only be allotted pursuant to a rights issue by shareholder resolution. The Directors did not exercise this authority in FY19 but subject to shareholder approval at the 2020 AGM renewing this authority, the directors intend to satisfy the FY17 SAYE which will mature later in FY20 with an allotment of shares.

Authority to purchase own shares

The Directors gained authority by way of shareholder approval at the Company's last AGM under Section 701 of the Companies Act 2006 to make market purchases of up to 10% of the Company's issued Ordinary Share capital, being 9,980,402 Ordinary Shares at the time.

During FY19 the Directors announced a share buyback programme of up to £5m on 14 August 2018 which ended on 7 May 2019. A further share buyback programme was announced after the year end of up to £10m on 7 May 2019 and is expected to end no later than the day of the Company's 2020 AGM, assuming a new general authority to repurchase Ordinary Shares is obtained at the Company's next AGM.

The principal purpose of the programme is to reduce the share capital of the Company and return funds to shareholders who sell their shares; repurchased shares are typically being cancelled, although the programme allows for shares to be held in treasury at the Company's discretion to help satisfy its employee share plan obligations.

In FY19 the Company purchased 3,992,000 shares of which 3,988,464 were cancelled and 3,536 were held in treasury and then released to satisfy employee share plan obligations. The Company is making regular announcements of buyback activity in accordance with the Listing Rules, DTR and Market Abuse Regulations.

As at 11 June 2019 the Company has purchased 819,000 shares since 1 April 2019 of which 813,674 were cancelled and 5,326 were held in treasury and then released to satisfy employee share plan obligations.

The impact of the purchase and cancellation of the 813,674 shares would result in FY19 EPS increasing to 19.2 pence and increases major shareholdings as at 31 March 2019 as shown in the below table.

Shareholder	% of issued share capital as at 31 March 2019	% of issued share capital as at 11 June 2019
Shoby Investments	13.93	14.05
Immersion Capital	13.65	13.77
Aberdeen Standard Investments	10.11	10.20
Mark Carpenter	9.23	9.31
Mark Morris	8.96	9.03
Long Light Capital	6.51	6.57
Independent Investment Trust	4.68	4.72
Pershing, New Jersey	3.50	3.53
Lizard Investors	3.09	3.12

Articles of Association

Motorpoint's Articles of Association may only be amended by way of a special resolution at a general meeting of the shareholders. No amendments are being recommended at the AGM.

The Directors' Report has been approved by and is signed on behalf of the Board of Directors.

Manjit Virk
Company Secretary
11 June 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report 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 Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company 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 IFRSs as adopted by the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 102, have been followed for the 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 Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Board of Directors and Company Secretary section confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law), give a true and fair view of the assets, liabilities, financial position and result of the Company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Report on the audit of the Group financial statements

Opinion

In our opinion, Motorpoint Group Plc's Group financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's affairs as at 31 March 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Balance Sheet as at 31 March 2019; the Consolidated Income Statement, the Consolidated Cash Flow Statement, and the Consolidated Statement 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.

Our opinion is consistent with our reporting to the Audit Committee.

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

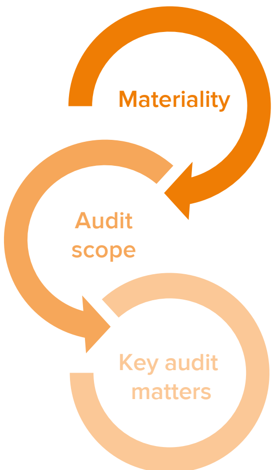
We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group.

Other than those disclosed in note 7 to the financial statements, we have provided no non-audit services to the Group in the period from 1 April 2018 to 31 March 2019.

Our audit approach

Overview



- Overall Group materiality: £5.3 million (2018: £5.0 million), based on 0.5% of revenue.
- Specific Group materiality of £1.145 million (2018: £1.05 million) for certain liability balances based on 5% of profit before tax.

- We conducted audit work over Motorpoint Limited (the Group's trading company) and Motorpoint Group PLC (the Company) which together accounted for 100% of the Group's revenue and profit before tax.

Areas of particular focus in our work are listed below:

- Share-based payments.
- Property-related provisions.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing Rules and UK tax legislation, 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 preparation of 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 of inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- review of the financial statement disclosures to underlying supporting documentation, review of correspondence with the regulators and enquiries of management;
- challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to share-based payments and property-related provisions (see related key audit matter below); and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Share-based payments Refer to page 39 (Audit Committee Report), page 75 (note 4: Critical accounting estimates and judgements), page 86 (note 29: share-based compensation). The Group has introduced two share-based payment schemes during the year and updated their assumptions for the existing schemes. The schemes have all been accounted for under IFRS 2 'Share-based Payment'. A share-based payment compensation charge of £0.6m and a credit of £0.6m to the income statement have been recognised in the year. We have focused on this area as share-based payments involve complex calculations with multiple assumptions relating to volatility, risk-free rate, dividend yield and non-vesting rate. In addition, any incorrect assumptions adopted in this period may result in errors in future periods.	We have agreed the factual inputs in the share-based payment calculations to scheme rules and other supporting documentation. We have understood the assumptions adopted by the Directors related to volatility, risk-free rate, dividend yield and non-vesting rate, compared them to independent sources of information where appropriate and carried out a sensitivity analysis. We found that the assumptions and methodology used in the calculation of share-based compensation expense were supported by audit evidence we have obtained.
Property related provisions Refer to page 39 (Audit Committee Report) and page 75 (note 4: Critical accounting estimates and judgements). Motorpoint operates across a number of locations and needs to estimate any potential liabilities for costs associated with the leases for items such as onerous commitments, dilapidations and other associated costs. We have focused on this area, as there is judgement involved in estimating the potential costs in current and future periods.	We have obtained the Directors' calculations of the provisions and agreed the various inputs to lease documents and other supporting documents including correspondence with landlords. We have challenged management's estimates for costs, judgement as to when to provide and carried out sensitivity analysis. We found the accounting treatment for the provisions to be materially supported by the audit evidence obtained.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which it operates.

The Group and all its entities are based in the UK. There is one trading entity, Motorpoint Limited, which has 12 retail sites spread across the UK.

Motorpoint Limited and Motorpoint Group Plc, the Company, were considered to be significant components, due to their contribution to the Group financial statements. Full scope audits were carried out on both of these components.

The audit work performed over Motorpoint Limited and Motorpoint Group Plc gave us the evidence we needed for our opinion on the Group financial statements as a whole. These two statutory entities cover 100% of the Group's revenue and profit before tax.

All audit work, including work on significant components, was completed by the Group audit team.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	£5.3 million (2018: £5.0 million).
How we determined it	0.5% of revenue.
Rationale for benchmark applied	Motorpoint is seeking to grow market share through its business model and opening new sites in an industry that operates on low profit margins. Volume and revenue are the key drivers for the business performance and driving shareholder value. In addition, for the Group, we set a specific materiality of £1,145,000 (2018: £1,050,000) for certain liability balances which include high level of management judgement. This equates to 5% of profit before tax. In arriving at this judgement we considered the nature of the balances and potential impact on profit, given this is a further indicator of financial performance.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £1 million and £5 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £100,000 (2018: £100,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Group's trade, customers, suppliers and the wider economy.
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to 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.

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, Directors' Report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 34 to 36) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ('DTR') is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we did not identify any material misstatements in this information. *(CA06)*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 34 to 36) with respect to the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. *(CA06)*

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company. *(CA06)*

The Directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 36 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 23 of the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Group and statement in relation to the longer-term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the 'Code'); and considering whether the statements are consistent with the knowledge and understanding of the Group and its environment obtained in the course of the audit. *(Listing Rules)*

Other Code provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 36, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Group's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group obtained in the course of performing our audit.
- The section of the Annual Report on pages 38 to 39 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

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, 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 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 to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- certain disclosures of Directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed as auditors of Motorpoint Limited by its directors on 18 September 2015 to audit the financial statements for the year ended 31 March 2015 and subsequently reappointed on 29 February 2016 to audit the financial statements for the year ended 31 March 2016. Following the reorganisation of the Group headed by Motorpoint Holdings Limited and the formation of Motorpoint Group Plc, we were appointed by the Directors of Motorpoint Group Plc on 28 October 2016 to audit the financial statements for the year ended 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement is 5 years, covering the years ended 31 March 2015 to 31 March 2019.

Other matter

We have reported separately on the Company financial statements of Motorpoint Group Plc for the year ended 31 March 2019 and on the information in the Directors' Remuneration Report that is described as having been audited.

Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
11 June 2019

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £m	2018 £m
Revenue	5	**1,058.7**	991.2
Cost of sales	6	**(978.8)**	(914.8)
Gross profit		**79.9**	76.4
Operating expenses	6	**(55.3)**	(55.1)
Operating profit	6	**24.6**	21.3
Operating profit before exceptional items		**24.6**	22.1
Exceptional items	8	**–**	(0.8)
Finance expense	11	**(1.7)**	(1.3)
Profit before taxation		**22.9**	20.0
Income tax expense	12	**(4.6)**	(4.0)
Profit and total comprehensive income for the year attributable to equity holders of the parent		**18.3**	16.0
Earnings per share attributable to equity holders of the parent			
Basic	13	**18.7p**	16.0p
Diluted	13	**18.7p**	15.9p

The Group's activities all derive from continuing operations.

The Group has no other comprehensive income. Total comprehensive income for the year is equal to the profit for the financial year. The notes on pages 69 to 89 are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2019

	Note	2019 £m	2018 £m
Assets			
Non-current assets			
Property, plant and equipment	15	**8.3**	5.4
Deferred tax assets	16	**0.5**	0.5
Total non-current assets		**8.8**	5.9
Current assets			
Inventories	17	**116.2**	104.0
Trade and other receivables	18	**13.9**	12.9
Cash and cash equivalents	19	**13.8**	15.6
Total current assets		**143.9**	132.5
Total assets		**152.7**	138.4
Liabilities			
Current liabilities			
Trade and other payables	21	**(120.0)**	(104.9)
Contract liabilities	21	**(1.4)**	(3.5)
Current tax liabilities		**(2.1)**	(2.0)
Total current liabilities		**(123.5)**	(110.4)
Net current assets		**20.4**	22.1
Non-current liabilities			
Contract liabilities	22	**(0.2)**	(1.6)
Total non-current liabilities		**(0.2)**	(1.6)
Total liabilities		**(123.7)**	(112.0)
Net assets		**29.0**	26.4
Equity			
Share capital	25	**1.0**	1.0
Capital reorganisation reserve	26	**(0.8)**	(0.8)
Retained earnings		**28.8**	26.2
Total equity		**29.0**	26.4

The consolidated financial statements on pages 65 to 89 were approved by the Board of Directors on 11 June 2019 and were signed on its behalf by:

M Carpenter
Chief Executive Officer

J Gilmour
Chief Financial Officer

Motorpoint Group Plc
Registered number 10119755

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital £m	Retained earnings £m	Capital reorganisation reserve £m	Total equity £m
Balance at 1 April 2017		1.0	14.5	(0.8)	14.7
Profit and total comprehensive income for the year		–	16.0	–	16.0
Share-based payments	29	–	0.7	–	0.7
Buyback and cancellation of shares	25	–	(0.1)	–	(0.1)
Final dividend for the year ended 31 March 2017	14	–	(2.9)	–	(2.9)
Interim dividend for the year ended 31 March 2018	14	–	(2.0)	–	(2.0)
Balance at 31 March 2018		1.0	26.2	(0.8)	26.4
Profit and total comprehensive income for the year		**–**	**18.3**	**–**	**18.3**
Share-based payments	29	**–**	**–**	**–**	**–**
Buyback and cancellation of shares	25	**–**	**(8.8)**	**–**	**(8.8)**
Final dividend for the year ended 31 March 2018	14	**–**	**(4.5)**	**–**	**(4.5)**
Interim dividend for the year ended 31 March 2019	14	**–**	**(2.4)**	**–**	**(2.4)**
Balance at 31 March 2019		**1.0**	**28.8**	**(0.8)**	**29.0**

The notes on pages 69 to 89 are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations before exceptional items	28	**24.3**	21.0
Cash flows from exceptional items	28	**–**	(0.8)
Cash generated from operations		**24.3**	20.2
Interest paid		**(1.7)**	(1.3)
Income tax paid		**(4.5)**	(3.9)
Net cash generated from operating activities		**18.1**	15.0
Cash flows from investing activities			
Purchases of property, plant and equipment	15	**(4.2)**	(1.3)
Cash outflows to related parties		**–**	(0.4)
Net cash used in investing activities		**(4.2)**	(1.7)
Cash flows from financing activities			
Final dividend for the year ended 31 March 2017	14	**–**	(2.9)
Interim dividend for the year ended 31 March 2018	14	**–**	(2.0)
Final dividend for the year ended 31 March 2018	14	**(4.5)**	–
Interim dividend for the year ended 31 March 2019	14	**(2.4)**	–
Payments to acquire own shares	25	**(8.8)**	(0.1)
Net cash used in financing activities		**(15.7)**	(5.0)
Net (decrease) /increase in cash and cash equivalents		**(1.8)**	8.3
Cash and cash equivalents at the beginning of the year		**15.6**	7.3
Cash and cash equivalents at end of year		**13.8**	15.6
Net cash and cash equivalents comprises:			
Cash at bank		**13.8**	15.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Motorpoint Group Plc (the 'Company') is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company is a public company limited by shares and is listed on the London Stock Exchange; the address of the registered office is Chartwell Drive, West Meadows Industrial Estate, Derby, England, United Kingdom, DE21 6BZ. The Consolidated Financial Statements of the Company as at and for the year ended 31 March 2019 comprise the Company and all of its subsidiaries, together referred to as the Group. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The principal activities of the Group and the nature of the Group's operations are set out in the Strategic Report on pages 1 to 29.

2. Summary of significant accounting policies

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

(a) Basis of preparation

These consolidated financial statements 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 adopted IFRS. The financial statements have been prepared under the historical cost convention.

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 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 4.

(b) Going concern

The financial statements are prepared on a going concern basis. The Group regularly reviews market and financial forecasts, and has reviewed its trading prospects in its key markets. As a result it believes its trading performance will demonstrate continued improvement in the coming periods, and that liquidity will remain strong.

The Board has reviewed the latest forecasts of the Group and considered the obligations of the financing arrangements. Given the continued strong liquidity of the Group the Board has concluded that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

(c) New standards, amendments and interpretations

In the current year the Group has adopted the following new standards and interpretations;

IFRS 9 Financial Instruments – (effective date for periods commencing on or after 1 January 2018), IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Group has assessed the criteria of the new standard and changes to classification of financial instruments and additional disclosure requirements were identified. No other material changes were required to the financial statements.

IFRS 15 Revenue from Contracts with Customers – (effective date for periods commencing on or after 1 January 2018), deals with revenue recognition and establishes principles for reporting such information. The standard considers revenue recognition when there are multiple elements to the transaction. The Group has assessed the criteria of the new standard and additional disclosure requirements were identified. No other material changes were required to the financial statements.

Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2

The adoption of the new standards and amendments above have had no significant impact.

The Group has not early adopted the following new standards, amendments or interpretations that have been issued but are not yet effective, based on European Union endorsement. The Group has commenced its assessment of the impact of these standards.

IFRS 16 Leasing

IFRS 16 Leasing is effective for annual periods beginning on or after 1 January 2019. The new standard replaces existing leases guidance, principally IAS 17 Leases.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases of 12 months or less and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

2. Summary of significant accounting policies continued

(c) New standards, amendments and interpretations continued

The Group has reviewed all of the Group's leasing arrangements in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the Group's operating leases, most notably in respect of property. IFRS 16 is not anticipated to affect the existing accounting treatment of the leasing segment.

The Group plans to apply IFRS 16 initially on 1 April 2019, using the full retrospective approach. Therefore, the effect of adopting IFRS 16 will be the restatement of comparative information as if IFRS 16 had always applied. The disclosures below are based on current best estimates for the impact of IFRS 16.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. The Group will also use practical expedient to account for a lease as a short-term lease if it has a remaining term of 12 months or less on transition. Under this approach, the Group would not recognise a ROU asset or lease liability for this lease. Instead, the Group would recognise rentals payable as an expense in its disclosure of total short-term lease expense.

As at the reporting date, the Group has non-cancellable operating lease commitments of £61.6m (see note 27). Of these commitments, approximately £0.4m relate to short-term leases and low-value leases which will be recognised on a straight-line basis as expense in profit or loss. For the remaining lease commitments the Group expects to recognise ROU assets of approximately £45.0m on 1 April 2019, lease liabilities of approximately £47.1m and deferred tax assets of approximately £0.6m (before adjustments including prepayments and accrued lease payments recognised as at 31 March 2019 of approximately £0.9m). Overall net assets will be approximately £3.7m lower, and net current liabilities will be approximately £2.8m higher due to the presentation of a portion of the liability as a current liability.

The Group expects that profit after tax will decrease by approximately £0.7m for FY19 as a result of adopting IFRS 16.

EBITDA is expected to increase by approximately £4.3m, as the operating lease payments were included in EBITDA, but the amortisation of the ROU assets and interest on the lease liability are excluded from this measure.

Operating cash flows will increase and financing cash flows decrease by approximately £2.7m as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

The adoption of IFRS 16 will have no impact on the Group's current banking covenants.

(d) Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Group and entities controlled by the Group (its subsidiaries) made up to 31 March each year.

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. Intercompany transactions and balances between Group companies are eliminated on consolidation.

(e) Segmental reporting

The Group has prepared segmental reporting in accordance with IFRS 8 'Operating Segments', which requires segments to be presented on the same basis as the management reporting. An operating segment is a component of the business where discrete financial information is available and the operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

Operating segments are aggregated into reporting segments to combine those with similar characteristics. The Group's reportable operating segment is considered to be the United Kingdom operations. The Group's chief operating decision maker is considered to be the Board of Directors.

The Group operates through a branch network and separate financial information is prepared for these individual branch operations. These branches are considered separate 'cash-generating units' for impairment purposes. However it is considered that the nature of the operations and products is similar and they all have similar long-term economic characteristics, as they are all based within the UK. Accordingly the Group has applied the aggregation criteria of IFRS 8 and thus considers it has one reportable segment.
Accordingly no additional segmental information is required.

(f) Revenue recognition

The Group has adopted IFRS 15 and has undertaken a detailed review of its revenue recognition policies. The main areas affected have been considered in further detail below.

IFRS 15 supersedes IAS 11 'Construction contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a 5-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group has adopted IFRS 15 using the fully retrospective method of adoption. There was no impact on revenue, profit after tax or retained earnings on adoption of IFRS 15.

Revenue represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers. Revenue is measured at the fair value of the consideration receivable, when it can be reliably measured, and the specified recognition criteria for the sales type have been met.

The transaction price is determined based on periodically reviewed prices and are separately identified on the customer's invoice.

There are no estimates of variable consideration.

(i) Sales of motor vehicles

Revenue from sale of motor vehicles is recognised when the control has passed, that is, when the vehicle has been collected by the customer. Payment of the transaction price is due immediately when the customer purchases the vehicle.

(ii) Sales of motor related services and commissions

Motor related services sales include commissions on finance introductions, extended guarantees and vehicle asset protection as well as the sale of paint protection products. Sales of paint protection products are recognised when the control has passed, that is, the product is supplied to the customer.

Vehicle extended guarantees where the Group is contractually responsible for future claims are accounted for by deferring the guarantee income received along with direct selling costs and then releasing the income on a straight-line basis over the remaining life of the guarantee. Costs in relation to servicing the extended guarantee income are expensed to the income statement as incurred. The Group has not sold any of these policies in the current or prior period but continues to release income in relation to legacy sales.

Vehicle extended guarantees and asset protection (gap insurance) where the Group is not contractually responsible for future claims, are accounted for by recognising the commissions attributable to Motorpoint at the point of sale to the customer.

Where the Group receives finance commission income, primarily arising when the customer uses third-party finance to purchase the vehicle, the Group recognises such income on an 'as earned' basis.

Under IFRS 15, the assessment will be based on whether the Group controls the specific goods and services before transferring them to the end customer, rather than whether it has exposure to significant risks and rewards associated with the sale of goods or services.

The Group has considered if any adjustments are necessary to comply with IFRS 15 for the year ended 31 March 2019 and have concluded that adoption of this standard will not impact revenue, profit after tax or retained earnings. As such no restatement is necessary to the financial statements for the year ended 31 March 2019.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of motor vehicles	The Group sells nearly new vehicles to retail customers. Revenue is recognised at the point the vehicle is collected by the customer. The satisfaction of the performance obligation occurs on delivery or collection of the product. The Group sells vehicles acquired through retail customer trade-ins to trade customers through their website auction4cars. Vehicles do not leave the premises until they are paid for in full and therefore the revenue and the profit are recognised at the point of sale. The satisfaction of the performance obligation occurs on collection of the vehicle.
Sales of motor related services and commissions	The Group receives commissions when it arranges finance and insurance packages for its customers to purchase its products and services, acting as agent on behalf of a limited number of finance and insurance companies. Any commission earned is recognised when the customer draws down the finance or commences the insurance policy from the supplier which coincides with the delivery of the product or service. Commissions receivable are paid typically in the month after the finance is drawn down. The group offered an Extended Guarantee for either 12 or 24 months, which commenced from the end of the manufacturer's warranty period. The revenue is deferred until the start of the policy period, and then released on a straight-line basis over the policy term. Any directly attributable costs from the sale (e.g. sales commission) are also deferred and released over the same period. Customer claims are taken to the Income Statement as they are incurred during the policy term.

(g) Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period which the dividends are approved.

2. Summary of significant accounting policies continued

(h) Exceptional items

Material non-recurring items of income and expense are disclosed as 'exceptional items'. Examples of items that may give rise to disclosure as exceptional items include costs of major restructuring and reorganisation of the business, corporate refinancing and restructuring costs. A full analysis of exceptional items is provided in note 8 concerning a HMRC assessment relating to prior periods.

(i) Foreign currency

The Group's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(j) Property, plant & equipment

Property, plant and equipment is stated at the cost less depreciation. The cost of property, plant and equipment includes directly attributable costs. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Land	Nil
Short-term leasehold improvements	Lower of 20% straight-line or remaining lease term
Plant and machinery	20% straight-line
Fixtures and fittings	20% straight-line
Office equipment	20% – 33.3% straight-line

Assets in the course of construction are recorded separately within property, plant and equipment and are transferred to the appropriate classification when complete and depreciated from the date they are bought into use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying value of assets is reviewed for impairment if events or changes in circumstances suggest that the carrying value may not be recoverable. Assets will be written down to their recoverable amount if lower than the carrying value, and any impairment is charged to the income statement.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement within 'other income'.

(k) Financial instruments

IFRS 9 Financial Instruments is mandatory for reporting periods commencing on or after 1 January 2018 and is therefore adopted in these financial statements. Compared to the previous accounting standard IAS 39, whilst there are changes in disclosure, there are no material changes in the quantification or measurement of financial assets or financial liabilities. A summary of the differences between IFRS 9 and IAS 39, as applied to these financial statements, is provided in note 23.

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

The Group classifies financial instruments, or their component parts, on initial recognition as financial assets, financial liabilities or equity instruments according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial assets

Trade receivables are initially recognised when they originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is classified either as being measured subsequently at fair value (either through other comprehensive income or through profit or loss), or measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

All financial assets of the Group are classified as measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value reported in profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

The Group recognises loss allowances for expected credit losses (ECL) on financial assets measured at amortised cost. ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). An assessment of the ECL is calculated using a provision matrix model to estimate the loss rates to be applied to each trade receivable category.

ECL are discounted at the effective interest rate of the financial asset. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

From time to time based on purchasing decisions the Group holds hedging instruments to hedge currency risks arising from its activities. Hedging instruments are recognised at fair value. Any gain or loss on remeasurement is recognised in the income statement. However, the treatment of gains or losses arising from hedging instruments which qualify for hedge accounting depends on the type of hedge arrangement. The fair value of hedging instruments is the estimated amount receivable or payable to terminate the contract determined by reference to the market prices prevailing at the balance sheet date. A gain or loss in respect of an effective hedge of a net investment in an overseas operation is recognised directly in equity. Any ineffective portion of the hedge is recognised in the income statement. The Group currently has no hedge arrangements and no gain or loss is recognised in profit or loss in administrative expenses.

Financial liabilities

Financial liabilities are classified on initial recognition as either other financial liabilities measured at amortised cost or at fair value through profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(l) Inventory

Inventory is valued at the lower of cost and net realisable value, after due regard for slow moving vehicles.

Net realisable value is based on selling price less anticipated costs of completion and selling costs. When calculating an inventory provision management considers the nature and condition of the inventory as well as applying assumptions around expected saleability, determined on historic trading patterns.

(m) Trade receivables

Trade receivables represent the principal amounts outstanding from finance companies in respect of the financed element of sales to customers for motor vehicle and related products. Trade receivables are recognised net of any provision for impairment.

The carrying value of certain financial assets has changed as they are now measured on an expected credit loss approach rather than the incurred loss approach as applied under IAS 39. Trade and other receivables do not contain a significant financing element and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

2. Summary of significant accounting policies continued

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank and deposits held at call with banks. Where applicable, bank overdrafts are shown within borrowings in current liabilities.

(o) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In these cases it is recognised in other comprehensive income or equity respectively.

The current tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, without discounting, in respect of all temporary differences arising between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date. Deferred tax is measured at the rates, based on the tax rates and law enacted or substantively enacted at the balance sheet date, that are expected to apply in the periods when the timing differences are expected to reverse.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

(p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect is immaterial.

(q) Stocking finance facilities

Stocking finance facilities, included within trade payables, are borrowings secured against the vehicle against which the facility is drawn down. These are short-term liabilities which are settled on the sale of a vehicle or a fixed maturity not greater than 150 days and as a result form part of the normal business operating cycle. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect is immaterial.

(r) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives are recognised over the period of the lease.

(s) Share capital

Ordinary Shares are classified as equity. Costs incurred in issuing equity are deducted from the equity instrument.

(t) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost and allocating the interest cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument.

(u) Employee benefits

(i) Pensions

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions are charged in the income statement in the year in which they become payable in accordance with the rules of the scheme.

(ii) Other employee benefits
The Group recognises an expense for other short-term employee benefits, primarily holiday pay and employee commissions and bonuses on an accruals basis.

(iii) Share-based compensation
Equity-settled share-based compensation to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transaction are set out in note 29.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed on a straight-line basis over the vesting period, based on the Group's estimates of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to equity reserves.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

A liability is recognised at the current fair value determined at each balance sheet date for cash-settled, share-based payments.

(v) Earnings per share
The Group presents basic and diluted earnings per share (EPS) for its Ordinary Shares. Basic EPS is calculated by dividing the profit attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the year. For diluted EPS, the weighted average number of Ordinary Shares is adjusted to assume conversion of all dilutive potential Ordinary Shares.

A reconciliation of the adjusted and alternative measures to the statutory measure required by IFRS is given in note 13.

3. Underlying profit measures
The Group's chief operating decision maker is considered to be the Board of Directors. The Board of Directors measure the overall performance of the Group by reference to the following non-GAAP measures:
- operating profit before exceptional items (adjusted operating profit); and
- profit before tax before exceptional items (adjusted profit before tax).

The adjusted measures are applied by the Board of Directors to understand the earning trends of the Group and are considered the most meaningful measures by which to assess the true operating performance of the Group.

4. Critical accounting estimates and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, income and expense. Further information about these areas of judgement is contained below. Estimates and judgements 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.

Accounting estimates
Share option schemes: due to the complexity of IFRS 2 'Share-based Payment', and the continued growth in number of active schemes to Motorpoint employees and of grants under the Long-Term Incentive Plan in the year, there is a heightened risk of error from the accounting for share-based payments as they involve complex calculations with multiple assumptions relating to volatility, risk-free rate, dividend yield and non-vesting rate. The Group's share-based compensation schemes have been valued based on application of IFRS 2 and using the Black-Scholes model where appropriate. The key estimates used in calculating the fair value of the options are the fair value of the Company's shares at the grant date, the expected share price volatility, the risk-free interest rate, the expected life of the instrument and the number of shares expected to vest.

Significant judgements
Property related provisions: we operate across a number of locations and if there is clear indication that a property will no longer be used for its intended operation, a provision may be required based on an estimate of potential liabilities for periods of lease where the property will not be used, together with costs associated with the leases for items such as dilapidations and other associated costs. Due to the judgement involved in determining these potential costs this is deemed a heightened risk.

5. Revenue

Revenue has been analysed between the sale of goods and the sale of services below.

	2019 £m	2018 £m
Revenue analysis		
Revenue from sale of motor vehicles	**1,009.5**	945.6
Revenue from motor related services and commissions	**45.7**	42.3
Revenue recognised that was included in the contract liability balance at the beginning of the period – Extended guarantee income	**3.5**	3.3
Total revenue	**1,058.7**	991.2

6. Operating profit

Analysed as:

Operating profit include the effect of (crediting)/charging:	2019 £m	2018 £m
Inventory recognised as expense	**968.7**	908.3
Movement in provision against inventory	**–**	0.6
Employee benefit expense (note 9)	**29.1**	28.0
Depreciation of property plant and equipment (note 15)	**1.3**	1.3
Exceptional items (note 8)	**–**	0.8
Operating lease payments – property	**4.6**	4.7
Other operating expenses	**30.4**	26.2
	1,034.1	969.9
Cost of sales	**978.8**	914.8
Operating expenses:		
– Selling and distribution expenses	**16.4**	18.2
– Administrative expenses	**38.9**	36.9
	1,034.1	969.9

7. Auditors' remuneration:

	2019 £'000	2018 £'000
Auditors' remuneration:		
Fees payable for the audit of the parent Company and consolidated financial statements	**87**	80
Fees payable for the Audit of the Company's subsidiaries	**10**	10
Fees payable to the Group's auditor and its associates for other services:		
Audit-related assurance services	**20**	20
Total	**117**	110

8. Exceptional items

In the previous financial year the Group incurred exceptional costs that required separate identification as a result of their nature and their impact on the Group's financial position and cash flows.

	2019 £m	2018 £m
Exceptional items: operating profit		
VAT liability[1]	**–**	0.8
	–	0.8

1. The exceptional item recognised in FY18 relates to a charge for prior years for a VAT assessment on volume rebates from a single supplier. The charge relates to the rebates received over the 4 years to FY17 and has been paid during the year. Volume rebates from this supplier are an area of specific focus from HMRC across the industry. We have submitted, and had a notice of appeal acknowledged, with HMRC, noting a reliance on an existing case brought with HMRC. We continue to monitor this case and industry developments with interest.

9. Employees and Directors

The aggregate employee benefit expenses were as follows:

	2019 £m	2018 £m
Employee benefit expenses:		
Wages and salaries	**26.3**	24.5
Social security costs	**2.4**	2.4
Other pension costs	**0.4**	0.4
Share-based compensation charge (note 29)	**–**	0.7
	29.1	28.0

The average monthly number of employees (including Directors but excluding third-party contractors) employed by the Group was as follows:

	2019 No.	2018 No.
Average number of people employed:		
– Sales and operations	**503**	474
– Administration and support	**280**	281
	783	755

10. Directors' and key management remuneration

Key management have been identified as the Directors of Motorpoint Group Plc, including NEDs and the Directors of Motorpoint Limited, the main trading subsidiary.

	2019 £m	2018 £m
Remuneration (including benefits in kind)	**0.9**	1.4
Employer contributions paid to money purchase schemes	**0.1**	0.1
	1.0	1.5

During the year the number of key management who were receiving benefits was 3 (FY18: 4).

Further information on Directors' remuneration for the Directors of Motorpoint Group Plc is included in the Remuneration Committee Report on page 40.

In respect of the highest paid Director:

	2019 £m	2018 £m
Aggregate remuneration	**0.3**	0.4
Employer contributions paid to money purchase schemes	**–**	–
	0.3	0.4

11. Finance expense

	2019 £m	2018 £m
Interest on bank borrowings	**0.1**	0.1
Interest on stocking finance facilities	**1.6**	1.1
Other interest payable	**–**	0.1
Total finance costs	**1.7**	1.3

12. Income tax expense

The tax charge in the income statement represents:

	2019 £m	2018 £m
Current tax:		
UK corporation tax	**4.6**	4.1
Total current tax	**4.6**	4.1
Deferred tax:		
Origination and reversal of temporary differences	**–**	(0.1)
Total deferred tax	**–**	(0.1)
Total tax charge in the income statement	**4.6**	4.0

Reconciliation of the total tax charge

The tax charge in the income statement in the year differs from (FY18: differs from) the charge which would result from the standard rate of corporation tax in the UK of 19% (FY18: 19%).

	2019 £m	2018 £m
Profit before taxation	**22.9**	20.0
Profit before taxation at the standard rate of corporation tax of 19% (FY18: 19%)	**4.4**	3.8
Tax effect of:		
– Expenses not deductible for tax purposes	**0.2**	0.2
Tax charge in the income statement	**4.6**	4.0

Factors affecting current and future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. This was substantively enacted on 6 September 2016 and is therefore reflected in these financial statements.

13. Earnings per share

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of Ordinary Shares during the year. Adjusted earnings per share are calculated on the same basis but adjusting earnings attributable to equity shareholders for exceptional items.

	2019	2018
Profit Attributable to Ordinary Shareholders (£m)	**18.3**	16.0
Exceptional Items (£m)	**–**	0.8
Adjusted Profit Attributable to Ordinary Shareholders (£m)	**18.3**	16.8
Weighted average number of Ordinary Shares in Issue ('000)	**97,924**	100,193
Earnings per Share (pence)	**18.69**	15.97
Adjusted Earnings per Share (pence)	**18.69**	16.77
Diluted Number of Shares in Issue ('000)	**98,116**	100,556
Diluted Earnings per Share (pence)	**18.66**	15.91
Adjusted Diluted Earnings per Share (pence)	**18.66**	16.71

The difference between the basic and diluted weighted average number of shares represents the dilutive effect of the SAYE schemes and the FY17 PSP scheme. This is shown in the reconciliation below.

The shares for the SIP scheme were purchased ahead of issue and the PSP schemes for 2018 and 2019 have performance criteria which have not been met so the options are not yet dilutive.

	2019	2018
Weighted average number of Ordinary Shares in Issue ('000)	**97,924**	100,193
Adjustment for share options ('000)	**192**	363
Weighted average number of Ordinary Shares for diluted earnings per share ('000)	**98,116**	100,556

14. Dividends

During the year the following dividends were paid.

	2019 £m	2018 £m
Final dividend for the year ended 31 March 2017	–	2.9
Interim dividend for the year ended 31 March 2018	–	2.0
Final dividend for the year ended 31 March 2018	4.5	–
Interim dividend for the year ended 31 March 2019	2.4	–
Total dividends	**6.9**	4.9

The proposed final dividend of 5.00 pence per Ordinary Share (FY18: 4.60 pence) for the year ended 31 March 2019 is subject to approval by shareholders at the Annual General Meeting and hence has not been included as liabilities in the financial statements at 31 March 2019.

The final dividend for the year ended 31 March 2018 paid on 15 September 2018 was £4.5m, being a difference of £0.1m compared to that reported in the 2018 financial statements. This was due to a decrease in the Ordinary Shares entitled to a dividend between the date that the dividend was declared and the dividend record date of 3 August 2018.

The final dividend for FY18 was approved by shareholders at the Annual General Meeting in June 2018 and was therefore not included as liabilities in the financial statements at 31 March 2018.

15. Property, plant and equipment

	Land £m	Short-term leasehold improvement £m	Plant and machinery £m	Fixtures and fittings £m	Office equipment £m	Work in progress £m	Total £m
Cost							
At 1 April 2018	1.7	5.2	1.0	1.0	2.5	–	11.4
Additions	–	1.2	0.2	0.1	0.2	2.5	4.2
Disposals	–	–	–	–	–	–	–
At 31 March 2019	**1.7**	**6.4**	**1.2**	**1.1**	**2.7**	**2.5**	**15.6**
Accumulated depreciation							
At 1 April 2018	–	2.7	0.8	0.6	1.9	–	6.0
Provided during the year	–	0.7	0.1	0.2	0.3	–	1.3
Disposals	–	–	–	–	–	–	–
At 31 March 2019	**–**	**3.4**	**0.9**	**0.8**	**2.2**	**–**	**7.3**
Net book value							
At 31 March 2019	**1.7**	**3.0**	**0.3**	**0.3**	**0.5**	**2.5**	**8.3**
At 31 March 2018	1.7	2.5	0.2	0.4	0.6	–	5.4

The depreciation expense of £1.3m (FY18: £1.3m) has been recorded in operating expenses.

16. Deferred tax assets

The movement in deferred taxation assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Other temporary differences	Accelerated capital allowances £m	Other timing differences £m	Total £m
At 1 April 2017	0.3	0.1	0.4
Credited to the Income Statement	0.1	–	0.1
At 31 March 2018	0.4	0.1	0.5
Charged to the Income Statement	–	–	–
At 31 March 2019	**0.4**	**0.1**	**0.5**

17. Inventories

	2019 £m	2018 £m
Finished goods: new and used vehicles for resale	**116.2**	104.0

The replacement cost of inventories is not considered to be materially different from the above values.

Provisions against inventory total £1.4m (FY18: £1.4m).

18. Trade and other receivables

Due within one year	2019 £m	2018 £m
Trade receivables[1]	**8.6**	6.5
Other receivables	**0.5**	0.8
Prepayments	**2.3**	4.4
Accrued income[2]	**2.5**	1.2
	13.9	12.9

1. Trade receivables are non-interest bearing and generally have a term of less than 7 days. Due to their short maturities, the fair value of current trade and other receivables approximates to their book value. Trade receivables represent amounts due from financial institutions on the financed element of vehicle sales to customers. The maximum exposure to credit risk is the carrying amount. The Group has no provisions against trade receivables (FY18: None).

2. Accrued income relates to commissions earned from finance companies.

None of the Group's trade receivables or other receivables were past due or impaired (FY18: None). Trade and other receivables are valued at their book value which is equivalent to fair value and all are in sterling.

19. Cash and cash equivalents

	2019 £m	2018 £m
Cash at bank and in hand	**13.8**	15.6

20. Borrowings

The Group's available borrowings consist of an unsecured £20m facility provided by Santander UK Plc which was undrawn as at the reporting date. The facility is currently provided as £6m available as an overdraft and £14m available as a revolving credit facility.

The finance charged for utilising the facility is dependent on the Group's borrowing ratios as well as the base rate of interest in effect. During the year ended 31 March 2019 interest was charged at 1.4% (FY18: 1.4%) per annum. The interest charged for the year of £0.1m (FY18: £0.1m) has been expensed as a finance cost.

21. Trade and other payables: amounts due within one year

	2019 £m	2018 £m
Trade payables		
– Trade creditors	**17.4**	13.8
– Stocking finance facilities[1]	**82.2**	69.0
Other taxes and social security		
– VAT payable	**0.9**	4.5
– PAYE/NI payable	**0.8**	0.6
Accruals	**18.7**	17.0
	120.0	104.9
Contract liabilities[2]	**1.4**	3.5
	121.4	108.4

1. Stocking finance facilities are provided from Black Horse Limited and Lombard North Central PLC. At 31 March 2019 the Group had £95m (FY18: £90m) of stocking finance facilities available of which £82.2m (FY18: £69.0m) was drawn.

   The stocking finance facility with Black Horse Limited was renegotiated in May 2018 and all borrowings are secured against the vehicle which the stocking finance facility is drawn down against. The finance is repayable on the earlier of the sale of the respective vehicle or a latest date of between 90 and 150 days from date of drawdown of the facility amount. Since renegotiation the facility bears interest at the rate of 1% over Finance House Base Rate.

   The stocking finance facility with Lombard North Central PLC was negotiated in March 2018 and all borrowings are secured against the vehicle which the stocking finance facility is drawn down against. The finance is repayable on the earlier of the sale of the respective vehicle or a latest date of between 90 and 120 days from date of drawdown of the facility amount. The facility bears interest at the rate of 1.35% over Finance House Base Rate.

   An interest expense in the year of £1.6m (FY18: £1.1m) has been recognised as a Finance cost.

2. Contract liabilities are vehicle extended guarantees where the Group is contractually responsible for future claims are accounted for by deferring the guarantee income received, along with direct selling costs, and then releasing the income on a straight-line basis over the remaining life of the guarantee. Costs in relation to servicing the extended guarantee income are expensed to the income statement as incurred. The group has not sold any of these policies in the current or prior period but continues to release income in relation to legacy sales.

Other than the stocking finance facilities payable, trade and other payables are all non-interest bearing.

Due to their short maturities, the fair value of current liabilities approximates to their book value and all are in sterling.

22. Trade and other payables: amounts falling due in greater than one year

	2019 £m	2018 £m
Contract liabilities	**0.2**	1.6

23. Financial instruments and risk management

The principal financial liabilities comprise inventory finance facilities and trade and other payables. The main purpose of these financial liabilities is to provide working capital funding for the Group. The main risks arising from financial liabilities are discussed further below. The principal financial assets comprise trade and other receivables and cash at bank and in hand. The maximum exposure at the balance sheet date is the carrying value of the financial assets as disclosed in this note.

(a) Credit risk

The Group trades predominantly with retail customers. Sales to such customers are for cash and/or part exchange, often with finance provided by a selected panel of financial institutions. The majority of the Group's sales are thus for cash or the remittances of funds from financial institutions, which is achieved in a short period after the sale. As such the Group does not consider that it is exposed to credit risk from retail customers. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not considered to be significant. The maximum exposure is the carrying value amount as disclosed in this note. There is no significant concentration of credit risk within the Group. As a consequence, the Directors are satisfied that the Group's exposure to credit risk is acceptable.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents and loans to related parties, the Group's exposure to credit risk arises from the default of counterparties, with a maximum exposure equal to the carrying amount of these instruments. Counterparty credit risk is managed through the monitoring and active management of counterparty balances.

23. Financial instruments and risk management continued

(b) Foreign exchange risk

The Group is exposed to foreign exchange risk on the purchase of inventory from various European countries. In FY18 and FY19 there were no significant purchases from EU countries and therefore no hedging contracts entered.

At 31 March 2019 if sterling had weakened/strengthened by 10% against the Euro, with all other variables held constant, the recalculated post-tax profit for the year would have been £Nil (FY18: £Nil) lower/higher as a result of foreign exchange losses/gains on the translation of euro-denominated trade payables.

(c) Funding and liquidity risk

The current funding arrangements of the Group consist primarily of the stocking finance facilities, trade and other payables as well as a £20m revolving credit facility which includes £6m of the facility available as an overdraft. Further information regarding these arrangements is included in note 20 and note 21.

The Group monitors its risk to a shortage of funds using a long-term business plan that considers the maturity of all of its financial liabilities and the projected cash flows from operations. The Group aims to have sufficient committed borrowing facilities and operating cash flows to cover the core long-term requirements of the Group.

The maturity table below details the contractual, undiscounted cash flows (both principal and interest) for the Group's non-derivative financial liabilities into relevant maturity Groupings based on the remaining period at the balance sheet date to the contractual maturity date. Interest payments have been calculated using the LIBOR rates at the period end, except where rates had already been contracted.

2019	Within 180 days £m	Within 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Total £m
Stocking finance facilities	82.2	–	–	–	82.2
Trade creditors and accruals	36.1	–	–	–	36.1
	118.3	–	–	–	118.3

2018	Within 180 days £m	Within 1 year £m	Between 1 and 2 years £m	Between 2 and 5 years £m	Total £m
Stocking finance facilities	69.0	–	–	–	69.0
Trade creditors and accruals	30.8	–	–	–	30.8
	99.8	–	–	–	99.8

(d) Capital market risk

The Group is subject to capital market risk, primarily in relation to changes in interest rates.

The Group's interest bearing financial liabilities are analysed as follows:

	2019			2018		
	Floating £m	Fixed £m	Total £m	Floating £m	Fixed £m	Total £m
Sterling denominated	82.2	–	82.2	69.0	–	69.0
Total	82.2	–	82.2	69.0	–	69.0

At 31 March 2019 and 2018 the floating rate financial liabilities comprise stocking finance facilities that bear interest at rates based on Finance House Base Rate (FHBR). The Group also has a revolving credit facility which bears interest based on the LIBOR rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, to the Group's results before tax. There is no direct impact on the Group's equity.

	Increase/ decrease in basis points	2019 £m	2018 £m
Sterling	+50	0.5	0.4
Sterling	-50	(0.5)	(0.4)

(e) Capital management

The Group's objective when managing capital is to ensure adequate working capital for operating needs and an efficient capital structure to achieve the business plan and returns for shareholders. For these purposes the Group considers that shareholders' equity comprises capital.

The Group funds its inventory and other working capital through trade creditors, stocking finance facilities and a £20m revolving credit facility. There are certain covenants relating to a maximum debt to equity and interest rate cover in respect of the Group Consolidated Financial Statements. The Group reviews covenant compliance on a monthly basis, both retrospectively and prospectively.

At 31 March 2019 the Group had undrawn stocking finance facilities of approximately £12.8m (FY18: £21m) and undrawn revolving credit facilities of £20m (FY18: £20m).

(f) Fair value estimation

The Group has no financial assets or liabilities carried at fair value.

(g) Financial instruments by category

The Group's financial assets are all classified as 'Amortised costs'.

2019	Carrying value and fair value £m	Total £m
Trade receivables	**8.6**	**8.6**
Other receivables	**0.5**	**0.5**
Prepayments	**2.3**	**2.3**
Accrued income	**2.5**	**2.5**
Cash and cash equivalents	**13.8**	**13.8**
	27.7	**27.7**

2018	Carrying value and fair value £m	Total £m
Trade receivables	6.5	6.5
Other receivables	0.8	0.8
Prepayments	4.4	4.4
Accrued income	1.2	1.2
Cash and cash equivalents	15.6	15.6
	28.5	28.5

The Group's liabilities are classified as follows:

2019	Financial liabilities at fair value through profit and loss £m	Other financial liabilities at amortised cost £m	Liabilities not within the scope of IFRS 9 £m	Total £m
Trade creditors	–	**17.4**	–	**17.4**
Stocking finance facilities	–	**82.2**	–	**82.2**
Other taxes and social security	–	–	**1.7**	**1.7**
Accruals	–	**18.7**	–	**18.7**
Contract liabilities	–	–	**1.6**	**1.6**
	–	**118.3**	**3.3**	**121.6**

23. Financial instruments and risk management continued
(g) Financial instruments by category continued

2018	Financial liabilities at fair value through profit and loss £m	Other financial liabilities at amortised cost £m	Liabilities not within the scope of IFRS 9 £m	Total £m
Trade creditors	–	13.8	–	13.8
Stocking finance facilities	–	69.0	–	69.0
Other taxes and social security	–	–	5.1	5.1
Accruals	–	17.0	–	17.0
Contract liabilities	–	–	5.1	5.1
	–	99.8	10.2	110.0

(h) Credit quality of financial assets
As disclosed in note 18 the Group has no financial assets that are past due or impaired. The Group's financial assets represent balances due from a selected panel of financial institutions that provide finance to the Group's retail customers. The Group does not obtain credit ratings for its customers. Due to their short maturities the expected credit loss on financial assets is estimated at nil.

(i) IFRS 9 v IAS 39
Financial assets
IAS 39 classifies financial assets into classes according to their nature, i.e. loans and receivables, held to maturity or available for sale. IFRS 9, by contrast, classifies assets according to the business model for their realisation, as determined by the expected contractual cash flows. This classification determines the accounting treatment, and the new classification under IFRS 9 is by reference to the accounting treatment, i.e. amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Impairment of financial assets
IAS 39 adopts an incurred loss approach for measuring impairment while IFRS 9 adopts an expected credit loss approach (ECL). The IAS 39 incurred loss approach relied on a credit event occurring (an actual loss or a debt past a number of days due) before an impairment could be recognised. The IFRS 9 approach does not require a credit event to occur but is based on changes in expectations of credit losses. IFRS 9 also requires that impairment of financial assets be shown as a separate line item in either the statement of comprehensive income or the income statement. Under IAS 39 the Group recorded the impairment of its financial assets (trade and other receivables) within operating expenses.

Financial liabilities
IFRS 9 largely retains the classification requirements of IAS 39 so there are no material differences. The following table summarises the differences between IFRS 9 and IAS 39, as applied to these financial statements.

	IFRS 9 classification	IAS 39 classification	IFRS 9 carrying value £m	Remeasurement £m	IAS 39 carrying value £m
Financial assets					
Trade and other receivables	Amortised costs	Loan and receivables	13.9	–	13.9
Cash and cash equivalents	Amortised costs	Loans and receivables	13.8	–	13.8
Financial liabilities					
Loan and borrowings	Amortised costs	Amortised costs	–	–	–
Trade and other payables	Amortised costs	Amortised costs	118.3	–	118.3

24. Post-employment benefit obligations

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and is disclosed in note 9.

Contributions totalling £0.1m (FY18: £0.1m) were payable to the scheme at the end of the year and are included in accruals.

25. Share capital

	2019		2018	
	Number '000	Amount £m	Number '000	Amount £m
Allotted, called-up and fully paid Ordinary Shares of 1p each				
Balance at the beginning of the year	**100,154**	**1.0**	100,194	1.0
Bought back and held as treasury shares during the year[1]	**(4)**	**–**	–	–
Released from treasury to satisfy employee share plan obligations[1]	**4**	**–**	–	–
Bought back and cancelled during the year[1]	**(3,988)**	**–**	(40)	–
Balance at the end of the year	**96,166**	**1.0**	100,154	1.0

1. Share buyback
   During FY19 the company purchased 3,992,000 (FY18: 40,000) Ordinary Shares on-market in order to reduce the share capital of the Company and return funds to shareholders who sell their shares. Of the 3,992,000 shares purchased 3,988,464 were cancelled and 3,536 were transferred into treasury and then used to satisfy employee share plan obligations.

   Purchases of Ordinary Shares pursuant to the Programme will fall within the maximum of 10,019,402 Ordinary Shares that the Company was authorised to purchase under the general authority granted by shareholders at the Company's most recent AGM held on 26 July 2018.

   The shares were acquired at an average price of £2.20 per share, with prices ranging from £2.48 to £1.87. The total cost of £8.861m, including after tax transaction costs, was deducted from retained earnings.

   Since the commencement of the current share buyback programme in 2018 as at 31 March 2019 4,032,000 shares have been bought back and cancelled representing 4.02% of the issued Ordinary Shares, at a cost of £8.9m.

26. Capital reorganisation reserve

The capital reorganisation reserve represents the capital reduction in the nominal value of shares in Motorpoint Group Limited (re-registered as Motorpoint Group Plc on 10 May 2016) from £1 to 1p.

27. Operating leases and other commitments

(a) Lease obligations

As at 31 March the future aggregate minimum lease payment under non-cancellable operating leases are as follows:

	2019 £m	2018 £m
No later than a year	**4.5**	4.4
Later than a year and no later than 5 years	**17.4**	17.4
Later than 5 years	**39.7**	36.7
Total	**61.6**	58.5

The Group has no leases with contingent rents nor any sub-leases.

(b) Capital commitments

The Group had capital commitments of £nil at 31 March 2019 (FY18: £1.5m).

28. Cash flow from operations

	2019 £m	2018 £m
Profit for the year, attributable to equity shareholders	**18.3**	16.0
Adjustments for:		
Taxation charge	**4.6**	4.0
Finance costs	**1.7**	1.3
Operating profit	**24.6**	21.3
Share-based payments	**–**	0.7
Exceptional items charged to operating profit	**–**	0.8
Depreciation charge	**1.3**	1.3
Cash flow from operations before movements in working capital and cash flow on exceptional items	**25.9**	24.1
Increase in inventory	**(12.2)**	(5.6)
Increase in trade and other receivables	**(1.0)**	(3.5)
Increase in trade and other payables	**11.6**	6.0
Cash flow from operations before exceptional items	**24.3**	21.0
Payments in respect of exceptional items	**–**	(0.8)
Cash generated from operations	**24.3**	20.2

29. Share-based compensation

Share options are granted to Senior Executives and other individuals throughout the organisation. The Group currently operates 3 share schemes and these are the Performance Share Plan, Share Incentive Plan and the Sharesave scheme. The total charge in the year relating to the 3 schemes including associated national insurance (NI) charges was £nil (FY18: £0.7m).

All share-based incentives are subject to service conditions. Such conditions are not taken into account in the fair value of the service received. The fair value of services received in return for share-based incentives is measured by reference to the fair value of share-based incentives granted. The estimate of the fair value of the share-based incentives is measured using the Black-Scholes pricing model as is most appropriate for each scheme.

NI is being accrued, where applicable, at a rate of 13.8% which management expects to be the prevailing rate when the awards are exercised, based on the share price at the reporting date. NI for the year ended 31 March 2019 relating to all awards was a charge of £nil (FY18: £0.1m).

	2019		2018	
	Weighted average exercise price £	Number of options	Weighted average exercise price £	Number of options
Outstanding at 1 April	**1.382**	**997,458**	1.124	750,504
Exercised	**–**	**–**	–	–
Forfeited	**1.482**	**(222,197)**	1.203	(170,811)
Awarded	**1.890**	**283,012**	1.773	417,765
Outstanding at 31 March	**1.497**	**1,058,273**	1.382	997,458
Exercisable at 31 March	**–**	**–**	–	–

The options outstanding at 31 March 2019 have an exercise price in the range of 1.124 pence to 1.890 pence.

Share Incentive Plan

The Group operates a Share Incentive Plan scheme that was made available to all eligible employees following admission to the London Stock Exchange in May 2016.

On 4 July 2016, all eligible employees were awarded free shares valued at £1,000 each based on a share price of £1.877. A total of 194,023 shares were awarded under the scheme, subject to a three-year service period (Vesting Period). As the awards made in 2016 under the SIP will be equity settled they have been valued based on the grant price at the date of issue with an appropriate adjustment for expected leavers. The resulting share-based payments charge is spread evenly over the Vesting Period. The SIP shareholders are entitled to dividends over the Vesting Period. No performance criteria are applied to the vesting of the SIP shares. Fair value at the grant date was measured at £1.877.

In December 2018 a total of 118,716 cash-settled awards were granted to eligible employees under the Share Incentive Plan based on an expected share price of £2.21 at the grant date. The fair value of the shares will be recalculated at each year end with changes in the share price and leaver assumptions reflected in the charge recognised within the accounts for each year to the grant date. Cash is payable at the end of 3 years based on the share price on 1 December 2020. No performance criteria are applied to the vesting of the SIP shares.

	Number
Outstanding at 1 April 2018	157,303
Awarded	–
Forfeited	(29,278)
Vested	–
Vested and outstanding at 31 March 2019	**128,025**

The total charge in the year, included in administration expenses, in relation to these awards was £nil (FY18: £nil).

Performance Share Plan

The Group operates a Performance Share Plan for Executive Directors and certain key senior executives. On 23rd June 2016 the Group awarded 596,659 nil cost options under the PSP scheme. The extent to which such awards vest will depend upon the Group's performance over the three financial years ending 31 March 2019. The vesting in June 2019 (Vesting Date) was dependent on whether relevant performance criteria have been met. Performance criteria was based on both individual unit performances where relevant and overall Earnings Per Share performance.

As the PSP awards will be equity settled they have been valued based on the grant price at the date of issue with an appropriate adjustment for actual leavers and actual performance against the relevant criteria. The resulting share-based payments charge has been spread evenly over the Vesting Period. The PSP shareholders are entitled to dividends over the Vesting Period. Fair value at the grant date was measured at £2.30. The Options vesting will be communicated as soon as reasonably practical after the vesting date.

	Weighted average exercise price	Number
Outstanding at 1 April 2018	0.00p	449,328
Awarded	0.00p	–
Forfeited	0.00p	(435,112)
Vested	0.00p	14,216
Vested and outstanding at 31 March 2019	**0.00p**	**14,216**

On 21st July 2017 the Group awarded 830,267 nil cost options under the PSP scheme. The extent to which such awards vest will depend upon the Group's performance over the three financial years ending 31 March 2020. The vesting in April 2020 (Vesting Date) will be dependent on whether relevant performance criteria have been met. Performance criteria is based on both individual unit performances where relevant and overall Earnings Per Share performance.

As the PSP awards will be equity settled they have been valued based on the grant price at the date of issue with an appropriate adjustment for expected leavers and expected performance against the relevant criteria. The resulting share-based payments charge has been spread evenly over the Vesting Period. The PSP shareholders are entitled to dividends over the Vesting Period. Fair value at the grant date was measured at £1.385. The Options vesting will be communicated as soon as reasonably practical after the vesting date.

	Weighted average exercise price	Number
Outstanding at 1 April 2018	0.00p	721,664
Awarded	0.00p	–
Forfeited	0.00p	(72,419)
Vested	0.00p	–
Vested and outstanding at 31 March 2019	**0.00p**	**649,245**

29. Share-based compensation continued

Performance Share Plan continued

On 20th July 2018 the Group awarded 323,303 nil cost options under the PSP scheme. The extent to which such awards vest will depend upon the Group's performance over the three financial years ending 31 March 2021. The vesting in April 2021 (Vesting Date) will be dependent on whether relevant performance criteria have been met. Performance criteria is based on both individual unit performances where relevant and overall Earnings Per Share performance.

As the PSP awards will be equity settled they have been valued based on the grant price at the date of issue with an appropriate adjustment for expected leavers and expected performance against the relevant criteria. The resulting share-based payments charge has been spread evenly over the Vesting Period. The PSP shareholders are entitled to dividends over the Vesting Period. Fair value at the grant date was measured at £2.42. The Options vesting will be communicated as soon as reasonably practical after the vesting date.

	Weighted average exercise price	Number
Outstanding at 1 April 2018	0.00p	–
Awarded	0.00p	323,303
Forfeited	0.00p	(7,923)
Vested	0.00p	–
Vested and outstanding at 31 March 2019	**0.00p**	**315,380**

The total charge in the year, included in administration expenses, in relation to these awards was a credit of £0.3m (FY18: £0.6m).

Save as You Earn Share scheme

The Group operates 2 Save As You Earn share schemes (SAYE) for all employees under which employees are granted an option to purchase Ordinary Shares in the Group at 10% less than the market price at invitation, in 3 years' time, dependent on their entering into a contract to make monthly contributions into a savings account over the relevant period. Options are granted and are linked to a savings contract with a term of 3 years. These funds are used to fund the option exercise. No performance criteria are applied to the exercise of Sharesave options. The assumptions used in the measurement of the fair value at grant date of the Sharesave plans are as follows.

	Share price at grant date £	Exercise price at grant date £	Expected volatility %	Option life years	Risk-free rate %	Dividend yield %	Non-vesting condition %	Fair value per option £
21 December 2018	2.04	1.89	34.5	3.0	2.5	2.85	27.1	0.50
27 December 2017	1.97	1.77	34.3	3.0	2.5	2.85	27.1	0.49
27 December 2016	1.28	1.12	33.0	3.0	2.5	3.10	27.1	0.32

Expected volatility is estimated by considering historic average share price volatility at the grant date. As there was not significant history of Motorpoint Group Plc share price at the point of issue volatility based on the historic share price movement of a selection of comparative companies was used. The requirement that an employee has to save in order to purchase shares under the SAYE is a non vesting condition. This feature has been incorporated into the fair value at grant date by applying a discount to the valuation obtained from the Black-Scholes pricing model.

The Options issued in 2018 are exercisable between 1 February 2022 and 31 July 2022. The Options issued in 2017 are exercisable between 1 February 2021 and 31 July 2021. The Options issued in 2016 are exercisable between 1 February 2020 and 31 July 2020.

	FY19 SAYE		FY18 SAYE		FY17 SAYE	
	Number	Option exercise price	Number	Option exercise price	Number	Option exercise price
Outstanding at 1 April 2018	–	1.890	396,856	1.773	600,602	1.124
Awarded	283,012	–	–	–	–	–
Forfeited	(5,236)	–	(116,171)	–	(97,254)	–
Vested/early exercise		–	(247)	–	(3,289)	–
Vested and outstanding at 31 March 2019	**277,776**		280,438		500,059	

The total charge in the year, included in administration expenses, in relation to these awards was £0.3m (FY18: £0.1m).

30. Transactions and balances with related parties

During the year ended 31 March 2019 the Group had transactions with companies controlled by D E Shelton, a Director of the Company.

	2019 £m			
	Balance as at 01/4/2018	**Rental charge**	**Payments made**	**Balance as at 31/3/2019**
Shoby Properties Limited	**–**	**(1.8)**	**1.8**	**–**

	2018 £m			
	Balance as at 01/4/2017	Rental charge	Payments made	Balance as at 31/3/2018
Spring Rental Limited	(0.4)	–	0.4	–
Shoby Properties Limited	–	(2.2)	2.2	–

During the year D E Shelton purchased a vehicle from Motorpoint Limited for market value of £49,000 with payment received post year end.

Remuneration of key management personnel including share-based payments and loans to key management personnel have been detailed within note 10 to the Financial Statements.

31. Post balance sheet events

During April 2019 a retail property was acquired for £2.7m. Land in Glasgow was also acquired for £2.2m. The purchases were made out of distributable cash reserves.

Report on the audit of the Company financial statements

Opinion

In our opinion, Motorpoint Group Plc's Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Company Balance Sheet as at 31 March 2019; the Company Statement of Cash Flows, and the Company Statement 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.

Our opinion is consistent with our reporting to the Audit Committee.

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

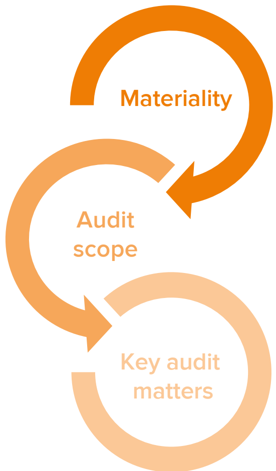
We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

Other than those disclosed in note 7 to the financial statements, we have provided no non-audit services to the Group and its subsidiaries in the period from 1 April 2018 to 31 March 2019.

Our audit approach

Overview



- Overall materiality: £1 million (2018: £1 million), based on 1% of total assets.
- We have audited all material balances and transactions in the Company.
- We have no key audit matters to report.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Listing Rules and UK tax legislation, 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 preparation of 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 to increase total assets. Audit procedures performed by the engagement team included:

- review of the financial statement disclosures to underlying supporting documentation, review of correspondence with the regulators and enquiries of management; and
- testing all material transactions and balances in the year.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the Company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates. The Company is the investment vehicle for the Group and does not undertake any trading activities. The Group audit team has performed audit work over all material balances and transactions in the Company.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£1 million (2018: £1 million).
How we determined it	1% of total assets.
Rationale for benchmark applied	Motorpoint Group PLC (the Company) is the investment vehicle for the Group and therefore total assets is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £100,000 (2018: £100,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to 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.

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, Directors' Report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 34 to 36) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ('DTR') is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in this information. *(CA06)*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 34 to 36) with respect to the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. *(CA06)*

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company. *(CA06)*

The Directors' assessment of the prospects of the Company and of the principal risks that would threaten the solvency or liquidity of the Company

We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 36 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 23 of the Annual Report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Company and statement in relation to the longer-term viability of the Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the 'Code'); and considering whether the statements are consistent with the knowledge and understanding of the Company and its environment obtained in the course of the audit. (Listing Rules)

Other Code provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 36, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Company obtained in the course of performing our audit.
- The section of the Annual Report on pages 38 to 39 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

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, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the Directors on 28 October 2016 to audit the financial statements for the year ended 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 March 2017 to 31 March 2019.

Other matter

We have reported separately on the Group financial statements of Motorpoint Group Plc for the year ended 31 March 2019.

Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
11 June 2019

COMPANY BALANCE SHEET
AT 31 MARCH 2019

	Note	2019 £m	2018 £m
Assets			
Non-current assets			
Investments	4	**100.9**	100.7
Total non-current assets		**100.9**	100.7
Total assets		**100.9**	100.7
Liabilities			
Current liabilities			
Creditors: amounts falling due within 1 year	5	**(25.1)**	(9.2)
Total current liabilities		**(25.1)**	(9.2)
Net current liabilities		**(25.1)**	(9.2)
Total liabilities		**(25.1)**	(9.2)
Net assets		**75.8**	91.5
Equity			
Called up share capital	7	**1.0**	1.0
Retained earnings			
At 1 April 2018 and 2017		**90.5**	95.2
Buyback and cancellation of shares	7	**(8.8)**	(0.1)
Profit/(Loss) for the year		**–**	(0.4)
Share-based payments		**–**	0.7
Dividends	8	**(6.9)**	(4.9)
		74.8	90.5
Total equity		**75.8**	91.5

The notes on pages 96 to 100 are an integral part of these financial statements.

The financial statements on pages 94 to 100 were approved by the Board of Directors on 11 June 2019 and were signed on its behalf by:

M Carpenter
Chief Executive Officer

J Gilmour
Chief Financial Officer

Motorpoint Group Plc
Registered number 10119755

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Note	Share capital £m	Retained earnings £m	Total equity £m
At 1 April 2017		1.0	95.2	96.2
Loss for the year		–	(0.4)	(0.4)
Share-based payments		–	0.7	0.7
Buyback and cancellation of shares	7	–	(0.1)	(0.1)
Final dividend for the period ended 31 March 2017	8	–	(2.9)	(2.9)
Interim dividend for the year ended 31 March 2018	8	–	(2.0)	(2.0)
At 31 March 2018		**1.0**	**90.5**	**91.5**
Profit/(loss) for the year		–	–	–
Share-based payments		–	–	–
Buyback and cancellation of shares	7	–	(8.8)	(8.8)
Final dividend for the year ended 31 March 2018	8	–	(4.5)	(4.5)
Interim dividend for the year ended 31 March 2019	8	–	(2.4)	(2.4)
At 31 March 2019		**1.0**	**74.8**	**75.8**

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £m	2018 £m
Cash flows from operating activities			
Cash generated from operations	11	15.8	5.1
Interest paid		(0.1)	(0.2)
Net cash generated from operating activities		**15.7**	4.9
Cash flows from financing activities			
Dividends	8	(6.9)	(4.9)
Shares purchased for cancellation	7	(8.8)	–
Net cash used in financing activities		**(15.7)**	(4.9)
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at the beginning of the year		–	–
Cash and cash equivalents at end of year		–	–
Cash and cash equivalents comprises:			
Cash at bank		–	–

The notes on pages 96 to 100 are an integral part of these financial statements.

1. Summary of significant accounting policies

Motorpoint Group Plc (the 'Company') is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company is a public company limited by shares and is listed on the London Stock Exchange; the address of the registered office is Chartwell Drive, West Meadows Industrial Estate, Derby, England, United Kingdom, DE21 6BZ. The principal activity of the Company is to provide the services of the Directors to the Group and that of a holding company.

(a) Basis of preparation

These Company financial statements for the year ended 31 March 2019 have been prepared in accordance with United Kingdom accounting standards including FRS 102 and the Companies Act 2006. These financial statements are prepared on a going concern basis, under the historical cost convention. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

The Directors have used the going concern principle on the basis that the current profitable financial projections and facilities of the consolidated Group will continue in operation for a period not less than 12 months from the date of this report. The Company is in a net current liability position, however this is wholly as a result of amounts owed to Motorpoint Limited, a subsidiary company. As such the Directors do not see the net current liability position as a risk when considering the going concern of the Company.

The Company financial statements have been prepared in sterling which is the functional and presentational currency of the Company and have been presented in round £m.

As permitted under section 408 of the Companies Act 2006 an entity profit and loss is not included as part of the published consolidated financial statements of Motorpoint Group Plc. The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

(b) Critical accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 to the Consolidated Financial Statements. The estimates involved in accounting for share-based compensation are relevant for the Company Financial Statements.

(c) Investment in subsidiaries

Investments in subsidiaries are held at cost, less any provision for impairment. Annually, the Directors consider whether any events or circumstances have occurred that could indicate that the carrying amount of fixed asset investments may not be recoverable. If such circumstances do exist, a full impairment review is undertaken to establish whether the carrying amounts exceed the higher of net realisable value or value in use. If this is the case, an impairment charge is recorded to reduce the carrying value of the related investment. Where equity-settled share-based compensation is granted to the employees of subsidiary companies, the fair value of the award is treated as a capital contribution by the Company and investments in subsidiaries are adjusted to reflect this capital contribution.

(d) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(e) Foreign currency

The Company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(f) Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

The Company classifies financial instruments, or their component parts, on initial recognition as financial assets, financial liabilities or equity instruments according to the substance of the contractual arrangements entered into.

(g) Financial equity
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(h) Financial liabilities
Financial liabilities are classified on initial recognition as either other financial liabilities measured at amortised cost or at fair value through profit or loss.

(i) Share capital
Ordinary Shares are classified as equity. Costs incurred in issuing equity are deducted from the equity instrument.

(j) Employee benefits
(a) Other employee benefits
The Company recognises an expense for other short-term employee benefits, primarily holiday pay and employee commissions and bonuses on an accruals basis.

(b) Share-based compensation
Equity-settled share-based compensation payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based compensation is expensed on a straight-line basis over the vesting period, based on the Group's estimates of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to equity reserves.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the scheme. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

A liability is recognised at the current fair value determined at each balance sheet date for cash-settled, share-based payments.

(k) Exemptions for qualifying entities under FRS 102
FRS 102 allows certain disclosure exemptions. The Company has taken the exemptions under FRS 102 paragraphs 1.12 (d) and (e) from including disclosure in relation to share-based compensation and key management compensation, since equivalent disclosures are included in the consolidated financial statements of the Group headed by Motorpoint Group Plc.

2. Auditors' remuneration

	2019 £'000	2018 £'000
Auditors' remuneration:		
Fees payable for the audit	**87**	80
Fees payable to the Company's auditor and its associates for other services:		
Audit-related assurance services	**20**	20
Total	**107**	100

3. Employees and Directors
The Company has no employees other than Directors (FY18: none). Full details of the Directors' remuneration and interests are set out in the Annual Report on Remuneration on pages 49 to 55.

There were no other transactions with Directors by the Company (FY18: none).

4. Investments in subsidiaries

	2019 £m	2018 £m
At 1 April	**100.7**	100.3
Share-based payment charge	**0.2**	0.4
At 31 March	**100.9**	100.7

At 31 March 2019 the Company had the following 100% owned subsidiary companies all of whom are registered in England and Wales. Motorpoint Limited is the only direct subsidiary.

Subsidiary undertaking	Registered address	Principal activity
Motorpoint Limited	Chartwell Drive, West Meadows Industrial Estate, Derby, England, DE21 6BZ	Motor vehicle retail
Chartwell Leasing Limited	80 Mount Street, Nottingham, England, NG1 6HH	Motor vehicle procurement
Auction 4 Cars Limited	Chartwell Drive, West Meadows Industrial Estate, Derby, England, DE21 6BZ	Dormant

5. Creditors: amounts falling due within 1 year

	2019 £m	2018 £m
Amounts owed to Group undertakings	**25.1**	9.2
	25.1	9.2

Amounts due to Group undertakings are repayable on demand, unsecured and non-interest bearing.

6. Financial instruments

Financial instruments utilised by the Company during the year ended 31 March 2019 may be analysed as follows:

	2019 £m	2018 £m
Financial liabilities measured at amortised cost	**25.1**	9.2
	25.1	9.2

Financial instruments included within current assets and liabilities (excluding cash and borrowings) are generally short term in nature and accordingly their fair values approximate to their book values.

The Company's financial liabilities are repayable on demand and therefore their fair value is equal to their book value.

7. Share capital

	2019		2018	
	Number '000	Amount £m	Number '000	Amount £m
Allotted, called up and fully paid Ordinary Shares of 1p each				
Balance at the beginning of the year	**100,154**	**1.0**	100,194	1.0
Bought back and held as treasury shares during the year[1]	**(4)**	**–**	–	–
Released from treasury to satisfy employee share plan obligations[1]	**4**	**–**	–	–
Bought back and cancelled during the year[1]	**(3,988)**	**–**	(40)	–
Balance at the end of the year	**96,166**	**1.0**	100,154	1.0

1. During FY19 the company purchased 3,992,000 (FY18: 40,000) Ordinary Shares on-market in order to reduce the share capital of the Company and return funds to shareholders who sell their shares. Of the 3,992,000 shares purchased 3,988,464 were cancelled and 3,536 were transferred into treasury and then used to satisfy employee share plan obligations.

   Purchases of Ordinary Shares pursuant to the Programme will fall within the maximum of 10,019,402 Ordinary Shares that the Company was authorised to purchase under the general authority granted by shareholders at the Company's most recent Annual General Meeting held on 26 July 2018.

   The shares were acquired at an average price of £2.20 per share, with prices ranging from £2.48 to £1.87. The total cost of £8.861m, including after tax transaction costs, was deducted from retained earnings. The total reduction in paid up capital was £nil.

Since the commencement of the share buyback programme in 2018 as at 31 March 2019 4,032,000 shares were bought back and cancelled representing 4.02% of the issued Ordinary Shares, at a cost of £8.9m.

8. Dividends

During the year the following dividends were paid:

	2019 £m	2018 £m
Final dividend for the period ended 31 March 2017	–	2.9
Interim dividend for the year ended 31 March 2018	–	2.0
Final dividend for the year ended 31 March 2018	**4.5**	–
Interim dividend for the year ended 31 March 2019	**2.4**	–
Total dividends	**6.9**	4.9

The proposed final dividend of 5.00 pence per Ordinary Share (FY18: 4.60 pence) for the year ended 31 March 2019 is subject to approval by shareholders at the Annual General Meeting and hence has not been included as liabilities in the financial statements at 31 March 2019.

The final dividend for the year ended 31 March 2018 paid on 15 September 2018 was £4.5m, being a difference of £0.1m compared to that reported in the 2018 financial statements. This was due to a decrease in the Ordinary Shares entitled to a dividend between the date that the dividend was declared and the dividend record date of 3 August 2018.

The final dividend for FY18 was approved by shareholders at the Annual General Meeting in June 2018 and was therefore not included as liabilities in the financial statements at 31 March 2018.

9. Borrowings

The Company's available borrowings consist of an unsecured £20m facility provided by Santander UK Plc which was undrawn as at the reporting date. The facility was negotiated in May 2016 ahead of the Motorpoint Group IPO Listing. The facility is currently provided as £6m available as an overdraft and £14m available as a revolving credit facility.

The finance charged for utilising the facility is dependent on the Group's borrowing ratios as well as the base rate of interest in effect. During the year ended 31 March 2019 interest was charged at 1.4% per annum (FY18: 1.4%). The interest charged cost for the year of £0.1m (FY18: £0.2m) has been expensed as a finance cost.

10. Commitments and contingencies

Capital commitments

The Company had no capital commitments at 31 March 2019 (FY18: £Nil).

Contingencies

There are no disputes with any third parties that would result in a material liability for the Company.

The Company acts as guarantor over the Group's £75m (FY18: £70m) stocking finance facility with Black Horse Limited.

11. Cash flows from operating activities

	2019 £m	2018 £m
Result/(loss) for the year, attributable to equity shareholders	–	(0.4)
Adjustments for:		
Finance costs	**0.1**	0.2
Operating profit/(loss)	**0.1**	(0.2)
Share-based compensation (credit)/charge	**(0.2)**	0.2
Increase in trade and other payables	**15.9**	5.1
Cash generated from operations	**15.8**	5.1

12. Related Parties

During the year, a management charge of £0.8m (FY18: £0.9m) was received from Motorpoint Limited in respect of services rendered.

At the year end the balance outstanding due to Motorpoint Limited totalled £25.1m (FY18: £9.2m) due to the dividends and share buyback in the year.

On behalf of Motorpoint Group Plc, Motorpoint Limited paid £1m (FY18: £1.1m) during the year and has recharged this to Motorpoint Group Plc.

ALTERNATIVE PERFORMANCE MEASURES

Introduction

We assess the performance of the Group using a variety of alternative performance measures that are not defined under IFRS and are therefore termed non-GAAP measures. The non-GAAP measures we use are: adjusted operating profit; adjusted PBT; adjusted earnings per share; GP/adjusted overheads ratio; and operating cash conversion. The rationale for using these measures, along with a reconciliation from the nearest measures prepared in accordance with IFRS, are presented below.

The APMs we use may not be directly comparable with similarly titled measures used by other companies.

Adjusted operating profit and adjusted profit before tax

In addition to measuring financial performance of the group based on operating profit, we also measure performance based on adjusted operating profit and adjusted profit before tax (Adjusted PBT). We consider Adjusted PBT and adjusted Operating Profit to be useful measures of our operating performance because they approximate the underlying profitability by eliminating exceptional items.

A reconciliation of operating profit and PBT for the period, the most directly comparable IFRS measures, to adjusted operating profit and Adjusted PBT is set out below.

Year ended 31 March	2019 £m	2018 £m
Operating profit	**24.6**	21.3
Exceptional items	**–**	0.8
Adjusted operating profit	**24.6**	22.1

Year ended 31 March	2019 £m	2018 £m
PBT	**22.9**	20.0
Exceptional items	**–**	0.8
Adjusted PBT	**22.9**	20.8

Earnings per share

We also measure financial performance based on adjusted EPS. This measure excludes exceptional items.

Basic and adjusted EPS, and the per share impact of exceptional items, are as follows:

	2019		2018	
Year ended 31 March	**Pence per share**	**£m**	Pence per share	£m
Basic EPS/profit	**18.7**	**18.3**	16.0	16.0
Exceptional items	**–**	**–**	0.8	0.8
Adjusted basic EPS/adjusted profit	**18.7**	**18.3**	16.8	16.8

We disclose reported EPS, both basic and diluted, in note 13 to the consolidated financial statements.

GP/adjusted overheads ratio

We also measure financial performance based on our gross profit/adjusted overheads ratio. The calculation of this measure is as follows:

Year ended 31 March	2019 £m	2018 £m
Gross profit	**79.9**	76.4
Operating costs	**(55.3)**	(55.1)
Exceptional items	**–**	0.8
Adjusted overheads	**(55.3)**	(54.3)
Gross profit/adjusted overheads	**144.5%**	140.7%

Operating cash conversion

We also measure financial performance based on operating cash conversion. The calculation of this measure is as follows:

Year ended 31 March	2019 £m	2018 £m
Cash generated from operations	**24.3**	20.2
Operating profit	**24.6**	21.3
Cash generated from operations/operating profit	**98.8%**	94.8%

GLOSSARY

Term	Meaning
Adjusted basic Earnings per Share	Earnings attributable to equity shareholders adjusted for Exceptionals/weighted average number of ordinary shares during the year
Adjusted diluted Earnings per Share	Earnings attributable to equity shareholders adjusted for Exceptionals/weighted average number of ordinary shares during the year adjusted for dilutive share options
Adjusted Operating Costs	Operating Expenses before Exceptionals
Adjusted Operating Profit	Operating Profit before Exceptionals
Adjusted Overheads	Operating Expenses before Exceptionals
Adjusted PBT	Profit Before Tax before Exceptionals
AGM	Annual General Meeting
APM	Alternative Performance Measure
CAGR	Compound Annual Growth Rate
Capital Employed	Average of the opening and closing position of the year for Net Assets adjusted for related party balances and legacy EBT liability
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DEFRA	Department for Environment, Food and Rural Affairs
DTR	Disclosure Guidance and Transparency Rules
EBITDA	Earnings Before Interest, Depreciation and Amortisation
EBT	Earnings Before Tax
EPS	Earnings per Share
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Practice
GP	Gross Profit
GP/Adjusted Overheads	Gross Profit/Operating Costs before Exceptionals
HMRC	HM Revenue and Customs
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
INED	Independent Non-Executive Director
IPO	Initial Public Offering
LIBOR	London Interbank Offered Rate
LTIP	Long Term Incentive Plan
NBS	New Bridge Street
NED	Non-executive Director
NI	National Insurance
NPS	Net Promotor Score
OEM	Original Equipment Manufacturer
Operating Cash Conversion	Cash generated from operations/operating profit
PBT	Profit Before Tax
PCI	Payment Card Industry
PCP	Personal Contract Purchase
PSP	Performance Share Plan
PwC	PricewaterhouseCoopers LLP
ROCE	Return On Capital Employed, being Operating Profit before Exceptional Items/Capital Employed
SAYE	Save As You Earn
SID	Senior Independent Non-Executive Director
SIP	Share Incentive Plan
Structural Debt	Debt excluding stock finance facilities
VED	Vehicle Excise Duty

SHAREHOLDER INFORMATION AND ADVISERS

Registered Office
Motorpoint
Chartwell Drive
West Meadows Industrial Estate
Derby DE21 6BZ
United Kingdom

Company Number
10119755

Company Secretary
Ms Manjit Kaur Virk

Joint Stock Brokers
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Shore Capital Stockbrokers Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Share Listing
MOTR.L 1 pence Ordinary Shares are listed on the London Stock Exchange and are the only class of shares in issue

Independent Auditors
PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Herald Way
East Midlands DE74 2UZ

Legal Advisers
Pinsent Masons LLP
30 Crown Place
London EC2A 4ES

Registrar
Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Financial PR
FTI Consulting
200 Aldersgate
Aldersgate Street
London EC1A 4HD
Tel: +44 20 3727 1000

Bankers
Santander UK Plc
2 Clumber Street
Nottingham NG1 3GA

Financial Calendar

23 July 2019	Annual General Meeting
15 August 2019	Ex-Dividend Date
16 August 2019	Final Dividend Record Date
30 August 2019	DRIP Election Deadline
20 September 2019	Final Dividend Payment Date
8 October 2019	Half Year Trading Update
28 November 2019	Interim Results Announcement

Shareholder Enquiries
Our registrars will be pleased to deal with any questions regarding your shareholdings on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge) or email enquiries@linkgroup.co.uk. Alternatively, you can access www.signalshares.com where you can view and manage all aspects of your shareholding securely including electronic communications, account enquiries or amendment to address.

Investor Relations Website
The investor relations section of our website, www.motorpointplc.com, provides further information for anyone interested in Motorpoint. In addition to the Annual Report and Financial Statements, and share price, Company announcements including the full year results announcements are also published there.

Cautionary Note Regarding Forward-looking Statements
Certain statements made in this Report are forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. They appear in a number of places throughout this Report and include statements regarding the intentions, beliefs or current expectations of the Directors concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business. Persons receiving this Report should not place undue reliance on forward-looking statements. Unless otherwise required by applicable laws, regulations or accounting standards, Motorpoint Group Plc does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

MOTORPOINT
GROUP PLC

Motorpoint Group Plc
Chartwell Drive
West Meadows Industrial Estate
Derby
DE21 6BZ

www.motorpointplc.com