

# Notes to the consolidated financial statements

## continued

### 30. Business combinations continued

The purchase has been accounted for as a business combination under the acquisition method in accordance with IFRS 3. The fair value of net assets acquired was assessed and no material adjustments from book value were made to existing assets and liabilities. The period in which measurement adjustments could be made has now closed on this acquisition and the final goodwill calculation is summarised below:

	Fair value £m
<b>Intangible assets recognised on acquisition:</b>	
Customer relationships	3.2
Non-compete agreement	0.6
Website	0.4
Deferred tax liability arising on intangible assets	(0.7)
Intangible assets and related deferred tax	3.5
<b>Current assets</b>	
Trade and other receivables	0.7
Cash and cash equivalents	0.3
Current assets	1.0
Current liabilities	(0.8)
Total net assets acquired	3.7
Goodwill on acquisition	8.5
<b>Total assets acquired</b>	12.2
<b>Cash consideration</b>	12.2

The goodwill recognised on acquisition relates to value arising from intangible assets that are not separately identifiable under IFRS 3. This represents synergies expected to arise from combining with the existing business of Auto Trader Limited. None of the acquired intangible assets or goodwill is expected to be deductible for tax purposes.

In addition to the goodwill recognised, the customer relationships, non-compete agreement and website obtained through the acquisition met the requirements to be separately identifiable under IFRS 3.

### 31. Financial instruments

#### Financial assets

	Note	2019 £m	2018 £m
Net trade receivables	18	24.9	25.4
Accrued income	18	28.0	26.7
Other receivables	18	0.3	0.1
Cash and cash equivalents	19	5.9	4.3
<b>Total</b>		<b>59.1</b>	56.5

#### Credit risk

The carrying amount of financial assets, previously recognised as loans and receivables under IAS 39 now classified as amortised cost under IFRS 9, represents the maximum credit exposure. The maximum exposure to credit risk at 31 March 2019 was £59.1m (2018: £56.5m).

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Note	2019 £m	2018 £m
UK		24.5	24.9
Ireland		0.4	0.5
<b>Total</b>		<b>24.9</b>	25.4