Allomak Limited

ABN 50 113 883 560

Annual Report - 30 June 2009

Allomak Limited

Annual General Meeting

Monday 30th November 2009
11:00am

The Seaview Terrace
At the Brighton Savoy
159 the Esplanade
Brighton. Victoria. Australia

Allomak Limited
Financial report for the year ended 30 June 2009

Contents

General Information

This financial report covers both Allomak Limited as an individual entity and the consolidated entity consisting of Allomak Limited and it's subsidiaries. The financial report is presented in Australian currency.

Allomak Limited is a listed public company limited by shares, incorporated and domiciled in Australia. It is listed on the Australian Stock Exchange (ASX).

The financial report was authorised for issue by the directors on 12th October 2009

Allomak Limited
Directors' Report
30 June 2009

The directors present their report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Allomak Limited and the entities it controlled for the year ended 30 June 2009.

Directors
The following persons were directors of Allomak Limited during the financial year and up to the date of this report:

Chris Sadler	(appointed Director on 27 February 2008, Chairman on 9 February 2009)
The Hon John Anderson	(appointed on 18 December 2007)
Ray Malone	(appointed on 23 January 2009)
Don Easter	(appointed on 23 January 2009)
Anthony McLellan	(resigned 9 February 2009)
Rob Allan	(resigned 4 February 2009)
Wendy Simpson	(resigned 26 September 2008)

Principal activities
Allomak's principal activity and purpose is the management of the company's investments in the wholesale vehicle aftercare and accessories market, including smash repair Panel Shops, vehicle protection equipment, brakes and transmission service workshops and the wholesale distribution of automotive and electrical accessories.

During the financial year there was a significant restructure of the businesses and realignment of the corporate strategy away from acquisition activities and the subsequent closure of several businesses.

Dividends - Allomak Limited
Dividends paid to members during the financial year were as follows:

	2009 $'000	2008 $'000
Final ordinary fully franked dividend for the year ended 30 June 2009 of 2.1 cents per fully paid share was declared on 1 September 2008, however the Board on 20 November 2008 resolved that given the economic climate at the time and certain factors referred to in Allomak's announcement of 23 October 2008, it has decided to defer the final dividend. Allomak will be in a better position to provide further guidance on this dividend at the AGM in November 2009.	2,818	-
Final ordinary fully franked dividend for the year ended 30 June 2008 of 2.2 cents per fully paid share fully paid on 21 November 2007	-	1,993
Interim ordinary fully franked dividend for the year ended 30 June 2008 of 1.1 cents (2007:1.0 cent) per fully paid share fully paid on 22 April 2008	-	1,412
	2,818	3,405

Review of operations
The net result for the consolidated entity after providing for income tax and minority interests amounted to a loss of ($59,787,000) (2008: Profit of $6,267,000).

Further information is contained in the Director's Report.

Significant changes in the state of affairs
During the financial year the company completed a significant restructure of its businesses and realignment of the corporate strategy away from acquisition activities and the subsequent closure of several businesses, including 4 entities being placed into voluntary administration.

The company also completed a recapitalisation of bank debt and reached agreement with its key vendors in the form of a deed of agreement.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 19 August 2009, the company issued 4,566,013 shares to the staff of ECB Pty Ltd as performance bonus for the financial year ending 30 June 2009.

On 19 August 2009, the company issued 15,771,875 shares to 3 key vendors, as down payment against the vendor debt agreed by the company on 30 June 2009 to be paid under the vendor settlement agreements.

On 25 September 2009 the company commenced legal proceedings in the Supreme Court of Victoria against the company’s former Managing Director, Mr Rob Allan, Panache Global Holdings Pty Ltd, Guiding Technologies Pty Ltd, and Mr Richard Rubin.

On 2 October 2009, the company held an Extraordinary General Meeting of the shareholders and approved individual Vendor Settlement agreements, for the issue of shares and cash to the key vendors of the Surrey Panelcare business, the Alanco business, the Mr Gloss business and the KT Cables Accessories business.

No other matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years

Likely developments and expected results of operations
The Company has undertaken the following significant activities during the financial year ended 30 June 2009:
- Significant reduction in its cost base;
- Strategic focus on its core strengths and businesses;
- Capital restructure including vendor and bank agreements; and
- Closure of several underperforming businesses.

The company believes the restructure of its business model will improve its profitability in the financial year ending 30 June 2010.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is subject to environmental regulation in respect of its paint operations.

The consolidated entity holds environmental licences for its paint. These licences arise under the requirements of various state government regulations.

Management continues to work with local regulatory authorities to achieve, where practical, best practice environmental management so as to minimise risk to the environment, reduce waste and ensure compliance with regulatory requirements.

The consolidated entity had no adverse environmental issues during the year.

Information on directors

Name:	**Chris Sadler**
Title:	Chairman and Non-executive Director (appointed Chairman on 27 February 2009)
Age:	46
Qualifications:	MBA from the University of Rochester New York and has studied at the Victoria University of Wellington, Wellington, New Zealand
Experience and expertise:	Mr Sadler has twenty years' experience in investment banking, working in the United States, Europe, and Asia Pacific. He has an extensive track record of leading major mergers & acquisitions and corporate restructurings including equity and debt financings.
Other current directorships:	Director of Mitre 10 Australia, Gloucester Coal Limited, Austock Group Limited, Chairman of the Asia Pacific region for the Alpha organisation, Alpha International in London and Alpha boards in China, India, Indonesia, and Japan
Former directorships (in 3 years):	None.
Special responsibilities:	Chairman, previously Chairman of Audit & Risk Committee
Interests in shares:	None.

Name:	**The Hon John Anderson**
Title:	Non-executive Director (appointed on 12 December 2007)
Age:	51
Qualifications:	Bachelor of Arts (University of Sydney), Master of Arts (University of Sydney)
Experience and expertise:	Mr Anderson is the former Deputy Prime Minister of Australia and former Minister for Transport and Regional Services. Mr Anderson's expertise in the political and regulatory aspects impacting the automotive industry, and his skill and experience in the transport sector are an asset to the Allomak Group
Other current directorships:	Chairman of EasternStar Gas Limited and Non-executive director of Clyde Agriculture Limited
Former directorships (in 3 years):	None
Special responsibilities:	None.
Interests in shares:	30,000 ordinary shares.

Name:	**Ray Malone**
Title:	Chief Executive Officer and Executive Director (appointed on 23 January 2009)
Age:	49
Qualifications:	None
Experience and expertise:	Over 20 years work experience in the Panel industry
Other current directorships:	Mr Gloss Holdings Pty Ltd; Mr Gloss Pty Ltd
Former directorships (in 3 years):	None.
Special responsibilities:	None.
Interests in shares:	91,430,835

Name:	**Don Easter**
Title:	Non-executive Director (appointed on 23 January 2009)
Age:	54
Qualifications:	B.Sc Computing (UTS), Master of Management (MIT Sloan School, Boston), MAICD
Experience and expertise:	Don is an experienced company executive and Director. He has previously held senior positions with Westpac Banking Corporation, ABN AMRO (Netherlands), and EDS. Don has held directorships in the past across both private and public companies. He also held an executive role within Allomak Limited from April to September 2008.
Other current directorships:	Non-executive Director of PeopleBank Limited
Former directorships (in 3 years):	None.
Special responsibilities:	Chair of the Audit and Risk Committee
Interests in shares:	150,000

Name:	**Anthony McLellan**
Title:	Chairman and Non-executive Director (resigned 9 February 2009)
Age:	69
Qualifications:	None.
Experience and expertise:	Mr McLellan is Chairman of Norton Gold Fields Ltd, and until July 2008 was Chairman of Bemax Resources Limited. He was also previously a Director of Felix Resources Limited, President and CEO of the predecessor of Barrick Gold, and President of LJ Hooker Corporation in America. Mr McLellan is currently also a Director of The Menzies Research Centre Limited. Mr McLellan is active in social causes, having resigned as Chairman of Habitat for Humanity Australia Incorporated in May 2008; and as a Director of Opportunity International Australia Limited in July 2009. He is presently Chairman of Australian Christian Lobby.
Other current directorships:	Chairman of Norton Gold Fields Ltd; Non-executive Director of The Menzies Research Centre Limited; Chairman of Australian Christian Lobby.
Former directorships (in 3 years):	Non-executive Director of Felix Resources Limited and Bemax Resources Limited.
Special responsibilities:	Chair of the Remuneration Committee and Member of the Audit and Risk Committee.
Interests in shares:	None.

Name:	**Rob Allan**
Title:	Managing Director and Chief Executive Officer (resigned 4 February 2009)
Age:	43
Qualifications:	BSc, MBA, LLM, MAICD
Experience and expertise:	Mr Allan is the founder of Allomak Ltd. Mr Allan had previously worked with the international management consulting firm, McKinsey and Co., as well as Egon Zehnder International, in both Sydney and Palo Alto, California.
Other current directorships:	None.
Former directorships (in 3 years):	None.
Special responsibilities:	Managing Director.
Interests in shares:	9,717,691 ordinary shares.

Name:	**Wendy Simpson**
Title:	Non-executive Director (resigned 26 September 2008)
Age:	54
Qualifications:	FMIT, B.Soc Sci, Grad Dip Ed, B. Litt (Deakin), EMBA (AGSM), GAICD
Experience and expertise:	Ms Simpson was a foundation Director, Create foundation (not-for-profit), Foundation chair of Australian Council of Business women, and Foundation Director, International Women's Federation of Commerce and Industry. Ms Simpson has been a finalist three times, Businesswoman of the Year - QBE, Alcatel and Westpac - and was recently a finalist in the Shanghai Business woman of the Year Awards in the business leadership category. Ms Simpson's prior employment includes Victorian Governments Executive Director and Chief Representative of North Asia based in Shanghai, Senior Vice President for Alcatel, Asia Pacific based in Shanghai; and General Manager of TNT International.
Other current directorships:	Chairman of Westray Engineering and Non-executive Director of Alliance Tooling Pty Ltd.
Former directorships (in 3 years):	Non-executive Director of Alcatel Australia Limited.
Special responsibilities:	Chair of the Audit Committee and Member of the Remuneration Committee
Interests in shares:	7,500 ordinary shares.

Joint Company Secretaries

Tom McDonald (B.Comm (UNSW), Grad Fin (UTS), ACIS, Fellow CPA) was appointed joint Company Secretary on 9 February 2009. Mr McDonald is a member of Chartered Secretaries Australia. He has public company experience as company secretary over the past 15 years and has held Directorships in public and private companies in the past. He is the Chief Financial Officer of Allomak Limited and a Director of subsidiary companies within the Allomak group.

David Franks (BEc, CA, F Fin, JP) was appointed joint Company Secretary on 8 January 2008. Mr Franks is principal of Franks and Associates Pty Ltd (Chartered Accountants). In addition to Allomak Limited, he is currently company secretary of the following public companies: Australian Power and Gas Company Limited, Amerod Exploration Limited, Solar Sailor Holdings Limited, Pulse Health Limited, White Energy Company Limited and van Eyk Research Limited.

Tracey O'Neill (LLB) (resigned 9 February 2009) has been practicing law since 1992 and is admitted to the Supreme Court of NSW and The High Court of Australia. Prior to Allomak, she was a founding partner in a commercial law firm in the Sydney CBD and since 2001 has been the principal of a small commercial firm located in Sydney.

Meetings of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2009, and the numbers of meetings attended by each director were:

	Full Board		Audit Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
Chris Sadler	22	22	4	4	1	1
The Hon John Anderson	20	22	-	-	2	2
Ray Malone	19	19	-	-	1	1
Don Easter	18	19	3	3	1	1
Tony McLellan	4	4	1	1	1	1
Rob Allan	3	4	-	-	-	-
Wendy Simpson	1	1	1	1	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation

This remuneration report has been prepared by the Directors of Allomak Limited to comply with the Corporations Act 2001 and the Key Management Personnel (KMP) disclosures required under AASB 124.

A Principles used to determine the nature and amount of remuneration

<u>*Key management personnel*</u>
The following were key management personnel of the entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:
<u>Directors</u>

- Chris Sadler - Chairman and Non-executive Director
- The Hon John Anderson - Non-executive Director
- Don Easter - Non-executive Director (appointed on 23 January 2009)
- Ray Malone – CEO and Executive Director (appointed on 23 January 2009)
- Anthony McLellan - Non-executive Director and past Chairman (resigned 9 February 2009)
- Rob Allan - past CEO and Managing Director (resigned 4 February 2009)
- Wendy Simpson - Non-executive Director (resigned 26 September 2008)

<u>Senior Executives</u>

- Ray Smith Roberts – CEO of ECB Pty Ltd (appointed COO of Allomak Limited on 1 July 2009)
- Tom McDonald – appointed CFO of Allomak Limited on 22 September 2008
- Don Easter - Group Executive Manager (resigned 9 September 2009)
- Laurence Mosley - Group Financial Controller (resigned on 31 December 2008)
- Ian McKenzie - Acquisition and Integration Manager (resigned on 12 March 2009)
- Bruce Armstrong - Chief Operating Officer (resigned on 14 July 2008)

Remuneration policies
The Board is responsible for reviewing the remuneration policies and practices of the company, including the compensation arrangements of Executive Directors, Non-executive Directors and Senior Executives.

The objective of these policies is to:

- Make Allomak Limited and its subsidiaries an employer of choice.
- Attract and retain the highest calibre personnel.
- Encourage a culture of reward for effort and contribution.
- Set incentives that reward short and medium term performance for the company as a whole.
- Encourage professional and personal development

In the case of senior executives, any recommendation for compensation review will be made by the Chief Executive Officer to the remuneration committee.

There is no direct link between remuneration of Executive Director's and other key management personnel and the share price movement. Remuneration is based on management key performance indicators, targets and other benchmarks as determined by the Board or the Chief Executive Officer

Non-executive Directors
The Board determines the Non-executive Director remuneration by independent market data for comparative companies.

The remuneration payable from time to time to Non-executive Directors shall be in an amount not exceeding in aggregate a maximum sum that is from time to time approved by resolution of the company, currently $400,000 per annum.

Non-executive Directors' retirement payments are limited to compulsory employer superannuation

Executive Directors and Senior Management remuneration
The company's remuneration policy directs that the remuneration packages appropriately reflects the executives' duties and responsibilities and that remuneration levels attract and retain high calibre executives with the skills necessary to successfully manage the company's operations and achieve its strategic and financial objectives.

The total remuneration packages of Executive Directors and Senior Management is comprised of a base salary plus short term and long term incentives. The company has a policy of rewarding extraordinary contribution to the growth of the company with the grant of an annual discretionary cash bonus and options under the company's Employee Share Option Plan.

Executives are also entitled to be reimbursed for their reasonable travel, accommodation and other expenses incurred in the execution of their duties.

Other than the Allomak Ltd Employee Share Option Plan and office car parking the company does not provide any other non-cash benefits in lieu of salary to executives.

Remuneration packages for Executive Directors and Senior Executives generally consist of three components:

- Fixed remuneration which is made up of cash salary, salary sacrifice components and superannuation
- Short term incentives: and
- Long term incentives which include issuing options.

Fixed remuneration
Senior Executives who possess a high level of skill and experience are offered a competitive base salary. The performance of each executive will be reviewed annually. Following the review, the company may in its sole discretion increase the salary based on that executive's performance, productivity and such other matters as the Board considers relevant.

Superannuation contribution by the company is limited to the statutory level at 9% of wages and salaries.

Short-term incentives
The remuneration of Allomak Ltd Senior Executives includes short-term incentive bonuses as part of their employment conditions based on achieving specific measured objectives. The Board may however approve discretionary bonuses to executives in relation to certain milestones being achieved.

Long-term incentives
The company has adopted a Share Option Plan for the benefit of Executive Directors, full-time and part-time staff members employed by the company.

In accordance with the Plan, the exercise price is based on a minimum of 100% of the average ASX closing price for the 5 days prior to offer/acceptance of the options. Each option is issued for a maximum period of 5 years.

The Board, at its discretion, may approve the issue of options under the Employee Share Option Plan to Directors and Senior Executives. The vesting of options issued may be conditional upon the achievement of performance hurdles determined by the Board from time to time.

Independent data from applicable sources may be requested by the Board to assess if the performance hurdles have been met.

Service agreements
The company has entered into a service agreements with the key management personnel.

No executive during the term of their employment agreement shall perform work for any other person, corporation or business without the prior written consent of the company.

Termination of other Executives
Generally, the company or the executive may terminate employment at any time by giving the other party appropriate contractual notice in writing.

If either the company or the executive gives notice of termination, the company may, at its discretion, choose to terminate the executive's employment immediately or at any time during the notice period and pay the executive an amount equal to the salary due to him for the residual period of notice at the time of termination.

The employment of each executive may be terminated immediately without notice or payment in lieu in the event of any serious or persistent breach of the agreement, any serious misconduct or wilful neglect of duties, in the event of bankruptcy or any arrangement or compensation being made with creditors, on conviction of a criminal offence, permanent incapacity of the executive or a consistent failure to carry out duties in a manner satisfactory to the company.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors, the key management personnel of the consolidated entity (as defined in AASB 124 Related Party Disclosures) and specified executives of Allomak Limited are set out in the following tables

The key management personnel of the consolidated entity are the directors of Allomak Limited and the following executives

- Tom McDonald – Chief Financial Officer (appointed 22 September 2008)
- Tracey O'Neill – Company Secretary
- Bruce Armstrong – Chief Operating Officer (resigned on 11 July 2008)
- Ian McKenzie – Acquisition and Integration Manager (resigned 12 March 2009)
- Laurence Mosely – Group Financial Controller (resigned 31 December 2008)
- Don Easter - Group Executive Manager (resigned 8th September 2008).

	Short-term benefits			Post employment benefits	Share-based payments	
	Salary $	Bonus $	Other payments $	Super-annuation $	Shares $	Total $
2009						
Non-executive directors						
Chris Sadler	71,746	-	-	6,457	-	78,203
The Hon John Anderson	61,927	-	-	5,573	-	67,500
Don Easter [1]	25,856	-	72,000 [10]	3,743	-	101,599
Anthony McLellan [2]	189,899	-	3,375 [11]	17,091	-	210,365
Wendy Simpson [3]	36,344	-	-	3,271	-	39,615
Executive directors						
Rob Allan [4]	193,380	-	-	9,027	-	202,407
Ray Malone [5]	-	-	50,000 [12]	-	-	50,000
Other key management:						
Tom McDonald [6]	171,066	50,000	-	14,776	-	235,842
Ray Smith-Roberts	106,116	99,928	-	16,742	109,584	332,370
Ray Malone	258,864 [14]	-	-	22,413	-	281,277
Laurence Mosley [7]	87,264	20,000	-	8,612	-	115,876
Ian McKenzie [8]	142,790	8,547	-	6,970	-	158,307
Tracey O'Neill	68,278	-	-	6,145	-	74,423
Don Easter [9]	117,713	-	-	1,802	-	119,515
2008						
Non-executive directors						
Chris Sadler	18,786	-	-	1,690	-	20,476
The Hon John Anderson	37,531	-	-	3,377	-	40,908
Anthony McLellan	66,927	-	-	6,023	-	72,950
Wendy Simpson	35,757	-	-	3,218	-	38,975
Executive directors						
Rob Allan	257,082	178,000	-	17,918	-	453,000
John Worton	46,818	52,568	140,000 [13]	4,214	-	243,600
Other key management:						
Laurence Mosley	102,920	10,000	-	9,263	-	122,183
Ian McKenzie	151,500	29,500	-	13,500	-	194,500
Tracey O'Neill	82,569	28,500	-	7,431	-	118,500
Don Easter	58,320	-	-	5,249	-	63,569
Bruce Armstrong	153,225	37,390	-	13,790	-	204,405

(1) Appointed 23 January 2009
(2) Resigned 9 February 2009
(3) Resigned 26 September 2009
(4) Resigned 4 February 2009
(5) Appointed 23 January 2009
Mr Malone's salary is shown in note (14)
(6) Appointed 22 Sept 2008
(7) Resigned 31 December 2008
(8) Resigned 12 March 2009
(9) Resigned 8 September 2008
(10) Paid $79,200 to Kijuga Pty Ltd for Board project
(11) Paid $3,375 for Board project
(12) Paid $50,000 for Director Fees
(13) Termination payment
(14) Salary as shown includes one-off payout for Annual Leave

C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Chris Sadler**
Title:	Chairman and Non-executive Director
Agreement commenced:	27 February 2008
Term of agreement:	Not specified.
Details:	Base salary $97,500 per annum including superannuation, no notice period and confidentiality agreement.

Name:	**The Hon John Anderson**
Title:	Non-executive Director
Agreement commenced:	23 November 2007
Term of agreement:	Not specified.
Details:	Base salary $67,500 per annum including superannuation, no notice period and confidentiality agreement.

Name:	**Anthony McLellan** (resigned 9 February 2009)
Title:	Non-executive Director and Chairman
Agreement commenced:	13 July 2006
Term of agreement:	Not specified.
Details:	Base salary $97,500 per annum including superannuation, no notice period and confidentiality agreement.

Name:	**Rob Allan** (resigned 4 February 2009)
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	12 June 2006
Term of agreement:	3 years
Details:	This agreement may be terminated by Allomak on 12 months written notice and by Mr Allan on 6 months notice. Other material terms are a base salary (including superannuation) of $275,000 plus a performance bonus payable at the discretion of the Board of Directors. In addition, options were granted as per the professional service agreements.

Name:	**Wendy Simpson** (resigned 26 September 2008)
Title:	Non-executive Director
Agreement commenced:	13 July 2006
Term of agreement:	Not specified.
Details:	Base salary $67,500 per annum including superannuation, no notice period and confidentiality agreement.

Name:	**Ray Malone**
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 July 2009
Term of agreement:	Not specified
Details:	Base salary $225,000 per annum including superannuation, plus $67,500 for Directors fees with a 2 year term.

Name:	**Tom McDonald**
Title:	Chief Financial Officer
Agreement commenced:	22 September 2008
Term of agreement:	Not specified
Details:	Base salary $240,000 per annum including superannuation, plus a $50,000 performance bonus based on KPI achievement, plus share options under the company plan and a 3 month notice period.

Name:	**Ray Smith-Roberts**
Title:	Chief Operations Officer
Agreement commenced:	9 December 2005
Term of agreement:	Not specified.
Details:	Base salary $89,380 per annum including superannuation, plus a vehicle allowance of $20,020, plus a bonus based on EBIT performance of ECB Pty Ltd. Superannuation of 9% is payable on the performance bonus. One month notice period.

Name:	**Bruce Armstrong** (resigned 14 July 2008)
Title:	Chief Operating Officer
Agreement commenced:	1 October 2006
Term of agreement:	Not specified.
Details:	Base salary $180,000 per annum including superannuation plus a performance bonus payable at the discretion of the Board of Directors, mutual separation payment of $95,000, 6 month notice period, confidentiality agreement, non-solicitation and non-competition clauses.

Name:	**Ian McKenzie** (resigned 12 March 2009)
Title:	Acquisition and Integration Manager
Agreement commenced:	29 June 2007
Term of agreement:	Not specified.
Details:	Base salary $165,000 per annum including superannuation plus a performance bonus based on KPI achievement and 3 month notice period.

Name:	**Laurence Mosley** (resigned 31 December 2008)
Title:	Group Financial Controller
Agreement commenced:	12 November 2007
Term of agreement:	Not specified.
Details:	Base salary $165,000 per annum including superannuation plus a performance bonus based on KPI achievement, 3 month notice period, confidentiality agreement, non-solicitation and non-competition clauses.

Name:	**Don Easter** (resigned 8 September 2008)
Title:	Group Executive Manager
Agreement commenced:	2 April 2008
Term of agreement:	Not specified.
Details:	Base salary $250,000 per annum including superannuation plus a performance bonus of up to $100,000 payable at the discretion of the Board of Directors, 3 month notice period, confidentiality agreement and non-solicitation clauses.

D Share-based compensation

Issue of shares
There were no shares issued to directors.

Ray Smith-Roberts, one of Allomak's key management personnel, elected to receive a bonus for the year ended 30 June 2009 by way of shares to the value of $109,584, as shown on the remuneration table. These shares were issued on 19 August 2009.

Options
The terms and conditions of each grant of options affecting remuneration in this or future reporting years are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date
22 June 2006	22 June 2006	22 July 2011	$0.40	$0.00
22 July 2006	22 July 2006	22 July 2011	$0.47	$0.00
22 July 2006	22 July 2006	22 July 2011	$0.57	$0.00
1 September 2006	1/12th every quarter from 1 September 2006	1 September 2011	$0.40	$0.10
2 October 2006	1/12th every quarter from 2 October 2006	2 October 2011	$0.44	$0.10
23 October 2006	1/12th every quarter from 23 October 2006	23 October 2011	$0.42	$0.10

Options granted carry no dividend or voting rights.

Details of options over ordinary shares issued to directors and key management personnel during the year ended 30 June 2009 are set out below:

Name	Number of options granted during the year 2009	2008	Number of options vested during the year 2009	2008
Anthony McLellan	-	-	-	280,000
Rob Allan	-	-	-	-
Wendy Simpson	-	-	-	280,000
Tracey O'Neill	-	-	25,000	25,000
Bruce Armstrong	-	-	16,669	134,000
Ian McKenzie	-	-	16,000	16,000

Shares under option
Unissued ordinary shares of Allomak Limited under option at the date of this report are as follows:

Grant date	Expiry date	Issue price of shares	Number under option
30 March 2007	30 April 2012	$0.46	92,000

Shares issued on the exercise of options

No shares were issued on the exercise of options in the financial year ended 30 June 2009.

The following ordinary shares of Allomak Limited were issued during the year ended 30 June 2008 on the exercise of options granted:

Date options granted	Issue price of shares	Number of shares issued
22 July 2006	$0.40	750,000
22 July 2006	$0.47	1,625,000
22 July 2006	$0.57	1,625,000

Insurance of officers

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability as such a director to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 34 in the financial report.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 34 in the financial report do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor

PKF continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Chris Sadler
Chairman

Dated this 12th day of October 2009
Sydney

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the audit of Allomak Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Allomak Limited and the entities it controlled during the year.

PKF

PKF

Tim Sydenham
Partner

Sydney

Dated this 12th day of October 2009

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Allomak Limited
Financial report
For the year ended 30 June 2008

Contents

General information

This financial report covers both Allomak Limited as an individual entity and the consolidated entity consisting of Allomak Limited and its controlled entities. The financial report is presented in Australian currency.

Allomak Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5
1 Castlereagh Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 12 October 2009.

Income statement

For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Revenue from continuing operating activities	4	44,954	79,319	11	12,532
Other income	5	-	104	-	-
Expenses					
Raw materials and consumables used		(21,235)	(37,150)	-	-
Employee benefits expense		(16,411)	(18,899)	(3,177)	(1,820)
Depreciation and amortisation expense		(718)	(1,081)	(135)	(11)
Advertising and marketing		(385)	(993)	(56)	(1)
Insurance		(230)	(664)	(32)	(52)
Travel and motor vehicle		(630)	(2,054)	(145)	(166)
Occupancy expenses		(2,545)	(2,721)	(334)	(75)
Professional services		(2,403)	(2,246)	(2,305)	(1,428)
Research and development		(111)	(152)	-	-
Communication expenses		(268)	(531)	(41)	(29)
Bad and doubtful debts expense	6	(295)	(213)	-	-
Other expenses		(868)	(2,669)	(564)	(295)
Finance costs	6	(2,787)	(1,845)	(2,762)	(1,715)
(Loss)/Profit from continuing operations before impairment, present value adjustments and vendor payments		(3,932)	8,205	(9,540)	6,940
Impairment of assets	6	(22,745)	-	(34,641)	-
Fair value adjustments to bank and vendor loans	19, 24	6,968	-	6,968	-
Vendor payments	19	(1,025)	-	(680)	-
(Loss)/Profit before income tax (expense)/benefit		(20,734)	8,205	(37,893)	6,940
Income tax benefit/(expense)	7	1,888	(2,075)	1,742	1,563
(Loss)/Profit after income tax (expense)/benefit		(18,846)	6,130	(36,151)	8,503
Loss attributable to minority interest		-	137	-	-
(Loss)/Profit after income tax benefit/(expense) attributable to members of Allomak Limited from continuing operations		(18,846)	6,267	(36,151)	8,503

The Income Statement for Allomak Limited continues on Page 18

Income statement (continued)
For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Discontinued Operations					
Impairment and write-off of assets		(31,964)	-	(33,488)	-
Impairment loss on net assets held for sale		(2,086)	-	-	-
Trading losses for the year from discontinued operations		(5,051)	-	-	-
Loss from discontinued operations being placed into voluntary administration / being wound up		(1,094)	-	-	-
Trading loss from business sold		(185)	-	-	-
Loss on sale of business		(561)	-	-	-
Total loss attributable to discontinued operations	45	(40,941)	-	(33,488)	-
(Loss)/Profit after income tax benefit/(expense) attributable to members of Allomak Limited		(59,787)	6,267	(69,639)	8,503

	Note	Cents	Cents
Basic earnings per share	43	(43.9)	5.49
Diluted earnings per share	43	(43.9)	4.84

This income statement is to be read in conjunction with the attached notes.

Balance sheet
As at 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Current assets					
Cash and cash equivalents	8	1,419	3,446	-	393
Trade and other receivables	9	8,377	18,989	53	29
Inventories	10	4,463	11,863	-	-
Income tax receivable	11	748	-	748	-
Assets classified as held for sale	12	600	-	-	-
Other	13	404	710	301	498
Total current assets		16,011	35,008	1,102	920
Non-current assets					
Receivables	14	-	-	8,065	42,584
Other financial assets	15	-	395	18,106	55,684
Property, plant and equipment	16	2,888	6,685	98	273
Intangibles	17	28,345	74,527	-	-
Deferred tax	18	1,094	1,488	523	746
Total non-current assets		32,327	83,095	26,792	99,287
Total assets		48,339	118,103	27,894	100,207
Current liabilities					
Trade and other payables	19	10,810	21,023	3,550	3,750
Borrowings	20	3,114	30,143	2,890	29,919
Liabilities classified as held for sale	21	206	-	-	-
Income tax payable	22	-	1,457	-	1,457
Provisions	23	4,239	1,451	2,860	77
Total current liabilities		18,369	54,074	9,300	35,203
Non-current liabilities					
Borrowings	24	25,552	602	25,117	-
Provisions	25	155	263	3	2
Other	26	5,329	1,404	2,311	1,160
Total non-current liabilities		31,036	2,269	27,431	1,162
Total liabilities		49,405	56,343	36,731	36,365
Net assets/(liabilities)		(1,067)	61,760	(8,837)	63,842
Equity					
Contributed equity	27	54,854	56,882	54,854	56,882
Equity to be issued	27	1,803	-	1,803	-
Reserves	28	47	47	47	47
Retained profits/(accumulated losses)	29	(57,771)	4,831	(65,541)	6,913
Total equity		(1,067)	61,760	(8,837)	63,842

The Balance Sheet is to be read in conjunction with the attached notes.

Statement of changes in equity

For the year ended 30 June 2009

Consolidated	Note	Contributed equity $'000	Reserves $'000	Retained profits $'000	Parent interest $'000	Minority interest $'000	Total equity $'000
Balance 1 July 2007		25,153	29	1,969	27,151	(175)	26,976
Profit after income tax (expense)/benefit		-	-	6,267	6,267	(137)	6,130
Total recognised income/(expense) for the year		-	-	6,267	6,267	(137)	6,130
Contributions of equity, net of transaction costs		31,729	-	-	31,729	-	31,729
Share-based payments		-	18	-	18	-	18
Divestment of minority interest		-	-	-	-	312	312
Dividends paid		-	-	(3,405)	(3,405)	-	(3,405)
Balance 30 June 2008		56,882	47	4,831	61,760	-	61,760

Consolidated	Note	Contributed equity $'000	Reserves $'000	Retained profits /(accumulated losses) $'000	Parent interest $'000	Minority interest $'000	Total equity $'000
Balance 1 July 2008		56,882	47	4,831	61,760	-	61,760
Profit after income tax (expense)/benefit		-	-	(59,787)	(59,787)	-	(59,787)
Total recognised income/(expense) for the year		-	-	(59,787)	(59,787)	-	(59,787)
Contributions of equity, net of transaction costs		972	-	-	972	-	972
Reclassified vendor share issue	38	(3,000)	-	-	(3,000)	-	(3,000)
Equity to be issued	19	1,803	-	-	1,803	-	1,803
Dividends paid		-	-	(2,815)	(2,815)	-	(2,815)
Balance 30 June 2009		56,657	47	(57,771)	(1,067)	-	(1,067)

Statement of changes in equity (continued)

For the year ended 30 June 2009

	Note	Contributed equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Parent entity					
Balance 1 July 2007		25,153	29	1,815	26,997
Profit after income tax (expense)/benefit		-	-	8,503	8,503
Total recognised income/(expense) for the year		-	-	8,503	8,503
Contributions of equity, net of transaction costs		31,729	-	-	31,729
Share-based payments		-	18	-	18
Dividends paid		-	-	(3,405)	(3,405)
Balance 30 June 2008		56,882	47	6,913	63,842

	Note	Contributed equity $'000	Reserves $'000	Retained profits/ (accum losses) $'000	Total equity $'000
Balance 1 July 2008		56,882	47	6,913	63,842
Profit after income tax (expense)/benefit		-	-	(69,639)	(69,639)
Total recognised income/(expense) for the year		-	-	(69,639)	(69,639)
Contributions of equity, net of transaction costs		972	-	-	972
Reclassified vendor share issue	38	(3,000)	-	-	(3,000)
Equity to be issued	19	1,803	-	-	1,803
Dividends paid		-	-	(2,815)	(2,815)
Balance 30 June 2009		56,657	47	(65,541)	(8,837)

The statement of changes in equity is to be read in conjunction with the attached notes.

Cash flow statement

For the year ended 30 June 2009

	Note	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		77,499	78,868	-	-
Payments to suppliers (inclusive of GST)		(77,889)	(77,240)	(4,534)	(4,326)
		(390)	1,628	(4,534)	(4,326)
Interest received		94	177	11	78
Interest and other finance costs paid		(2,867)	(1,845)	(2,762)	(1,715)
Income taxes (paid)/received		77	(1,320)	-	(1,320)
Net cash inflow/(outflow) from operating activities	41	(3,086)	(1,360)	(7,285)	(7,283)
Cash flows from investing activities					
Payment for purchase of business, net of cash acquired	38	(1,278)	(28,015)	(226)	(14,572)
Payments for property, plant and equipment	16	(1,012)	(1,500)	(432)	(260)
Receipts from property, plant and equipment	16	276	328	-	-
Payments for intangibles		(1,927)	(4,297)	-	-
Receipts from sale of business		50	-	-	-
Amounts (advanced to)/from wholly owned subsidiaries		-	-	2,415	-
Amounts advanced to/from related parties		-	-	-	(14,867)
Cash forgone by placing operations into administration		(65)	-	-	-
Net cash inflow/(outflow) from investing activities		(3,956)	(33,484)	1,757	(29,699)
Cash flows from financing activities					
Proceeds from issue of shares	27	-	19,025	-	19,025
Recovery of share issue costs		79	-	79	-
Share issue transaction costs		-	(739)	-	(739)
Proceeds from borrowings		5,140	29,736	4,877	29,736
Drawdown of overdraft		1,054	-	1,054	-
Dividends paid	31	-	(2,846)	-	(2,846)
Repayment of borrowings		(1,258)	(8,188)	(875)	(7,881)
Net cash inflow/(outflow) from financing activities		5,015	36,988	5,135	37,295
Net increase/(decrease) in cash and cash equivalents		(2,027)	2,144	(393)	313
Cash and cash equivalents at the beginning of the financial year		3,446	1,302	393	80
Cash and cash equivalents at the end of the financial year	8	1,419	3,446	-	393

Financing arrangements	24
Non-cash investing and financing activities	42

The cash flow statement is to be read in conjunction with the attached notes.

Contents

Note 1. Significant accounting policies

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

Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures that the financial report for the parent and the consolidated entity conforms with International Financial Reporting Standards (IFRSs).

Historical cost convention

This financial report has been prepared under the historical cost convention, as modified where applicable by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment property and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of this financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are disclosed in note 2.

Going concern

The Directors have prepared this report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. This is not withstanding that the consolidated entity incurred losses for the year of $60 million, of which more than $54 million relates to the impairment of goodwill and intangible assets, which were created from the acquisition of controlled entities.

The losses have negatively impacted the consolidated entity’s cash flows and contributed to the breach of certain bank covenants and resulted in a net current liability position at 30 June 2009 of $1.1 million.

During FY2009 the Company completed a significant restructure, which included a change of management, the closure of several businesses which were not contributing, the sale of a distribution business, several businesses being placed into voluntary administration and a business being prepared for resale. In other businesses, management has curtailed operating expenses and headcount where necessary. As a consequence, staff have been reduced by approximately 109 full time equivalents when compared to June 2008 and Head Office employees and expenses have been significantly reduced in order to protect the EBIT of the group.

On 30 June 2009 the Company announced that it had finalised a significant recapitalisation program which resolves the go forward positions with the Company’s bankers and certain key vendors. These arrangements were approved at the EGM, which was held on 2 October 2009.

1. The Company had owed approximately $10 million to the vendors of certain key operating businesses underlying Allomak and was in breach of its obligation to repay these amounts. The vendors have now agreed to accept 50% of the amounts owed to them as a conversion to ordinary shares in Allomak and 50% in the form of a long term loan, interest free, that will be repaid over a 5 year period. These loans are subordinated to the Company’s banking facilities.
2. The Company’s bankers have agreed to provide a long term loan facility over the next 5 years, together with a loan of $12m for 9.75 years (refer to note 24 for details), with covenants in line with the projected performance of the restructured businesses.
3. The previously announced dividend has been deferred until the AGM to be held in November 2009, when it will again be reviewed.

As a result of the above initiatives and the restructure, the company is performing within budget expectations and revised bank covenants and is operating profitably. The cash position of the consolidated entity has improved since year end and banking covenants continue to be met. As a result of the above, the Directors believe the going concern issues that previously existed have been addressed.

Principles of consolidation

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of Allomak Limited ('company' or 'parent entity') as at 30 June 2009 and the results of all subsidiaries for the year then ended. Allomak Limited and its subsidiaries together are referred to in this financial report as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between company's in the consolidated entity are eliminated.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Minority interests in the results and equity of subsidiaries are shown separately in the income statement and balance sheet of the consolidated entity.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

Foreign currency translation

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. 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.

Foreign currency balances
Foreign currency balances are translated into Australian dollars using the exchange rate at the date of the balance sheet. Foreign exchange gains and losses resulting from the translation of such balances are recognised in the income statement.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the date of the balance sheet. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates for the period. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity.

Revenue recognition

Sales revenue represents revenue earned from the sale of the consolidated entity's products and services, net of returns, trade allowances and duties and taxes paid.

In the majority of cases the simple process of delivery of goods or service to a customer, where the risks and rewards of ownership pass to the customer, give rise to the recognition of income.

The revenue recognition policy follows AASB 118 and is recognised when the following tests are all met:

- the consolidated entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the consolidated entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- the amount of revenue can be measured reliably.
- it is probable that the economic benefits associated with the transaction will flow to the consolidated entity.
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest revenue is recognised using the effective interest method. It includes amortisation of any discount or premium.

Other revenue is recognised when it is received or when the right to receive payment is established.

Grants and subsidies are recognised as income over the period to which they relate.

Income tax

The income tax expense or benefit for the period is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Allomak Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime from 1 September 2007. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits which are immediately assumed by the parent entity. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right. The current tax liability of each group entity is then subsequently assumed by the parent entity. In addition to its own current and deferred tax amounts, Allomak Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax credits assumed from controlled entities in the tax consolidated group. The tax consolidated group has entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their tax payable.

Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade receivables

All trade receivables are recognised at the amounts receivable as they are due for settlement by no more than 90 days.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Investments and other financial assets

Investments and other financial assets are stated at the lower of their carrying amount and fair value less costs to sell. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation is calculated on either a straight line or diminishing value basis (class or asset must have either a straight line or diminishing value not both) as considered appropriate to write off the net cost or revalued amount of each item of plant and equipment over its expected useful life to the consolidated entity. The expected useful lives are as follows:

Leasehold improvements
The cost of improvements to or on leasehold properties is amortised over the unexpired year of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter. The diminishing value method of depreciation was used.

Plant and equipment
The expected useful life of purchased plant and equipment is two to fifteen years. Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they now relate. The diminishing value method of depreciation was used.

Furniture and equipment
The cost of furniture and equipment is carried at cost or fair value less any accumulated depreciation. The expected useful life of furniture and equipment is two to ten years. The diminishing value method of depreciation was used.

Motor vehicles
The cost of motor vehicles is carried at cost or fair value less any accumulated depreciation. The expected useful life of motor vehicles is four to eight years. The diminishing value method of depreciation was used.

Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs.

The leased asset is depreciated on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Leased assets held at the reporting date are being amortised over periods ranging from three to five years.

Other operating lease payments are charged to the income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

Intangible assets

Goodwill

Where an entity or operation is acquired, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Product development

Expenditure on research activities, undertaken with the prospect of obtaining new or scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial product or use, is capitalised only when technical feasibility studies identify that the product or service will deliver future economic benefits and these benefits can be measured reliably. Expenditure on development activities have a finite life and is amortised on a systematic basis matched to the future economic benefits over the useful economic life of the product or service.

Patents and trademarks

Patents and trademarks are recognised at the cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and impairment losses. Patents and trademarks are amortised over their estimated useful life of 5 years.

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Other payables not due within a year are measured less cumulative amortisation calculated using the effective interest method.

Onerous leases

Represents contracts entered into in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of current payables.

Finance costs

Finance costs are recognised as expenses in the period in which they are incurred. Finance costs include interest on:
- short term and long term borrowings
- finance leases

Provisions

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of Black Scholes model. The expected value used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, other risk factors and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the consolidated entity's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at balance date.

Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

For the year ended 30 June 2008 the business segments were reported as "Manufacturing", "Distribution" and "Business services". For 30 June 2009 the business segments have changed to "Manufacturing" and "Distribution". The 30 June 2008 comparative information has been restated accordingly. Refer to note 3 for further information.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Financial instruments

With the exception of the loan note, financial instruments are recognised at fair value. After initial recognition financial instruments are measured at amortised cost with the interest expense or income allocated over the relevant period. The effective interest rate used is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, cash flows are estimated and all contractual terms of the financial instrument are considered. The loan note is measured at fair value, with gains and losses arising from changes in fair value being taken to the income statement.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The consolidated entity's and the parent entity's assessment of the impact of these new standards and interpretations are set out below.

AASB 8 Operating Segments and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8
AASB 8 and AASB 2008-3 are effective for annual reporting periods commencing on or after 1 January 2010. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The consolidated entity has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note of the financial report. However, at this stage, it is not expected to affect any of the amounts recognised in the financial statements.

Revised AASB 123 Borrowing Costs and AASB 2008-6 Amendments to Australian Accounting Standards arising from AASB 123 (AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12)
The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2010. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the consolidated entity, as the consolidated entity already capitalises borrowing costs relating to qualifying assets.

Revised AASB 101 Presentation of Financial Statements and AASB 2008-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2008 and is applicable for annual reporting periods beginning on or after 1 January 2010. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The consolidated entity intends to apply the revised standard from 1 July 2010.

New accounting standards and interpretations (continued)
Revised AASB 2008-1 Amendments to Australian Accounting Standard – Share-based payments: Vesting Conditions and Cancellations.
A revised AASB 2008-1 was issued in February 2008 and is applicable for annual reporting periods beginning on or after 1 January 2009. This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.

Revised AASB 3 Business Combinations & AASB 127 Consolidated and Separate Financial Statements
A revised AASB 3 was issued in March 2009 and is applicable for annual reporting periods beginning on or after 1 July 2009. There are a number of changes in this standard. The most significant to the Company being that it requires the expensing of transaction costs relating to acquisitions. Currently these costs are included in the cost of acquisitions. It requires contingent consideration to be measure at fair value at the acquisition date and may only be provisionally accounted during a period of 12 months after acquisition. This standard will impact the consolidated entity's accounting for acquisitions made after 1 July 2009.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the consolidated entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the consolidated entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

When the consolidated entity acquires a business combination the initial total purchase consideration is calculated on a basis on a multiple of estimated Earnings Before Interest and Taxes (EBIT). This estimated EBIT is based on historical performance and forecasted expected results. This is then measured over actual EBIT for up to three years, with the amount payable to the vendor increasing if actual EBIT is higher than estimated EBIT; and decreasing if actual EBIT is lower than estimated EBIT. This is reviewed and remeasured every six months and the differences are booked between goodwill and deferred cash consideration payable.

Critical judgements in applying the consolidated entity's accounting policies
We have applied a discount factor on the bank loans and vendor payables to determine the fair value of liabilities. The fair value adjustment has been taken to the income statement for bank loan and goodwill for vendor payables.

The current liability of the bank loan is estimated based on the targeted performance of the company (refer note 20 for further details).

Note 3. Segment information

Primary reporting - business segments
Allomak has a diverse interest in companies servicing the automotive aftercare market. Allomak has logically divided its portfolio into three distinct business segments:

Manufacturing	This segment comprises businesses that add value to a product primarily through a manufacturing process.
Distribution	This segment specialises in the distribution of a wide variety of auto and auto-electrical parts.
Business Services	This segment provided services to the automotive sector in panel repair, LPG conversions and environmental and emission related testing services. No longer applicable in the financial year ended 30 June 2009. The business services division has been moved into the manufacturing segment and has been amended for the comparative note.

2009	**Manufacturing $'000**	**Distribution $'000**	**Intersegment Elimination/ unallocated $'000**	**Consolidated $'000**
Sales to external customers	29,279	15,918	(875)	44,322
Intersegment sales	-	573	(573)	-
Total sales revenue	29,279	16,491	(1,448)	44,322
Other income	507	115	10	632
Total segment revenue	29,786	16,606	(1,438)	44,954
Segment result	2,963	(974)	-	1,989
Impairments	(16,864)	(5,881)	-	(22,745)
Unallocated revenue less unallocated expenses				22
Loss before income tax expense				(20,734)
Income tax benefit				1,888
Loss after income tax expense from continuing operations				(18,846)
Segment assets	17,341	13,753	17,245	48,339
Unallocated assets				-
Total assets				48,339
Segment liabilities	4,272	16,137	28,996	49,405
Unallocated liabilities				-
Total liabilities				49,405
Depreciation and amortisation expense	558	160	-	718
Acquisition of non-current assets by continuing operations	173	193	432	798

Note 3. Segment information (continued)

2008	Manufacturing $'000	Distribution $'000	Intersegment Elimination/ unallocated $'000	Consolidated $'000
Sales to external customers	49,470	29,049	-	78,519
Intersegment sales	2,471	-	(2,471)	-
Total sales revenue	51,941	29,049	(2,471)	78,519
Other income	672	194	38	904
Total segment revenue	52,613	29,243	(2,433)	79,423
Segment result	7,713	5,932	-	13,645
Unallocated revenue less unallocated expenses				(5,440)
Profit before income tax expense				8,205
Income tax expense				(2,075)
Profit after income tax expense				6,130
Segment assets	85,977	35,016	(37,247)	83,746
Unallocated assets				34,357
Total assets				118,103
Segment liabilities	30,694	22,239	(37,247)	15,686
Unallocated liabilities				40,657
Total liabilities				56,343
Acquisition of non-current segment assets	11,637	4,455	260	16,352
Depreciation and amortisation expense	905	165	11	1,081

Note 3. Segment information (continued)

Secondary reporting - geographical segments

	Sales to external customers		Segment assets		Acquisition of non-current segment assets	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Australia/New Zealand	42,901	72,577	48,148	114,900	798	16,352
USA	1,048	2,051	188	1,099	-	-
Europe	-	2,435	-	1,890	-	-
South Asia	8	163	-	1	-	-
Other	365	1,293	3	213	-	-
	44,322	78,519	48,339	118,103	798	16,352

Note 4. Revenue

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
From continuing operations				
Sales revenue				
Sale of goods	31,044	50,339	-	-
Service and hire	13,278	28,180	-	-
	44,322	78,519	-	-
Other revenue				
Dividends received	-	-	-	12,450
Interest received	52	177	11	78
Other revenue	580	623	-	4
	632	800	11	12,532
Revenue from continuing operations excluding fair value adjustments	44,954	79,319	11	12,532

Note 5. Other income

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Foreign exchange gain	-	72	-	-
Net gain on sale of property, plant and equipment	-	26	-	-
Subsidies and grants	-	6	-	-
Other income	-	104	-	-

Note 6. Expenses from continuing operations

		Consolidated		Parent entity	
		2009	2008	2009	2008
	Note	$'000	$'000	$'000	$'000
Profit /(Loss) before income tax includes the following specific expenses:					
Raw materials and consumables used					
Raw materials and consumables used		21,235	37,150	-	-
Finance costs					
Interest and finance charges paid/payable		2,707	394	2,632	185
Borrowing costs		80	10	130	10
Finance costs expensed		2,787	1,845	2,762	1,715
Rental expense relating to operating leases					
Minimum lease payments		2,824	2,372	834	56
Total rental expense relating to operating leases		2,824	2,372	834	56
Defined contribution superannuation expense					
Defined contribution superannuation expense		1,843	1,463	145	123
Bad debts expense					
Bad debts expense	9	295	213	-	-
Impairment of assets:					
Impairment of intangible assets	17	22,745	-	-	-
Impairment of investments in subsidiaries	15	-	-	34,641	-
Stock obsolescence	10	2,553	-	-	-
Loss on disposal of assets/investments					
Loss on disposal of assets/investments		1,840	-	-	-

Note 7. Income tax expense/(benefit)

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Income tax expense/(benefit)				
Current tax	788	2,601	763	(1,581)
Deferred tax	(394)	(452)	(223)	(64)
Under/(over) provision in prior years	(2,282)	(74)	(2,282)	82
Aggregate income tax expense/(benefit)	(1,888)	2,075	(1,742)	(1,563)
Deferred income tax expense/(benefit) included in income tax expense/(benefit) comprises:				
Decrease/(increase) in deferred tax assets (note 18)	(394)	(452)	(223)	(64)
	(394)	(452)	(223)	(64)
Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable				
Profit/(Loss) before income tax (expense)/benefit	(61,675)	8,205	(71,381)	6,940
Tax at the Australian tax rate of 30%	(18,502)	2,462	(21,414)	2,082
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-taxable dividends	-	-	-	(3,735)
Entertainment and legal expenses	151	9	123	2
Research and development concession	(53)	(322)	-	-
Impairment of assets	17,892	-	20,751	-
Sundry items	38	-	212	6
	(474)	2,149	(328)	(1,645)
Under/(over) provision in prior years	(2,282)	(74)	(2,282)	82
Tax losses not recognised	868	-	868	-
Income tax expense/(benefit)	(1,888)	2,075	(1,742)	(1,563)

The consolidated entity is part of a tax consolidated group, excluding Dyno Dynamics Europe Limited. See the income tax accounting policy in note 1.

Note 8. Current assets - cash and cash equivalents

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Cash on hand	9	13	-	-
Cash at bank	1,410	3,433	-	393
	1,419	3,446	-	393

Note 9. Current assets - trade and other receivables

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade receivables	7,665	18,719	-	-
Less: Provision for impairment of receivables	(681)	(235)	-	-
	6,984	18,484	-	-
Other receivables	1,393	505	53	29
	8,377	18,989	53	29

Bad and doubtful trade receivables

The consolidated entity has recognised a loss of $295,000 (2008: $213,000) in respect of bad and doubtful trade receivables during the year ended 30 June 2009.

Impairment of receivables

The ageing of the provision for impairment of receivables recognised above is as follows:

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
3 to 6 months	674	47	-	-
Over 6 months	7	188	-	-
	681	235	-	-

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Opening balance	235	142	-	-
Additional provisions recognised	536	213	-	-
Receivables written off during the year as uncollectible	(90)	(120)	-	-
Closing balance	681	235	-	-

Included within the $536,000 includes amounts of $241,000 provided for discontinued operations.

Note 9. Current assets - trade and other receivables (continued)

Past due but not impaired
Customers with balances past due but without provision for doubtful debts amount to $389,000 at 30 June 2009. Management did not consider a credit risk on the aggregate balances after reviewing agency credit information and recognising a tacit extension to the recorded credit terms of customers based on recent collection practices.

The aging of the past due but not impaired receivables is as follows:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
1 to 3 months	389	3,883	-	-
3 to 6 months	-	850	-	-
Over 6 months	-	93	-	-
	389	4,826	-	-

Note 10. Current assets - inventories

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Raw materials - at cost	1,430	3,842	-	-
Work in progress - at cost	420	1,001	-	-
Finished goods - at cost	5,166	7,020	-	-
Provision for stock obsolescence	(2,553)	-	-	-
	4,463	11,863	-	-

Note 11. Current assets - income tax

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Income tax receivable	748	-	748	-

Note 12. Current assets – assets classified as held for sale

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Assets classified as held for sale	600	-	-	-

The assets classified as held for resale represent the adjusted fair value of Dyno Dynamics Pty Ltd assets. Discussions are continuing regarding the sale of this business.

Note 13. Current assets - other

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Prepayments	404	710	301	498

Note 14. Non-current assets - receivables

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Receivable from subsidiaries	-	-	26,336	39,404
Provision for receivable from subsidiaries	-	-	(18,271)	39,404
Receivable from subsidiaries - tax related	-	-	-	3,180
	-	-	8,065	42,584

Note 15. Non-current assets - other financial assets

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Shares in subsidiaries (note 39)	-	-	52,747	55,403
Provision for shares in subsidiaries (note 38)	-	-	(34,641)	-
Other loans	-	395	-	281
	-	395	18,106	55,684

Note 16. Non-current assets - property, plant and equipment

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Leasehold improvements - at cost	227	346	-	-
Less: Accumulated depreciation	(18)	(19)	-	-
	209	327	-	-
Plant and equipment - at cost	2,765	4,900	71	232
Less: Accumulated depreciation	(1,198)	(652)	(5)	-
	1,567	4,248	66	232
Plant and equipment under lease	595	564	-	-
Less: Accumulated depreciation	(110)	(151)	-	-
	485	413	-	-
Furniture and equipment - at cost	444	1,063	66	57
Less: Accumulated depreciation	(181)	(346)	(34)	(16)
	263	717	32	41
Motor vehicles - at cost	679	1,176	-	-
Less: Accumulated depreciation	(315)	(196)	-	-
	364	980	-	-
	2,888	6,685	98	273

Note 16. Non-current assets - property, plant and equipment (continued)

Reconciliations

Reconciliations of the fair values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvement $'000	Plant and equipment $'000	Plant under lease $'000	Furniture and equipment $'000	Motor vehicles $'000	Group $'000
Consolidated						
Balance 1 July 2007	15	2,567	185	561	302	3,630
Additions	9	1,557	165	177	501	2,409
Additions through business combinations	321	861	162	220	491	2,055
Disposals	-	(208)	(1)	(51)	(90)	(350)
Depreciation expense	(18)	(529)	(98)	(190)	(224)	(1,059)
Balance 30 June 2008	327	4,248	413	717	980	6,685
Additions	3	723	99	83	104	1,012
Revalued for sale	(20)	(1,211)	(222)	(170)	(82)	(1,705)
Impairment	-	(471)	-	-	-	(471)
Impaired due to being placed in voluntary administration or being wound-up	(81)	(118)	-	(40)	(238)	(477)
Reclassification	-	(318)	318	-	-	-
Disposals	-	(646)	(4)	(163)	(180)	(993)
Depreciation expense	(20)	(640)	(119)	(164)	(220)	(1,163)
Balance 30 June 2009	209	1,567	485	263	364	2,888

	Leasehold improvement $'000	Plant and equipment $'000	Plant under lease $'000	Furniture and equipment $'000	Motor vehicles $'000	Parent $'000
Parent entity						
Balance 1 July 2007	-	-	-	24	-	24
Additions	-	232	-	28	-	260
Depreciation expense	-	-	-	(11)	-	(11)
Balance 30 June 2008	-	232	-	41	-	273
Additions	-	422	-	10	-	432
Impairments	-	(471)	-	(1)	-	(472)
Depreciation expense	-	(117)	-	(18)	-	(135)
Balance 30 June 2009	-	66	-	32	-	98

Note 17. Non-current assets - intangibles

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Goodwill - at cost	51,078	66,699	-	-
Less Impairment	(22,745)	-	-	-
	28,333	66,699	-	-
Product development - at cost	-	1,187	-	-
Less: Accumulated amortisation	-	(31)	-	-
	-	1,156	-	-
Patents and trademarks - at cost	12	12	-	-
Less: Accumulated amortisation	-	-	-	-
	12	12	-	-
Intellectual property - at cost	-	6,660	-	-
Less: Accumulated amortisation	-	-	-	-
	-	6,660	-	-
	28,345	74,527	-	-

Reconciliations
Reconciliations of the fair values at the beginning and end of the current and previous financial year are set out below:

	Goodwill $'000	Product development $'000	Patents and trademarks $'000	Intellectual property $'000	Consolidated $'000
Consolidated					
Balance 1 July 2007	26,673	541	23	-	27,237
Additions	-	637	-	6,660	7,297
Additions through business combinations	41,120	-	-	-	41,120
Write-off of assets	-	-	(11)	-	(11)
EBIT adjustments to previous acquisitions	(1,094)	-	-	-	(1,094)
Amortisation expense	-	(22)	-	-	(22)
Balance 30 June 2008	66,699	1,156	12	6,660	74,527
Additions	-	195	9	365	569
Impairment of continuing businesses	(22,745)	-	(9)	-	(22,754)
Impairment of discontinuing businesses	(14,975)	(1,351)	-	(6,673)	(22,999)
EBIT adjustments to previous acquisitions	(646)	-	-	-	(646)
Amortisation expense	-	-	-	(352)	(352)
Balance 30 June 2009	28,333	-	12	-	28,345

The events and circumstances that lead to the impairments were a downturn in the automotive industry, plus the discontinuation of a number of entities in the Group.

Note 17. Non-current assets - intangibles (continued)

Intangible assets other than goodwill have finite useful lives. The current amortisation charge in respect of intangible assets is included under depreciation and amortisation expense in the income statement.

Goodwill is allocated to cash-generating units which are based on the consolidated entity's reporting segments.

	Consolidated 2009 $'000	2008 $'000
Manufacturing	9,805	19,975
Distribution	18,528	18,767
Business Services	-	27,957
	28,333	66,699

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period using an estimated growth rate. The cash flows are discounted at the beginning of the budgeted year.

The following assumptions were used in the value-in-use calculations:
Growth Rate 0-1%
Discount Rate 16%

Management has based the value-in-use calculations on budgets. These budgets use historical weighted average growth rates to project revenue, due to the current effects of the economic environment on the automotive industry the Company has used a conservative growth rate of 0-1% which reflects the past financial years growth rate. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the years which are consistent with inflation rates applicable to Allomak Limited. Discount rates are pre-tax and are adjusted to incorporate risks associated with Allomak Limited.

Note 18. Non-current assets - deferred tax

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Doubtful debts	204	58	-	-
Employee benefits	313	503	14	9
Accrued expenses	-	175	-	37
Research and development	-	(347)	-	-
Inventory	68	403	-	-
Sundry items	-	60	-	-
	585	852	14	46
Amounts recognised in equity:				
Transaction costs on share issue	509	636	509	469
	509	636	509	469
Deferred tax asset	1,094	1,488	523	515
Movements:				
Opening balance	1,488	734	746	515
Credited/(charged) to the income statement (note 7)	(394)	452	(223)	64
Credited/(charged) to equity	-	167	-	167
Acquired in business combinations	-	135	-	-
Closing balance	1,094	1,488	523	746

Deferred tax asset not brought to account

As at 30 June 2009, the consolidated entity had estimated unrecouped income tax losses of $4,388,122 (2008: $1,495,450). The benefit of these losses of $1,316,437 (2008: $448,635) has not been brought to account as realisation is not probable.

The benefit will only be obtained if:

(i) the companies derive future assessable income of a nature and an amount sufficient to enable the benefits from the deductions for the losses to be realised
(ii) the companies continue to comply with the conditions for deductibility imposed by the law
(iii) no changes in tax legislation adversely affect the companies in realising the benefit from the deductions for the losses

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Note 19. Current liabilities - trade and other payables

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Trade payables	4,778	8,919	422	253
Deferred cash consideration – key vendors	691	4,464	482	2,130
Deferred cash consideration - other	338	4,641	338	610
Onerous lease	1,101	-	88	-
Other payables	3,902	2,999	2,220	757
	10,810	21,023	3,550	3,750

The key vendor agreements have resulted in $5,052,500 being settled via equity, of which $1,802,500 will be settled effective 30 June 2009 (note 28) and the remaining liability of $4,802,500 to be repaid quarterly over 5 years interest free. The present value of $4,802,500 is $4,003,980.

The present value of the deferred cash consideration of $4,003,980 that is owing to the key vendors has been partially classified as a current deferred cash consideration (as above) and partially classified to the non-current deferred cash consideration (Note 26).

Current portion (as above)	$ 690,876
Non-current portion (note 26)	$3,313,104
Total key vendor cash consideration	$4,003,980

In order to reach agreement with the key vendors an additional payment of $1.025 million was made to the key vendors (on a proportionate basis) which facilitated the vendor amount of the restructure. This payment has been shown in face of the income statement.

In addition, as part of the negotiations with the key vendors, $3 million, which was originally to be satisfied by way of equity was renegotiated as cash consideration, and is reflected as a payable at 30 June 2009. This matter was part of the resolutions approved at the EGM on 2nd October 2009.

Note 20. Current liabilities - borrowings

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank bills	1,836	29,919	1,836	29,919
Other loans - unsecured	-	4	-	-
Lease liability	224	220	-	-
Overdraft	1,054	-	1,054	-
	3,114	30,143	2,890	29,919

On 30 June 2009, the Company completed negotiations for a revised banking facility. This facility defers the due date on the bank bills until 30 June 2014 and the debt repayment is now considered as a long term liability. The new facility also requires 35% of the Company's EBIT and 75% of free cash flow annually (as defined under the agreement) to be paid towards the principal of the bills.

Refer to note 24 for further information.

The current liability has been estimated based on the forecast performance of the Allomak Limited Consolidated Entity for the 2010 financial year.

Note 21. Current liabilities – liabilities classified as held for sale

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Liabilities classified as held for sale	206	-	-	-

The liabilities classified as held for resale represent the employee entitlements of Dyno Dynamics Pty Ltd. Discussions are continuing regarding the sale of this business.

Note 22. Current liabilities - income tax

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Provision for income tax	-	1,457	-	1,457

Note 23. Current liabilities - provisions

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Provisions - annual leave	776	925	42	62
Provisions - long service leave	266	481	-	-
Provisions - dividends	2,818	15	2,818	15
Provisions - warranty	323	-	-	-
Provisions - unpaid commissions	56	30	-	-
	4,239	1,451	2,860	77

	Warranty	Unpaid Commissions	Dividends	Total
Carrying amount at beginning of year	-	30	15	45
Arising during the year	458	368	2,815	3,641
Utlised	(135)	(342)	(12)	(489)
Carrying amount at end of year	323	56	2,818	3,197

Dividends
Final ordinary fully franked dividend for the year ended 30 June 2009 of 2.1 cents per fully paid share was declared on 1 September 2008 and is now payable, however the Board on 20 November 2008 resolved that given the current economic climate and certain factors referred to in Allomak's announcement of 23 October 2008, it has decided to defer the final dividend. Allomak will provide further guidance on this dividend at the November AGM.

Warranty
The warranty provision has been calculated using the history of the percentage of warranty costs that result from a given amount of sales each year. The provision also includes outstanding warranty work in relation to Dyno Dynamics software upgrades.

Unpaid commission
Commissions payable to sales staff and customers that have resulted from sales made in the 2009 financial year.

Note 23. Current liabilities - provisions (continued)

Amounts not expected to be settled within the next 12 months

The current provision for annual leave is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated		Parent entity	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Annual leave obligation expected to be settled after 12 months	196	234	-	16
Long service leave obligation expected to be settled after 12 months	150	272	-	-
Total obligations expected to be settled after 12 months	346	506	-	16

Note 24. Non-current liabilities - borrowings

	Consolidated		Parent entity	
	2009 $'000	**2008 $'000**	**2009 $'000**	**2008 $'000**
Bank bills and loan note	25,117	-	25,117	-
Lease liability	435	602	-	-
	25,552	602	25,117	-

On 30 June 2009 the Company completed negotiations for a revised banking facility. This facility defers the due date on the bank bills until 30 June 2014 and the debt repayment is now considered as a long term liability. The new facility also requires 35% of the company's EBIT and 75% of free cash flow annually (as defined under the agreement) to be paid towards the principal of the bills.

Note 24. Non-current liabilities - borrowings (continued)

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Bank bills and loan note	26,953	29,919	26,953	29,919
Lease liability	659	822	-	-
	27,612	30,741	26,953	29,919

On 30 June 2009, the Company completed negotiations for a revised banking facility. This facility defers the due date on the bank bills until 30 June 2014 and the debt repayment is now considered as a long term liability. The new facility also requires 35% of the Company's EBIT to be paid quarterly towards the principal of the bills.

The revised banking facility includes the following covenants:

- achievement of EBIT Targets
- achievement of an interest cover target
- achievement of gearing target
- non-payment of dividends without the banks prior written consent

As at the date of this report all the above covenants have been met.

Assets pledged as security
The bank bills are secured by a fixed and floating charge over all of the assets and uncalled capital of Allomak Limited and all of its subsidiaries.

The lease liabilities are effectively secured as the rights to the leased assets recognised in the balance sheet revert to the lessor in the event of default.

Note 24 Non-current liabilities - borrowings (continued)

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Total facilities				
Bank bills	21,921	35,000	21,921	35,000
Loan note	12,000	-	12,000	-
	33,921	35,000	33,921	35,000
Used at balance date				
Bank bills	21,921	29,919	21,921	29,919
Loan note	12,000	-	12,000	-
	33,921	29,919	33,921	29,919
Unused at balance date				
Bank bills	-	5,081	-	5,081
	-	5,081	-	5,081

The $12 million loan note above was as part of the revised bank facility. This $12 million was recapitalized as interest free payable over 9 years and 9 months with an option to forego $6million in debt at any time by paying down the debt by $6million.

Due to the nature of the loan note, the directors requested an independent valuation by Hall Chadwick to determine the fair value of the loan note. The fair value was determined to be $5.320 million, with the difference taken to the income statement for the year.

Note 25. Non-current liabilities - provisions

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Provisions - long service leave	155	263	3	2

Note 26. Non-current liabilities - other

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Deferred cash consideration – key vendors (refer to note 19)	3,313	1,404	2,311	1,160
Onerous lease	2,016	-	-	-
	5,329	1,404	2,311	5,081

The onerous lease relates to operating leases for unused office space and unused emissions testing equipment.

Note 27. Equity - contributed

	Consolidated and Parent entity 2009 Shares	Consolidated and Parent entity 2008 Shares	Consolidated and Parent entity 2009 $'000	Consolidated and Parent entity 2008 $'000
Ordinary shares - fully paid	139,033,157	133,982,379	54,854	56,882

Movements in ordinary share capital

Details	Date	No of shares	Issue price	$'000
Balance	30 June 2007	89,823,042		25,153
Conversion of options	17 October 2007	750,000	$0.40	300
Shares issued	17 October 2007	13,000,000	$0.82	10,660
Conversion of options	21 November 2007	1,625,000	$0.47	764
Dividend reinvestment plan	21 November 2007	436,539	$0.84	373
Shares issued	27 November 2007	7,731,707	$0.82	6,340
Shares issued to vendor	4 December 2007	254,043	$0.75	190
Shares issued to vendor	4 December 2007	10,180,835	$0.61	6,159
Shares issued to vendor	4 December 2007	28,852	$0.87	25
Shares issued to vendor	4 December 2007	2,788,348	$0.91	2,535
Shares issued to vendor	5 December 2007	179,391	$0.94	170
Conversion of options	21 December 2007	1,325,000	$0.57	755
Conversion of options	22 December 2007	300,000	$0.57	171
Dividend reinvestment plan	22 April 2008	457,842	$0.37	170
Shares issued to vendor	13 June 2008	5,101,780	$0.71	3,650
Transaction costs on share issue				(533)
Balance	30 June 2008	133,982,379		56,882
Shares issued to vendor	15 September 2008	483,871	$0.31	150
Shares issued to vendor	4 December 2008	1,077,284	$0.56	603
Shares issued to vendor	10 February 2009	3,350,387	$0.03	100
Shares issued to vendor	3 April 2009	139,236	$0.29	41
Transaction costs – tax benefit				78
Less: reclassification of vendor shares issued in prior year				(3,000)
Balance	30 June 2009	139,033,157		54,854

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

Note 28. Equity to be issued

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Shares to be issued to vendors of 45,062,500 ordinary shares at 4 cents each	1,803	-	1,803	-

The key vendor agreements resulted in $1,802,500 being settled via equity.

Note 29. Equity - reserves

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Option reserve	47	47	47	47

	Option $'000	Consolidated $'000
Consolidated		
Balance 1 July 2007	29	29
Share-based payments	18	18
Balance 30 June 2008	47	47
Share-based payments	-	-
Balance 30 June 2009	47	47

	Option $'000	Parent $'000
Parent entity		
Balance 1 July 2007	29	29
Share-based payments	18	18
Balance 30 June 2008	47	47
Share-based payments	-	-
Balance 30 June 2009	47	47

Option reserve

The option reserve is used to record the fair value of equity benefits provided to employees and directors as part of their compensation.

Note 30. Equity - retained profits/(accumulated losses)

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Retained profits at the beginning of the financial year	4,831	1,969	6,913	1,815
Profit/(loss) after income tax (expense)/benefit	(59,787)	6,267	(69,639)	8,503
Dividends paid (note 31)	(2,815)	(3,405)	(2,815)	(3,405)
Retained profits/(accumulated losses) at the end of the financial year	(57,771)	4,831	(65,541)	6,913

Note 31. Equity - dividends

	Parent entity	
	2009	2008
	$'000	$'000
Final ordinary fully franked dividend for the year ended 30 June 2009 of 2.1 cents per fully paid share was declared on 1 September 2008, however the Board on 20 November 2008 resolved that given the current economic climate and certain factors referred to in Allomak's announcement of 23 October 2008, it has decided to defer the final dividend. Allomak will provide further guidance on this dividend after receiving the results of the AGM in November 2009.	2,815	-
Final ordinary fully franked dividend for the year ended 30 June 2008 of 2.2 cents per fully paid share fully paid on 21 November 2008	-	1,993
Interim ordinary fully franked dividend for the year ended 30 June 2009 of 1.1 cents (2008:1.0 cent) per fully paid share fully paid on 22 April 2009	-	1,412
	2,815	3,405
Franking credits available for subsequent financial years based on a tax rate of 30%	3,000	3,056

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax
- franking credits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 32. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and aging analysis for credit risk.

Risk management is carried out by senior finance executives (finance) under policies approved by the board of directors. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

Note 32. Financial instruments (continued)

Market risk

Foreign currency risk
Dyno Dynamics Europe Limited, a subsidiary, is denominated in Pound Sterling and the Group also has purchases in US Dollars. Therefore the consolidated entity is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Consolidated				
US Dollar	-	-	107	855
Pound Sterling	368	1,577	521	-
	368	1,577	628	855

The consolidated entity had assets denominated in Pound Sterling of AUD$368,000 as at 30 June 2009. Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the Pound Sterling with all other variables held constant, the consolidated entity's result for the year and equity would have been $15,000 higher/$15,000 lower.

The consolidated entity had assets dominated in US Dollars of AUD$107,000 as at 30 June 2009. Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the US Dollar with all other variables held constant, the consolidated entity's result for the year and equity would have been $11,000 higher/$11,000 lower.

The actual foreign exchange loss for the year ended 30 June 2009 was $64,000.

The parent entity had no foreign currency denominated financial assets and financial liabilities at the reporting date.

The consolidated entity and parent entity do not employ foreign currency hedges and have no official foreign currency policy. If the transactional value, net asset position and overall exposure increases it is likely that a policy will be adopted to mitigate risk.

Price risk
The consolidated entity and parent entity are not exposed to price risk.

Interest rate risk
The consolidated entity and parent entity's main interest rate risk arises from short and long-term borrowings. All borrowings are issued at variable rates and this exposes the consolidated entity and parent entity to interest rate risk. The consolidated entity and parent entity attempt to mitigate this interest rate risk exposure by maintaining an adequate interest cover ratio and gearing ratio that ensures financing costs are not significant costs.

For the consolidated entity and parent entity the bank bills outstanding, totalling $21,921,000, are principal and interest repayment bank bills. Monthly cash outlays of approximately $120,000 per month are required to service the interest payments. An official increase in interest rates of one percentage point would have an adverse affect on the result of $220,000 per annum. An official decrease in interest rates of one percentage point would have a positive affect on the result of $220,000 per annum.

In addition, principal repayments of 35% of EBIT or approximately $450,000 per quarter are required, with the first repayment due on 31 October 2009.

Note 32. Financial instruments (continued)

Credit risk
Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit and obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheets and notes to the financial statements.

As at 30 June 2009 the consolidated entity had no significant credit risk.

Liquidity risk
The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Undrawn borrowing facilities at the reporting date to which the consolidated entity and the parent entity had access to are disclosed in note 24.

The bank bill facility was breached during the year ended 30 June 2009 and was provided on a month to month basis, subject to the financier's approval. In June 2009, the consolidated entity successfully negotiated a new bank bill facility of $21,921,000 for 5 years and loan note of $12,000,000 to expire on 30 September 2018.

Liquidity and interest rate risk management
The following tables detail the consolidated entity's and parent entity's remaining contractual maturity for its derivative and non-derivative financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity and parent entity can be required to pay. The tables include both interest and principal cash flows, disclosed as remaining contractual maturities and these totals differ from their carrying amount in the balance sheet for interest-bearing liabilities due to the interest component.

Consolidated - 2009	Weighted average interest rate %	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	4,778	-	-	-	4,778
Other payables	-	3,860	-	-	-	3,860
Deferred cash consideration	-	1,071	742	797	1,774	4,384
Interest bearing - <u>variable rate</u>						
Bank bills	6.48	1,955	1,955	1,955	23,536	29,401
Overdraft	18.62	1,250	-	-	-	1,250
Interest bearing - <u>fixed rate</u>						
Lease liability	8.76	244	473	-	-	717
Total non-derivatives		13,158	3,170	2,752	25,310	44,390

Note 32. Financial instruments (continued)

Consolidated 2008	Weighted average interest rate %	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	8,919	-	-	-	8,919
Other payables	-	2,999	-	-	-	2,999
Other loans	-	4	-	-	-	4
Deferred cash consideration	-	9,105	1,404	-	-	10,509
Interest bearing - variable rate						
Bank bills	9.41	32,734	-	-	-	32,734
Overdraft	18.62	1,250	-	-	-	1,250
Interest bearing - fixed rate						
Lease liability	8.76	276	669	-	-	945
Total non-derivatives		55,287	2,073	-	-	57,360

Parent entity 2009	Weighted average interest rate %	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	442	-	-	-	442
Other payables	-	2,220	-	-	-	2,220
Deferred cash consideration	-	820	517	556	1,238	3,131
Interest bearing - variable rate						
Bank bills	6.48	1,955	1,955	1,955	23,536	29,401
Total non-derivatives		5,437	2,472	2,511	24,774	35,194

Note 32. Financial instruments (continued)

Parent entity 2008	Weighted average interest rate %	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 3 years $'000	Over 3 to 4 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	253	-	-	-	253
Other payables	-	757	-	-	-	757
Deferred cash consideration	-	2,740	1,160	-	-	3,900
Interest bearing - variable rate						
Bank bills	-	32,734	-	-	-	32,734
Total non-derivatives		36,484	1,160	-	-	37,644

Fair value of financial instruments

The carrying amounts of financial instruments reflect their fair value.

Capital risk management

The consolidated entity's and parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The consolidated entity has a process of monitoring overall cash balances on a strategic long term basis and at an operational level on a weekly basis. This is to ensure ongoing liquidity, prompt decision making and allow proactive communication with its funders.

Historically acquisition of other businesses has been one of the key growth strategies for the consolidated entity. In the future, the consolidated entity may concentrate on expanding its existing businesses depending on market conditions. The consolidated entity in the past used a mixture of debt and equity to fund these activities, this approach is not expected to continue and would not be relevant going forward.

The consolidated entity's current focus is to ensure it meets debt covenants, reduces debt, reduces costs and focuses on its current operations in the automotive aftercare market.

The consolidated entity may issue new shares or sell assets to either reduce debt or to invest in income producing assets. This is decided on the basis of maximising shareholder returns over the long term.

The consolidated entity's overall capital risk management strategy has been more conservative due to the current year's negative result.

Breaches of the covenants with the Company's bankers occurred during the course of the year, however this has been resolved via a new facility agreement completed on 30 June 2009. There were no adverse consequences resulting from the breach.

Note 33. Key management personnel disclosures

Directors

The following persons were directors of Allomak Limited during the financial year:

Chris Sadler	Chairman and Non-executive Director
The Hon John Anderson	Non-executive Director
Rob Allan (resigned 4 February 2009)	Managing Director and Chief Executive Officer
Anthony McLellan (resigned 9 February 2009)	Past Chairman and Non-executive Director
Wendy Simpson (resigned 26 September 2008)	Non-executive Director
Ray Malone (appointed on 23 January 2009)	Executive Director
Don Easter (appointed on 23 January 2009)	Non-executive Director

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

Tom McDonald (appointed 22 September 2008)	Chief Financial Officer
Tracey O'Neill (resigned 9 February 2009)	Company Secretary
Bruce Armstrong (resigned 14 July 2008)	Chief Operating Officer
Ian McKenzie (resigned 12 March 2008)	Acquisition and Integration Manager
Laurence Mosley (resigned 31 December 2008)	Group Financial Controller
Donald Easter (resigned 8 September 2008)	Group Executive Manager

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated		**Parent entity**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Short-term employee benefits	1,835,093	1,487,393	1,327,385	1,487,393
Post-employment benefits	122,622	85,673	83,467	85,673
Other long-term benefits		-	-	-
Share-based payments	109,584	-	-	-
	2,067,299	1,573,066	1,410,852	1,573,066

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2009	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Rob Allan *	9,715,592	-	-	4,258	9,711,334
Wendy Simpson	7,500	-	-	7,500	-
Ray Malone	10,180,835	-	1,077,284	1,077,285	10,180,835
Ray Smith-Roberts	114,268	2,739,600	105,000	-	2,958,868
Tom McDonald	-	-	4,000	-	4,000
Don Easter	-	-	150,000	-	150,000
The Hon John Anderson	30,000	-	-	-	30,000
Tracey O'Neill	250,288	-	-	-	250,288

Note 33. Key management personnel disclosures (continued)

2008	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Rob Allan *	11,125,790	-	159,802	1,570,000	9,715,592
Wendy Simpson	7,500	-	-	-	7,500
John Worton **	366,089	-	-	366,089	-
The Hon John Anderson	-	-	30,000	-	30,000
Tracey O'Neill	243,103	-	7,185	-	250,288

* Rob Allan's disposals represents an off-market transfer to a charitable trust (prescribed private fund). No further beneficial ownership is held by Rob Allan, or any related entity.

** John Worton resigned on 23 November 2007 and disposals of 366,089 represent his shareholding at that date.

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2009	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
Ordinary shares					
Anthony McLellan	560,000	-	-	560,000	-
Rob Allan	9,750,000	-	-	9,750,000	-
Wendy Simpson	560,000	-	-	560,000	-
Tracey O'Neill	75,000	-	-	-	75,000
Bruce Armstrong	200,000	-	-	200,000	-
Ian McKenzie	48,000	-	-	48,000	-

2008	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
Ordinary shares					
Anthony McLellan	560,000	-	-	-	560,000
Rob Allan	9,750,000	-	-	-	9,750,000
Wendy Simpson	560,000	-	-	-	560,000
John Worton	3,250,000	-	(3,250,000)	-	-
Tracey O'Neill	75,000	-	-	-	75,000
Bruce Armstrong	400,000	-	-	(200,000)	200,000
Ian McKenzie	48,000	-	-	-	48,000

Further disclosures

The consolidated entity has applied the relief outlined in AASB 2008-4, by disclosing the full key management personnel disclosures in the directors' report only, thus not duplicating that information in the financial report. These transferred disclosures have been audited.

Note 34. Remuneration of auditors

During the year the following fees were paid or payable for services provided by PKF, the auditor of the company, and its related practices:

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
Audit services - PKF				
Audit or review of the financial report	380,115	476,200	380,115	476,200
	380,115	476,200	380,115	476,200
Other services - PKF				
Advisory services	-	6,000	-	6,000
Taxation	303,360	188,281	303,360	188,281
	303,360	194,281	303,360	194,281
	683,475	670,481	683,475	670,481

Note 35. Contingent liabilities

Unsecured guarantees, indemnities and undertakings have been given by the parent entity in the normal course of business in respect of financial trade arrangements entered into by its discontinuing subsidiaries and a Deed of Cross Guarantee was entered into with its continuing subsidiaries during the financial year ended 30 June 2009. It is not practicable to ascertain or estimate the maximum amount for which the parent entity may become liable in respect thereof. At 30 June 2009 no subsidiary was in default in respect of any arrangement guaranteed by the parent entity and all amounts owed have been brought to account as liabilities in the financial statements.

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank guarantees	1,990	2,031	1,807	1,827

Note 36. Commitments for expenditure

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Capital commitments - Property, plant and equipment				
Committed at reporting date but not recognised as liabilities, payable:				
Within one year	60	130	-	-
Lease commitments - operating				
Committed at reporting date but not recognised as liabilities, payable:				
Within one year	1,639	2,689	22	314
One to five years	881	5,715	-	192
More than five years	-	205	-	-
	2,520	8,609	22	506
Lease commitments - finance				
Committed at reporting date and recognised as liabilities, payable:				
Within one year	250	276	-	-
One to five years	534	669	-	-
Total commitment	784	945	-	-
Less: Future finance charges	(125)	(123)	-	-
Net commitment recognised as liabilities	659	822	-	-
Representing:				
Lease liability - current (note 20)	224	220	-	-
Lease liability - non-current (note 24)	435	602	-	-
	659	822	-	-

Property leases periods 1 to 5 years (shown as operating leases) are non-cancellable with rent payable monthly in advance. Contingent rental provisions within lease agreements generally require minimum lease payments be increased by CPI or a percentage factor. Certain agreements have option arrangements to renew the lease for an additional term and an option to purchase the premises at the market price at time of option exercise.

Operating leases of $2,878,000 have recognised as onerous lease liabilities in the financial year ended 30 June 2009.

Finance leases relate to motor vehicles and a fork lift and are generally leased over a five year period with a 40% residual on completion. The leases are secured by a charge over the respective asset financed.

Note 37. Related party transactions

Parent entity
The parent and ultimate holding entity is Allomak Limited.

Subsidiaries
Interests in subsidiaries are set out in note 39.

Key management personnel
Disclosures relating to key management personnel are set out in note 33 and the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Other income:				
Dividends received from subsidiaries	-	-	-	12,450,000
Payment for other expenses:				
Ray Malone is a director of the following companies which received the following:				
Rent (Silvan Bond Pty Ltd)	131,892	142,623	-	-
Directors fees (Shildplex Pty Ltd)	50,000	-	-	-
Rent (Malone Superannuation Fund)	31,386	33,020	-	-
Vendor payment (Mr Gloss Pty Ltd).	703,620	-	-	-

Receivable from and payable to related parties
There are no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Non-current receivables:				
Loan to Mr Rob Allan	293,298	274,111	293,298	274,111
Loan to subsidiaries	-	-	8,065,047	39,404,127
Receivable from subsidiaries - tax related	-	-	-	3,180,000

At the time of the listing Allomak entered into a loan agreement with Mr Rob Allan for an advance of an amount of $245,000 for the purpose of assisting Mr Allan to discharge existing loans which were incurred to facilitate the acquisition of equity in the company. This loan is secured by a proportion of Mr Allan's shareholding in the company. The loan carries a commercial interest rate of 7.50% per annum accruing and payable annually in arrears. The loan is repayable in full within 5 years. The balance at 30 June 2009 was $293,298 (2008: $274,111), which was the highest balance during the financial year. No interest has been charged and the loan has been provided in full.

The Directors have assessed the likely recoverability of the above loan. The recoverable amount that was determined as a result of that assessment, if any, has been included in the "other receivables" balance of $1.393 million shown in note 8. Full particulars have not been disclosed as the Directors believe it may be prejudicial to the outcome of legal proceedings.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates, except for loans to subsidiaries which are non-interest bearing.

Note 38. Business combinations

There were no new business combinations in the financial year ended 30 June 2009.

Mr Gloss

On 1 July 2007 Allomak Limited acquired Mr Gloss Holdings Pty Limited, a subsidiary, for $17,589,000. The principal activity of this subsidiary is the provision of smash repair services.

Details of the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Raw materials	79	79
Leasehold improvements	224	224
Plant and equipment	494	494
Furniture and equipment	57	57
Motor vehicles	57	57
Deferred tax asset	-	83
Employee benefits	(276)	(276)
Lease liability	(206)	(206)
Net assets acquired	429	512
Goodwill		17,077
Total purchase consideration		17,589
Representing:		
Consideration paid or payable to the vendor		17,097
Direct costs paid relating to the acquisition		492
		17,589

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Outflow of cash to acquire business, net of cash acquired:				
Total purchase consideration	17,589	17,477	16,409	17,477
Less: payments to be made in future periods	-	(603)	-	(603)
Less: 92,687,510 shares issued by parent entity as part of consideration	(6,932)	(6,329)	(6,932)	(6,329)
Outflow of cash	10,657	10,545	9,477	10,545

Note: there are $3,000,000 of additional payments to be made in the future, resulting from the reclassification of vendor equity (refer note 19). These resulting from future payments have not altered the total purchase consideration and as such are not listed above. The purchase agreement provided for compensation for changes in the Company's share price.

Note 38. Business combinations (continued)

Alanco
On 1 July 2007 Alanco Australia Pty Limited, a subsidiary, acquired the business of Alanco Australia for $12,733,000. The principal activity of this business is importation and distribution of auto electrical and auto accessories.

Details of the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Trade receivables	580	580
Finished goods	1,353	1,353
Prepayments	65	65
Plant and equipment	241	241
Deferred tax asset	-	25
Employee benefits	(85)	(85)
Net assets acquired	2,154	2,179
Goodwill		10,554
Total purchase consideration		12,733
Representing:		
Consideration paid or payable to the vendor		12,263
Direct costs paid relating to the acquisition		470
		12,733

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outflow of cash to acquire business, net of cash acquired:				
Total purchase consideration	12,733	12,489	-	-
Less: payments to be made in future periods	(878)	(2,642)	-	-
Less: 25,209,719 shares issued by parent entity as part of consideration	(2,685)	(2,535)	-	-
Outflow of cash	9,170	7,312	-	-

Note 38. Business combinations (continued)

KT Cables

On 1 October 2007 Allomak Limited acquired KT Cable Accessories Pty Limited, a subsidiary, for $5,062,000. The principal activity of this subsidiary is the production of wiring and cabling accessories.

Details of the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Trade receivables	796	796
Raw materials	841	841
Prepayments	8	8
Plant and equipment	78	78
Furniture and equipment	98	98
Motor vehicles	91	91
Deferred tax asset	-	13
Trade payables	(344)	(344)
Other payables	(52)	(52)
Employee benefits	(42)	(42)
Lease liability	(84)	(84)
Net assets acquired	1,390	1,403
Goodwill		3,659
Total purchase consideration		5,062
Representing:		
Consideration paid or payable to the vendor		4,785
Direct costs paid relating to the acquisition		277
		5,062

	Consolidated 2009 $'000	Consolidated 2008 $'000	Parent entity 2009 $'000	Parent entity 2008 $'000
Outflow of cash to acquire business, net of cash acquired:				
Total purchase consideration	5,062	7,023	7,023	7,023
Less: payments to be made in future periods	(350)	(2,746)	(2,746)	(2,746)
Less: 12,373,105 shares issued by parent entity as part of consideration	(350)	(250)	(250)	(250)
Outflow of cash	4,362	4,027	4,027	4,027

Note 38. Business combinations (continued)

Surrey Panelcare and Surrey Motorcare
On 1 January 2008 Mr Gloss Holdings Pty Limited, a subsidiary, acquired the businesses of Surrey Panelcare and Surrey Motorcare for $3,108,000. The principal activity of these businesses is the provision of smash repair services.

Details of the acquisition are as follows:

	Acquiree's carrying amount $'000	Fair value $'000
Raw materials	56	56
Work in progress	3	3
Plant and equipment	174	174
Furniture and equipment	35	35
Motor vehicles	31	31
Employee benefits	(58)	(58)
Net assets acquired	241	241
Goodwill		2,867
Total purchase consideration		3,108

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Outflow of cash to acquire business, net of cash acquired:				
Total purchase consideration	3,108	1,958	-	-
Less: payments to be made in future periods	(575)	-	-	-
Less: 16,180,836 shares issued by parent entity as part of consideration	(1,554)	(979)	-	-
Outflow of cash	979	979	-	-

Note 39. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding 2009 %	Equity holding 2008 %	Parent entity 2009 $'000	Parent entity 2008 $'000
Alloair Systems Pty Ltd	Australia	100.0	100.0	-	-
Allomak Technology Holdings Pty Ltd	Australia	100.0	100.0	-	-
Alanco Australia Pty Ltd	Australia	100.0	100.0	-	-
Autolac Pty Limited	Australia	100.0	100.0	-	998
Diesel Test Pty Limited	Australia	100.0	100.0	-	4,105
Dyno Dynamics Pty Ltd	Australia	100.0	100.0	-	4,757
Dyno Exports Pty Ltd	Australia	100.0	100.0	-	-
Dyno Dynamics Limited	New Zealand	0	100.0	-	-
Dyno Dynamics Europe Limited	United Kingdom	100.0	100.0	-	-
DT Emissions Services Pty Ltd	Australia	100.0	100.0	-	-
Dual LPG Pty Ltd	Australia	100.0	100.0	-	314
Dual LPG Conversions Pty Ltd	Australia	100.0	100.0	-	-
E C B Pty Ltd	Australia	100.0	100.0	7,879	20,729
FluidDrive Holdings Pty Ltd	Australia	100.0	100.0	-	-
KT Cable Accessories Pty Limited	Australia	100.0	100.0	30	7,023
LP Gas 1 Pty Limited	Australia	100.0	100.0	-	-
LP Gas 1 Franchising Pty Ltd	Australia	100.0	100.0	-	-
Emission Services Pty Ltd	Australia	100.0	100.0	-	-
Mr Gloss Holdings Pty Ltd	Australia	100.0	100.0	10,196	17,477
Multipoint LPG Systems Pty Ltd	Australia	0	100.0	-	-
Perth Brake Parts Pty Ltd	Australia	100.0	100.0	-	-
Susa Automotive Services Pty Ltd	Australia	0	100.0	-	-
				18,105	55,403

LP Gas 1 Pty Limited, LP Gas 1 Franchising Pty Ltd, Dual LPG Pty Ltd, Dual LPG Conversions Pty Ltd were all placed into Voluntary Administration on 9th June 2009

Multipoint LPG Systems Pty Ltd was wound up during the financial year ended 30 June 2009

Susa Automotive Services Pty Ltd was wound up during the financial year ended 30 June 2009

Dyno Dynamics Limited (a New Zealand entity) was wound up during the financial year ended 30 June 2009

Note 40. Events occurring after balance date

On 19 August 2009, the company issued 4,566,013 shares to the staff of ECB Pty Ltd as performance bonus for the financial year ending 30 June 2009.

On 19 August 2009, the company issued 15,771,875 shares to 3 key vendors, as down payment against the vendor debt agreed by the company on 30 June 2009 to be paid under the vendor settlement agreements.

On 2nd October 2009, the company held an Extraordinary General Meeting of the shareholders and approved individual Vendor Settlement agreements, for the issue of shares and cash to the key vendors of the Surrey Panelcare business, the Alanco business, the Mr Gloss business and the KT Cables Accessories business.

On 25 September 2009 the company commenced legal proceedings in the Supreme Court of Victoria against the company's former Managing Director, Mr Rob Allan, Panache Global Holdings Pty Ltd, Guiding Technologies Pty Ltd, and Mr Richard Rubin.

No other matter or circumstance has arisen since 30 June 2009 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years

Note 41. Reconciliation of profit /(loss) after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Profit/(loss) after income tax (expense)/benefit	(59,787)	6,130	(71,951)	8,503
Depreciation and amortisation	985	1,081	135	11
Net loss/(profit) on sale of non-current assets	164	(26)	-	-
Share based payments	-	18	-	18
Impairment of assets	50,427	-	70,155	-
Discontinued operations placed into voluntary administration or wound-up	(705)	-	-	-
Fair value adjustments	(6,968)	-	(6,968)	-
Revaluation of equity issued to vendors	(304)	-	(304)	-
(Profit)/loss on business sale	561	-	-	-
Write-off of non-current assets	-	11	-	-
Dividend declared not paid	(2,815)	-	(2,815)	-
Change in operating assets and liabilities:				
(Increase)/decrease in trade &other receivables	10,843	(8,214)	(24)	(16,807)
(Increase)/decrease in inventories	4,088	(3,105)	-	-
(Increase)/decrease in deferred tax assets	394	(966)	2,534	(498)
(Increase)/decrease in prepayments	307	(510)	197	-
(Increase)/decrease in other operating assets	-	7	-	-
Increase/(decrease) in trade & other payables	(1,042)	3,450	1,177	-
Increase/(decrease) in provision for income tax	(2,205)	747	(2,205)	1,457
Increase/(decrease) in deferred tax liabilities	-	119	-	-
Increase/(decrease) in employee benefits	(446)	(95)	(19)	33
Increase/(decrease) in other provisions	3,417	(7)	2,803	-
Net cash inflow/(outflow) from operating activities	(3,086)	(1,360)	(7,285)	(7,283)

Note 42. Non-cash investing and financing activities

	Consolidated		Parent entity	
	2009	2000	2009	2008
	$'000	$'000	$'000	$'000
Acquisition of plant and equipment by means of finance leases	123	346	-	-
Shares issued under dividend reinvestment plan	-	543	-	543
Shares issued in relation to acquisitions	894	12,729	894	12,729
Shares issued to consultants for acquisitions	-	171	-	171
	1,017	13,789	894	13,443

Note 43. Earnings per share

	Consolidated	
	2009	2008
	$'000	$'000
Profit / (Loss) after income tax	(59,787)	6,130
Loss attributable to minority interest	-	137
Profit after income tax attributable to members of Allomak Limited	(59,787)	6,267
Weighted average number of ordinary shares used in calculating basic earnings per share	136,296,727	114,149,776
Adjustments for calculation of diluted earnings per share:		
Options	-	15,333,520
Weighted average number of ordinary shares used in calculating diluted earnings per share	136,296,727	129,483,296

Earnings from consolidated operations	Cents	Cents
Basic earnings per share	(43.9)	5.49
Diluted earnings per share	(43.9)	4.84

Options were anti-dilutive and thus were not included in the diluted earnings per share calculation for the 2009 year.

Discontinued operations:	Cents	Cents
Basic earnings per share	(30.0)	(1.16)
Diluted earnings per share	(30.0)	(1.02)

Note 44. Share-based payments

The Company has adopted an Employee Share Option Plan for the benefit of executive and non-executive Directors and full-time or part-time staff members employed by the Company. At the date of this report options had been issued pursuant to the Employee Share Option Plan. Each option was issued for a period of 3 years and vest over 3 years or quarterly in arrears over 3 years.

The exercise price is based on a minimum of 100% of the average ASX closing price for the 5 days prior to offer/acceptance of the options.

During the financial year ended 30 June 2009 there were no options issued.

Set out below are summaries of options granted under the plan:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED / FORFEITED	BALANCE AT THE END OF THE YEAR
2009							
22/06/2006	22/06/2011	$0.47	4,875,000	-	-	(4,875,000)	-
22/06/2006	22/06/2011	$0.57	4,875,000	-	-	(4,875,000)	-
22/07/2006	22/07/2009	$0.40	750,000	-	-	-	750,000
22/07/2006	22/07/2011	$0.40	1,120,000	-	-	(1,120,000)	-
1/09/2006	1/09/2011	$0.40	75,000	-	-	-	75,000
2/10/2006	2/10/2011	$0.44	200,000	-	-	(200,000)	-
23/10/2006	23/10/2011	$0.42	48,000	-	-	(48,000)	-
2/04/2007	2/04/2011	$0.47	60,000	-	-	-	60,000
30/03/2007	30/04/2012	$0.46	120,000	-	-	(28,000)	92,000
2008							
22/06/2006	22/06/2011	$0.47	6,500,000	-	(1,625,000)	-	4,875,000
22/06/2006	22/06/2011	$0.57	6,500,000	-	(1,625,000)	-	4,875,000
10/07/2006	10/07/2011	$0.40	120,000	-	-	(120,000)	-
22/07/2006	22/07/2009	$0.40	1,500,000	-	(750,000)	-	750,000
22/07/2006	22/07/2011	$0.40	1,120,000	-	-	-	1,120,000
1/09/2006	1/09/2011	$0.40	75,000	-	-	-	75,000
2/10/2006	2/10/2011	$0.44	400,000	-	-	(200,000)	200,000
23/10/2006	23/10/2011	$0.42	48,000	-	-	-	48,000
2/04/2007	2/04/2011	$0.47	60,000	-	-	-	60,000
30/03/2007	30/04/2012	$0.46	120,000	-	-	-	120,000

Fair value was measured using Black-Scholes and the inputs to it were as follows:

Exercise Price	$0.40 to $0.57
Expected volatility	45.00 - 65.00%
Option life	5 years
Dividend yield	0.00 - 8.00%
Risk-free interest rate	6.30%

Note 45. Discontinued Operations

The following entities were discontinued in the financial year ended 30 June 2009:
LP Gas 1 Pty Ltd (voluntary administration)
LP Gas 1 Franchising Pty Ltd (voluntary administration)
Dyno Dynamics Pty Ltd (assets classified as available for sale)
Dyno Exports (wound-up)
Dyno Dynamics Europe Limited (assets classified as available for sale)
Susa Automotive Services Pty Ltd (wound-up)
Diesel Test Pty Ltd (not trading)
DT Emission Services Pty Ltd (not trading)
Dyno Dynamics Limited – New Zealand (wound-up)
Autolac Pty Ltd (business sold, entity not trading)
Dual LPG Pty Ltd (voluntary administration)
Dual LPG Conversions Pty Ltd (voluntary administration)
Multipoint LPG Systems Pty Ltd (not trading)
Alloair Systems Pty Ltd (not trading)
Allomak Technology Holdings Pty Ltd (not trading)

	Year ended 30 June 2009 $'000	Year ended 30 June 2008 $'000
Loss from discontinued operations for the financial year	(5,051)	(1,324)
Losses resulting from operations being discontinued	(3,926)	-
Impairment of assets	(31,964)	-
	(40,941)	(1,324)

The following were the results for the discontinued operations for the financial year:

Revenue	21,775	34,810
Direct costs and overheads	(21,302)	(35,384)
Depreciation and impairment expense	(5,444)	(659)
Finance costs	(80)	(91)
	(5,051)	(1,324)

The net assets of the discontinued entities provided in the income statement at the date of being sold, made available for sale or placed into voluntary administration are as follows:

Cash and cash equivalent	65	-
Receivables	613	-
Inventories	3,912	-
Property, plant and equipment	1,193	-
Intangibles	31	-
Payables	(1,161)	-
Interest bearing liabilities	(47)	-
Provisions	(291)	-
Other liabilities	(880)	-
Proceeds from being discontinued	(1,493)	-
	1,942	-

Note 45. Discontinued Operations (continued)

Discontinued Operations Cash flow statement
For the year ended 30 June 2009

	Discontinued 2009 $'000	Discontinued 2008 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	26,366	37,332
Payments to suppliers (inclusive of GST)	(29,822)	(34,383)
	(3,456)	2,949
Interest and other finance costs paid	(80)	(91)
Income taxes paid	-	(414)
Net cash inflow/(outflow) from operating activities	(3,536)	2,444
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(110)	(15,009)
Payments for property, plant and equipment	-	(1,960)
Payments for intangibles	(1,927)	(3,050)
Receipts from sale of business	50	-
Cash forgone placing entities into administration	(65)	-
Receipts from related parties	5,176	17,731
Net cash inflow/(outflow) from investing activities	3,124	(2,288)
Cash flows from financing activities		
Repayment of borrowings	(74)	-
Receipt from borrowings	-	5
Net cash inflow/(outflow) from financing activities	(74)	5
Net increase/(decrease) in cash and cash equivalents	(486)	161
Cash and cash equivalents at the beginning of the financial year	862	701
Cash and cash equivalents at the end of the financial year	376	862

Note 45. Discontinued Operations (continued)

Discontinued Operations Segment Information

For the year ended 30 June 2009

2009	Manufacturing $'000	Distribution $'000	Intersegment Elimination/ unallocated $'000	Consolidated $'000
Sales to external customers	13,581	8,043	-	21,624
Intersegment sales	510	-	(510)	-
Total sales revenue	14,091	8,043	(510)	21,624
Other income	143	8	-	151
Total segment revenue	14,234	8,051	(510)	21,775
Segment result	(25,209)	(757)	-	(25,966)
Impairments	(14,667)	(308)	-	(14,975)
Unallocated revenue less unallocated expenses				-
Loss before income tax expense				(40,941)
Income tax expense				-
Loss after income tax expense				(40,941)
Segment assets	1,800	1,962	-	3,762
Unallocated assets	-	-	-	-
Total assets				3,762
Segment liabilities	10,008	4,755	-	14,763
Unallocated liabilities	-	-	-	-
Total liabilities				14,715
Depreciation and amortisation expense	(318)	(45)	-	(363)

Note 45. Discontinued Operations (continued)

2008	Manufacturing $'000	Distribution $'000	Intersegment Elimination/ unallocated $'000	Consolidated $'000
Sales to external customers	25,953	8,552	-	34,505
Intersegment sales	-	4,900	(4,900)	-
Total sales revenue	25,953	13,452	(4,900)	34,505
Other income	292	13	-	305
Total segment revenue	26,245	13,465	(4,900)	34,810
Segment result	(1,350)	27	-	(1,324)
Impairments				-
Unallocated revenue less unallocated expenses				-
Loss before income tax expense				(1,324)
Income tax expense				-
Loss after income tax expense				(1,324)
Segment assets	34,783	939	-	35,722
Unallocated assets	-	-	-	-
Total assets				35,722
Segment liabilities	2,891	2,255	-	5,146
Unallocated liabilities	-	-	-	-
Total liabilities				5,146
Depreciation and amortisation expense	(597)	(62)	-	(659)

Note 46. Class order disclosures

Closed group class order disclosures

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Equity holding		Parent entity	
	Country of	2009	2008	2009	2008
Name of entity	**incorporation**	**%**	**%**	**$'000**	**$'000**
Alanco Australia Pty Ltd	Australia	100.0	100.0	-	-
E C B Pty Ltd	Australia	100.0	100.0	7,879	20,729
FluidDrive Holdings Pty Ltd	Australia	100.0	100.0	-	-
KT Cable Accessories Pty Limited	Australia	100.0	100.0	30	7,023
Mr Gloss Holdings Pty Ltd	Australia	100.0	100.0	10,196	17,477
Perth Brake Parts Pty Ltd	Australia	100.0	100.0	-	-
				18,105	55,403

The trustee to this deed of cross guarantee is AMA 1 Pty Ltd which is not a member of the consolidated group.

Entities subject to class order relief

Pursuant to Class Order 98/1418, relief has been granted to the above entities from the Corporations Act 2001 requirements for preparation, audit and lodgement of their financial reports.

As a condition of the Class Order the above entities entered into a Deed of Cross Guarantee on 16 March 2009. The effect of the deed is that Allomak Limited has guaranteed to pay any deficiency in the event of winding up of either controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to guarantee. The controlled entities have also given a similar guarantee in the event that Allomak Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases, or other liabilities subject to the guarantee.

If the Deed of Cross Guarantee and the subsequent closed group disclosures were contained in the accounts of Allomak Limited, then an assessment would need to be made as to the fair value of the Deed of Cross Guarantee (as a financial liability to the Parent) and the details of the valuation and significant assumptions, estimate and judgements used within that valuation would need to be disclosed. Please refer to the disclosure surrounding financial guarantees in the financial statements of Allomak Limited (see note 35) for further information on financial guarantees.

The continuing entities and only the continuing entities are included in the deed of cross guarantee. The income statement of the entities that are members of the Closed Group is reflected in the continuing entities income statement on page 17. The consolidated balance sheet of the entities that are members of the Closed Group is as follows:

Note 46. Class order disclosures (continued)

Balance sheet
As at 30 June 2009

	Closed Group 2009 $'000	Closed Group 2008 $'000
Current assets		
Cash and cash equivalents	1,043	2,780
Trade and other receivables	6,186	8,398
Inventories	4,044	5,992
Income tax receivable	748	-
Other	416	588
Total current assets	12,437	17,758
Non-current assets		
Property, plant and equipment	2,769	3,161
Intangibles	28,312	51,426
Deferred tax	1,094	1,378
Receivable from related entities	-	17,921
Other	-	281
Total non-current assets	32,175	74,167
Total assets	44,612	91,925
Current liabilities		
Trade and other payables	7,726	10,209
Borrowings	3,114	30,045
Income tax payable	-	1,402
Provisions	3,911	814
Total current liabilities	14,751	42,470
Non-current liabilities		
Borrowings	25,135	159
Provisions	85	113
Other	3,313	826
Total non-current liabilities	28,533	1,098
Total liabilities	43,284	43,568
Net liabilities	1,328	48,357
Equity		
Contributed equity	54,844	56,872
Equity to be issued	1,803	-
Reserves	47	47
Accumulated losses	(55,366)	(8,562)
Total equity	1,328	48,357

Allomak Limited Directors' Declaration

The Directors of Allomak Limited declare that:

(a) in the Directors' opinion the financial statements and notes and the remuneration report in the Directors Report set out in the financial reports, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2009 and of their performance, for the financial year ended on that date; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

A the date of this declaration there are reasonable grounds to believe that the company and the group entities identified in note 39 will be able to meet any obligations or liabilities to which they are of may have become subject to by virtue of the Deed of Cross Guarantee between the company and those group entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations required by section 295A of the Corporations Act 2001 by the chief executive officer and chief financial officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Chris Sadler
Chairman

Dated this 12th day of October 2009
Sydney

PKF
Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Allomak Limited

Report on the Financial Report

We have audited the accompanying financial report of Allomak Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Allomak Limited (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of Allomak Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.* We confirm that the independence declaration required by the *Corporations Act 2001,* provided to the directors of Allomak Limited on 12 October 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

(a) the financial report of Allomak Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included under the heading 'remuneration report' in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Allomak Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

PKF

PKF

Tim Sydenham
Partner

Sydney

Dated this 13th day of October 2009

Shareholder information

The shareholder information set out below was applicable as at 5th October 2009

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Holders	Ordinary shares
1 to 1,000	38	22,270
1,001 to 5,000	202	635,595
5,001 to 10,000	199	1,622,767
10,001 to 100,000	588	20,468,436
100,001 and over	202	247,162,602
Total	1,229	269,911,,670

Holding less than a marketable parcel 7,042

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary Shares	
Shareholder	**Number held**	**% of total shares held**
MR GLOSS PTY LTD	91,430,835	34.1 %
OCNALA PTY LTD <ALAN GOLDING FAMILY A/C>	14,259,375	5.3 %
SURREY PANELCARE PTY LTD & TAMADENE PTY LTD	9,343,750	3.5 %
NOWA PTY LTD <GOLDING PROPERTY A.C>	8,336,779	3.1 %
YERRUS HOLDINGS PTY LTD <Surrey Panels PENS FUND A/C>	6,837,086	2.6 %
CITICORP NOMINEES PTY LIMITED	5,427,346	2.0 %
ANZ NOMINEES LIMITED <CASH INCOME A/C>	5,303,500	2.0 %
MS JOCELYN McGILLIVRAY	4,511,359	1.7 %
MR JLACHLAN McGILLIVRAY	4,511,359	1.7 %
THREE DEGREES HOLDINGS PTY LTD	4,454,974	1.7 %
MR ROBERT ERIC ALLAN	3,835,358	1.4 %
JESE PTY LTD <THE LEADBETTER FAMILY A/C>	3,674,669	1.4 %
MR LACHLAN ALEXANDER MCGILLIVRAY & MRS JOCELYN MCGILLIVRAY <LOCMAC SUPER A/C>	3,350,387	1.3 %
MR RAYMOND SMITH-ROBERTS	2,739,600	1.0 %
NOWA PTY LTD <GOLDING NO 2 S/F A/C>	2,727,270	1.0 %
ANZ NOMINEES LIMITED <INCOME REINVEST PLAN A/C>	2,640,248	1.0 %
MR RICHARD JOHN CALVER	2,400,000	0.9 %
MS RACHAEL ANNE COSTIGAN	1,987,398	0.7 %
JPH PTY LTD <HUMPHRIS FAMILY S/FUND A/C>	1,837,335	0.7 %
CAF COMMUNITY FUND LTD <EPHRAM FOUNDATION A/C>	1,570,000	0.6 %
	181,178,628	67.7 %

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	92,000	46

Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
Shareholder	**Number held**	**% of total shares held**
Mr Gloss Pty Ltd	91,430,835	34.1%
Mr Alan Golding	26,201,435	9.8%
Mr Alan Costello	16,180,836	6.0%
Mr Lachlan McGillivray & Mrs Jocelyn McGillivray	12,399,105	4.6%
Mr Robert Eric Allan	9,711,334	3.6%

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Listing rule 14.10.19

The entity used the cash and assets in a form readily convertible to cash that it had at the time of admission consistently with its business objectives.

The Board of Directors of Allomak limited is committed to high standards of corporate governance and supports the principles of good corporate governance and best practice recommendations as published by the ASX Corporate Governance Council in March 2003.

Given the size and specific circumstances of Allomak Limited the Board recognises that some best practice recommendations are more relevant to larger companies.

Unless disclosed below, all relevant best practice recommendations of the ASX Corporate Governance council have been applied for the financial year ended 30 June 2007.

The Company's website contains a clearly marked corporate governance section.

1. THE BOARD LAYS SOLID FOUNDATIONS FOR MANAGEMENT & OVERSIGHT

The Board of Directors is accountable to the shareholders for the performance of the Company. The Board sets the Company's strategic direction and delegates the responsibility for the management of the Company to the Managing Director.

A copy of the Board Charter, which promotes a culture within the Company of accountability, integrity and transparency, is available from the Company's website.

Each Board member must at all times act honestly, fairly and diligently in all respects in accordance with the Corporations Law as it applies to our Company.

Key matters reserved to the Board include the following:

- Oversight of the Company, including its control, accountability and compliance systems
- Appointment, monitoring, managing the performance of and if necessary removal of the Chief Executive Officer, Chief Financial Officer and Company Secretary.
- Input, assessment appraisal and final approval of management's development of corporate strategy and performance objectives.
- Monitoring risk management
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approval and monitoring financial and other reporting;
- Ensuring the market and shareholders are fully informed of material developments; and
- Recognising the legitimate interests of stakeholders.
- The Board holds a minimum of six formal meetings a year. Additional meetings are held as required.
- Details of current members of the Board are disclosed in the Directors' Report.

2. STRUCTURE OF THE BOARD TO ADD VALUE

The Board currently has four Directors, comprising 2 non-executive Directors, including the chairperson and two executive Directors.

The Board has adopted the following principles:

- The same individual should not exercise the roles of chairperson, and chief executive officer;
- The Board should not comprise a majority of executive Directors:
- The Board should comprise persons with a broad range of skills and experience appropriate to the needs of the Allomak Group.

Under recommendation 2:1 of the ASX Corporate Governance Council Best Practice Recommendations the majority of the Board should be independent Directors.

Independent Directors are those who are independent of management and free of any business or other relationship that could materially interfere with – or reasonably could be perceived to materially interfere with - the exercise of their unfettered and independent judgment.

In assessing the independence of Directors, an independent Director is a non-executive Director and:

- Is not a substantial shareholder, as defined in section 9 of the corporations act, of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Has not within the last three years been employed in an executive capacity by the Company or another group member;
- Has not within the last three years been a principal of a material professional advisor or a material consultant to the Company or another group member;
- Is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relation ship with the Company or another group member;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Directors ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the Director's ability to act in the best interests of the Company.

In applying the best practice recommendation for independence the independent Directors of the Company at the date of this report are:

- Mr Chris Sadler
- Mr John Anderson
- Don Easter

However, the Board considers that the current composition of the Board is structured in both size and commitment to adequately discharge its responsibility and duties in addition:

- Has a proper understanding of, and competence to deal with, the current and emerging issues of the business.
- Can effectively review and challenge the performance of management and exercise independent judgment.

The Board has considered the following:

1. The size of the Company and spread of shares amongst the substantial shareholders'
2. The appointment of additional independent Directors would cause undue financial pressure.
3. The experience and personal qualities of the non-executive Directors
4. The skills of the non-executive Directors are complementary together Board members
5. The non executive Directors are independent of management and other relationships that could materially interfere with the exercise of their unfettered and independent judgment.
6. The Board continues to review its governance structures, including the level of independent Directors, as the Company develops and changes to ensure that it continues to meet effective governance given the size and specific circumstances of the Company.

Given the size and requirements of the Company the Board has decided that a nomination committee is not required at this point in time. At present all members of the Board consider the composition of the Board and appointment of new Directors.

The Company acknowledges Directors require high quality information and advice on which to base their decisions and considerations. All Directors have the right to seek advice and clarification from the Company auditors, financial and legal advisors on any mater relating to the Company or Board performance.

Directors additionally have the right to seek independent professional advice to help them carry out their responsibilities. Expenses will need to be approved in advance by the chairperson. If the chairperson is

unable or unwilling to give approval, then board approval will be required. Any costs incurred will be borne by the Company.

3. PROMOTION OF ETHICAL AND RESPONSIBLE DECISION-MAKING

Code of Conduct

The Board has developed a code of conduct for Directors and Company officers. They key elements of the code are:

- Conflicts of interest;
- Corporate opportunities;
- Confidentiality;
- Fair dealing;
- Protection of assets
- Compliance with laws and regulations; and
- Promotion of ethical and lawful behaviour.

A copy of the Allomak Code of Conduct can be obtained from the Corporate Governance section of the Allomak website.

Share Trading Policy

The Board has developed and adopted a policy concerning trading in Company securities by Directors, officers and employees. The Company and the Board encourages Directors, officers and employees to own shares in the Company thereby fostering a further link between their interests and the interests of all shareholders.

The key elements of the policy are:

- Insider trading;
- Continuous disclosure;
- When a designated officer must not deal in securities;
- When a designated officer may deal;
- Exceptional circumstances — permission to deal;
- When employees (other than designated officers) may deal;
- When employees (other than designated officers) must not deal;
- Notification of Directors dealing in securities;
- Brach of policy; and
- Speculative dealing.

A copy of the share trading policy can be obtained from the Corporate Governance section of the Allomak website.

4. THE BOARD SAFEGUARDS THE INTEGRITY OF FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee

The Board has an audit committee which:

- Has two members who are non-executive Directors;
- Details of the members of the Audit Committee can be obtained
- from the Annual Report;
- Has a written charter which can be obtained from the Corporate Governance section of the Allomak website;
- Includes members who are all financial literate; and
- Details of the members are disclosed in the Directors' Report
- The key elements of the Audit Committee Charter are:
- Role of the committee;
- Membership;
- Meetings;
- Responsibilities;
- Authority;
- Independence; and
- Non-audit work.

The Board and Audit Committee closely monitor the independence of the external auditor. The Audit Committee meets a minimum of twice a year in private, with management without the external auditor and with the external auditor without management.

5. THE BOARD MAKES TIMELY AND BALANCED DISCLOSURE

The Company has established procedures to ensure compliance with ASX Listing Rules 3.1 which requires that when an entity becomes
aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information.
A Continuous Disclosure Policy and Procedure has been prepared and is available from the Corporate Governance section of the Company's website.

Corporate Directory

Directors
Chris Sadler
The Hon John Anderson
Ray Malone
Don Easter

Share Register
Registries Limited
Level 7
207 Kent Street
Sydney. NSW. 2000
Telephone: (02) 9290 9600

Bankers
Westpac Banking Corporation
GPO Box 4045
Sydney. NSW. 2000

Joint Company Secretaries
Tom McDonald
David Franks

Auditor
PKF
Level 10
1 Margaret Street
Sydney. NSW, 2000

Stock Exchange
Allomak Limited shares are listed on the Australian Stock Exchange under the symbol AMA

Principal Registered Office
Level 5
1 Castlereagh Street
Sydney. NSW. 2000

Solicitors
Foster Nicholson Legal
Level 1, 441 Little Bourke Street, Melbourne VIC 3000

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