



AMA Group Ltd (formerly Allomak Ltd)

Appendix 4D for the Half Year Ended 31 December 2009

1. Company Information

Name of entity:	AMA Group Limited
ABN:	50 113 83 560
Reporting Period:	Half year ended 31 December 2009
Previous Corresponding Period:	Half year ended 31 December 2008

This report is to be read in conjunction with the 30 June 2009 Annual Report and is given in compliance with Listing Rule 4.2A.

2. Results for announcement to the market

Revenues	up	4.64%	to	\$23,944,903
Profit after tax attributable to members (1)	up	\$ 47,408,545	to	\$646,279
Net profit for the period attributable to members (2)	up	\$ 69,293,320	to	\$1,126,320

- (1) During the period ended 31 December 2009, the consolidated entity recorded a profit of \$646k. During the period ended 31 December 2008, the consolidated entity recorded a \$47m loss which included impairments of \$45m. The movement in the result after tax attributable to members from a loss in the previous period to a profit in the current period has a resulted in a \$47.5m movement from 2008 to 2009. (2) During the period ended 31 December 2008, the consolidated entity recorded a \$47m loss which included impairments of \$45m. The movement in the result after tax attributable to members from a loss in the previous period to a profit in the current period has a resulted in a \$47.5m movement from 2008 to 2009

Dividends

No Dividends were paid. The dividend declared on 1 September 2008 was cancelled by a resolution of the Board during the reporting period due to the Board taking legal advice that the dividend was not payable.

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3. Net Tangible Asset per Security

Net Tangible Asset/(Liabilities) per Security cents per security

As at 31 December 2009 (8.89) cents
As at 31 December 2008 (30.27) cents

4. Details of entities over which control has been gained or lost during the period

On the 11th and 23rd November 2009, Dyno Dynamics Pty Ltd and Dyno Dynamics Europe Limited (respectively) were placed into voluntary administration.

Contribution of Dyno Dynamics and Dyno Dynamics Europe to the reporting entity's profit/(loss) from operating activities during the current period and corresponding period, are:

	Consolidated Entity	
	31 December 2009	31 December 2008
	\$'000	\$'000
Revenue	1,702	2,533
Expenses	(2,005)	(5,524)
Profit/(Loss) after income tax	(303)	(2,991)

5. Details of individual and total dividends

Current Period

None.

<i>Previous corresponding period</i>	<u>Amount per Security</u>	<u>Franked Amount per security</u>
Final dividend announced on 1 September 2008	2.100 cents	2.100 cents

The above dividend declared by the Board on 1 September 2008 has subsequently been cancelled by the Board during the current year due to the Board taking legal advice that the dividend was not payable.

6. Details of dividend reinvestment plans in operation.

The AMA Group Limited dividend reinvestment plan dated 29 August 2006 is current.

When a dividend is declared, the election notice must be received prior to the record date.

7. Details of Associates and Joint Ventures

None.

8. Foreign entities

None.

9. Audit qualification or review

These accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

The interim Report for the half-year ended 31 December 2009 for AMA Group is attached.

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(formerly Allomak Limited)

Interim Financial Report

for the half year ended December 2009
(previous corresponding period: half year ended 31
December 2008)

To be read in conjunction with the 30 June 2009 Annual Report
In compliance with Listing Rule 4.2A

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Interim Financial Report

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Auditors Review Report to the Members of AMA Group Ltd

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Directors' Report

Your directors present their report on the consolidated entity consisting of AMA Group Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2009.

The following persons were directors of AMA Group Limited during the whole of the half-year and up to the date of this report unless otherwise stated:

Duncan Fischer	Chairman (appointed 14 October 2009)
Ray Malone	Chief Executive Officer
Simon Doyle	Non-Executive Director (appointed 14 October 2009)
Don Easter	(Resigned 14 October 2009)
The Hon John Anderson	(Resigned 14 October 2009)
Chris Sadler	(Resigned 30 November 2009)

Principal Activities

The consolidated entity's principal activity is the operation and development of complementary businesses in the automotive aftercare market. It focuses on the wholesale vehicle aftercare and accessories sector, including automotive and electrical components, smash repair shops, vehicle protection bull bars and other servicing workshops for brakes and transmissions.

Review of Operations

Since being appointed, the new Board and management have taken significant steps to put our stakeholders in a better position, given the relatively short period of time involved and the complexity of the problems facing our Group. These steps have included those announced over the past six months and a renewed drive on operational efficiency.

The Board is pleased to note improved trading conditions over the six months to December 2009, but is not assuming that all improvements will be substantiated. Some external factors contributing to improved performance may be temporary and markets remain very competitive.

The Group's statement of financial position now displays a substantial improvement in shareholder value and shows ample cash on hand to meet ongoing commitments.

The current position can be summarised as follows:

- the Group still has large debts and although we sit comfortably within our banking covenants, the near future will focus on debt reduction and more of the same disciplined management;
- interest rates are on the rise, highlighting the benefits of reducing debt as quickly as possible;
- no dividends will be paid for the foreseeable future;
- ongoing litigation has yet to be finalised;
- Sydney HQ has been closed and the outsourced CFO model appears to be working well;
- better than budgeted earnings for first half;
- trading for January/February 2010 has been satisfactory; and
- simpler, more transparent management model is working well.

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.

Auditors' Independence Declaration

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

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

For And On Behalf Of The Board

A handwritten signature in black ink, appearing to read 'D. Fischer', with a long horizontal stroke extending to the right.

Duncan Fischer
Chairman
AMA Group Limited
26th February 2009

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**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the directors of AMA Group Limited
(formerly Allomak Limited)**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2009 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the review.



MOORE STEPHENS
Chartered Accountants



Grant Sincock
Partner

Melbourne, 26 February 2010

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AMA Group Limited
Consolidated Statement of Comprehensive Income
for the half year ended 31 December 2009

	Notes	Consolidated Entity	
		31 December 2009 \$'000	31 December 2008 \$'000
Revenue from continuing operations	3	23,945	22,883
Other income		557	351
Raw materials and consumables used		(10,658)	(11,958)
Inventory obsolescence			
Employee benefits expense		(6,472)	(9,403)
Depreciation and amortisation expense		(286)	(292)
Advertising and marketing		(192)	(257)
Insurance		(71)	(257)
Travel and motor vehicle		(277)	(259)
Occupancy expenses		(1,182)	(1,214)
Professional services		(287)	(1,141)
Research and development		(11)	(29)
Communication expenses		(127)	(133)
Bad and doubtful debts expense		186	(3,614)
Finance costs		(747)	(1,521)
Other expenses		(863)	(4,266)
Profit/(Loss) from continuing operations before impairment, fair value adjustments and vendor payments		3,515	(11,110)
Impairment of intangibles		-	(32,739)
Impairment of assets		-	(1,425)
Fair Value adjustments to loan note		(288)	-
Profit/(loss) before income tax expense		3,227	(45,274)
Income tax expense		(2,581)	(1,488)
Profit/(loss) after income tax expense attributable to members of AMA Group Limited from continuing operations		646	(46,762)

The accompanying notes form part of these financial statements.

AMA Group Limited
Consolidated Statement of Comprehensive Income
for the half year ended 31 December 2009

Continued

	Notes	Consolidated Entity	
		31 December 2009 \$'000	31 December 2008 \$'000
Discontinued Operations			
Total profit/(loss) attributable to discontinued operations	4	480	(21,405)
Profit/(loss) after income tax benefit/(expense) attributable to members of AMA Group Limited		1,126	(68,167)
Total comprehensive income for the period		1,126	(68,167)
Profit attributable to:			
Owners of the parent		1,126	(68,167)
Non-controlling interests		-	-
		1,126	(68,167)
Total comprehensive income attributable to:			
Owners of the parent		1,126	(68,167)
Non-controlling interests		-	-
		1,126	(68,167)
		Cents	Cents
Profit/(loss) per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:			
Basic profit/(loss) per share		0.31	(34.78)
Diluted profit/(loss) per share		0.31	(34.78)
Profit/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the company:			
Basic profit/(loss) per share		0.54	(50.71)
Diluted profit/(loss) per share		0.54	(50.71)

The accompanying notes form part of these financial statements.

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AMA Group Limited
Consolidated Statement of Financial Position
as at 31 December 2009

	Notes	31 December 2009 \$'000	30 June 2009 \$'000
Current assets			
Cash and cash equivalents	5	2,952	1,419
Trade and other receivables		6,497	8,377
Inventories		4,085	4,463
Current tax assets		97	748
Non-current assets classified as held for sale		-	600
Other		411	404
Total current assets		14,042	16,011
Non-current assets			
Property, plant and equipment		2,629	2,888
Deferred tax assets		649	1,094
Intangible assets	6	28,336	28,345
Total non-current assets		31,614	32,327
Total assets		45,656	48,338
Current liabilities			
Trade and other payables		7,858	10,810
Borrowings		2,657	3,114
Current tax payable		17	-
Provisions		1,052	4,239
Liabilities directly associated with non-current assets classified as held for sale		-	206
Total current liabilities		11,584	18,369
Non-current liabilities			
Borrowings	7	24,094	25,552
Deferred tax liabilities		1,940	-
Provisions		114	155
Other	8	4,880	5,329
Total non-current liabilities		31,028	31,036
Total liabilities		42,612	49,405
Net assets		3,044	(1,067)
Equity			
Contributed equity	9	56,840	56,657
Reserves		47	47
Accumulated losses		(53,843)	(57,771)
Total equity		3,044	(1,067)

The accompanying notes form part of these financial statements.

AMA Group Limited
Consolidated Statement of Changes in Equity
for the half year ended 31 December 2009

	Contributed equity	Consolidated Entity Reserve	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	833	-	-	833
Dividends declared	-	-	(2,818)	(2,818)
Total comprehensive income	-	-	(68,167)	(68,167)
Balance at 31 December 2008	57,715	47	(66,154)	(8,392)
Shares issued net of costs	139	-	-	139
Reclassified vendor share issue	(3,000)	-	-	(3,000)
Equity to be issued	1,803	-	-	1,803
Dividends adjustment - adjustment	-	-	3	3
Total comprehensive income	-	-	8,380	8,380
Balance at 30 June 2009	56,657	47	(57,771)	(1,067)
Shares issued net of costs	1,986	-	-	1,986
Transfer from equity to be issued	(1,803)	-	-	(1,803)
Cancellation of Dividend payment	-	-	2,802	2,802
Total comprehensive income	-	-	1,126	1,126
Balance at 31 December 2009	56,840	47	(53,843)	3,044

The accompanying notes form part of these financial statements.

AMA Group Limited
Consolidated Statement of Cash flows
for the half year ended 31 December 2009

	Consolidated Entity	
	31 December 2009 \$'000	31 December 2008 \$'000
<i>Cash flows related to operating activities</i>		
Receipts from customers	27,388	44,834
Payments to suppliers and employees	(23,156)	(45,023)
Interest received	16	80
Interest and other costs of finance paid	(746)	(1,568)
Income taxes received	650	-
Net cash flows (used in)/from operating activities	4,152	(1,677)
<i>Cash flows related to investing activities</i>		
Proceeds from sales of plant and equipment	114	72
Payment for purchases of plant and equipment	(243)	(569)
Proceeds from sales of equity investments	307	-
Payment for purchases of equity investments	(240)	(1,281)
Payments for intangible assets	-	(1,877)
Cash forgone by placing operations into administration	(597)	-
Net cash flows used in investing activities	(659)	(3,655)
<i>Cash flows related to financing activities</i>		
Proceeds from borrowings	-	4,126
Repayment of borrowings	(906)	(950)
Net cash flows (used in)/from financing activities	(906)	3,176
Net increase/(decrease) in cash and cash equivalents	2,587	(2,156)
Cash and cash equivalents at the beginning of the half year	365	3,446
Cash and Cash Equivalents at the end of the half year	2,952	1,290

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

Note 1: Basis of Preparation

The general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting, Australian Accounting Interpretations, other authoritative pronouncements of Australian Accounting Standards Board and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS134 Interim Financial Reporting.

This half year report does not include full disclosures of the type normally included in an Annual Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as an Annual Report.

Accordingly, this financial report should be read in conjunction with the 2009 Annual Report for the year ended 30 June 2009 and any public announcements made by AMA Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not previously applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of income statement with statement of comprehensive income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the statement of changes in equity;
- the adoption of the separate income statement/single statement approach to the presentation of the statement of comprehensive income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third statement of financial position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

Operating Segments

From 1 July 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Chief Executive Officer. In this regard, such information is provided using different measures to those used in preparing the statement of comprehensive income and statement of financial position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash-generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets. This has not had a material effect on the cash-generating units of the group.

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.

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Notes to the Financial Statements

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 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.

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AMA Group Limited Notes to the Financial Statements

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments 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.

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AMA Group Limited

Notes to the Financial Statements

Reportable segments

31 December 2009	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Revenue</u>						
External Sales	4,877	7,389	6,141	2,642	2,959	24,008
Other Income	22	242	9	105	165	543
Total Sales & Other Income	4,899	7,631	6,150	2,747	3,124	24,551
Unallocated Revenue						(49)
Total Revenue						24,502
<u>Result</u>						
Segment Gross Margin	1,792	4,913	4,212	1,466	1,446	13,829
Unallocated Expenses						(10,314)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						3,515
Fair Value Adjustments						(288)
Profit before income tax expense						3,227
<u>Other</u>						
Acquisition of Non-Current Segment Assets	-	72	80	11	3	166
Depreciation and Amortisation of Segment Assets	25	43	107	40	57	272
Other Non-Cash Segment Expenses	-	-	-	-	-	-

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

AMA Group Limited
Notes to the Financial Statements

31 December 2009	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Segment Assets	3,151	4,382	2,837	2,467	2,442	15,279
Unallocated Assets						30,377
Total Assets						45,656
<u>Liabilities</u>						
Segment Liabilities	889	1,605	1,359	563	860	5,276
Unallocated Liabilities						37,336
Total Liabilities						42,612

AMA Group Limited
Notes to the Financial Statements

31 December 2008	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External Sales	6,154	4,829	6,307	2,655	3,232	23,177
Other Income	63	152	9	51	67	342
Total Sales & Other Income	6,217	4,981	6,316	2,706	3,299	23,519
Unallocated Revenue						(285)
Total Revenue						23,234
Result						
Segment Gross Margin	2,291	3,049	4,258	1,308	1,972	12,878
Corporate Activities						(23,988)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						(11,110)
Fair Value Adjustments						(34,164)
Profit before income tax expense						(45,274)
Other						
Acquisition of Non-Current Segment Assets	89	28	197	72	18	404
Depreciation and Amortisation of Segment Assets	26	52	61	35	55	229
Other Non-Cash Segment Expenses	-	-	-	-	-	-

AMA Group Limited
Notes to the Financial Statements

30 June 2009	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Segment Assets	11,766	3,391	12,890	1,986	4,532	34,565
Unallocated Assets						13,773
Total Assets						48,338
<u>Liabilities</u>						
Segment Liabilities	1,875	1,045	2,109	411	1,118	6,558
Unallocated Assets						42,847
Total Liabilities						49,405

AMA Group Limited

Notes to the Financial Statements

Note 2: Segment Information (continued)

Geographical regions

The Group operates in one geographical location, Australia.

Note 3: Revenue

	Consolidated Entity	
	31 December 2009	31 December 2008
	\$'000	\$'000
From continuing operations		
<i>Sales Revenue</i>		
Sale of goods	7,521	8,809
Service and hire	16,424	14,074
Total revenue	23,945	22,883

Note 4: Discontinuing operations

The following entities form part of the discontinued operations during the half year ended 31 December 2009:

- 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)

AMA Group Limited Notes to the Financial Statements

Note 4: Discontinuing operations (continued)

	Consolidated Entity	
	31 December 2009 \$'000	31 December 2008 \$'000
The profit/(loss) for the period from the discontinued operations is analysed as follows:		
Loss of discontinued operations for the period	(222)	(6,905)
Gain resulting from operations being discontinued	3,393	-
Impairment of assets	(2,691)	(14,500)
	480	(21,405)
<i>The following were the results of the discontinued operations for the period:</i>		
Revenue	1,702	14,480
Expenses	(1,924)	(21,385)
Loss after income tax	(222)	(6,905)
<i>The net assets of the discontinued entities at the date of being sold or placed into voluntary administration are as follows:</i>		
Cash and cash equivalents	597	-
Receivables	171	-
Inventories	559	-
Property, plant and equipment	666	-
Intangibles	34	-
Payables	(697)	-
Interest bearing liabilities	(121)	-
Provisions	(609)	-
Other liabilities	(4,036)	-
	(3,436)	-

Note 5: Cash and cash equivalents

Cash at the end of the period as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:

	Consolidated Entity	
	31 December 2009 \$'000	30 June 2009 \$'000
Cash and cash equivalents	2,952	1,419
Bank overdraft	-	(1,054)
	2,952	365

AMA Group Limited

Notes to the Financial Statements

Note 6: Non-current assets - intangibles.

	Consolidated Entity	
	31 December 2009	30 June 2009
	\$'000	\$'000
Goodwill - at cost	51,078	51,078
Less: Accumulated impairment	(22,745)	(22,745)
	28,333	28,333
Patents and trademarks - under lease	3	12
Less: Accumulated amortisation and impairment	-	-
	3	12
	28,336	28,345

Note 7: Non-current liabilities - borrowings

	Consolidated Entity	
	31 December 2009	30 June 2009
	\$'000	\$'000
Bank bills and loan note	23,972	25,117
Lease Liability	122	435
	24,094	25,552

Total Secured Liabilities

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

	Consolidated Entity	
	31 December 2009	30 June 2009
	\$'000	\$'000
Bank bills & loan note	26,497	26,953
Lease Liability	254	659
	26,751	27,612

AMA Group Limited Notes to the Financial Statements

Note 7: Non-current liabilities – borrowings (continued)

Assets pledged as security

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

The lease liabilities are effectively secured as the rights to the leased assets recognised in the statement of financial position 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

	Consolidated Entity	
	31 December 2009	30 June 2009
	\$'000	\$'000
Bank Bills	21,250	21,921
Loan Note	12,000	12,000
	33,250	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 \$5.247 million (30 June 2009: \$5.320 million).

AMA Group Limited Notes to the Financial Statements

Note 8: Non-current liabilities - other

	Consolidated Entity	
	31 December 2009	30 June 2009
	\$'000	\$'000
Deferred cash consideration - key vendors	3,175	3,313
Onerous lease	1,705	2,016
	4,880	5,329

Note 9: Issued Equity.

	31 December 2009		30 June 2009	
	No. ('000)	\$'000	No. ('000)	\$'000
Issued and Paid Up Capital				
Fully Paid Ordinary Shares	269,912	56,840	139,033	54,854
Equity to be issued	-	-	-	1,803
Options over Fully Paid Ordinary Shares	-	-	-	-
Total Issued Capital		56,840		56,657

During the half year ended 31 December 2009, the following movements in equity occurred:

	No. ('000)	\$'000
<i>Shares</i>		
Settlement of Vendor Agreements	126,313	1,803
Satisfaction of Employee Agreements	4,566	183
	130,879	1,986

Note 10: Contingent Liabilities.

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

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.

Directors' Declaration

The directors' of the company declare that;

1. The financial statements and notes, as set out on pages 3 to 22:
 - a. Comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
 - b. Give a true and fair view of the economic entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Duncan Fischer
Chairman

26 February 2010

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INDEPENDENT AUDITOR'S REVIEW REPORT

**TO THE MEMBERS OF AMA GROUP LIMITED AND CONTROLLED ENTITIES
(FORMERLY ALLOMAK LIMITED)**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AMA Group Limited and controlled entities (the consolidated entity) (formerly Allomak Limited), which comprises the consolidated statement of financial position as at 31 December 2009, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of AMA Group Limited (the company) are responsible for the preparation and fair presentation of the half-year 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 control relevant to the preparation and fair presentation of the half-year 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.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of AMA Group Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of the consolidated entity for the half-year ended 31 December 2009 included on the website of AMA Group Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this financial report are concerned about the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AMA Group Limited and controlled entities (formerly Allomak Limited) is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (ii) complying with *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.



MOORE STEPHENS
Chartered Accountants



Grant Sincock
Partner

Melbourne, 26 February 2010

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