14 July 2020

Motorpoint Group PLC
("Motorpoint" or the "Group")

Final Results

Resilient trading performance, strong financial position, well placed to grow market share

Motorpoint Group PLC, the UK's largest independent vehicle retailer, today announces its Final Results for the year ended 31 March 2020 ("FY20").

Financial Highlights

- Revenue of £1,018m, down (3.8)% (FY19: £1,058.7m), impacted by temporary site closures during lockdown in March, normally the Group's busiest trading month
- Profit before taxation down (15.3)% to £18.8m (FY19 restated: £22.2m), substantially impacted by COVID-19 across March including the period of temporary closure
- Improved gross margin of 7.8%, up 30bps (FY19: 7.5%) thanks to improved operational processes
- Basic earnings per share of 16.4p (FY19 restated: 18.1p)
- Gross Profits to Overheads ratio reduced to 139.4% (FY19 restated: 146.9%) consistent with increased operating costs of new Swansea site and increased IT spend
- Cash generated from operations up £4.5m to £33.2m (FY19 restated: £28.7m)
- Strong operating cash conversion of 148.9% (FY19 restated: 112.5%)
- In light of the current environment, the Board is not proposing a final dividend for FY20 (FY19: final dividend 5.0p)

Most measures were impacted by the Government mandated temporary closure of the business in March 2020. Note that all FY19 numbers have been restated to move from IAS 17 to IFRS 16 to reflect the change in accounting principles used to prepare FY20 accounts and these restatements are shown in note 11.

Operational Highlights

- Dedicated 10-acre Preparation Centre opened in Peterborough and fully operational
- Successful launch of 13th retail site, in Swansea, our first sales-only site launch
- Net Promotor Score (NPS) for the year of 81%, up from 78% in FY19
- Record rate of repeat customers, increasing to 30.4% of total customers, up from 30.2% in FY19
- Obtained Platinum Trusted Service rating from customer review website Feefo for FY20, having been Gold rated for the three prior years
- Awarded 'Sunday Times Top 100 Best Companies To Work For', our sixth consecutive year in the top 100

Current Trading & Outlook

- Trading volumes since sites reopened in June have been stronger than anticipated and ahead of the same period last year
- Over 50% increase in year on year web traffic since 1st June 2020 considered a strong proxy for customer demand, supported by a material increase in 'enquiry to sale' conversion of online sales
- Margins for both retail and trade sales have been robust and are at least in line with normal seasonal levels
- Successful rollout of fully contactless sales routes, including Home Delivery and Reserve & Collect
- A total of nearly 2,000 Home Delivery orders now completed in just over two months

- Strong balance sheet with cash levels currently significantly ahead of year end balance and trending positively
- Additional uncommitted £15m overdraft facility agreed to provide additional liquidity flexibility given COVID-19
- Plentiful vehicle supply available, albeit some short-term logistical challenges
- 14th and 15th sites secured with potential opening dates currently under review
- Helped almost 500 NHS workers save a combined £142,200 on the cost of their next car from Motorpoint thanks to special discount scheme launched in April

Mark Carpenter, Chief Executive Officer of Motorpoint Group PLC commented:

"As a Group, we responded quickly to what was a fast-changing situation in the final and typically busiest month of our reporting year, and at all times our number one priority has been the safety and wellbeing of our team and customers. I am proud of the way that all of my colleagues responded, having been confronted with an unprecedented set of circumstances.

"Inevitably, the need to temporarily close our sites across the UK resulted in our full year trading performance being impacted, despite trading positively in the months prior to lockdown. However, we made great strategic and operational progress during the year, from the successful opening of our 13th location in Swansea - the first site which does not prepare its own vehicles - to the launch of our dedicated preparation centre in Peterborough, which has helped to improve the speed and effectiveness with which we prepare vehicles, in turn enhancing margins through sharper operational discipline.

"We have continued to invest in the business across our operations, e-commerce and marketing capabilities to provide greater agility to our strategic execution, and to build a sustainable, market-leading platform for the long term. Nevertheless, the Group's strong cash generation has still allowed us to return over £20m to shareholders during the period. We continued to grow our market share during the year and are very pleased with the strong level of customer take-up of our recently launched fully contactless Home Delivery and Reserve & Collect services, particularly post the year end.

"With the large footprint of our sites, we were able to rapidly put in place enhanced hygiene and socially distanced protocols and have been encouraged by the response from our customers since our sites reopened in June. Although significant uncertainty remains as a result of COVID-19, we are pleased that in the short time since our sites reopened, trading volumes have been ahead of the equivalent period last year and margins at least in line with seasonal norms.

"Notwithstanding the potential challenges ahead as a result of the pandemic, our low-cost, independent, flexible operating model combined with our unique culture and relentless focus on Choice, Value, and Service, leaves us well positioned to grow and to capitalise on the opportunities ahead."

Analyst conference call
There will be a conference call for sell-side analysts at 10:30am BST today, the details of which can be obtained from FTI Consulting via motorpoint@fticonsulting.com.

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Notes to editors

Motorpoint is the largest independent vehicle retailer in the United Kingdom. The Group's principal business is the sale of nearly-new vehicles, the majority of which are up to two years old and which have covered less than 15,000 miles. Motorpoint sells vehicles from brands representing over 95 per cent of new vehicle sales in the United Kingdom, with models from Ford, Vauxhall, Volkswagen, Nissan, Hyundai, Audi and BMW being amongst the top sellers. The Group operates from 13 retail sites across the United Kingdom: Birmingham, Birtley, Burnley, Castleford, Chingford, Derby, Glasgow, Newport, Oldbury, Peterborough, Sheffield, Swansea and Widnes, of which five have opened in the last five years; together with a national contact-centre dealing with online enquiries.

More information is available at www.motorpointplc.com and www.motorpoint.co.uk.

CHIEF EXECUTIVE'S STATEMENT

Overview

These unprecedented times had a marked impact on the profit for the year, which ended with all locations closed until further notice in response to Government advice.

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

The year has been one of shaping the business for the long-term with several key appointments to the senior team in Operations, IT and Marketing to provide greater agility in our strategic execution. The preparation of vehicles has been one area where great progress has been made with better processes and operational rhythm joining to see significant reductions in the time taken to prepare a vehicle.

We continued our expansion programme, starting trading from our new location in Swansea, West Wales and also secured two further sites in Glasgow and in Stockton-on-Tees. Swansea is our first location which does not prepare its own vehicles and this model has been replicated in several existing sites to create a 'hub and spoke' preparation model.

Our operating model begins with our team

Our operating model of how our key stakeholders interact is well understood by our team and is covered in detail with every new starter when they attend our induction program. The Motorpoint Virtuous Circle combined with our Motorpoint Values continue to provide a robust framework for explaining how we get things done and what factors to consider when decisions are required. Our team have an opportunity to ask open questions and understand key decisions in their interaction with our Senior Leadership Team, who each host Team Forums at each site, usually every month. Many of the improvement areas in the business are found in these sessions and the team often has a creative solution to issues we are facing whether they be team, customer or operational challenges.

The learning and development of our team are vital to the future success of our business. During the year our new Learning and Development platform was launched to the entire company and allows individual learning journeys to be created, logged and reviewed. This allows each team member the opportunity to learn at their own pace and also reduced the need to travel for learning.

We believe the happiness of our team is directly correlated to our customer satisfaction and the team's engagement can be enhanced by giving something back to the team. Our 'One Big Dream' initiative has been a huge success with our team using two paid hours per month for their fulfilment. We have had some fantastic examples of our team using this time to follow their dreams, whether it be to attend a class or watch a school production. I'm proud of the breadth of team engagement enterprises that Motorpoint patrons.

Since 2017 we have ensured a minimum pay rate that is in line with the Real Living Wage and we launched our fourth SAYE scheme offering the opportunity to become a Motorpoint shareholder to our entire team. I'm delighted to see the rewards of this scheme embraced by so many of our team with this year's offer again seeing strong take-up across the business.

Our annual participation in the Sunday Times Top 100 Companies To Work For is something that provides an opportunity for our team to provide valuable feedback on their engagement levels and where we can heighten these further. This year was no exception and great insight was provided by the team and I'm honoured that we again achieved the Top 100 status. This is the sixth consecutive year we have placed in the Top 100 and is testament to the hard work of our management team in listening and acting on our team's feedback.

Customers

Our highly engaged team continued to deliver our leading proposition of Choice, Value and Service to our loyal customers during the year. We have an unerring focus on customer satisfaction and that leads to strong repeat and referral business with over 60% of customers purchasing from us because they have bought from us before or have been recommended to do so by a friend or family member. We take it personally when a customer is not happy as we have failed if this happens.

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 models, 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 car 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 competitive finance & ancillary offerings, where we also champion low prices, such as where we have reduced our customer finance rate across all cars from December 2018. Our Value proposition may become increasingly appealing in the event of continued downturn in economic circumstances.

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 extraordinary 81%, up from 78% 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. Motorpoint has become one of a select number of businesses to be included in the brand new Platinum category in recognition for achieving three consecutive years of Feefo Gold Trusted Service status. We're absolutely delighted to have become one of the first companies in the UK to achieve the new Platinum Service Status from Feefo. It is all the more satisfying as this award recognises and rewards the hard work put in by every member of the team at Motorpoint to deliver a truly industry-leading customer experience.

Financial Strength

Despite a challenging end to the year we have closed with a positive cash position and headroom within both stocking facilities and the revolving credit facility. Operating cash conversion for the year was 148.9%. The period of site closure in the final month of the year resulted in FY20 ending with a reduced cash position of £10.8m offset by £10.0m short term debt.

Despite the downwards movement in the closing position we achieved a strong operational cash conversion, funding a substantial cash return to shareholders (£7.0m ordinary dividends plus £13.1m of share buyback) and significant capital investment in the newly opened Swansea site, two new sites acquired and due for development during FY21, as well as continued investment in our existing sites (total capital spend of £12.3m).

The improved gross margin of 7.8% was driven mainly by results in the second half of the year and reflects the particular focus on car preparation cost disciplines in the year, positioning us well for future growth and profitability. Operating expenses only increased modestly against the prior year reflecting increased investment in the Group IT infrastructure as well as the costs associated with setting up and launching the Swansea site and Peterborough preparation centre.

Over the period of temporary site closure, specific cost-reduction and cash management steps were taken, including a voluntary pay reduction by all of the directors of at least 50%.

In July 2020, our Board of Directors recommended that no full year dividend be paid meaning the total dividend for the year was 2.60 pence per share declared after the first half. The dividend cover for the interim dividend was consistent with that in prior years. The decision not to pay a final dividend reflects the Board's commitment to investing in the longevity of the Group, supporting its team members and ensuring that all stakeholders take a role during this challenging time.

Current Trading and Outlook

The year ended in the midst of the COVID-19 lockdown and given this unprecedented event our outlook is coloured by this. Since the year-end we have successfully rolled out additional sales routes for our customers, in line with the progression of Government advice, including Home Delivery, Reserve & Collect and most recently through sites re-opening. All of our channels support a fully contactless sales and collection experience and have been received very positively by customers.

We are pleased to report that trading volumes since our sites reopened in June have been better than anticipated and higher than the equivalent period last year with margins at least in line with seasonal norms. Despite this encouraging performance, we remain cautious about drawing any conclusions for our full year prospects given our sites have only been open for a short period of time and significant uncertainty in relation to the impact from COVID-19 remains.

Notwithstanding the period of closure and reduced levels of trade, the Group balance sheet has improved since the year end with net cash levels increasing significantly.

Motorpoint is a business that has always adapted to economic events and whilst this is a health induced economic event it will present both opportunities and challenges to our business. I am confident our flexible, low cost business model, backed by an outstanding team, will prevail in such times and our focus is on continuing to offer our award-winning blend of Choice, Value and Service.

MARKET REPORT

Motorpoint's core proposition is the sale of nearly new cars, most of which are up to two 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 target-market cars but do not include recorded mileage. We therefore use the transaction volumes alone as a proxy for our available market. In FY20 we increased sales volumes of 0-2-year-old cars and therefore gained share of a falling market.

For most of the year we note that consumer confidence metrics remained subdued, 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 expect that our revenue decrease over FY20 is a short-term implication of the pandemic only. Whilst we are unable to predict the timeframes or extent of consumer's recovery from the outbreak, we 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.

FINANCIAL REVIEW

Overview

Full year revenue dropped by 3.8%, impacted heavily by the period of temporary closure late in the year. Gross profit quantum fell just 1.3%, partly sheltered from the revenue movement by improvements in both vehicle preparation cost control and improved vehicle margin in the second half.

Our key Gross Profit / Overheads metric reduced to 139.4% (FY19 restated: 146.9%) as an expected result of increased expenditure on both the new Swansea site and increased IT spend to add future trading functionality.

Operating Cash Conversion of 148.9% allowed £20.1m to be returned to shareholders through a combination of dividends and the share buyback programme.

Revenue and gross profit

Revenue for the year dropped by 3.8% to £1,018.0m (FY19: £1,058.7m), delivered at the Group's retail site estate and via the dedicated online sales team. The retail site estate constitutes 12 locations that have been opened for more than one year, and the Swansea site which opened at the end of January 2020. The decrease in Revenue is primarily due to the impact of Coronavirus on trade in the final month of the year.

Gross margins for FY20 strengthened, to 7.8% (FY19: 7.5%), due mainly to improvements in operational processes associated with the pace of car preparation, as well as improved margins on trade car sales, which were both realised in the second half of the year. Improved gross margins partially mitigated the impact of lower revenues resulting in gross profit quantum falling by just 1.3% to £78.9m (FY19: £79.9m).

Operating profit

Operating Profit for the year decreased by 12.5% to £22.3m (FY19 restated: £25.5m), significantly impacted by the period of temporary site closure towards the end of the year. Operating expenses remained tightly controlled, increasing by only 4.0% to £56.6m (FY19 restated: £54.4m) despite the launch of the retail site in Swansea and the South Preparation Centre. The most significant cost elements were:

• **Team Costs**
Total team costs were flat year on year, with the strengthened leadership structure and increased team numbers from Swansea site opening being offset by process efficiencies across the business, particularly in the second half, as well as a reduction in costs relating to share based payments. March team costs were also lower than FY19 due to the period of temporary site closure and of the short period of furlough grant received.

• Site Costs
Prior year rates costs were lower as a result of business rates refunds through negotiating rates assessments for a number of sites. The non-recurrence of this item together with the rates costs associated with the new Swansea site results in an increase in the overall Site Costs of £0.7m. Site costs in FY20 and comparative reflect the impact of IFRS16 and therefore include a depreciation charge against the right-of-use assets, rather than rental costs which were included before the adoption of this standard.

• **Other Costs**
Other Operating Expenses increased by £1.8m as a result of further resource applied to the IT platform to enable ongoing business growth, costs associated with setting up the new Swansea site and legal and professional costs.

Operating profit

The reconciliation from Operating Profit to Profit After Tax is shown below, no exceptional costs having been incurred in the current year or prior year.

£m	FY20	FY19 (restated)
Operating Profit	22.3	25.5
Net Finance Cost	(3.5)	(3.3)
Profit Before Tax	18.8	22.2
Taxation	(3.6)	(4.5)
Profit After Tax	15.2	17.7

The net finance cost of £3.5m is the Group's interest costs, inclusive of implied interest on lease obligations included as a result of IFRS16, net of interest income.

During the year the Group increased the stocking facility with Lombard North Central PLC by £6m, taking the total Lombard North Central PLC facility to £26m, in addition to the existing £75m stocking facility with Black Horse Limited.

Total stocking finance facilities available therefore total £101.0m, of which £86.1m was drawn at 31 March 2020. £1.7m of interest cost was incurred during the year under these facilities, a year on year increase of £0.1m. 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 2020, £10m was drawn on this facility, to ensure operational liquidity over the year end period of disruption. The facility has been utilised at various points during the year with an interest cost in the year of £0.2m. The facility was extended during 2019 and is now available until May 2024.

After the balance sheet date, a further £15m overdraft facility was agreed with Santander UK PLC to help support working capital and potential short-term cash impacts from any market disruption in the coming months. This facility is repayable on demand.

Exceptional items

There have been no exceptional items in the period.

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. The effective rate of tax in the year is consistent with the charge which would result from the standard rate of corporation tax in the UK of 19%.

Financial position

The financial position of the Group remains positive with net assets of £20.2m, down by £5.8m as a result of returns to shareholders during the period.

Capital expenditure in the year relates primarily the acquisition of the Swansea site as well as two other sites which are planned for development over the coming years.

Stock levels have decreased by (3.8)% to £111.8m (FY19: £116.2m). Reductions are primarily the result of a temporary pause on all new car purchases circa three weeks before the year end which while aligned with the temporary closure of sites, means that deliveries after that point were not subsequently offset by further purchases. Stock provisions, calculated on a basis consistent with the prior year, are £1.2m (FY19: £1.4m). Post year end sales, and pricing indicators from the market, continue to support the current stock valuations.

Stocking finance facilities drawn at 31 March 2020 total £86.1m (FY19: £82.2m), there was unutilised headroom within these facilities of £14.9m (FY19: £12.8m).

The Group's banking facilities include a £20m facility provided by Santander UK PLC against which £10m was drawn as at the reporting date (FY19: £nil).

Trade receivables are amounts due in the short term from Motorpoint partner vehicle finance providers, the majority of these are paid on a next working day basis. The balance has decreased to £3.0m (FY19 restated: £8.6m) which is due to site closures in the two weeks before year end.

Prepayments are predominantly rent and rates for the retail sites. The prepayment has decreased by £1.1m to £0.3m (FY19 restated: £1.4m) as a result of the rates holiday granted by the UK Government for FY21.

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.

Deferred extended guarantees, both less than and over one year, are the extended guarantee products which were sold prior to Motorpoint receiving FCA regulated status in December 2016. These revenues are recognised over the period to which the guarantee relates, together with any associated direct costs, with such 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. As such any product net income is commission and so recognised at the point of sale. The recognition of the deferred revenue relating to the historical guarantee product, sold up to 30 November 2016, has been substantially released by the end of FY20.

Cash and cash equivalents of £10.8m (FY19: £13.8m) are solely amounts held on deposit account.

Borrowings of £10.0m (FY19: £nil) are drawings made under the revolving credit facility with Santander UK PLC.

Provisions relate to future dilapidation costs on all leased properties where properties have been adapted for use but will need to be returned to their original condition if leases are terminated. They also include obligations under onerous leases where there is a clear indication that a property will no longer be used for its intended operation.

Lease liabilities relate to the present value of lease payments on all rented properties. The total balance, including long and short-term elements, has decreased to £45.4m (FY19: £46.2m). The lease liabilities unwind each year unless extensions are negotiated.

Cash flow and working capital

The Group continues to be highly cash generative and achieved a positive working capital movement for the year, mainly due to improvements in stock processes. Cash and cash equivalents at the start of the year was £13.8m which reduced to £10.8m. In addition, the Group drew £10.0m of funds from the revolving credit facility. This £13m outflow is driven most noticeably by capital expenditure (£12.3m), share buyback (£13.1m), dividends (£7.0m).

Cash flow from operations is the cash generated from operations prior to exceptional items and adjusting for non- cash transactions. The increase in the year is predominantly driven by working capital control since the site closures in March 2020. Debtors have been reduced significantly during the closed period, with stock also reducing during this time offset by a fall in drawings under the stocking facilities.

Capital expenditure primarily includes the purchase and fit out of the Swansea site as well as the acquisition of two further plots planned for development in the coming years.

Liquidity

As at 31 March 2020 the company had drawn £10.0m from the revolving credit facility and had £10.8m held as cash on deposit accounts. The total borrowing facility available to the Group at 31 March 2020 was £20.0m meaning the Group had headroom of £20.8m.

The Group furloughed all site based employees during March 2020 as well as the majority of head office staff as well ceasing expenditure on new car purchases, preparation and most marketing activity to reduce cash outflows into the early part of FY21.

The Group has also taken advantage of rates holidays offered by local councils as well as claiming through the Coronavirus Job Retention Scheme.

The Group has complied with all banking covenants throughout the period.

In order to add additional liquidity an additional overdraft facility was entered in May 2020 with Santander UK PLC for £15m. This facility not only provides additional short-term liquidity, it also allows the Group to adopt a strong reopening strategy if required and will allow the Group to get back to its ambitious growth plans as quickly as possible, and potentially help cope with any further extended, mandated closures.

Dividend

In July 2020 the Board proposed not to pay a final dividend in respect of FY20 in light of the economic uncertainty.

Share buyback

Our latest share buyback programme was announced in November 2019, for which we announced our intention to buyback up to a further £10 million worth of our shares in the following 12 months.

Whilst the programme was temporarily paused during the COVID-19 outbreak, its purpose continues to be to reduce the share capital of the Company and returning funds to shareholders. We will review the recommencement of the programme when it is prudent to do so.

Earnings per share

Basic Earnings per Share for the year is 16.4 pence (FY19 restated: 18.1 pence).

The dilutive impact of shares issued is shown in note 5.

The reduction in share capital is due to the impact of the share buyback programmes.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2020

	Note	2020 £m	2019 Restated* £m
Revenue		1,018.0	1,058.7
Cost of sales		(939.1)	(978.8)
Gross profit		78.9	79.9
Operating expenses	3	(56.6)	(54.4)
Operating profit	3	22.3	25.5
Finance expense		(3.5)	(3.3)
Profit before taxation		18.8	22.2
Taxation	4	(3.6)	(4.5)
Profit and total comprehensive income for the year attributable to equity holders of the parent		15.2	17.7
Earnings per share attributable to the owners of the parent			
Basic	5	16.4p	18.1p
Diluted	5	16.4p	18.0p

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.

* See note 11 for details of restatement for changes in accounting policies.

CONSOLIDATED BALANCE SHEET
At 31 March 2020

	Note	**2020 £m**	2019 Restated* £m	2018 Restated* £m
ASSETS				
Non-current assets				
Property, plant and equipment		18.9	8.3	5.4
Right-of-use assets		41.6	42.6	45.8
Deferred tax assets		1.3	1.5	1.4
Total non-current assets		61.8	52.4	52.6
Current assets				
Inventories		111.8	116.2	104.0
Trade and other receivables		4.4	13.0	12.2
Current tax receivable		0.9	-	-
Cash and cash equivalents		10.8	13.8	15.6
Total current assets		127.9	143.0	131.8
TOTAL ASSETS		189.7	195.4	184.4
LIABILITIES				
Current liabilities				
Borrowings	6	(10.0)	-	-
Trade and other payables		(111.6)	(117.4)	(102.0)
Lease liabilities		(2.3)	(1.2)	(1.9)
Contract liabilities		(0.2)	(1.4)	(3.5)
Provisions		(0.2)	(0.3)	(0.1)
Current tax liabilities		-	(2.1)	(2.0)
Total current liabilities		(124.3)	(122.4)	(109.5)
NET CURRENT ASSETS		3.6	20.6	22.3
Non-current liabilities				
Lease liabilities		(43.1)	(45.0)	(47.1)
Contract liabilities		-	(0.2)	(1.6)
Provisions		(2.1)	(1.8)	(2.2)
Total non-current liabilities		(45.2)	(47.0)	(50.9)
TOTAL LIABILITIES		(169.5)	(169.4)	(160.4)
NET ASSETS		20.2	26.0	24.0
EQUITY				
Share capital	7	0.9	1.0	1.0
Capital redemption reserve		0.1	-	-
Capital reorganisation reserve		(0.8)	(0.8)	(0.8)
Retained earnings		20.0	25.8	23.8
TOTAL EQUITY		20.2	26.0	24.0

* See note 11 for details of restatement for changes in accounting policies.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

Year Ended 31 March 2019 (Unaudited) (restated*)	Note	**Share capital £m**	**Capital redemption reserve £m**	**Capital Reorganisation Reserve £m**	**Retained earnings £m**	**Total equity £m**
At 1 April 2018		1.0	-	(0.8)	23.8	24.0
Profit and total comprehensive income for the year		-	-	-	17.7	17.7
Share-based payments		-	-	-	-	-
Buy back and cancellation of shares		-	-	-	(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	-	(0.8)	25.8	26.0
Profit and total comprehensive income for the year		-	-	-	15.2	15.2
Share-based payments		-	-	-	(0.9)	(0.9)
Buy back and cancellation of shares		(0.1)	0.1	-	(13.1)	(13.1)
Final dividend for the year ended 31 March 2019	8	-	-	-	(4.7)	(4.7)
Interim dividend for the year ended 31 March 2020	8	-	-	-	(2.3)	(2.3)
At 31 March 2020		0.9	0.1	(0.8)	20.0	20.2

* See note 11 for details of restatement for changes in accounting policies.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2020

	Note	**2020** **£m**	2019 **Restated*** £m
Cash flows from operating activities			
Cash generated from operations	9	33.2	28.7
Interest paid		(3.5)	(3.3)
Income tax paid		(6.4)	(4.5)
Net cash generated from operating activities			20.9
Cash flows from investing activities			
Purchases of property, plant and equipment		(12.3)	(4.2)
Net cash used in investing activities		(12.3)	(4.2)
Cash flows from financing activities			
Dividends paid	8	(7.0)	(6.9)
Payments to acquire own shares		(13.1)	(8.8)
Payments to satisfy employee share plan obligations		(0.9)	-
Principal elements of lease payments		(3.0)	(2.8)
Proceeds from borrowings		29.0	-
Proceeds from borrowings		(19.0)	-
Net cash used in financing activities		(14.0)	(18.5)
Net (decrease)/ increase in cash and cash equivalents		(3.0)	(1.8)
Cash and cash equivalents at the beginning of the year		13.8	15.6
Cash and cash equivalents at end of year		10.8	13.8
Net cash and cash equivalents comprises:			
Cash at bank		10.8	13.8

* See note 11 for details of restatement for changes in accounting policies.

1. Basis of Preparation

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 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.

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 of Coronavirus the Group operations were closed for 6 weeks which impacted short term performance and liquidity. The Group took immediate actions to limit the impact of this closure and have secured additional finance facilities, including an uncommitted £15.0m overdraft, to support operational cash flows if required.

The Board has reviewed the latest forecasts of the Group, including the impact of multiple re-opening scenarios, and considered the obligations of the financing arrangements.

As described in the Viability Statement the board have considered a stressed budget position, which models significantly reduced sales volumes in the short term, followed by an extended period of recovery through

FY21. The actions which management have already taken to control costs have been factored into this scenario, including the utilisation of certain Government support initiatives. Whilst this stressed scenario places additional pressures on both cash flow and profitability, the Group ultimately expects to return to normal levels of volume in the medium term.

The period considered for going concern purposes is a minimum of 12 months from the date of signing the accounts, which is more than covered by the 3 years modelled for viability purposes.

The board have taken a reverse stress test approach in considering the going concern status of the Group, reducing volumes to the point at which the Group is either no longer compliant with banking covenants or depletes liquid resources required to continue trading, whichever is earlier. Plausible mitigating actions were built into the model including; reducing spend on specific variable cost lines including marketing and site trading expenses, team costs most notably sales commissions, pausing new stock commitments and extending the period for which expansionary capital spend and share buybacks are suspended. All of these actions could conceivably be performed within and throughout the going concern period.

The reverse stress test model demonstrated that a prolonged period of volume reduction in excess of 50% year on year was required before compromising the going concern status of the Group which is considered highly unlikely.

In light of the immediate impacts, including the period of temporary site closure, the Group has already taken extensive actions to minimise the impact on short term cash flows; temporarily pausing all capital expenditure, furloughing team members, suspending the share buyback programme and reducing all nonessential spend. The Group has made use of the Government's Coronavirus Job Retention Scheme and continues to work closely with its banking partners, notably in securing an additional uncommitted £15m overdraft facility with Santander UK PLC. As this is an uncommitted facility all of our downside planning has excluded the ability to draw these funds.

The Directors have made use of the post year end trading performance to provide additional assurance around the continuing viability of the business, as well as the ability to return to significant levels of trading quickly. n. While only a short period has passed since the year end, this evidence adds further comfort to the continuing strength of the Group in an active market.

Given the continued historical liquidity of the Group and sufficiency of reserves and cash in the stressed scenarios modelled, the Board has concluded that the Group has adequate resources to continue in operational existence over the going concern period and into the foreseeable future thereafter. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

New accounting standards, interpretations and amendments adopted by the Group

The Group has not early adopted standards, interpretations or amendments that have been issued but are not mandatory for 31 March 2020 reporting periods. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Definition of Material – Amendments to IAS 1 and IAS 8

In the current year the Group has adopted the following new standards and interpretations and these have had no impact on the Group's consolidated financial statements;

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

IFRS 16 Leasing

The Group applies, for the first time, IFRS 16 "Leases". The nature and effect of this change is disclosed below.

IFRS 16 is effective for all accounting periods beginning on or after 1 January 2019. The Group applied IFRS 16 retrospectively, restating prior year comparatives.

Revised accounting policies for IFRS 16 are detailed below.

Where a lease is identified the Group recognises a right-of-use asset and a corresponding lease liability.

Lease liability – initial recognition
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted at the Group's incremental borrowing rate. The incremental borrowing rate is determined based on a series of inputs including the risk free rate based on government bond rates in addition to specific adjustments for risk and security. Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments such as those that depend on an index or rate (such as RPI), initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options where the Group is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Break and extension options are included in leases to provide operational flexibility should the economic outlook for an asset be different to expectations, and hence at commencement of the lease, break or extension options are not typically considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

The lease liability is presented as a separate line in the Consolidated Balance Sheet, split between current and non-current liabilities.

Lease liability – subsequent measurement
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability – re-measurement
The lease liability is re-measured where:

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

When the lease liability is re-measured, an equivalent adjustment is made to the right-of-use asset unless its carrying amount is reduced to zero, in which case any remaining amount is recognised in profit or loss.

Right-of-use asset – initial recognition
The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, any dilapidation or removal costs, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the Group has an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The present value of these costs are included in the related right-of-use asset.

The right-of-use asset is presented as a separate line in the Balance Sheet.

Right-of-use asset – subsequent measurement
Right-of-use assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

Impairment
The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment – non-financial assets' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

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

The financial information set out in this document does not constitute the statutory financial statements of the Group for the year end 31 March 2019 but is derived from the Annual Report and Accounts 2019. The auditors have reported on the annual financial statements and issued an unqualified opinion.

2. Segment Reporting and Revenue
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. According, 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.

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.

(a) Sales of motor vehicles
Revenue from sales of motor vehicles is recognised when the vehicle has been collected by the customer and the risks and rewards of ownership have passed. Payment of the transaction price is due immediately when the customer purchases the vehicle.

(b) 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 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.
The assessment is 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.

(b) Deferred guarantee Income
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.

	2020	2019
	£m	£m
Revenue from sale of motor vehicles	968.8	1,009.5
Revenue from motor related services and commissions	47.8	45.7
Revenue recognised that was included in the contract liability balance at the beginning of the period – Extended guarantee income	1.4	3.5
Total Revenue	1,018.0	1,058.7

3. Operating profit - expenses

Operating profit include the effect of (crediting) / charging:		2019
	2020	Restated*
	£m	£m
Inventory recognised as expense	928.0	968.7
Movement in provision against inventory	(0.2)	-
Employee benefit expense	28.5	29.1
Depreciation of property plant and equipment and right of use assets	5.0	4.5

Cost of sales	939.1	978.8
Operating expenses		
- Selling and distribution expenses	16.4	16.4
- Administrative expenses	40.2	38.0
	995.7	1,033.2

* See note 11 for details of restatement for changes in accounting policies.

4. Taxation

The tax charge in the income statement represents:

	2020 £m	2019 Restated* £m
Current tax:		
UK corporation tax	3.5	4.6
Adjustments in respect of prior years	(0.1)	-
Total current tax	3.4	4.6
Deferred tax:		
Origination and reversal of temporary differences	0.4	(0.1)
Impact of UK corporation tax rate changes	(0.2)	-
Total deferred tax	0.2	(0.1)
Total tax charge in the income statement	3.6	4.5

Reconciliation of the total tax charge

The tax charge in the income statement in the year is consistent with (FY19: differs from) the charge which would result from the standard rate of corporation tax in the UK of 19% (FY19: 19%).

	2020 £m	2019 Restated* £m
Profit before tax	18.8	22.2
	3.6	4.2
Profit before tax at the standard rate of corporation tax of 19% (2018:19%)		
Tax effect of:		
- Fixed asset differences	0.2	-
- Expenses not deductible for tax purposes	0.1	0.3
- Adjustments to tax charge in respect of prior years	(0.1)	-
- Adjustment to opening deferred tax	(0.2)	-
Tax charge in the income statement	**3.6**	**4.5**

Factors affecting current and future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. The deferred tax asset as at 31 March 2020 has been calculated at a rate of 19%.

* See note 11 for details of restatement for changes in accounting policies.

5. 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 at the end of the current year.

	2020	2019 Restated*
Profit Attributable to Ordinary Shareholders (£m)	15.2	17.7
Weighted average number of ordinary shares in Issue ('000)	92,521	97,924
Basic Earnings per share (pence)	16.4	18.1
Diluted Number of Shares in Issue ('000)	92,577	98,166
Diluted Earnings per share (pence)	16.4	18.0

The difference between the basic and diluted weighted average number of shares represents the dilutive effect of the of the FY18 and FY17 PSP schemes. This is shown in the reconciliation below.

The shares for the SIP scheme were purchased ahead of issue and the PSP has performance criteria which have not been met so the options are not yet dilutive. Those shares for PSP that have met the criteria are considered dilutive.

	2020	2019
Weighted average number of ordinary shares in Issue ('000)	92,521	97,924
Adjustment for share options ('000)	56	192
Weighted average number of ordinary shares for diluted earnings per share ('000)	92,577	98,116

* See note 11 for details of restatement for changes in accounting policies.

6. Borrowings

The Group's available borrowings consist of an unsecured £20m facility provided by Santander UK Plc with £10m (FY19: £Nil) drawn down as at the reporting date. The facility is currently provided as £6m available as an overdraft and £14m available as a revolving credit facility. An extension of the facility was agreed during the year to May 2024. A further extension to the facility was agreed during May 2020 to increase the facility to £35m.

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 2020 interest was charged at 1.4% (FY19: 1.4%) per annum. The interest charged for the year of £0.2m (FY19: £0.1m) has been expensed as a finance cost.

7. Share Capital

	2020		2019	
	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	96,166	1.0	100,154	1.0
Bought back and held as treasury shares during the year	(5)	-	(4)	-
Transferred from treasury to satisfy employee share plan obligations	5	-	4	-

Bought back and cancelled during the year	(5,976)	(0.1)	(3,988)	-
Balance at the end of the period	90,190	0.9	96,166	1.0

8. Dividends

During the year the following dividends were paid.

	2020 £m	2019 £m
Final dividend for the year ended 31 March 2018	-	4.5
Interim dividend for the year ended 31 March 2019	-	2.4
Final dividend for the year ended 31 March 2019	4.7	-
Interim dividend for the year ended 31 March 2020	2.3	-
Total dividends	7.0	6.9

The Board has not proposed a final dividend (FY19: 5.00 pence) for the year ended 31 March 2020.

The final dividend for the year ended 31 March 2019 paid on 15 September 2019 was £4.7m, being a difference of £0.1m compared to that reported in the 2019 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 16 August 2019.

The final dividend for FY19 was approved by shareholders at the Annual General Meeting in June 2019 and was therefore not included as liabilities in the financial statements at 31 March 2019.

9. Cash-flow from operations

	2020 £m	2019 Restated* £m
Profit for the year, attributable to equity shareholders	15.2	17.7
Adjustments for:		
Taxation charge	3.6	4.5
Finance costs	3.5	3.3
Operating profit	22.3	25.5
Share based payment charge	(0.1)	-
Loss on disposal of property, plant and equipment	0.1	-
Depreciation charge	5.0	4.5
Cash flow from operations before movements in working capital	27.3	30.0
Decrease/(Increase) in inventory	4.4	(12.2)
Decrease/(Increase) in trade and other receivables	8.6	(0.8)
(Decrease)/Increase in trade and other payables	(7.1)	11.7
Cash generated from operations	33.2	28.7

* See note 11 for details of restatement for changes in accounting policies.

10. Related party transactions

	2020 £m			
	Balance as at 1/4/2019	**Rental charge**	**Payments made**	**Balance as at 31/3/2020**
Shoby Properties Limited	–	(1.3)	1.3	–

	2019 £m			
	Balance as at 1/4/2018	Rental charge	Payments made	Balance as at 31/3/2019
Shoby Properties Limited	–	(1.8)	1.8	–

During the year ended 31 March 2020 the group purchased 2,575,000 shares for consideration of £5.2m from D E Shelton, a Director of the Company until 31 December 2019.

11. Changes in accounting policies

(i) Income statement

Under the previous accounting standard for leases, IAS 17, lease costs were recognised on straight-line basis over the term of the lease. The Group recognised these costs within administration costs. On adoption of IFRS 16 these costs have been removed and replaced with costs calculated on an IFRS 16 basis.

Under IFRS 16 the right-of-use asset is depreciated over the lease term. The Group has recognised the depreciation costs on the right-of-use asset in administration costs.

The costs under IAS 17 were higher than the depreciation costs recognised under IFRS 16 which has resulted in a net credit under IFRS 16 to administration costs.

Under IFRS 16 finance costs are charged on the lease liability recognised. These costs are recognised within finance costs.

(ii) Right-of-use asset

IFRS 16 has resulted in the recognition of a right-of-use asset. This asset represents the Group's contractual right to access an identified asset under the terms of the lease contract.

(iii) Lease liability

IFRS 16 has resulted in the recognition of a lease liability. This liability represents the Group's contractual obligation to minimum lease payments during the lease term. The element of the liability payable in next 12 months is recognised as a current liability with the balance recognised in non- current liabilities.

(iv) Working capital

Under IAS 17 certain lease incentives, rent prepayments, accruals and similar amounts were held on the balance as part of working capital. Such balances are no longer recognised as all payments, lease incentives and related costs are reflected in either the right-of-use asset or the lease liability.

(v) Taxation

A deferred tax asset has been recognised on the transition to IFRS 16 representing the timing difference on the amounts taken to reserves.

(vi) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

Income statement (extract)

	FY20 (pre IFRS 16) £m	IFRS 16 £m	FY20 (post IFRS 16) £m	FY19 (as originally presented) £m	IFRS 16 £m	FY19 (post IFRS 16 £m
Operating expenses	(57.5)	0.9	(56.6)	(55.3)	0.9	(54.4)
Operating profit	21.4	0.9	22.3	24.6	0.9	25.5
Finance expense	(1.9)	(1.6)	(3.5)	(1.7)	(1.6)	(3.3)
Profit before taxation	19.5	(0.7)	18.8	22.9	(0.7)	22.2
Taxation	(3.6)	-	(3.6)	(4.6)	0.1	(4.5)
Profit and total comprehensive income for the year attributable to equity holders of the parent	15.9	(0.7)	15.2	18.3	(0.6)	17.7
Earnings per share attributable to the owners of the parent						
Basic						
Diluted	17.2p	(0.8)p	16.4p	18.7p	(0.6)p	18.1p
	17.2p	(0.8)p	16.4p	18.7p	(0.7)p	18.0p

Balance sheet (extract)

	FY20 (pre IFRS 16) £m	IFRS 16 £m	FY20 (post IFRS 16) £m	FY19 (as originally presente d) £m	IFRS 16 £m	FY19 (post IFRS 16 £m	FY18 (as originally presente d) £m	IFRS 16 £m	FY18 (post IFRS 16 £m
ASSETS									
Non-current assets									
Right-of-use assets	–	41.6	41.6	–	42.6	42.6	–	45.8	45.8
Deferred tax assets	0.5	0.8	1.3	0.5	1.0	1.5	0.5	0.9	1.4
Total non-current assets	19.4	42.4	61.8	8.8	43.6	52.4	5.9	46.7	52.6
Current assets									
Trade and other receivables	5.4	(1.0)	4.4	13.9	(0.9)	13.0	12.9	(0.7)	12.2
Total current assets	128.9	(1.0)	127.9	143.9	(0.9)	143.0	132.5	(0.7)	131.8
LIABILITIES									
Current liabilities									
Lease liabilities	–	(2.3)	(2.3)	–	(1.2)	(1.2)	–	(1.9)	(1.9)
Trade and other payables	(114.0)	2.4	(111.6)	(120.0)	2.6	(117.4)	(104.9)	2.9	(102.0)
Provisions	–	(0.2)	(0.2)	–	(0.3)	(0.3)	–	(0.1)	(0.1)
Total current liabilities	(124.2)	(0.1)	(124.3)	(123.5)	1.1	(122.4)	(110.4)	0.9	(109.5)
Non-current liabilities									
Lease liabilities	–	(43.1)	(43.1)	–	(45.0)	(45.0)	–	(47.1)	(47.1)
Provisions	–	(2.1)	(2.1)	–	(1.8)	(1.8)	–	(2.2)	(2.2)
Total non-current liabilities	–	(45.2)	(45.2)	(0.2)	(46.8)	(47.0)	(1.6)	(49.3)	(50.9)

NET ASSETS	24.1	(3.9)	20.2	29.0	(3.0)	26.0	(26.4)	(2.4)	(24.0)
EQUITY									
Retained earnings	23.9	(3.9)	20.0	28.8	(3.0)	25.8	26.2	(2.4)	23.8
TOTAL EQUITY	24.1	(3.9)	20.2	29.0	(3.0)	26	26.4	(2.4)	24.0

Cash flow statement (extract)

	FY20 (pre IFRS 16) £m	**IFRS 16 £m**	**FY20 (post IFRS 16) £m**	**FY19 (as originally presented) £m**	**IFRS 16 £m**	**FY19 (post IFRS 16 £m**
Cash generated from operations	28.6	4.6	33.2	24.3	4.4	28.7
Interest paid	(1.9)	(1.6)	(3.5)	(1.7)	(1.6)	(3.3)
Net cash generated from operating activities	20.3	3.0	23.3	18.1	2.8	20.9
Principal elements of lease payments	–	(3.0)	(3.0)	–	(2.8)	(2.8)
Net cash used in financing activities	(11.0)	(3.0)	(14.0)	(15.7)	(2.8)	(18.5)
Net (decrease)/ increase in cash and cash equivalents	(3.0)	–	(3.0)	(1.8)	–	(1.8)

Term	**Meaning**
Operating Cash Conversion	Cash generated from operations/operating profit
Structural Debt	Debt excluding stocking finance facilities