

APPENDIX 4E
PRELIMINARY FINAL REPORT
SUPER CHEAP AUTO GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period: From 2 July 2006 to 30 June 2007 (52 weeks)
 Previous Reporting Period: From 3 July 2005 to 1 July 2006 (52 weeks)

Results for Announcement to the Market

	Statutory Results \$'000	Comparison to 2006 Statutory Results \$'000		
Revenue from ordinary activities	625,187	Up	18.8%	to \$625,187
Profit from ordinary activities after tax attributable to members	22,332	Up	35.3%	to \$22,332
Net profit for the period attributable to members	22,332	Up	35.3%	to \$22,332

Dividends

	Amount Per Share	Franked Amount Per Share
Interim dividend – Current Period	4.0¢	4.0¢
Final dividend – Current Period Declared 23 August 2007 (payable 10 October 2007)	6.5¢	6.5¢
Record date for determining entitlements to the final dividend		18 September 2007

Brief explanation of figures reported above to enable the figures to be understood

Refer press release

Audit

This report is based on accounts which have been audited. The audit report, which was unqualified, will be made available with the Company's Financial Report.

Details of Annual General Meeting

Place Kedron Wavell Services Club, Long Tan Room, 375 Hamilton Road, Chermside South, Queensland

Date Wednesday, 24 October 2007

Time 11.00 am

**Approximate date the annual report will
be available:** 25 September 2007

Super Cheap Auto Group Limited
Income statements
For the period ended 30 June 2007

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
Revenue from continuing operations	3	625,187	526,236	17,013	13,008
Other income	4	129	268	2	0
Total revenues and other income		625,316	526,504	17,015	13,008
Cost of sales of goods		(376,733)	(316,860)	0	0
Other expenses from ordinary activities					
- selling and distribution		(70,633)	(58,959)	0	0
- marketing		(35,906)	(32,586)	0	0
- occupancy		(44,979)	(36,881)	0	0
- administration		(58,614)	(52,017)	(1,602)	(618)
Borrowing costs expense		(7,191)	(5,836)	(6,662)	(4,245)
Total expenses		(594,056)	(503,139)	(8,264)	(4,863)
Profit before income tax		31,260	23,365	8,751	8,145
Income tax (expense)/benefit	6	(8,928)	(6,855)	2,633	1,456
Profit attributable to Members of Super Cheap Auto Group Limited		22,332	16,510	11,384	9,601
		Cents	Cents		
Earnings per share for profit attributable to the ordinary equity holders of the company:					
Basic earnings per share		21.0	15.5		
Diluted earnings per share		20.9	15.5		

The above income statements should be read in conjunction with the accompanying notes.

Super Cheap Auto Group Limited

Balance sheets

As at 30 June 2007

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	6,271	6,372	17	132
Trade and other receivables	8	14,591	14,137	116,290	96,064
Inventories	9	159,880	135,021	0	0
Total current assets		180,742	155,530	116,307	96,196
Non-current assets					
Other financial assets	10	0	0	84,234	84,234
Property, plant and equipment	11	67,262	49,797	0	0
Deferred tax assets	12	7,991	5,355	32	0
Intangible assets	13	58,613	58,794	0	0
Total non-current assets		133,866	113,946	84,266	84,234
Total assets		314,608	269,476	200,573	180,430
LIABILITIES					
Current liabilities					
Trade and other payables	14	62,243	49,443	1,601	213
Borrowings	15	31,410	19,020	29,729	16,956
Current tax liabilities	16	5,611	1,725	5,611	1,725
Provisions	17	5,800	4,941	0	0
Total current liabilities		105,064	75,129	36,941	18,894
Non-current liabilities					
Trade and other payables	18	8,194	5,482	0	0
Borrowings	19	70,000	70,000	70,000	70,000
Deferred tax liabilities	20	0	45	0	45
Provisions	21	6,824	5,890	0	0
Total non-current liabilities		85,018	81,417	70,000	70,045
Total liabilities		190,082	156,546	106,941	88,939
Net assets		124,526	112,930	93,632	91,491
EQUITY					
Contributed equity	22	84,233	84,233	84,233	84,233
Reserves	23	(1,168)	(11)	496	160
Retained profits	23	41,461	28,708	8,903	7,098
Total equity		124,526	112,930	93,632	91,491

The above balance sheets should be read in conjunction with the accompanying notes.

Super Cheap Auto Group Limited
Statements of changes in equity
For the period ended 30 June 2007

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year		112,930	104,597	91,491	89,896
Changes in the fair value of cash flow hedges, net of tax		(1,613)	28	(2)	70
Exchange differences on translation of foreign operations		118	(129)	0	0
Net income recognised directly in equity		(1,495)	(101)	(2)	70
Profit for the year		22,332	16,510	11,384	9,601
Total recognised income and expense for the year		20,837	16,409	11,382	9,671
Transactions with equity holders in their capacity as equity holders:					
Dividends provided for or paid	24	(9,579)	(7,982)	(9,579)	(7,982)
Employee share options		338	(94)	338	(94)
		(9,241)	(8,076)	(9,241)	(8,076)
Total equity at the end of the financial year		124,526	112,930	93,632	91,491
Total recognised income and expense for the year is attributable to:					
Members of Super Cheap Auto Group Limited		20,837	16,409	11,382	9,671

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Super Cheap Auto Group Limited
Cash Flow statements
For the period ended 30 June 2007

	Notes	Consolidated		Parent entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		689,172	581,016	0	0
Payments to suppliers and employees (inclusive of goods and services tax)		(602,820)	(510,000)	(5,888)	(1,273)
Rental payments					
- external		(36,597)	(29,253)	0	0
- related parties		(8,417)	(8,103)	0	0
Income taxes paid		(7,346)	(6,889)	(6,892)	(6,549)
Net cash (outflow) inflow from operating activities		33,992	26,771	(12,780)	(7,822)
Cash flows from investing activities					
Payments for property, plant and equipment		(30,605)	(20,994)	0	0
Proceeds from sale of property, plant and equipment		147	158	0	0
Proceeds from sale of service centres		75	50	0	0
Net cash (outflow) inflow from investing activities		(30,383)	(20,786)	0	0
Cash flows from financing activities					
Proceeds from borrowings		255,950	264,266	252,500	259,638
Payments for borrowings		(243,750)	(259,000)	(239,750)	(231,950)
Interest paid		(6,284)	(3,927)	(6,626)	(3,604)
Dividends paid to company's shareholders	24	(9,579)	(7,982)	(9,579)	(7,982)
Repayment of loans re shares		0	0	0	0
Advances to related parties		0	0	(254,710)	(197,402)
Repayments of advances to related parties		0	55	270,830	189,209
Net cash inflow (outflow) from financing activities		(3,663)	(6,588)	12,665	7,909
Net increase (decrease) in cash and cash equivalents		(54)	(603)	(115)	87
Cash and cash equivalents at the beginning of the financial year		6,372	6,902	132	45
Effects of exchange rate changes on cash and cash equivalents		(47)	73	0	0
Cash and cash equivalents at end of year	7	6,271	6,372	17	132

The above cash flow statements should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007

1 Basis of preparation

This Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This financial report covers the consolidated entity of Super Cheap Auto Group Limited and its controlled entities and Super Cheap Auto Group Limited as an individual parent entity.

2 Segment information

The consolidated entity is organised on a global basis into the following business segments:

Supercheap Auto: Retail and distribution of motor vehicle spare parts and accessories, tools and equipment.

BCF Boating, Camping and Fishing: Retail and distribution of boating, camping and fishing equipment.

Primary reporting segment – business segment

2007	Supercheap Auto \$'000	BCF \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Sales to external customers	525,745	99,070	624,815	0	624,815
Inter segment sales	0	0	0	0	0
Total sales revenue	525,745	99,070	624,815	0	624,815
Other revenue/income	119	8	127	374	501
Total revenue and other income	525,864	99,078	624,942	374	625,316
Segment result (pre-borrowing costs)	37,851	1,827	39,678	(1,227)	38,451
Borrowing costs				(7,191)	(7,191)
Profit before income tax					31,260
Income tax expense					(8,928)
Profit for the period					22,332
Segment assets	250,283	63,779	314,062	(1,054)	313,008
Unallocated assets				1,600	1,600
Total assets					314,608
Segment liabilities	(136,939)	(62,021)	(198,960)	110,147	(88,813)
Unallocated liabilities				(101,269)	(101,269)
Total liabilities					(190,082)
Acquisitions of property, plant and equipment and other non-current segment assets	19,633	10,701	30,334	0	30,334
Depreciation and amortisation expense	11,870	1,390	13,260	0	13,260
Other non-cash expenses	0	0	0	299	299

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

2 Segment information (continued)

2006	Supercheap Auto \$'000	BCF \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Sales to external customers	481,781	44,168	525,949	0	525,949
Inter segment sales	0	0	0	0	0
Total sales revenue	481,781	44,168	525,949	0	525,949
Other revenue/income	268	0	268	287	555
Total revenue and other income	482,049	44,168	526,217	287	526,504
Segment result (pre-borrowing costs)	33,012	(3,472)	29,540	(339)	29,201
Borrowing costs				(5,836)	(5,836)
Profit before income tax					23,365
Income tax expense					(6,855)
Profit for the period					16,510
Segment assets	235,322	32,292	267,614	(288)	267,326
Unallocated assets				2,150	2,150
Total assets					269,476
Segment liabilities	(126,936)	(35,031)	(161,967)	94,331	(67,636)
Unallocated liabilities				(88,910)	(88,910)
Total liabilities					(156,546)
Acquisitions of property, plant and equipment and other non-current segment assets	13,806	6,341	20,147	0	20,147
Depreciation and amortisation expense	10,096	609	10,705	0	10,705
Other non-cash expenses	0	0	0	(134)	(134)

Geographical segments

The consolidated entity's divisions are operated in two main geographical areas.

Australia

The home country of the parent entity. The areas of operation are automotive as well as boating, camping and fishing.

New Zealand

Only Supercheap Auto operates in New Zealand.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

Secondary Segment – Geographical Segments

	Segment Revenues from sales to external customers		Segment Assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia	565,632	472,851	288,292	245,545	29,225	18,482
New Zealand	59,183	53,098	26,316	23,931	1,109	1,665
	624,815	525,949	314,608	269,476	30,334	20,147

3 Revenue

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
From continuing operations				
<i>Sales revenue</i>				
Sale of goods	624,815	525,949	0	0
	624,815	525,949	0	0
<i>Other revenue</i>				
Interest	372	287	13	8
Dividends – related party	0	0	17,000	13,000
	372	287	17,013	13,008
	625,187	526,236	17,013	13,008

4 Other Income

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Net gain on disposal of property, plant and equipment	0	84	0	0
Other income	129	184	2	0
	129	268	2	0

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

5 Expenses

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Profit before income tax includes the following specific gains and expenses:				
<i>Expenses</i>				
Net loss on disposal of property, plant and equipment	260	0	0	0
<i>Depreciation</i>				
Computer systems	4,014	3,434	0	0
Plant and equipment	6,283	4,814	0	0
Motor vehicles	311	317	0	0
Total depreciation	10,608	8,565	0	0
<i>Amortisation</i>				
Computer software	2,652	2,140	0	0
<i>Finance costs</i>				
Interest and finance charges	7,191	5,933	6,662	4,320
Amount capitalised	0	(97)	0	(75)
Finance costs expensed	7,191	5,836	6,662	4,245
<i>Employee benefits expense</i>				
Superannuation expense	6,094	5,416	6	12
Salaries and wages	98,417	85,419	283	280
	104,511	90,835	289	292
<i>Rental expense relating to operating leases</i>				
Lease expenses	43,405	35,590	0	0
Equipment hire	1,274	991	0	0
Total rental expense relating to operating leases	44,679	36,581	0	0
<i>Foreign exchange gains and losses</i>				
Net foreign exchange (gains)/losses	509	745	0	9

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

6 Income tax expense

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(a) Income tax expense				
Current tax	11,037	7,538	(2,468)	(1,469)
Deferred tax	(1,922)	(666)	(37)	13
Adjustments for current tax of prior period	(187)	(17)	(128)	0
	8,928	6,855	(2,633)	(1,456)

Deferred income tax (revenue) expense included in income tax expense comprises:

Decrease (increase) in deferred tax assets (note 12)	(2,217)	(624)	(37)	13
(Decrease) increase in deferred tax liabilities (note 20)	295	(42)	0	0
	(1,922)	(666)	(37)	13

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	31,260	23,365	8,751	8,145
Tax at the Australian tax rate of 30% (2006 - 30%)	9,378	7,010	2,625	2,444
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Non-taxable dividends	0	0	(5,100)	(3,900)
Tax consolidation adjustments re NZ branch	(342)	(177)	0	0
Sundry items	50	22	2	0
	9,086	6,855	(2,473)	(1,456)
Difference in overseas tax rates	(6)	17	0	0
Adjustments for current tax of prior periods	6	(17)	13	0
Research and development tax credits	(173)	0	(173)	0
Restatement of New Zealand deferred tax balances to 30%	15	0	0	0
Income tax expense	8,928	6,855	(2,633)	(1,456)

Amounts recognised directly in equity

Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity

Net deferred tax – debited/(credited) directly to equity (notes 12 and 20)

	(731)	28	(40)	10
	(731)	28	(40)	10

(c) Tax consolidation legislation

Super Cheap Auto Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Super Cheap Auto Group Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Super Cheap Auto Group Limited for any current tax payable assumed and are compensated by Super Cheap Auto Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Super Cheap Auto Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current intercompany receivables or payables.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

7 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank and in hand	6,271	6,372	17	132

8 Current assets - Trade and other receivables

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Trade receivables	5,639	6,653	0	0
Provision for impairment of receivables (a)	(74)	(26)	0	0
	5,565	6,627	0	0
Loans to related parties (b)	0	0	116,194	95,554
Other receivables	2,753	2,188	96	102
Tax receivable	1,176	564	0	0
Prepayments	5,097	4,758	0	408
	14,591	14,137	116,290	96,064

(a) Impaired trade receivables

The Group has recognised a loss of \$52,000 (2006: \$27,000) in respect of bad and doubtful trade receivables during the period ended 30 June 2007. The loss has been included in 'other expenses' in the income statement.

(b) Loan's to related parties

Super Cheap Auto Group Limited provides funding to its wholly owned subsidiaries in the form of cash loans. These are repaid by the subsidiaries as the funds become available.

9 Current assets – Inventories

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Finished goods - at net realisable value	159,880	135,021	0	0

10 Non-current assets – Other financial assets

Name of entity	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Shares in subsidiaries at cost				
Super Cheap Auto Pty Ltd	0	0	84,233	84,233
BCF Australia Pty Ltd	0	0	1	1
Super Retail Group Services Pty Ltd	0	0	0	0
Total non-current assets – shares in controlled entities	0	0	84,234	84,234

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

11 Non-current assets – Property, plant and equipment

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Plant and equipment, at cost	77,346	55,498	0	0
Less accumulated depreciation	(22,258)	(16,363)	0	0
Net plant and equipment	<u>55,088</u>	<u>39,135</u>	<u>0</u>	<u>0</u>
Motor vehicles, at cost	1,423	1,342	0	0
Less accumulated depreciation	(792)	(645)	0	0
Net motor vehicles	<u>631</u>	<u>697</u>	<u>0</u>	<u>0</u>
Computer systems, at cost	26,104	20,468	0	0
Less accumulated depreciation	(14,561)	(10,503)	0	0
Net computer equipment	<u>11,543</u>	<u>9,965</u>	<u>0</u>	<u>0</u>
Total net property, plant and equipment	<u>67,262</u>	<u>49,797</u>	<u>0</u>	<u>0</u>

Assets pledged as security are detailed in Note 19

	Plant and equipment \$'000	Motor vehicles \$'000	Computer systems \$'000	Total \$'000
Reconciliations - consolidated entity				
Carrying amounts at 2 July 2006	39,135	697	9,965	49,797
Additions	22,039	298	5,527	27,864
Disposals	(346)	(61)	0	(407)
Depreciation and amortisation	(6,283)	(311)	(4,014)	(10,608)
Foreign currency exchange differences	543	8	65	616
Carrying amounts at 30 June 2007	<u>55,088</u>	<u>631</u>	<u>11,543</u>	<u>67,262</u>

	Plant and equipment \$'000	Motor vehicles \$'000	Computer systems \$'000	Total \$'000
Reconciliations - consolidated entity				
Carrying amounts at 3 July 2005	31,500	652	9,359	41,511
Additions	13,024	412	4,127	17,563
Disposals	(17)	(40)	(15)	(72)
Depreciation and amortisation	(4,814)	(317)	(3,434)	(8,565)
Foreign currency exchange differences	(558)	(10)	(72)	(640)
Carrying amounts at 1 July 2006	<u>39,135</u>	<u>697</u>	<u>9,965</u>	<u>49,797</u>

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

12 Non-current assets - Deferred tax assets

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Doubtful debts	129	214	0	0
Employee benefits	2,191	1,785	2	0
Accruals	774	419	59	24
Inventories	1,146	889	0	0
Deferred borrowing/consulting costs	0	2	0	0
Deferred make good provision	686	550	0	0
Straight line lease adjustment	2,458	1,658	0	0
Deferred income	90	78	0	0
Depreciation	386	0	0	0
Provision for warranties and legal costs	30	20	0	0
	7,890	5,615	61	24
<i>Amounts recognised directly in equity</i>				
Cash flow hedges	680	18	(29)	0
	8,570	5,633	32	24
Set off with deferred tax liabilities (note 20)	(579)	(278)	0	(24)
Net deferred tax assets	7,991	5,355	32	0
Movements:				
Opening balance	5,633	5,086	24	37
Credited/(charged) to the income statement	2,217	624	37	(13)
Credited/(charged) to equity	662	18	(29)	0
Foreign exchange on translation of NZ subsidiary	58	(95)	0	0
Closing balance	8,570	5,633	32	24
Deferred tax assets to be recovered after more than 12 months	1,368	2,560	0	0
Deferred tax assets to be recovered within 12 months	7,202	3,073	32	24
	8,570	5,633	32	24

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

13 Non-current assets – Intangible assets

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Goodwill at cost	52,112	52,112	0	0
Less impairment charge	0	0	0	0
Net goodwill	52,112	52,112	0	0
Trademarks, at cost	14	14	0	0
Less accumulated depreciation	0	0	0	0
Net trademarks	14	14	0	0
Computer software	15,203	12,732	0	0
Less accumulated amortisation	(8,716)	(6,064)	0	0
	6,487	6,668	0	0
Total net intangibles	58,613	58,794	0	0

	Goodwill \$'000	Trademarks \$'000	Computer Software \$'000	Totals \$'000
Reconciliations – consolidated entity - 2007				
Carrying amounts at 2 July 2006	52,112	14	6,668	58,794
Additions	0	0	2,470	2,470
Impairment/amortisation charge	0	0	(2,652)	(2,652)
Foreign currency exchange differences	0	0	1	1
Carrying amounts at 30 June 2007	52,112	14	6,487	58,613

	Goodwill \$'000	Trademarks \$'000	Computer Software \$'000	Totals \$'000
Reconciliations – consolidated entity - 2006				
Carrying amounts at 3 July 2005	52,112	14	6,224	58,350
Additions	0	0	2,584	2,584
Impairment/amortisation charge	0	0	(2,140)	(2,140)
Carrying amounts at 1 July 2006	52,112	14	6,668	58,794

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment and country of operation.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

13 Non-current assets – Intangible assets (continued)

(b) Key assumptions used for value-in-use calculations

No impairment loss was recognised in the 2007 financial year.

The following assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax. The factors used by each business segment is shown below.

	Growth rate		Discount rate	
	2007	2006	2007	2006
	%	%	%	%
Supercheap Auto	3	3	15	15
BCF	5	5	15	15

In the initial two year's of a store operating growth rate is assumed to be 10%.

14 Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Trade payables	43,138	36,412	25	8
Other payables	19,105	13,031	1,576	205
	62,243	49,443	1,601	213

15 Current liabilities – Borrowings

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Secured				
Commercial bill	31,540	19,379	29,940	17,229
Less borrowing costs capitalised, net	(271)	(469)	(211)	(273)
Total current liabilities – secured interest bearing liabilities	31,269	18,910	29,729	16,956
Unsecured				
Related parties	2	1	0	0
Unsecured bank financing	139	109	0	0
Total current liabilities – unsecured interest bearing liabilities	141	110	0	0
Total current liabilities – interest bearing liabilities	31,410	19,020	29,729	16,956

(a) Bills payable

Bills have been drawn as a source of short-term financing on a needs basis.

(c) Security

Details of the security relating to each of the secured liabilities and further information on the bank overdrafts and bank loans are set out in note 19.

16 Current liabilities – Current tax liabilities

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Income tax payable	5,611	1,725	5,611	1,725

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

17 Current liabilities – Provisions

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Make good provision	284	260	0	0
Employee benefits	5,516	4,681	0	0
	5,800	4,941	0	0

18 Non-current liabilities – Trade and Other Payables

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Straight line lease adjustment	8,194	5,482	0	0

19 Non-current liabilities – Borrowings

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Secured				
Cash advance	70,000	70,000	70,000	70,000
	70,000	70,000	70,000	70,000

The facilities are secured by first registered floating company charges over all the assets and undertakings of Super Cheap Auto Group Limited, Super Cheap Auto Pty Ltd, Super Cheap Auto (New Zealand) Pty Ltd, Super Retail Group Services Pty Ltd and BCF Australia Pty Ltd in favour of ANZ Banking Group Limited and by cross guarantees and indemnities between Super Cheap Auto Pty Ltd and Super Cheap Auto (New Zealand) Pty Ltd and between Super Cheap Auto Group Limited, Super Cheap Auto Pty Ltd, SCA Equity Plan, Super Retail Group Services Pty Ltd and BCF Australia Pty Ltd in favour of ANZ Banking Group Limited. Financial covenants are provided by Super Cheap Auto Group Limited with respect to leverage, gearing and fixed charges coverage.

The carrying amount of assets pledged as security are equal to those shown in the consolidated balance sheet.

	Consolidated		Parent entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Financing arrangements				
Unrestricted access was available at balance date to the following lines of credit:				
Total facilities				
- Multi-Option Facility (including commercial bill, overdraft and cash advance)	128,720	128,720	125,000	125,000
- Indemnity/Guarantee Facility	1,342	1,338	1,342	1,338
Totals	130,062	130,058	126,342	126,338
Facilities used at balance date				
- Multi-Option Facility (including commercial bill, overdraft and cash advance)	101,600	89,400	100,000	87,250
- Indemnity/Guarantee Facility	1,251	1,287	0	0
Totals	102,851	90,687	100,000	87,250
Unused balance of facilities at balance date				
- Multi-Option Facility (including commercial bill, overdraft and cash advance)	27,120	39,320	25,000	37,750
- Indemnity/Guarantee Facility	91	51	1,342	1,338
Totals	27,211	39,371	26,342	39,088

In addition, the Company has access to a \$112 million (2006: \$37.5 million) transactional facility for clean credit and foreign currency dealings.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

19 Non-current liabilities – Borrowings (continued)

Super Cheap Auto Pty Ltd has commercial bills of \$Nil (2006: \$17.25 million) outstanding at year end which are drawn as part of the group facility. The bank facilities may be drawn at any time.

Included in the facility above is an amount of \$3.72 million for SCA Equity Plan Pty Ltd. This amount was drawn to \$1.6 million (2006: \$2.15 million) at 30 June 2007.

The current interest rates on the financing arrangements are:

- Multi Option Facility (including commercial bills, overdraft and cash advance) 7.50%-7.59% (2006: 6.93%-7.13%)

20 Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
The balance comprises temporary differences attributable to:				
<i>Amounts recognised in profit or loss</i>				
Prepayments	10	6	0	0
Unrealised foreign exchange on inter company balances	224	0	0	0
Depreciation	345	248	0	0
	579	254	0	0
<i>Amounts recognised directly in equity</i>				
Share based payments	0	39	0	39
Cash flow hedges	0	30	0	30
	579	323	0	69
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions	(579)	(278)	0	(24)
Net deferred tax liabilities	0	45	0	45
Movements:				
Opening balance	323	420	69	79
Charged/(credited) to the income statement	295	(42)	0	0
Charged/(credited) to equity	(69)	(10)	(69)	(10)
Foreign exchange on translation of NZ subsidiary	30	(45)	0	0
Closing balance	579	323	0	69
Deferred tax liabilities to be settled after more than 12 months	569	317	0	69
Deferred tax liabilities to be settled within 12 months	10	6	0	0
	579	323	0	69

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

21 Non-current liabilities – Provisions

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Make good provision	5,558	4,669	0	0
Employee benefits	1,266	1,221	0	0
	6,824	5,890	0	0

(a) Make good provision

Provision is made for costs arising from contractual obligations in lease agreements at the inception of the agreement.

A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(b) Movements in provisions (consolidated entity) (notes 17 & 21)

	Make good \$'000
Opening balance as at 2 July 2006	4,929
Additional provisions recognised	923
Indexing of provisions	376
Provision released	(387)
Closing balance as at 30 June 2007	5,841

22 Contributed equity

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Ordinary shares fully paid	84,233	84,233	84,233	84,233

	Number of Shares	Issue Price	\$'000
Movement in ordinary share capital			
Issue of shares on incorporation (8 April 2004)	1	1.00	0
Issue of shares on 23 April 2004	49,697,150	1.69	84,233
Share split on 19 May 2004	56,732,471	-	0
Closing balance 30 June 2007	106,429,622		84,233

The ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present, in person or by proxy, at a meeting of shareholders of the parent entity is entitled to one vote and, upon a poll, each share is entitled to one vote.

Options over 1,375,000 ordinary shares were issued during the period, with no options being exercised during the period.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

23 Reserves and retained profits

	Consolidated		Parent entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Reserves				
Foreign currency translation reserve	(11)	(129)	0	0
Share based payments reserve	428	90	428	90
Hedging reserve	(1,585)	28	68	70
	(1,168)	(11)	496	160
Movements				
Foreign currency translation reserve				
Balance at the beginning of the financial period	(129)	0	0	0
Net exchange difference on translation of foreign controlled Entity	118	(129)	0	0
Balance at the end of the financial period	(11)	(129)	0	0
Share based payments reserve				
Balance at beginning of the financial period	90	184	90	184
Options lapsed	0	(270)	0	(270)
Option expense	338	176	338	176
Balance at the end of the financial period	428	90	428	90
Hedging reserve				
Balance of beginning of the financial period	28	0	70	0
Revaluation – gross	(2,304)	40	(3)	100
Deferred tax	691	(12)	1	(30)
Balance at the end of the financial period	(1,585)	28	68	70
Retained earnings				
Balance at the beginning of the financial period	28,708	20,180	7,098	5,479
Net profit/(loss) for the financial period attributable to shareholders of Super Cheap Auto Group Limited	22,332	16,510	11,384	9,601
Dividends provided for or paid	(9,579)	(7,982)	(9,579)	(7,982)
Retained profits/(losses) at the end of the financial period	41,461	28,708	8,903	7,098

(c) Nature and purpose of reserves

(i) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity. Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2007 (continued)

24 Dividends

	Parent Entity	
	2007	2006
	\$'000	\$'000
Ordinary shares		
Dividends paid by Super Cheap Auto Group Limited during the reporting period were as follows:		
Interim dividend for the period ended 30 June 2007 of 4 cents (2006: 3 cents per share) paid on 4 April 2007. Fully franked based on tax paid @ 30%	4,257	3,193
Final dividend for the period ended 1 July 2006 of 5 cents per share (2005: 4.5 cents per share) paid on 11 October 2006. Fully franked based on tax paid @ 30%	5,322	4,789
Total dividends provided and paid	9,579	7,982

Dividends not recognised at year end

Subsequent to year end, the Directors have recommended the payment of a final dividend of 6.5 cents per ordinary share (2006: 5 cents per ordinary share), fully franked based on tax paid at 30%.

The aggregate amount of the dividend expected to be paid on 10 October 2007, out of retained profits at 30 June 2007, but not recognised as a liability at year end, is

	6,918	5,322
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Franking credits

The franked portions of dividends paid after 30 June 2007 will be franked out of existing franking credits and out of franking credits arising from the payments of income tax in the years ending after 30 June 2007.

Franking credits remaining at balance date available for dividends declared after the current balance date based on a tax rate of 30%

	25,781	22,805
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The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the current tax liability; and,
- franking debits that will arise from the payment of the dividend as a liability at the reporting date.

The amount recorded above as the franking credit amount is based on the amount of Australian income tax paid or to be paid in respect of the liability for income tax at the balance date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$2,964,825 (2006: \$2,280,635).

25 Net tangible asset backing

	Consolidated Entity	
	2007	2006
	Cents	Cents
Net tangible asset per ordinary share	60¢	51¢