

CORRECTION: Interim Results

This announcement replaces the 'Interim Results' announcement 4287Q released at 10:22 on 29 November 2016. The paragraph under 'Dividend' now reads "The Group is declaring an interim dividend of 1.33p per share in respect of FY2017. The interim dividend for 2016 will be paid on the 17th March 2017 for those shares recorded on 17th February 2017."

29 November 2016

Motorpoint Group plc (“Motorpoint”, the “Company” or the “Group”)

Interim Results

Motorpoint, the largest independent vehicle retailer in the UK, today announces its unaudited interim results for the six months ended 30 September 2016 (H1 Financial Year 2017).

Financial highlights

- Revenue increased 11.5% to £408.9m (2016 H1: £366.8m)
- Operating profit before exceptional items down 32% to £7.0m (2016 H1: £10.3m)
- Exceptional costs of £4.0m (2016 H1: £Nil) relating to IPO expenses
- Profit before taxation and after exceptional items of £2.4m (2016 H1: £10.2m)
- Underlying earnings per share of 5.29p (2016 H1: 8.00p)
- Cash flow from operations before exceptional items increased to £12.5m (2016 H1: £8.0m)
- Maiden interim dividend of 1.33p (2016 H1: £Nil)

Operational highlights

- Opened 10th retail site in Castleford in April 2016 and 11th retail site, in Oldbury, in July 2016
- Significant increase in repeat customers to 5,488 (2016 H1: 4,698)
- Net Promoter Score performance improved at every site in H1 2017 with a group average of 75%
- Completed Initial Public Offering on the London Stock Exchange on 18 May 2016
- Post period end, lease signed on the 12th retail site in Sheffield (former car supermarket) which complements current presence in Yorkshire

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

“The uncertainty around the result of the EU referendum contributed to the Group’s disappointing performance in the first half; however we managed stock levels carefully thereby maintaining our industry leading stock turn despite the short term impact on margins. Whilst some uncertainty around Brexit remains, the three new sites that we have opened in the last 12 months are performing well and we anticipate they will deliver a solid performance in the second half.

“Despite the softening in consumer confidence, market conditions since the period end have remained stable with a good level of stock availability and margins have returned to normal levels. We continue to invest in opening new sites, and we have recently acquired a leasehold site in Sheffield which will open in Spring 2017. The Group’s differentiated proposition, strong employee and customer focus and industry leading scale leave us well positioned to deliver a full year performance in line with expectations. I feel that the Company’s dedication to offering choice, value and service will ensure that Motorpoint remains the Car Buyers’ Champion.”

A meeting for analysts will be held at 9:30am today at the offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD.

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

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 11 retail sites across the United Kingdom; Derby, Burnley, Glasgow, Newport, Peterborough, Chingford, Birmingham, Widnes, Birtley, Castleford and Oldbury, of which six 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.

Cautionary Statement

This announcement contains unaudited information and forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward looking statements. Motorpoint undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

INTRODUCTION

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% of new vehicle sales in the United Kingdom, with models from Ford, Vauxhall, Volkswagen, Nissan, Audi and BMW amongst the top sellers. The Group operates from 11 retail sites across the country, of which six have opened in the last four years, together with a national contact-centre dealing with online enquiries.

In addition to sales of nearly-new vehicles, the Group also operates Auction4Cars.com, a business to business online auction platform for vehicles acquired through the Group's part-exchange offering which do not qualify for retail sale as they are older than the Group's target vehicle age or have a mileage in excess of the target vehicle mileage.

The Group also offers ancillary products to customers, including customer finance packages, vehicle guarantees, insurance products and vehicle protection treatments.

Our vision today remains the same as when we first opened our doors 18 years ago, to be the car buyers' champion, by offering unrivalled choice, value and service.

FINANCIAL REVIEW

Motorpoint Group plc was incorporated during April 2016, and in May 2016 the Company obtained control of the entire share capital of Motorpoint Limited via a share for share exchange. To ensure that the most appropriate view of the Group's results is presented, the current period and comparative information disclosed in these Interim Results reflect the continuation of the pre-existing group headed by Motorpoint Limited and have been prepared applying the principle of predecessor accounting. Further information on the basis of preparation is given in Note 1.

The Company achieved double-digit revenue growth and increased gross profit for the first six months of the year. The period was impacted by our decision to hold a lower stock level over the summer months, to reduce the level of asset risk in the face of anticipated low consumer confidence following the EU referendum result. In addition we incurred investment costs opening and establishing the new sites in Birtley (H2 2016), Castleford and Oldbury (H1 2017). These three locations together represent the new sites opened in the last 12 months.

Group KPI	6 months to 30 September 2016	6 months to 30 September 2015	Change
Revenue	£408.9m	£366.8m	11.5%
Gross Margin	£28.8m	£28.2m	2.1%
Operating profit before exceptional items	£7.0m	£10.3m	(32%)
Gross Margin to adjusted operating expenses ⁽¹⁾ ratio	132%	158%	(26%)
Profit Before Tax	£2.4m	£10.2m	(77%)
Cash flow from operations before exceptional items	£12.5m	£8.0m	56%
Cash flow from operations before exceptional items conversion ⁽²⁾	179%	78%	101%
Underlying Earnings per Share (p) ⁽³⁾	5.29	8.00	(34%)
Number of sites	11	8	38%

(1) Calculated as Gross Margin / (Operating expenses minus Exceptional items)

(2) Calculated as Cash flow from operations before exceptional items / Operating Profit before exceptional items

(3) Calculated by dividing the earnings excluding exceptional items attributable to equity shareholders by the number of ordinary shares in issue at the reporting date.

The exceptional items of £4.0m relate to the costs involved in the Motorpoint Group plc listing on the London Stock Exchange in May 2016.

The Company's cash flow from operations before exceptional items continues to show a positive performance, although it does reflect the stock levels per site at the reporting date being below those usually held at this time of the year, and these lower stock levels are a result of our decision to reduce investment in new stock over the early to mid summer period.

The Group's banking facilities include a £20m facility provided by Santander UK PLC which was undrawn as at the reporting date. As at 30 September 2016, the Group was also supported by stocking facilities provided by Black Horse Limited of £60m for the purchase of vehicle stock, of which circa £7m was undrawn. The facility was extended by a further £5m in November 2016 to support growth of the business and the future opening of the Group's 12th site at Sheffield. Further information on available facilities can be found in the Motorpoint Group plc prospectus.

As at 30 September 2016, there was only one related party balance outstanding of £0.4m owing to Spring Rental Ltd for a legacy agreement. Other balances which were outstanding as at 30 September 2015 and as at 31 March 2016 were cleared at or around the time of the IPO. The only ongoing related party transactions are for rents of retail sites payable to Shoby Properties Ltd. For further information see note 17.

DIVIDEND

The Group is declaring an interim dividend of 1.33p per share in respect of FY2017. The interim dividend for 2016 will be paid on the 17th March 2017 for those shares recorded on 17th February 2017.

OPERATIONAL REVIEW

The Company operates through its 11 retail sites and its website, both of which are supported by a dedicated contact centre. The Company's strategy is to grow the existing sites, increase sales through the contact centre, and open new sites to extend the geographic footprint to new markets around the UK.

In the last 12 months, the Group has invested heavily in new site expansion, with three strategically-located new sites being launched since November 2015; two of which, Castleford and Oldbury, opened in the period. This targeted investment has taken the percentage of UK population within a 30-minute drive time of one of our sites to 24%, and is part of our strategy to open at least 20 large retail sites across the UK. Given the more challenging trading conditions encountered in the last six months, we will invest a higher level of marketing support than originally proposed to embed these sites into their local markets in the forthcoming year.

Planning, launching and supporting so many new sites in a relatively short period of time required significant investment from both management and employees. Whilst the impact of each new site opening diminishes as a proportion of our total estate, we do not anticipate opening as many new sites at this rate in the coming year. The Company's growth strategy remains to open at least one new retail site per year for the medium term, but will remain opportunistic if further prospects arise.

As part of our vision to be the car buyers' champion, we have invested in our customer finance offering, spanning both Hire Purchase and Personal Contract Purchase products. From 1 October 2016, we have, supported by our finance partners, reduced the typical APR charged on new finance deals. With increased visibility for our newly improved offering, we anticipate the cost of this investment to be substantially offset by increased customer take-up. The increased visibility is delivered by way of new monthly-cost search functionality on our website, and increased prominence on other customer communications such as email.

RECENT MARKET TRENDS

Immediately prior to the UK's EU referendum vote in June 2016, the Group witnessed a slowdown in enquiry rates from customers as a result of reduced consumer confidence at that time, which was supported by wider market data. As a result, we took the decision to reduce our total level of inventory in the business, to minimise stock risk in the face of this weakening confidence. Cars represent a significant purchase for most consumers and whilst general customer confidence surveys were positive, we believe some caution over larger commitments persists notwithstanding the resilient levels of consumer confidence that returned through the summer. Our focus on providing nearly new cars at market-leading prices is even more relevant to customers within this cautious environment, and our compelling business proposition is well placed to take market-share.

The new car market has seen record registration levels over the six months to September 2016, with total registration numbers up 1.2% compared to the same period in the prior year. However this total picture can be split into fleet sales (up 6.5% over the same period), and private sales (down 2.9%). The majority of our stock is

sourced from these fleet sales, thus recent new car sales trends give an encouraging upcoming pipeline for new Motorpoint stock.

The last 12 months have seen the growth in market share of some of the key prestige marques, such as BMW and Mercedes-Benz. This change has flowed into the Motorpoint stock profile, with more prestige vehicles being bought, displayed and sold than in recent years. Whilst this new profile of stock allows Motorpoint to appeal to a wider audience and approach new customers, the lead-time in tailoring our marketing message to these customers has impacted stock days for these prestige vehicles for the period ended 30 September 2016.

PEOPLE

The Motorpoint business model is centred on the Virtuous Circle, a stakeholder engagement culture that starts with our employees. We champion this culture throughout the business, and have seen the results evidenced by Motorpoint being named one of the Top 10 Best Performing Mid-Sized Companies in The Sunday Times Top Track 250 (2016) as well as one of The Sunday Times Top 100 Mid-Sized Companies to Work For over the last two consecutive years.

In June 2016 we ran our bi-annual Team Member Commitments survey, which showed our highest-ever level of team engagement. We believe that this engagement will help to deliver outstanding customer service led by motivated employees who have a deep understanding of the brand and feel part of Motorpoint’s future.

Following the Group’s listing on the London Stock Exchange, we have launched two employee share schemes – the first is a Share Incentive Plan which delivered £1,000 of Motorpoint shares to all eligible employees, and the second is a Performance Share Plan for senior staff. We also plan to launch a SAYE scheme later in the Financial Year to give all members of staff another opportunity to share in Motorpoint’s future success and engage them further with the Company’s vision.

Post the period end, on 21 October 2016, Mary McNamara was appointed by the Board as the Group’s Senior Independent Non-Executive Director.

CUSTOMER EXPERIENCE

The second part of the Virtuous Circle focuses on the customer and our vision to remain the car buyers’ champion by offering unrivalled choice, value and service.

Our key measures of service are NPS (Net Promoter Score) and our Feefo rating, and to ensure our level of customer service is appropriate all commissions and bonus schemes throughout the business are tied to customer satisfaction.

Metric	6 months to 30 September 2016	6 months to 31 March 2016	6 months to 30 September 2015
NPS	75%	74%	68%
Feefo	4.6/5	4.7/5	4.6/5

The business focus on customer service continues to be reflected in improved NPS and stable Feefo results in the six months to 30 September 2016.

We believe our focus on the customer experience is evidenced by the numbers of repeat customers, measured as a customer making a second purchase within a four year window. For the six months ended 30 September 2016 these increased to 5,488 from 4,698 for the six months ended 30 September 2015.

POST REPORTING DATE ACTIVITIES

On 7 November 2016 the Group signed a lease for a retail site in Sheffield. The site is a former car supermarket site which in the short term will be used to store and prepare cars until works are completed to open as a retail location early in Spring 2017. There is strong brand awareness in the area as Motorpoint sponsored the Sheffield Arena for five years and management believe the new site will strengthen the Company's current presence in Yorkshire.

OUTLOOK

As the UK's largest independent vehicle retailer, management believe that Motorpoint's resilient business model leaves it ideally positioned to continue its market share growth of nearly new car sales.

The three new sites opened in the last 12 months provide a sizeable opportunity as they gain awareness in their local markets. Due to the challenging customer environment over the last six months, the Company will invest in further marketing support to these new sites than had previously been planned; with an incremental spend per site of circa £0.5m over the 12 months to 30 September 2017.

The second half has started well notwithstanding that consumer confidence remains fragile. Market conditions remain stable if challenging and stock availability remains good (driven by strong new car sales during the first half), and as a result trading since the period end is in line with our expectations and margins have returned to normal levels. We continue to invest in opening new sites, having opened three sites in the past twelve months, and we have acquired a leasehold site in Sheffield which will open in Spring 2017. Our strategy remains on track and with our differentiated proposition, strong employee and customer focus and industry leading scale we are on track to deliver a full year performance in line with expectations. The Company's dedication to offering choice, value and service will ensure that Motorpoint remains the Car Buyers' Champion.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE FY2017 INTERIM RESULTS

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

A list of current Directors and their biographies is maintained on the Motorpoint Group plc website www.motorpointplc.com

By order of the Board

Mark Carpenter
Chief Executive Officer
28 November 2016

James Gilmour
Chief Financial Officer
28 November 2016

Condensed Consolidated Statement of Financial Performance
For the six months ended 30 September 2016

	Note	Unaudited Six Months ended 30 September 2016 £m	Unaudited Six Months ended 30 September 2015 £m	Audited Year ended 31 March 2016 £m
Revenue	5	408.9	366.8	729.2
Cost of sales		(380.1)	(338.6)	(673.5)
Gross profit		28.8	28.2	55.7
Operating expenses		(25.8)	(17.9)	(38.4)
Operating profit		3.0	10.3	17.3
<i>Operating profit before exceptional items</i>		7.0	10.3	18.6
<i>Exceptional items</i>	6	(4.0)	-	(1.3)
Finance income	7	0.1	0.3	0.5
Finance costs	8	(0.7)	(0.4)	(0.9)
<i>Net finance costs</i>		(0.6)	(0.1)	(0.4)
Profit before taxation		2.4	10.2	16.9
Taxation	9	(1.1)	(2.2)	(3.5)
Profit and total comprehensive income for the period/ year		1.3	8.0	13.4
Basic and diluted earnings pence per share	11	1.30	8.00	13.40
Underlying Basic and diluted earnings pence per share	11	5.29	8.00	14.70

The Company's activities all derive from continuing operations.

The Company has no other comprehensive income. Total comprehensive income for the period/year is equal to the profit for the financial period/year and is all attributable to the shareholders of the Company.

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2016

Six Months Ended 30 September 2016 (Unaudited)	Note	Share capital £m	Retained earnings £m	Reorg Reserve £m	Total equity £m
At 1 April 2016		0.2	25.5	-	25.7

Profit and total comprehensive income for the period		-	1.3	-	1.3
Dividends	10	-	(18.8)	-	(18.8)
Other		0.8		(0.8)	-
Share Based Payment		-	0.1	-	0.1
At 30 September 2016		1.0	8.1	(0.8)	8.3

**Six Months Ended
30 September 2015
(Unaudited)**

	Share capital £m	Retained earnings £m	Total equity £m
At 1 April 2015	0.2	24.6	24.8
Profit and total comprehensive income for the period	-	8.0	8.0
At 30 September 2015	0.2	32.6	32.8

**Year Ended 31
March 2016
(Audited)**

	Share capital £m	Retained earnings £m	Total equity £m
At 1 April 2015	0.2	24.6	24.8
Profit and total comprehensive income for the period	-	13.4	13.4
Dividends	10	(12.5)	(12.5)
At 31 March 2016	0.2	25.5	25.7

**Condensed Consolidated Statement of Financial Position
As at 30 September 2016**

	Note	30 September 2016 (unaudited) £m	30 September 2015 (unaudited) £m	31 March 2016 (audited) £m
ASSETS				
Non-current assets				
Property, plant and equipment	12	7.2	3.0	3.2
Total non-current assets		7.2	3.0	3.2
Current assets				
Inventories		66.1	59.4	74.9
Trade and other receivables	13	7.0	27.0	21.5
Cash and cash equivalents		6.5	7.7	11.6
Total current assets		79.6	94.1	108.0
TOTAL ASSETS		86.8	97.1	111.2
LIABILITIES				

Current liabilities				
Trade and other payables	14	(71.6)	(56.9)	(78.4)
Current tax liabilities		(0.6)	(1.1)	(0.7)
Total current liabilities		(72.2)	(58.0)	(79.1)
NET CURRENT ASSETS		14.6	39.1	32.1
Non-current liabilities				
Trade and other payables	15	(6.3)	(6.3)	(6.4)
Total non-current liabilities		(6.3)	(6.3)	(6.4)
NET ASSETS		8.3	32.8	25.7
EQUITY				
Share capital		1.0	0.2	0.2
Reorganisation Reserve		(0.8)	-	-
Retained earnings		8.1	32.6	25.5
TOTAL EQUITY		8.3	32.8	25.7

**Condensed Consolidated Cash Flow Statement
For the six months ended 30 September 2016**

	Note	Unaudited Six Months ended 30 September 2016 £m	Unaudited Six Months ended 30 September 2015 £m	Audited Year ended 31 March 2016 £m
Cash flows from operating activities				
Cash generated from operations	16	6.3	7.2	17.9
Interest paid		(0.6)	(0.4)	(0.9)
Income tax (paid) / received		(1.1)	(1.1)	(2.8)
Net cash generated from operating activities		4.6	5.7	14.2
Cash flows from investing activities				
Purchases of property, plant and equipment		(4.6)	(0.4)	(1.3)
Proceeds from sale of property, plant and equipment		-	-	0.1
Interest received		0.1	0.3	0.6
Transactions with related parties		(0.8)	(1.5)	4.3
Net cash (used in) / from investing activities		(5.3)	(1.6)	3.7
Cash flows from financing activities				
Dividends paid to owners		(4.4)	-	(9.9)
Net cash used in financing activities		(4.4)	-	(9.9)
Net (decrease)/ increase in cash and cash equivalents		(5.1)	4.1	8.0
Cash and cash equivalents at the beginning of		11.6	3.6	3.6

the period			
Cash and cash equivalents at end of period	6.5	7.7	11.6
Net cash and cash equivalents comprises:			
Cash at bank	6.5	7.7	11.6

The notes form an integral part of these Condensed Consolidated Interim Financial Statements.

NOTES TO THE SET OF FINANCIAL INFORMATION

1. Basis of Preparation

Motorpoint Group Plc ('the Company') is incorporated and domiciled in the UK. The address of the registered office is Chartwell Drive, West Meadows Industrial Estate, Derby, DE21 6BZ. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 September 2016 comprise the Company and its subsidiaries, together referred to as the "group".

On 9 May 2016, the Company obtained control of the entire share capital of Motorpoint Limited via a share for share exchange. There were no changes in rights or proportion of control exercised as a result of the transaction. Although the share for share exchange resulted in a change of legal ownership this was a common control transaction and therefore outside the scope of IFRS 3. The current period and comparative information disclosed in these Condensed Consolidated Interim Financial Statements reflect the continuation of the pre-existing group headed by Motorpoint Limited and have been prepared applying the principle of predecessor accounting ownership. The balance sheet as at all periods presents the legal change in ownership of the Group, including the share capital of Motorpoint Group plc and the capital reorganisation reserve arising as a result of the share for share exchange transaction.

The directors consider 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 interim financial statements. The Condensed Consolidated Interim Financial Statements for the six months ended 30 September 2016 are unaudited but have been reviewed by the auditors.

2. Statement of Compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union. The financial information included does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 (the 'Act') and do not include all the information required for full annual financial statements accordingly they should be read in conjunction with the Annual Report and Financial Statements of Motorpoint Limited for the year ended 31 March 2016 which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. These condensed consolidated interim financial statements were approved by the board of directors on 28 November 2016.

3. Significant Accounting Policies

The same accounting policies, presentation and methods of computation which were followed in the preparation of the Annual Report and Financial Statements for Motorpoint Limited for the period ended 31 March 2016 have been applied to these Condensed Consolidated Interim Financial Statements where applicable. The accounting policies and details of new standards adopted in the year ended 31 March 2016 are listed in the Motorpoint Limited Annual Report and Financial Statements on pages 16-23. Furthermore, at the date of authorisation of the half yearly financial report there are a number of standards and interpretations also listed on pages 16-23 of the Motorpoint Limited Annual Report and Financial Statements which were in

issue but not yet effective, as such these have not been applied in these statements. The impact of these standards and interpretations in future periods is currently under review.

During the period ended 30 September 2016 and following listing on the London Stock Exchange the Group issued a number of share based payment arrangements in which the Group receives services as consideration for its own equity instruments. These are accounted for as equity settled arrangements. The fair value of services received in return for share options is calculated with reference to the fair value of the award on the date of the grant. The Directors have made assessments over the period over which the share awards are expected to vest and assumptions over the number of options expected to meet the performance criteria.

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the number of ordinary shares in issue at the reporting date. Share options which are in issue are considered dilutive when their performance conditions are met. Underlying earnings per share are calculated in the same way but after adjusting earnings attributable to equity shareholders to remove exceptional items.

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 re-measured. 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.

4. Comparative Figures

The comparative figures for the financial year ended 31 March 2016 are extracted from the Motorpoint Limited Annual Report and Financial Statements for that financial year. The accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act.

5. Segment Reporting

The Company 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 Company'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 Company's reportable operating segment is considered to be the United Kingdom operations. The Company's chief operating decision maker is considered to be the Board of Directors.

The Company 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 Company has applied the aggregation criteria of IFRS 8 and thus considers it has one reportable segment. Accordingly no additional segmental information is required. In accordance with IFRS 8 the following information is disclosed.

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.

(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.

(b) Sales of motor related services and Commissions

Motor related services sales include extended guarantees, paint protection and vehicle asset protection (gap insurance). Sales of related services are recognised when the product is supplied to the customer. Vehicle extended guarantees 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. Where the Company receives commission income, primarily arising when the customer uses third-party finance to purchase the vehicle, the company recognises such income on an 'as earned' basis.

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Revenue from sale of motor vehicles	393.0	353.6	702.0
Revenue from motor related services and commissions	15.9	13.2	27.2
Total Revenue	408.9	366.8	729.2

6. Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature and/or amount.

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Employee related obligations	-	-	0.7
IPO listing expenses and professional fees	4.0	-	0.6
	4.0	-	1.3

7. Finance Income

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Other interest receivable on amounts owed by related parties	0.1	0.3	0.5
Total finance income	0.1	0.3	0.5

8. Finance Cost

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Audited Year ended 31 March 2016 £m
Interest on stocking finance facilities	0.6	0.3	0.8
Other interest payable	0.1	0.1	0.1
Total finance costs	0.7	0.4	0.9

9. Taxation

The tax charge for the profit before non deductible IPO expenses is provided at the effective rate of 21% (2015: 21.6%) representing the best estimate of the average annual tax rate expected for the full year profit before non deductible IPO expenses. Adjusting for the non deductible IPO listing expenses, the effective tax rate for the six month period is 45.8%.

10. Dividends

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Dividend in specie	14.4	-	2.6
Cash Dividends	4.4	-	9.9
Total dividends	18.8	-	12.5

Dividends in the period ended 30 September 2016 were paid prior to the Motorpoint IPO. The dividend in specie relates to the settlement of certain related party balances as outlined in the Motorpoint Group plc prospectus.

11. Earnings Per Share

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the number of ordinary shares in issue in the year. Adjusted earnings per share are calculated on the same basis but adjusting earnings attributable to equity shareholders for exceptional items.

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Profit Attributable to Ordinary Shareholders (£m)	1.3	8.0	13.4
Exceptional Items (£m)	4.0	-	1.3
Adjusted Profit Attributable to Ordinary Shareholders (£m)	5.3	8.0	14.7
Number of Shares in Issue (£'000)	100,194	100,000	100,000

Earnings per share (pence)	1.30	8.00	13.40
Adjusted Earnings per share (pence)	5.29	8.00	14.70

12. Property, plant and equipment

During the period ended 30 September 2016 the business acquired the freehold land and property for a site at Oldbury. The cost of £3.9m has been capitalised.

13. Trade and other receivables

	30 September 2016 £m	30 September 2015 £m	31 March 2016 £m
Due within one year			
Trade receivables	2.2	2.0	1.7
Amounts owed by related parties	-	21.4	14.2
Other receivables	0.1	-	0.2
VAT recoverable	-	0.3	-
Prepayments	3.9	2.7	4.5
Accrued income	0.8	0.6	0.9
	7.0	27.0	21.5

The Directors' assessment is that the fair value of trade and other receivables is equal to the carrying value.

14. Trade and other payables due less than 1 year

	30 September 2016 £m	30 September 2015 £m	31 March 2016 £m
Trade payables			
- Trade creditors	5.8	6.7	14.5
- Stocking finance facilities	53.0	40.6	51.0
Other taxes and social security	0.6	0.5	0.6
Accruals	7.5	5.4	7.4
VAT Payable	1.7	-	-
Deferred extended guarantee income	2.6	2.0	2.2
Amounts due to related parties	0.4	-	1.0
Other creditors	-	1.7	1.7
	71.6	56.9	78.4

The Directors' assessment is that the fair value of trade and other payables is equal to the carrying value.

15. Trade and other payables due over 1 year

	30 September	30 September	31 March 2016
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	2016	2015	
	£m	£m	£m
Deferred extended guarantee income	6.3	4.7	5.5
Other creditors	-	1.6	0.9
	6.3	6.3	6.4

The Directors' assessment is that the fair value of trade and other payables is equal to the carrying value.

16. Cash flow from operations

	Six Months ended 30 September 2016 £m	Six Months ended 30 September 2015 £m	Year ended 31 March 2016 £m
Profit for the year, attributable to equity shareholders	1.3	8.0	13.4
Adjustments for:			
Taxation charge	1.1	2.2	3.5
Finance income	(0.1)	(0.3)	(0.5)
Finance costs	0.7	0.4	0.9
Operating profit	3.0	10.3	17.3
Share Based Payment Charge	0.1	-	-
Exceptional items charged to operating profit	4.0	-	1.3
Depreciation charge	0.6	0.4	1.0
<i>Cash flow from operations before movements in working capital and cash flow on exceptional items</i>	7.7	10.7	19.6
Decrease (Increase) in inventory	8.8	10.6	(5.0)
Decrease in trade and other receivables	0.3	1.9	0.2
Increase (Decrease) in trade and other payables	(4.3)	(15.2)	4.7
<i>Cash flow from operations before exceptional items</i>	12.5	8.0	19.5
Payments in respect of exceptional items	(6.2)	(0.8)	(1.6)
Cash generated from operations	6.3	7.2	17.9

Non-cash transactions

In the period to 30 September 2016 and the year to 31 March 2016 the company declared dividends in specie, which are disclosed in note 10.

17. Related Parties

During the period ended 30 September 2016 the vast majority of related party balances were settled either through cash payments or dividends in specie. All related party balances, other than a £0.4m owing to Spring Rental which remains outstanding, were settled ahead of the group listing on the London Stock Exchange. The clearance of these balances was as outlined in the Motorpoint Group plc prospectus.

During the period ended 30 September 2016 rental payments totaling £1.5m were made to Shoby Properties, a related party. There were no balances outstanding at the end of the period.

Other than the items noted above there were no outstanding balances at the end of the period with any other related parties.

18. Risks and uncertainties

There are certain risk factors which could result in the actual results of the Group differing materially from expected results. These factors include: failure to deliver on choice, value and service, a negative implication to the Motorpoint brand and customer perception, inability to maintain relationships with suppliers, fluctuation on exchange rate having an impact on vehicle pricing, economic conditions impacting trading, market driven fluctuations in vehicle values, litigation and regulatory risk, failure of Group information and systems, availability of credit and vehicle financing. The Board considers that the impact of the UK having voted to leave the EU could mean that these risks could be accelerated and magnified.

All other principal risks are consistent with those detailed in the Motorpoint Limited Annual Report and Financial Statements. The Board continually reviews the risk factors which could impact on the Group achieving its expected results and confirm that the above principal factors will remain relevant for the final six months of the Financial Year ended 31 March 2017.

Independent review report to Motorpoint Group plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Motorpoint Group plc's condensed consolidated interim financial statements (the "interim financial statements") in the FY 2017 interim results of Motorpoint Group plc for the 6 month period ended 30 September 2016. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated statement of financial position as at 30 September 2016;
- the condensed consolidated statement of financial performance for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the FY 2017 interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 and 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The FY 2017 interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the FY 2017 interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the FY 2017 interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the FY 2017 interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
East Midlands
28 November 2016

- a) The maintenance and integrity of the Motorpoint Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.