



Appendix 4E

Preliminary Final Report

1. Company Details

Name of entity:	AMA Group Limited
ABN:	50 113 883 560
Reporting period:	Year ended 30 June 2010
Previous corresponding period:	Year ended 30 June 2009

2. Results for announcement to the market

Revenues from ordinary activities from continuing operations	up	14.22%	to	\$51,345,109
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Profit after tax attributable to members from continuing operations	up	\$22,215,809	to	\$3,369,805
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Net profit for the period attributable to members	up	\$64,580,252	to	\$4,793,248
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Dividends

	Amount per Security	Franked Amount per Security
Final dividend	n/a	n/a
Previous corresponding period	n/a	n/a

Comments

The Profit after tax attributable to Members of AMA (Continuing Operations) has shown an improved result, being a \$3.4 million profit compared with a \$18.8 million loss in the previous period. The majority of the changes from the previous period relate to the impairment of assets and fair value adjustments.

Net Profit after Income Tax Expense attributable to Members (after continuing and discontinuing operations) includes a \$64.6 million turn around to a profit of \$4.8 million. In the previous period the Company recognised a loss of \$59.8 million after significant (\$41 million) write downs of discontinuing operations.

3. Net Tangible Asset backing per ordinary security (cents per security)

As at 30 June 2010	negative	7.84	cents per security
As at 30 June 2009	negative	21.94	cents per security

4. Control gained over entities

Not applicable

5. Loss of control over entities

Name of entities: Dyno Dynamics Pty Ltd, Dyno Exports Pty Ltd & Dyno Dynamics Europe Limited

Date control lost: 11th and 23rd November 2009

	30 June 2010 \$'000	30 June 2009 \$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities.	(303)	(1,960)

6. Dividends

No applicable

7. Dividend reinvestment plan

Not applicable

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

Not applicable

10. Audit qualification or review

The accounts are currently in the process of being audited.

11. Attachments

The Preliminary Final Report is attached

12. Signed



Duncan Fischer

Chairman



AMA Group Limited
Preliminary Final Report
30 June 2010

Statement of Comprehensive Income

For the year ended 30 June 2010

		Consolidated Entity	
		30 June 2010	30 June 2009
	Notes	\$'000	\$'000
Revenue from continuing operations	3	51,345	44,954
Raw materials and consumables used		(22,954)	(21,235)
Employee benefits expense		(13,393)	(16,411)
Depreciation and amortisation expense		(555)	(718)
Advertising and marketing		(335)	(385)
Insurance		(239)	(230)
Travel and motor vehicle		(528)	(630)
Occupancy expenses		(2,420)	(2,545)
Professional services		(1,308)	(2,403)
Research and development		(24)	(111)
Communication expenses		(249)	(268)
Bad and doubtful debts expense		183	(295)
Finance costs		(1,505)	(2,787)
Other expenses		(1,370)	(868)
Profit/(Loss) from continuing operations before impairment, fair value adjustments and vendor payments		6,648	(3,932)
Impairment of assets		(1,083)	(22,745)
Fair Value adjustments - loan note & vendor payments		(779)	6,968
Vendor payments		(639)	(1,025)
Profit/(loss) before income tax expense		4,147	(20,734)
Income tax (expense)/benefit		(777)	1,888
Profit/(loss) after income tax expense attributable to members of AMA Group Limited from continuing operations		3,370	(18,846)

The accompanying notes form part of these financial statements

		Consolidated	
		30 June 2010	30 June 2009
	Notes	\$'000	\$'000
Total profit/(loss) attributable to discontinued operations	4	1,423	(40,941)
Profit/(loss) after income tax benefit/(expense) attributable to members of AMA Group Limited			
		4,793	(59,787)
Total comprehensive income for the period		4,793	(59,787)
Profit attributable to:			
Owners of the parent		4,793	(59,787)
Non-controlling interests		-	-
		4,793	(59,787)
Total comprehensive income attributable to:			
Owners of the parent		4,793	(59,787)
Non-controlling interests		-	-
		4,793	(59,787)
Profit/(loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:			
		Cents	Cents
Basic profit/(loss) per share		1.41	(13.83)
Diluted profit/(loss) per share		1.41	(13.83)
Profit/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the company:			
Basic profit/(loss) per share		2.01	(43.90)
Diluted profit/(loss) per share		2.01	(43.90)

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2010

		Consolidated	
		30 June 2010	30 June 2009
	Notes	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	5	3,248	1,419
Trade and other receivables		8,811	8,377
Inventories		4,405	4,463
Current tax assets		-	748
Assets classified as held for sale		-	600
Other		502	404
Total current assets		16,966	16,011
Non-current assets			
Property, plant and equipment		2,411	2,888
Deferred tax assets		2,855	1,094
Intangibles	6	27,253	28,345
Total non-current assets		32,519	32,327
Total assets		49,485	48,338
Liabilities			
Current liabilities			
Trade and other payables		10,000	10,810
Borrowings	7	2,145	3,114
Provisions		1,074	4,239
Liabilities classified as held for sale		-	206
Total current liabilities		13,219	18,369
Non-current liabilities			
Borrowings	7	23,075	25,552
Deferred tax liabilities		2,230	-
Provisions		115	155
Other	8	4,121	5,329
Total non-current liabilities		29,541	31,036
Total liabilities		42,760	49,405
Net assets		6,725	(1,067)
Equity			
Contributed equity	9	56,841	56,657
Reserves		47	47
Accumulated losses		(50,163)	(57,771)
Total equity and liabilities		6,725	(1,067)

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2010

	Contributed equity	Option Reserve	Consolidated Retained Profits/(Accumulated Losses)	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2008	56,882	47	4,831	61,760
Shares issued net of costs	972	-	-	972
Reclassified vendor share issue	(3,000)	-	-	(3,000)
Equity to be issued	1,803	-	-	1,803
Total comprehensive income	-	-	(59,787)	(59,787)
Subtotal	56,657	47	(54,956)	1,748
Dividends provided for	-	-	(2,815)	(2,815)
Balance at 30 June 2009	56,657	47	(57,771)	(1,067)
Shares issued net of costs	1,987	-	-	1,987
Reclassified vendor share issue	(1,803)	-	-	(1,803)
Total comprehensive income	-	-	4,793	4,793
Subtotal	56,841	47	(52,978)	3,910
Cancellation of dividend provision	-	-	2,815	2,815
Balance at 30 June 2010	56,841	47	(50,163)	6,725

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2010

	Consolidated	
	30 June 2010	30 June 2009
Note	\$'000	\$'000
<i>CASH FLOWS RELATED TO OPERATING ACTIVITIES</i>		
Receipts from customers	52,616	77,499
Payments to suppliers and employees	(44,875)	(77,889)
Interest received	72	94
Interest and other costs of finance paid	(1,558)	(2,867)
Income taxes paid	(262)	77
Income taxes refunded	898	-
Other	(35)	-
NET OPERATING CASH FLOWS	6,856	(3,086)
<i>CASH FLOWS RELATED TO INVESTING ACTIVITIES</i>		
Proceeds from sales of plant and equipment	88	276
Payment for purchases of plant and equipment	(245)	(1,012)
Payment for purchases of equity investments, net of cash acquired	(677)	(1,278)
Proceeds from sale of business	307	-
Payments for intangible assets	-	(1,927)
Cash forgone by placing operations into administration	(596)	(65)
Receipts from sale of business	-	50
NET INVESTING CASH FLOWS	(1,123)	(3,956)
<i>CASH FLOWS RELATED TO FINANCING ACTIVITIES</i>		
Proceeds from borrowings	-	5,140
Repayment of borrowings	(2,850)	(1,258)
Recovery of share issue costs	-	79
NET FINANCING CASH FLOWS	(2,850)	3,961
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,883	(3,081)
Cash and cash equivalents at the beginning of the Financial year	365	3,446
Effects of exchange rate changes on cash and cash equivalents	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,248	365

The accompanying notes form part of these financial statements

Notes to the Financial Statements

Note 1. Significant accounting policies

This Preliminary Final Report has been prepared in accordance with the recognition and measurement requirement of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Preliminary Final report does not include all the notes of the type normally included in an Annual Financial Report.

Accordingly, this report is to be read in conjunction any other public announcements made by the Company during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

Note 2. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics with respect to the products sold and/or services provided by the segment.

Services Provided by Segments

- Motor Vehicle Distribution – Distribution of motor vehicle accessories.
- Motor Vehicle Protection Products – Manufacture & distribution of motor vehicle protective bars.
- Panel Repair – Motor vehicle and panel repairs.
- Cables & Accessories – Distribution of motor vehicle accessories.
- Other Segments – Motor vehicle part repairs.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Chief Executive Officer as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The gross margin of the panel repair segment, as presented to the Chief Executive Officer does not include direct labour costs or an allocation of overheads.

Inter-segment transactions

All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments, other than for direct labour for panel segment, as they are not considered part of the core operations of any segment:

- derivatives;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- other financial liabilities;
- fixed manufacturing & service costs and other cost of sale adjustments;
- finance costs;
- dividend payments;
- intangible assets; and
- discontinuing operations;

Comparative information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been re-stated to conform to the requirements of the Standard.

Reportable Segments

30 June 2010	Motor Vehicle Accessory Distribution \$'000	Motor Vehicle Protection Products \$'000	Panel Repair \$'000	Cable & Accessory Distribution \$'000	All Other Segments \$'000	Total \$'000
<u>Revenue</u>						
External Sales	10,177	15,672	13,432	5,569	5,680	50,530
Other Income	46	513	27	48	314	948
Total Sales & Other Income	10,223	16,185	13,459	5,617	5,994	51,478
Unallocated Revenue						(133)
Total Revenue						51,345
<u>Result</u>						
Segment Gross Margin	3,593	7,928	8,699	2,885	2,454	25,559
Unallocated Expenses						(18,911)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						6,648
Fair Value Adjustments						(779)
Vendor payments						(639)
Impairment of Intangibles						(1,083)
Profit before income tax expense						4,147
<u>Other</u>						
Acquisition of Non-Current Segment Assets	-	91	109	10	3	213
Depreciation and Amortisation of Segment Assets	49	101	178	79	116	523
Other Non-Cash Segment Expenses	-	-	-	-	-	-

Note: Panel Repair Gross Margin does not include direct labour or an allocation for overheads. These costs are allocated to unallocated expenses.

30 June 2009

	Motor Vehicle Accessory Distribution \$'000	Motor Vehicle Protection Products \$'000	Panel Repair \$'000	Cable & Accessory Distribution \$'000	All Other Segments \$'000	Total \$'000
<u>Revenue</u>						
External Sales	11,158	9,930	12,912	4,761	6,437	45,198
Other Income	59	314	12	55	181	621
Total Sales & Other Income	11,217	10,244	12,924	4,816	6,618	45,819
Unallocated Revenue						(865)
Total Revenue						44,954
<u>Result</u>						
Segment Gross Margin	3,838	4,154	8,370	2,003	2,652	21,017
Unallocated Expenses						(24,949)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						(3,932)
Fair Value Adjustments						6,968
Vendor Payments						(1,025)
Impairment of Intangibles						(22,745)
Profit before income tax expense						(20,734)
<u>Other</u>						
Acquisition of Non-Current Segment Assets	103	37	111	90	44	385
Depreciation and Amortisation of Segment Assets	52	213	97	108	112	582
Other Non-Cash Segment Expenses	-	-	-	-	-	-

Note: Panel Repair Gross Margin does not include direct labour or an allocation for overheads. These costs are allocated to unallocated expenses.

30 June 2010

Motor Vehicle Accessory Distribution \$'000	Motor Vehicle Protection Products \$'000	Panel Repair \$'000	Cable & Accessory Distribution \$'000	All Other Segments \$'000	Total \$'000
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<u>Assets</u>						
Segment Assets	3,156	4,400	3,703	2,383	2,300	15,942
Unallocated Assets						33,543
Total Assets						49,485
<u>Liabilities</u>						
Segment Liabilities	1,090	1,928	2,250	595	825	6,688
Unallocated Liabilities						36,072
Total Liabilities						42,760

30 June 2009

Motor Vehicle Accessory Distribution \$'000	Motor Vehicle Protection Products \$'000	Panel Repair \$'000	Cable & Accessory Distribution \$'000	All Other Segments \$'000	Total \$'000
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<u>Assets</u>						
Segment Assets	3,465	3,391	2,695	1,986	2,605	14,142
Unallocated Assets						34,196
Total Assets						48,338
<u>Liabilities</u>						
Segment Liabilities	1,144	1,045	1,630	411	1,117	5,347
Unallocated Assets						44,058
Total Liabilities						49,405

Note 3. Revenue

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
From Continuing Operations		
<i>Sales Revenue</i>		
Sale of goods	36,621	31,044
Service and hire	13,709	13,278
	50,330	44,322
<i>Other Revenue</i>		
Interest Received	72	52
Other Revenue	943	580
	1,015	632
Revenue from Continuing Operations excluding fair value adjustments	51,345	44,954

Note 4. Discontinuing Operations

The following entities form part of the discontinued operations during the year ended 30 June 2010:

- Dyno Dynamics Pty Ltd (voluntary administration)
- Dyno Dynamics Europe Limited (voluntary administration)
- DT Emissions Services Pty Ltd (not trading)
- ACN 003 178 327 Pty Ltd (formerly Autolac Pty Ltd) (business sold, entity not trading)
- Diesel Test Pty Ltd (not trading)
- Alloair Systems Pty Ltd (not trading)
- Allomak Technology Pty Ltd (not trading)

The profit/(loss) for the period from discontinued operations is analysed as follows:

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
Loss from discontinued operations for the financial year	(226)	(5,051)
Gain/(loss) resulting from operations being discontinued	3,340	(3,926)
Recovery of assets impaired in previously discontinued operations	1,000	-
Impairment of assets	(2,691)	(31,964)
	1,423	(40,941)

The following were the results of the discontinued operations for the period:

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
Revenue	1,753	21,775
Direct costs and overheads	(1,903)	(21,302)
Depreciation and impairment expense	(76)	(5,444)
Finance costs	-	(80)
	(226)	(5,051)

Note 5. Cash and cash equivalents

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
Cash on hand	4	9
Cash at bank	3,244	1,410
	3,248	1,419

Note 6. Non-Current Assets – Intangibles

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 Statement of Comprehensive Income.

	Consolidated	
Note	30 June 2010	30 June 2009
	\$'000	\$'000
Goodwill - at cost	51,078	51,078
Less impairment	(23,828)	(22,745)
	27,250	28,333
Patents & trademarks - at cost	3	12
Less accumulated amortisation	-	-
	3	12
	27,253	28,345

Reconciliation

	Goodwill \$'000	Product Development \$'000	Patents & trademarks \$'000	Intellectual property \$'000	Group \$'000
Consolidated					
Balance as at 1 July 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 at 30 June 2009	28,333	-	12	-	28,345
Impairment of continuing businesses	(1,083)	-	-	-	(1,083)
Entity being placed into administration	-	-	(9)	-	(9)
Amortisation expense	-	-	-	-	-
Balance at 30 June 2010	27,250	-	3	-	27,253

Note 7. Borrowings

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
Current		
Bank bills	2,030	1,836
Other loans - unsecured	-	-
Lease liability	115	224
Overdraft	-	1,054
	2,145	3,114

	Consolidated	
	30 June 2010	30 June 2009
	\$'000	\$'000
Non-current		
Bank bills and loan note	22,995	25,117
Lease liability	80	435
	23,075	25,552

Total secured liabilities

	Note	Consolidated	
		30 June 2010	30 June 2009
		\$'000	\$'000
Bank bills and loan note		25,025	26,953
Lease liability		195	659
		25,220	27,612

Assets pledged as security

The bank bills are secured by a fixed and floating charge over all of the assets and uncalled capital of AMA Group 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.

Financing arrangements

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 principle 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.

Finance facilities

	Note	Consolidated	
		30 June 2010	30 June 2009
		\$'000	\$'000
Bank bills		19,346	21,921
Loan notes		12,000	12,000
Total facility		31,346	33,921

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

The net present value of the loan note is \$5.679 million (30 June 2009: \$5.032 million).

Note 8. Non-current liabilities – other

Non-current	Note	Consolidated	
		30 June 2010	30 June 2009
		\$'000	\$'000
Deferred cash consideration - key vendors		2,722	3,313
Onerous lease		1,399	2,016
		4,121	5,329

Note 9. Contributed equity

	Consolidated and Parent Entity		Consolidated and Parent Entity	
	30 June 2010	30 June 2009	30 June 2010	30 June 2009
	Shares	Shares	\$'000	\$'000
Ordinary Shares - fully paid	269,911,670	139,033,137	56,841	54,854
Equity to be issued	-	-	-	1,803
	269,911,670	139,033,137	56,841	56,657

Note 10. Contingent assets & liabilities

There has been no change in contingent liabilities since the last annual reporting date.

The board announced on 25th September 2009 that it had 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.

In the proceedings, the Company seeks to recover losses relating to AMA's acquisition of hand dryer technology in 2008 on the grounds of Mr Allan's breach of directors' duties.

No further information can be disclosed at this time regarding this matter without prejudicing the outcome of proceedings currently underway.

Note 11. Events subsequent to Reporting Date

No matters or circumstances have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the economic entity, the result of those operations or the state of affairs of the economic entity in subsequent financial years.