28 August 2018

Company Announcements
For Immediate Release
ASX Code: AMA

APPENDIX 4E AND FINANCIAL REPORT FOR AMA GROUP LIMITED

In accordance with the Listing Rules of the Australian Securities Exchange ("ASX"), AMA Group Limited encloses for immediate release the following information:

1. Appendix 4E, the Preliminary Final Report for the Year ended 30 June 2018; and
2. The Financial Report for the Year ended 30 June 2018.

If you have a query about any matter covered by this announcement, please contact Mr Ray Malone on ray.malone@amagroupltd.com.

Ends.

The following information is presented in accordance with Listing Rule 4.3A of the Australian Securities Exchange ("ASX").

1. Details of the reporting period and the previous corresponding period

Current reporting period - the year ended 30 June 2018
Previous corresponding period - the year ended 30 June 2017

2. Results for announcement to the market

	Year ended	**30 Jun 2018 $'000**	**30 Jun 2017 $'000**	**Increase / (Decrease) $'000**	**%**
2.1	Revenues from continuing operations (including joint venture profit share)	509,756	382,165	127,591	33.4
	Earnings before interest, tax depreciation, amortization and impairment from continuing operations	43,633	37,205	6,428	17.3
	Normalised earnings before interest, tax, depreciation, amortization and impairment from continuing operations	52,156	41,072	11,084	27.0
2.2	Profit after tax from continuing operations attributable to members	15,108	17,210	(2,102)	(12.2)
	Normalised profit after tax from continuing operations attributable to members	24,073	20,580	3,493	17.0
2.3	Net profit for the period attributable to members	15,105	17,210	(2,105)	(12.2)
	Normalised net profit for the period attributable to members	24,069	20,580	3,489	17.0

Normalised results are unaudited Non-IFRS measures. Refer to the attached Financial Report for details of these calculations.

2.4	Dividends (distributions)	**Amount per security (cents)**	**Franking amount per security**	**Conduit foreign income per security**
	2018 Final	2.0	100%	Nil

2.5 Record date for determining entitlements to the dividend

14 September 2018

2.6 Commentary on “Results for Announcement to the Market”

A brief explanation of any of the figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Financial Report for the Year ended 30 June 2018.

3. A statement of comprehensive income

A statement of comprehensive income together with notes to the statement is contained in the attached Financial Report for the Year ended 30 June 2018.

4. A statement of financial position

A statement of financial position together with notes to the statement is contained in the attached Financial Report for the Year ended 30 June 2018.

5. A statement of cash flows

A statement of cash flows together with notes to the statement is contained in the attached Financial Report for the Year ended 30 June 2018.

6. A statement of changes in equity

A statement of changes in equity, showing movements is contained in the attached Financial Report for the Year ended 30 June 2018.

7. Details of individual and total dividends or distributions and dividend or distribution payments.

Type	Record Date	Payment Date	Amount per Security (cents)	Total Dividend ($)	Franked amount per security	Conduit foreign income per security
2017 Final	15 Sep 2017	31 Oct 2017	2.0	9,786,121	100%	Nil
2018 Interim	30 Apr 2018	15 Jun 2018	0.5	2,625,860	100%	Nil

8. Details of any dividend distribution reinvestment plans.

Not Applicable.

9. Net Tangible Assets per Security

Year ended	30 Jun 2018	30 Jun 2017	Increase / (Decrease)	
	cents	cents	cents	%
Net tangible assets per security	(6.49)	0.01	(6.50)	n/a

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

During the period, control was gained over the following entities:

Name of entity	Date control gained	Contribution to profit from ordinary activities $'000
Automotive Solutions Group Limited	18 Jan 2018	402

During the period, control was not lost over any entity.

11. Details of any associates and joint venture entities

Name of entity	Ownership		Contribution to profit from ordinary activities	
	30 Jun 2018 %	30 Jun 2017 %	30 Jun 2018 $'000	30 Jun 2017 $'000
Automotive Solutions Group Limited	Nil	24.9	(1,744)	Nil

12. Any other significant information needed by an investor

Further significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position is contained in the attached Financial Report for the Year ended 30 June 2018.

13. Foreign Entities, Accounting Standards used in compiling the report

Not Applicable.

14. A commentary on the results for the period

A commentary, including any significant information needed by an investor to make an informed assessment of the entity's activities and results, is contained in the attached Financial Report for the Year ended 30 June 2018.

15. Audit / Review of Accounts upon which this report is based and qualification of audit / review

This Preliminary Final Report is based on the attached Annual Report for the Year ended 30 June 2018 which has been audited by ShineWing Australia. The audit report is attached as part of the Annual Report and is not subject to a modified opinion, emphasis of matter or other matter paragraph.

AMA GROUP LIMITED

ABN 50 113 883 560

Annual Report for the Year Ended 30 June 2018

Table of Contents

This document contains some statements which are by their very nature forward looking or predictive. Such forward looking statements are by necessity at least partly based on assumptions about the results of future operations which are planned by the Company and other factors affecting the industry in which the Company conducts its business and markets generally. Such forward looking statements are not facts but rather represent only expectations, estimates and/or forecasts about the future and thereby need to be read bearing in mind the risks and uncertainties concerning future events generally.

There are no guarantees about the subjects dealt with in forward looking statements. Indeed, actual outcomes may differ substantially from that predicted due to a range of variable factors.

EXECUTIVE CHAIRMAN'S ADDRESS

Dear Shareholders,

I am pleased to present you with our results for the 2018 Financial Year.

Whilst the past year has been eventful for AMA Group Limited (ASX: AMA) and its shareholders, we finished the financial year with the strongest set of results in the company's history, demonstrating that our business strategy of pursuing organic and acquisitive growth continues to bring success.

We continued to focus on consolidating Australia's vehicle panel repair industry, which accounted for 85% of our business in the past year, while also looking for opportunities to grow our Automotive Component, Accessory and Procurement Business, known as ACAD.

AMA's strong growth in 2018 is best reflected by a 33% increase in revenue to more than $509 million, up from $382 million in the previous year. We achieved normalised EBITDA of $52 million, up 27% on last year's result and exceeding market guidance by 8%, or $4 million. Our net operating cash flows were up 88.5% to $24.5 million and we achieved normalised earnings per share of 4.59 cents. We are pleased to be able to deliver a final dividend of 2 cents per share to our shareholders.

In 2018, we completed 26 acquisitions and integrated 30 new facilities, which is an impressive feat. We also opened four new greenfields sites. New South Wales has been our main focus, where we now have 22 panel repair shops, up from seven in 2017. These additions in NSW will play an important part in our revenue growth, with annualised revenues expected to increase fourfold, from $22 million in FY2018 to an estimated $90 million in FY2019. Our Panel division exceeded expectations by achieving stretched targets in the midst of extensive due diligence and a potential takeover by Blackstone Capital Equity, of which our staff should be incredibly proud.

Our ACAD business continues to perform well, achieving normalised EBITDA in FY2018 of $10.09 million, up 13% on the FY2017 result and forecast to hit $12.2 million in the next financial year. We have built it into a leading vertically integrated player in the automotive OEM, fleet and aftermarket supply chain, with a focus on the growing 4WD, SUV and commercial vehicle market, which now represents more than half of all vehicles sold in Australia. Its distribution and workshop and performance divisions have opportunities to further improve their gross margins, while the manufacturing and remanufacturing component provides us with the ability to value add to the business. We expect to grow ACAD further in the coming years, providing future earnings upside.

We strengthened our position with the acquisition of ASG, which we have successfully restructured into three separate entities – Distribution, Manufacturing and Workshop. We believe this will improve controls, synergies, capacity and strengthen the independent business identities. The ACAD support team has worked extremely hard to instill AMA's disciplines of strong business leadership, reporting mechanisms and improvement strategies into the new business units. ASG achieved a H2FY18 run rate of $1.7 million and is forecast to achieve $2.2 million in EBITDA in FY2019.

Our people have been integral to AMA's strong performance in FY2018. In addition to adding to our national network of panel repair shops, which now totals 114, we undertook a major information technology upgrade, rolling out a single national quoting and body shop management software system called iBodyshop, as well as upgrading hardware and cyber security so we can run operations more efficiently. We also centralised our finance, HR, IT and fixed operations to a hub in Queensland. We created a National Operations Team for our panel operations so that we have a clear management and reporting structure from the CEO to the shop floor to enable faster decision making and problem solving.

AMA sees Australia's vehicle panel repair market in a cycle of evolution as smaller operators continue to decline, following a similar pattern to the US panel repair industry, where they have reduced by 26% over the past decade. Multi-shop operators in the US have increased their revenue share from 9% to 28%, and in Australia we are seeing a similar trend, where multi-shop operators are beginning to increase their market share, which is forecast to reach 31% by FY2021.

While industry participants agree that we are operating in a challenging environment, our strong financial position, along with the experience and knowledge gained by our management team over the past year in particular, will allow us to seize new opportunities to fuel future growth. As we capture a significantly larger share of the panel repair market, we will have capacity to generate higher revenues at lower costs, creating an even stronger bottom line. The insurance industry also continues to move towards larger panel repair companies, and we are leveraging on our existing relationships to further build that part of our business.

We also plan to execute further “greenfield” opportunities in the vehicle panel repair division in the coming year as we further extend our reach across Australia.

In 2019, we also expect to continue expansion of our strategic partnership agreements with key customers and suppliers while continuing to identify and execute strategic acquisitions, particularly in ACAD, where we see plenty of potential for further growth. AMA is on track to reach $1 billion revenue by FY2021, and we will be working hard across all levels of our operations to achieve that goal.

Ray Malone
Executive Chairman

Your Directors submit the consolidated financial statements of AMA Group Limited ("AMA" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2018. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS AND OFFICERS

The names and particulars of the Directors and Company Secretary of the Company in office at any time during or since the end of the period are as follows:

Mr Raymond Malone	Chairman and Executive Director
Mr Brian Austin	Non-Executive Director
Mr Leath Nicholson	Non-Executive Director
Mr Hugh Robertson	Non-Executive Director (resigned 3 August 2018)
Mr Raymond Smith-Roberts	Executive Director
Mr Andrew Hopkins	Executive Director
Mrs Terri Bakos	Company Secretary

REVIEW AND RESULTS OF OPERATIONS

Principal Activities

The principal activity of the Group is the operation and development of complementary businesses in the automotive aftercare market. It focuses on the wholesale vehicle aftercare and accessories sector, including vehicle panel repair, vehicle protection products & accessories, automotive electrical & cable accessories and automotive component remanufacturing.

Significant Changes in the State of Affairs

AMA has also achieved a number of important milestones in this reporting period:

- The Group successfully completed its takeover of Automotive Solutions Group Limited;
- Exceeded $500m in revenue with growth of 33% and on track to reach $1 billion revenue by FY2021
- The Vehicle Panel Repair division increased the number of shops it operates to 109 at 30 June 2018 and subsequent to year end it acquired a further 4 shops and 1 greenfield.
- Completed 26 acquisitions, integrated 30 new facilities, opened four new greenfield sites
- Strategic focus on NSW growth corridor lays foundation for fourfold NSW revenue growth in FY19
- More than tripled our NSW footprint, with 15 new panel repair shops
- Approach, due diligence and takeover offer from Blackstone Capital Equity generated significant international interest.

The Directors continue to be proud of the team's achievements which emphasise the Board's strategy to expand the business and take advantage of industry consolidation whilst ensuring shareholder value and returns are given appropriate focus.

Operating Results

Reported earnings before interest, tax, depreciation, amortisation and impairment expense from continuing operations ("EBITDA") has increased from $37.205 million to $43.633 million; a 17.3% increase. This result, however, has been significantly impacted by several large non-cash abnormal items. Restating this result for these abnormal items results in unaudited normalised EBITDA increasing to $52.156 million from the prior year comparative of $41.072 million; an increase of 27.0%. Importantly, this unaudited normalised EBITDA result exceeds the Company's previous market guidance of being "in excess of $48.0 million".

	30 June 2018 $'000	**30 June 2017 $'000**
Reported EBITDA (audited)	43,633	37,205
Blackstone Due Diligence costs	2,871	-
Greenfield openings	2,500	1,250
Site integrations	1,400	500
Business acquisition costs	1,363	677
Employee LTI expense	853	403
IT roll-out	650	-
Procurement	550	-
Redundancies	294	379
Site closures	150	50
Gain on acquisition of ASG	(2,108)	-
Litigation settlement	-	350
Borrowing costs	-	133
Restructuring costs	-	125
Normalised EBITDA (unaudited)	52,156	41,072

These abnormal items have also impacted on the Group's reported net profit before tax from continuing operations ("NPBT") which has decreased to $24.692 million from a prior year comparative of $25.405 million; a decrease of 2.8%. After adjusting this result for the impact of these abnormal items and the impairment losses, unaudited normalised NPBT becomes $35.323 million; an increase of 19.5% over the prior year comparative of $29.572 million.

As outlined in previous years, the abnormal items distort the effective tax rate. The effective tax rate, in the current year, was 37.8% (2017: 31.5%). Given the nature of these abnormal items, it is expected that, in their absence, the future effective tax rate will return to a more normal level.

The reported net profit after tax from continuing activities attributable to members has decreased by 12.2% to $15.108 million. After adjusting this result for the impact of the abnormal items, unaudited normalised NPAT becomes $24.073 million; an increase of 17.0% over the prior year comparative of $20.580 million.

Even excluding these abnormal items, the underlying results indicate that the key business operations continue to deliver positive results.

Vehicle Panel Repair

The Vehicle Panel Repair division increased its revenue by 31.9% and its Gross Margin increased by 29.9%. A major contributor to this growth was the full year impact of the acquisitions completed in FY2017 and the part year impact of the current year's acquisitions.

Key achievements of the Vehicle Panel Repair division for the year were:

- Integrated 30 new facilities, 26 acquisitions and 4 Greenfields opened in FY2018 (four acquisitions settled July 2017)
  - NSW is main focus, with annualised revenues to increase from $22.0 million in FY2018 to an estimated $90.0 million in FY2019
  - Continued Prestige OEM focus with the addition of two new Mercedes approved facilities.

- Rolled out a single national quoting and body shop management software (iBodyshop) and upgraded IT hardware nationally

- Centralised all finance operations, HR operations, IT operations and fixed ops into the Gemini Queensland support centre
  - Closed the Victoria finance hub
  - Enabled accurate timely financial reporting
  - New HR director employed, now one contract of employment across the whole group, one pay structure for greater clarity.

- Tendered and selected a new ERP (NetSuite from Oracle) for rollout in FY2019
  - One finance team and one IT program to provide accurate, timely information.

- Aligned the panel operations under one unified National Operations Team
  - Implemented a new very clear management structure from CEO to Centre manager
  - Enables faster decision making and problem solving
  - Early identification of issues.

- Despite extensive due diligence by Blackstone Capital Equity, Panel division achieved stretched targets

- Extensive pipeline of potential acquisitions and greenfields sites developed

- AMA achieves world recognition via proposed takeover of Panel division.

Automotive Components & Accessories Divisions

Overall, our Automotive Components & Accessories ("ACA") Divisions performed well in a challenging year, with significant changes and growth to this area of the AMA Group business. Two of the three existing divisions were able to achieve solid like for like organic growth, and significant accretive growth was achieved following the successful acquisition of CSM Service Bodies ("CSM") and Automotive Solutions Group Limited ("ASG").

Post the integration of the ASG business units, the ACA stable now comprises of four key operating segments. Management is pleased to report that all four divisions delivered positive results and the ACA Divisional support team has worked extremely hard to indoctrinate AMA Group's strong business leadership principles, reporting mechanisms and improvement strategies into the new business units. We are developing the teams' knowledge and abilities in each new business unit and are on track to high performance and business excellence.

The integration of CSM went extremely well, as it had been a well-run business before AMA acquired it. That was rapidly followed by the completion of the takeover of ASG in January 2018 which unfortunately was in much worse condition than had been indicated. We completed the restructuring of ASG, moving the six go forward business units out of the Fleet Alliance Pty Ltd entity into separate entities. AMA integrated business unit one into our Automotive Electrical and 4x4 Accessories Division ("Distribution"), clustered three of them in to our Vehicle Protection Equipment and Ute Accessories Division ("Manufacturing") and combined two business units into a new fourth Workshop and Performance Products Division ("Workshop").

This restructure and integration was completed to facilitate improved controls, synergies, capacity and to strengthen their independent business identities. We recognise that there is still a lot of work to be done to improve further from where we are with the former ASG business units, although we firmly believe the foundations have been put in place to under-pin the value and enable us to build future growth.

Vehicle Protection Products & Ute Accessories Division (Manufacturing)

- Continued efficiency gains in Gross Profit within ECB/Custom Alloy with improved proportion of revenue coming from aftermarket 4WD, light commercial and heavy commercial channels.
- Successful acquisition of CSM Service Bodies (01/12/2017) which continues to deliver improving results from an outstanding forward order bank and achieved its first ever $1m+ revenue month in June 2018.
- All three business units formerly under ASG (ASG 4x4 Vehicle Conversions; Alloy Motor Accessories; Uneek 4x4/Barden Fabrications) each underwent significant restructuring, where all improved to the level that each contributed positively to the FY18H2 results.

Automotive Remanufacturing Division (Re-manufacturing)

- Continued positive contribution from ASNU Transmission Products (Acquired 01/04/2017).
- Continued strengthening of relationship with GM Holden and development of further OEM relationships.

Automotive Electrical & 4x4 Accessories Division (Distribution)

- Significant improvements in the general health of the business and its balance sheet position during the year as expected following the continued application of successful business integration strategies.
- Successful integration of the Dolium business unit (formerly part of ASG), expanding the product offerings in our established distribution channels.

Workshop & Performance Products Division (Workshop)

- Both business units formerly under ASG (Roo Systems & Deering Autronics) also underwent significant restructuring, and contributed positively to FY18H2 results.

Discontinued Operations

Following the acquisition of ASG, we urgently set about restructuring the business and, after assessing the position, sold JDR Motorsports and closed Umhauers Geelong (Umhauers Warrnambool had already been closed by ASG in October 2017). AMA also removed the ASG board and closed its head-office operations.

Cash Flow

Although underlying cash flow generated from earnings has been strong this is not obvious from the reported result for Net cash flows used in operating activities. Below is a table that reconciles between the two results.

	30 June 2018 $'000	30 June 2017 $'000
Reported EBITDA (audited)	43,633	37,205
Discontinued operations	32	-
Interest paid	(786)	(170)
Deferred income amortisation	(7,453)	(5,487)
Employee LTI expense	853	403
Gain on acquisition of ASG	(2,108)	-
Other non-cash items	(1,293)	(910)
Pre-Tax Cash Earnings	32,878	31,041
Income tax paid	(9,423)	(9,724)
Market investment incentive receipt	-	-
Repayment of paint rebate	-	(5,433)
Normalisation of working capital for acquisitions	-	(1,981)
Other working capital movement	1,019	(916)
Net cash flows used in operating activities	24,474	12,987

As expected AMA's operating cash flows have been impacted by:

- Due diligence costs associated with the Blackstone offer for the Vehicle Panel Repair division;
- Increased costs stemming from the acquisition / greenfields programme;
- Normalisation of the ASG working capital following its acquisition;
- Roll-out of a new IT platform in Vehicle Panel Repair; and
- Costs associated with the development of the new Procurement initiative.

Adjusting the pre-tax Cash Earnings of $32.878 million for the non-cash normalisation adjustments this measure increases to $42.624 million; up 23.5% over the prior comparative period.

The large investing cash outflows in FY18 related to the acquisition of businesses and the capital expenditure relating to the increased investment in "greenfield" operations.

The timing of acquisition cash flows around financial year end required the Company to draw down on its debt facilities to ensure it had sufficient cash reserves to fund this bid. As such the Group had a cash balance of $16.214 million at year end.

Financial Position

The Current Ratio has improved from 0.81 times to 0.95 times. This ratio is also impacted by the significant non-cash items in other current liabilities; namely the unamortised Deferred income and the scrip component of Contingent vendor consideration. Reflecting this ratio for these items, the Current Ratio adjusted for non-cash items has improved from 0.91 times to 1.02 times.

The gearing ratio has risen slightly from 5.47% at June 2017 to 11.46%. While the Company's market capitalisation and the amount owing on Contingent vendor consideration has increased, the major contributor to this increased gearing ratio has been the increased debt facilities held by the group. Even so, the Directors believe that the Group is conservatively geared and that the Group has sufficient capital resources, including the debt facility, which had $7.5 million undrawn at balance date.

This capital base has enabled the Group to continue to undertake the acquisition programme which has resulted in an increased asset base; albeit most of this growth is in intangibles reflecting the service industry businesses we have acquired.

Capital Management

In October 2017, AMA paid the FY2017 final dividend of 1.70 cents per share fully franked at 30%. This bought the total payout related to that year's result to be 2.20 cents per share fully franked at 30%. In April 2018, the Company paid the FY2018 interim dividend of 0.5 cents per share fully franked at 30%.

Upon finalising the final report, the Directors are pleased to announce they have decided to declare a final dividend, fully franked at 30%, of 2.0 cents per share with a record date of 14 September 2018 and a payment date of 13 November 2018.

Basic earnings per share from continuing operations have decreased from 3.32 cents to 2.88 cents. Excluding the impact of the abnormal items this ratio improves from 3.97 cents to 4.59 cents; an increase of 15.7%

The closing price for an AMA Share on the ASX has also increased through the year from 97.0 cents at 30 June 2017 to 104.5 cents at 30 June 2018; an increase of 7.7%.

Business Strategies and Future Prospects

In recent years, the Board and Management have described the Strategic Direction of the Group as focusing on the growth opportunities presenting themselves to the four key business divisions. It was believed that the Group could exploit these opportunities with:

- A relatively strong financial position;
- Market leading brands;
- Strong relationships with customers and suppliers across multiple channels; and
- Industry experienced management with a commitment to operating excellence.

It was anticipated that most business segments would have organic growth potential but given the consolidation of the Vehicle Panel Repair industry there would be significant opportunities for strategic and accretive acquisitions in this industry segment. To this end, Management then embarked on the business growth programme.

The Directors believe that the strong financial performance of AMA in the current reporting period reflects the ongoing outcomes of this strategic direction. The investments made have resulted in a significant increase in the scale and scope of the operations. Whilst challenging market conditions have persisted across most of the Group's business segments, the results are in line with the Directors' expectations, which show a substantial increase in the Group's operating revenue and EBITDA over the past three years.

Whilst the economic outlook and market conditions across some business segments are likely to remain challenging, AMA believes that its continued application of key management strategies combined with its acquisition strategy will continue to boost future earnings.

The Board believe that there are still substantial growth opportunities presenting to the key business divisions. The consolidation of the Vehicle Panel Repair industry continues and Management are actively involved in negotiating the acquisition of existing businesses and new "greenfield" sites. These opportunities also exist for the other operating divisions. The acquisition of further businesses will provide further scale to the operations.

SUBSEQUENT EVENTS

On 8 August 2018 the Group acquired the Mt Druitt Group of Companies with an "earn out" as part of their acquisition consideration. These companies operate four Vehicle Panel Repairs shops:

- ARM Structural Accident Repairs, Mount Druitt, New South Wales;
- ARM Rapid Accident Repairs, Penrith, New South Wales;
- ARM Rapid Accident Repairs, Mount Druitt, New South Wales;
- ARM Rapid Accident Repairs, Wetherill, New South Wales;

On 28 August 2018, the Directors declared a dividend, fully franked of 2.0 cents per security which is to be paid 13 November 2018.

MEETING OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	Board Meetings		Committee Meetings			
			Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Raymond Malone	18	18	-	-	-	-
Leath Nicholson	20	20	2	2	3	3
Hugh Robertson	20	16	2	2	3	3
Brian Austin	19	17	2	1	3	2
Raymond Smith-Roberts	18	18	-	-	-	-
Andrew Hopkins	19	17	-	-	-	-

DETAILS OF DIRECTORS AND OFFICERS

The name and details of the Directors and Officers in office during the financial year and until the date of this report are as follows. Secretaries were in office for the entire period unless otherwise stated.

Raymond Malone	**Chairman and Executive Director**
Appointed to the Board	23 January 2009
Appointed Executive Chairman	19 March 2015
Experience and expertise	With over 30 years work experience in the automotive panel repair industry, Mr Malone has progressed from a spray painter through to business ownership and senior executive positions. He has developed many strong relationships with key customers focusing on excellent customer service. He has developed extensive business skills which he has consistently applied to AMA's development since 2009.
Interest in Shares and Options*	76,451,350 Fully Paid Ordinary Quoted shares and 10,000,000 options
Directorships held in other listed entities	Executive Chairman of Money3 Corporation Limited.
Special responsibilities	Chief Executive Officer - Group

Leath Nicholson	**Non-Executive Director**
Appointed to the Board	23 December 2015
Experience and expertise	Mr Nicholson holds a Bachelor of Economics (Hons), a Bachelor of Law (Hons) and a Masters of Law (Commercial Law). He co-founded Nicholson Ryan Lawyers. He has a breadth of experience with ASX listed entities and has particular expertise in mergers and acquisitions; IT based transactions, and corporate governance. He also has significant experience in corporate and commercial based dispute resolution.
Interest in Shares and Options*	1,673,395 Fully Paid Ordinary Quoted shares and Nil options
Directorships held in other listed entities	Non-Executive Director of Money3 Corporation Limited.
Special responsibilities	Member of the Audit Committee and the Remuneration Committee

Hugh Robertson	**Non-Executive Director**
Appointed to the Board	2 June 2015
Resigned from the Board	3 August 2018
Experience and expertise	Mr Robertson has worked in stockbroking for over 30 years with a variety of firms including Wilson HTM, Investor First and more lately Bell Potter. Among his areas of interest is a concentration on small cap industrial stocks and he currently sits on the boards of several such companies.
Interest in Shares and Options*	280,000 Fully Paid Ordinary Quoted shares and Nil options
Directorships held in other listed entities	Non-Executive Director of Centrepoint Alliance Limited and Longtable Group Limited. Formerly a Non-Executive Director and Chair of TasFoods Limited
Special responsibilities	Member of the Audit Committee and the Remuneration Committee

Brian Austin	**Non-Executive Director**
Appointed to the Board	23 December 2015
Experience and expertise	With over 30 year's industry experience, Mr Austin has held senior executive positions in the insurance industry. Over that time he has been instrumental in setting the strategy of capital raising and acquisitions. He has been a Director of ASX listed entities, enabling him to develop a global network of key relationships.
Interest in Shares and Options*	112,000 Fully Paid Ordinary Quoted shares and Nil options
Directorships held in other listed entities	Chairman of PSC Insurance Group Limited
Special responsibilities	Member of the Audit Committee and the Remuneration Committee
Raymond Smith-Roberts	**Executive Director**
Appointed to the Board	28 February 2014
Experience and expertise	Mr Smith-Roberts has over 25 years work experience in the automotive industry. He joined ECB many years ago progressing to general manager and then became managing director when the Company became part of AMA and played the lead role in making the business a significantly stronger business. Over the years he has attained valuable operational knowledge and experience having been the Group Chief Operating Officer from 2009 to 2017. He is well positioned to assist the board in developing strategy for the next phase of the Company's growth and development.
Interest in Shares and Options*	5,081,684 Fully Paid Ordinary Quoted shares and 2,000,000 options
Directorships held in other listed entities	Nil
Special responsibilities	Chief Executive Officer - Automotive Components and Accessories Divisions
Andrew Hopkins	**Executive Director**
Appointed to the Board	17 December 2015
Experience and expertise	Andrew founded the Gemini Group in Perth in 2009 and built the Gemini brand into one of the largest privately owned consolidators offering integrated claims management and repair services to the insurer, corporate and consumer markets. Andrew brings extensive management expertise to the AMA group. With over 35 years of experience in finance, acquisitions, strategy and building insurance relationships, Andrew's ability to continually innovate will broaden AMA's relationships with insurance companies both domestically and internationally.
Interest in Shares and Options*	50,341,667 Fully Paid Ordinary Quoted shares and Nil options
Directorships held in other listed entities	Nil
Special responsibilities	Chief Executive Officer - Vehicle Panel Repair Division
Terri Bakos	**Company Secretary**
Appointed	2 March 2010
Experience and expertise	Ms Bakos is a Chartered Secretary and holds a Bachelor of Business (Accounting) from RMIT University. She has over 20 years' experience providing accounting and compliance services to listed and unlisted public companies.

* The relevant interest in the shares or options over shares issued by the Company of each Director, and other related body corporate, as notified by the Director to the Australian Securities Exchange in accordance with s 205G(1) of the Corporations Act 2001, as at the date of this report.

REMUNERATION REPORT

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 Share-based compensation
D Service agreements

This remuneration report has been prepared by the Directors of AMA Group Limited to comply with the Corporations Act 2001 and the Key Management Personnel ("KMP") disclosures required under *AASB 124: Related Party Disclosures*.

A Principles used to determine the nature and amount of remuneration

Key Management Personnel

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:

Directors

Raymond Malone	Chairman and Executive Director
Raymond Smith-Roberts	Executive Director
Hugh Robertson	Non-Executive Director (Resigned 3 Aug 2018)
Andrew Hopkins	Executive Director
Brian Austin	Non-Executive Director
Leath Nicholson	Non-Executive Director

Executive Management

Ashley Killick	Chief Financial Officer (Resigned 31 May 2018; Reappointed 1 Jul 2018)

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 Executive Management.

The objective of these policies is to:

- Make AMA Group 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 Executive Management, 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 Key Management Personnel and the share price movement. Remuneration is based on 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 Directors' remuneration based on 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 Executive Management remuneration

The Company's remuneration policy directs that the remuneration packages appropriately reflect 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 Company also has a policy of rewarding extraordinary contribution to the growth of the Company with the grant of an annual discretionary cash bonus, shares or options under the Company's Employee Equity Plan.

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

Remuneration packages for Executives can generally consist of three components:

- Fixed remuneration which is made up of cash salary, salary sacrifice components and superannuation
- Short term incentives which include the issue of shares or options or a cash bonus; and
- Long term incentives which include issuing options.

Fixed remuneration

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 Board may in its sole discretion increase the salary based on that executive's performance, productivity and such other matters as it considers relevant.

Superannuation contributions by the Company are limited to the statutory level of 9.50% (2017: 9.50%) of wages and salaries.

Short-term incentives

The remuneration of Executives includes short-term incentive bonuses, payable as cash or equity, 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 an Employee Equity Plan for the benefit of Directors, full-time and part-time staff members employed by the Company. Under this Plan there are currently options on issue.

Performance based remuneration

Performance based remuneration is issued to reward individual performance in line with Group objectives. Consequently, performance based remuneration is paid to an individual where the individual's performance clearly contributes to a successful outcome for the Group. This is regularly measured in respect of performance against key performance indicators ("KPI's") and incentive bonuses are paid monthly, quarterly and yearly to reflect this.

KPI's used to measure performance include, but are not limited to:
- Completion of set milestones.
- EBIT target achievements.
- Sales target achievements.

KPI's are set in advance in conjunction with Group targets and in consultation with Executives and employees. The KPI's chosen reflect the Group's goals for the year and endeavour to increase shareholder wealth.

Assessment of KPI's is undertaken by the Board and Executive Management based on management accounts and year end audited financial results.

All Executives and employees are eligible to receive incentives whether through employment contracts or by recommendation of the Chief Executive Officer or Board. Performance based incentive payments are based on a set monetary value or number of shares or options. There is no fixed portion between incentive and base remuneration.

Remuneration policy versus Group Performance

The Group's remuneration policy is based on industry practice. Executive performance based remuneration issued during the 2018 financial year has been measured against the KPI's set at the start of the year by the Board and/or Executive Management to reflect the Group's objectives for the year. The Board believes that the performance based remuneration issued to executives during the year reflects the contribution that they have made to the Group's performance over the past 12 months.

Service agreements

The Group has entered into service agreements with Key Management Personnel. Details of these agreements are contained in Part D of this report.

B Details of remuneration

Details of the remuneration of the Directors, the Key Management Personnel of the Group (as defined in *AASB 124: Related Party Disclosures*) are set out in the tables below:

2018	**Short-term benefits**		**Other[2]**	**Long-term benefits[3]**	**Post-employment benefits[4]**	**Equity settled benefits[5]**	**Total**
	Salary	**Bonus[1]**					
	$	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors							
Hugh Robertson	100,000	-	-	-	-	-	100,000
Brian Austin	100,000	-	-	-	-	-	100,000
Leath Nicholson	100,000	-	-	-	-	-	100,000
Executive Directors							
Raymond Malone[6]	974,577	650,000	500,000	79,328	20,048	-	2,223,953
Raymond Smith-Roberts	300,040	155,379	-	5,252	25,000	-	485,671
Andrew Hopkins	1,000,000	590,000	-	-	-	-	1,590,000
Executive Management							
Ashley Killick	344,435	200,000	-	-	30,820	-	575,255
	2,919,052	1,595,379	500,000	84,580	75,868		5,174,879

Notes:
1 - Represents short term incentives paid or accrued
2 - Other includes a sign-on payment received by Mr Malone on commencement of a new employment contract.
3 - Represents movement in the provision for long service leave for amounts accrued and not paid
4 - Represents amounts paid for pension and superannuation benefits
5 - Represents the non-cash accounting charge to the Company's operating result relating to prior year share issues, to compensate for sign on bonuses, and options granted in the current year - refer to following sections for further details
6 – Mr Malone is entitled to an additional bonus of $400,000 that is payable dependent on the achievement of certain specified financial targets and Board approval.

2017	**Short-term benefits**		**Other**	**Long-term benefits[2]**	**Post-employment benefits[3]**	**Equity settled benefits[4]**	**Total**
	Salary	**Bonus[1]**					
	$	**$**	**$**	**$**	**$**	**$**	**$**
Non-Executive Directors							
Hugh Robertson	80,000	-	-	-	-	-	80,000
Brian Austin	80,000	-	-	-	-	-	80,000
Leath Nicholson	80,000	-	-	-	-	-	80,000
Executive Directors							
Raymond Malone	731,500	250,000	-	11,655	35,000	116,000	1,144,155
Raymond Smith-Roberts	299,401	404,994	-	4,249	30,000	20,000	758,644
Andrew Hopkins	660,000	250,000	-	-	-	-	910,000
Executive Management							
Ashley Killick	359,135	250,000	-	929	38,868	-	648,932
	2,290,036	1,154,994	-	16,833	103,868	136,000	3,701,731

Notes
1 - Represents short term incentives paid or accrued
2 - Represents movement in the provision for long service leave for amounts accrued and not paid
3 - Represents amounts paid for pension and superannuation benefits
4 - Represents the non-cash accounting charge to the Company's operating result relating to prior year share issues, to compensate for sign on bonuses, and options granted in that year - refer to following sections for further details

In a previous financial year, Mr Raymond Malone and Mr Raymond Smith-Roberts, were issued ordinary shares as consideration for them separately committing to an amendment and extension of their respective employment contracts. These shares are conditional on them remaining employed by the group over the term of the revised contracts. Under *AASB 2 Share-based Payment* the notional cost of these shares is being expensed over this term. The value of $116,000 has been included in the 2017 remuneration tables for Mr Raymond Malone and the value of $20,000 has been included in the 2017 remuneration tables for Mr Raymond Smith-Roberts.

C Share-based compensation

Equity Holdings

Fully Paid Ordinary Quoted Shares

The number of shares in the Company held during the financial year by each director and other members of Key Management Personnel of the Group, including their related parties, is set out below:

	Opening Balance	Balance on Appointment	Balance on Retirement	Other Changes	Closing Balance
2018					
Raymond Malone	80,417,619	-	-	(3,966,269)[1]	76,451,350
Raymond Smith-Roberts	5,081,684	-	-	-	5,081,684
Hugh Robertson	280,000	-	-	-	280,000
Andrew Hopkins	35,239,167	-	-	15,102,500[2]	50,341,667
Brian Austin	112,000	-	-	-	112,000
Leath Nicholson	1,673,395	-	-	-	1,673,395
	122,803,865	-	-	11,136,231	133,940,096
2017					
Raymond Malone	80,417,619	-	-	-	80,417,619
Raymond Smith-Roberts	5,081,684	-	-	-	5,081,684
Hugh Robertson	230,000	-	-	50,000[3]	280,000
--Andrew Hopkins	19,524,167	-	-	15,715,000[4]	35,239,167
Brian Austin	112,000	-	-	-	112,000
Leath Nicholson	1,673,395	-	-	-	1,673,395
	107,038,865	-	-	15,765,000	122,803,865

Notes:
1 - Shares disposed of through off market transfer subject to family court order
2 – Shares acquired through conversion on 22 November 2017 of Fully Paid Ordinary Unquoted Shares
3 - Shares acquired through open market trade on 21 June 2017
4 - Shares acquired through off market trade on 19 August 2016

Fully Paid Ordinary Unquoted Shares

On his appointment as an Executive Director, on 17 December 2015, Mr Andrew Hopkins and his related parties, held an interest in 8,367,500 ordinary unquoted shares in the Company. On 19 August 2016, a related entity of Mr Hopkins acquired a further interest in this class of shares in AMA Group Limited bringing his interest to be 15,102,500 Fully Paid Ordinary Unquoted shares. On 22 November 2017, on achieving the performance targets associated with these securities, these shares were converted to Fully Paid Ordinary Quoted Shares.

Options over Fully Paid Ordinary Quoted Shares

On 14 September 2015, the Board agreed to the issue of unquoted options to Directors as part of their remuneration package. At the General Meeting of AMA shareholders held on 27 November 2015, the shareholders approved the issue of 10,000,000 options to Mr Raymond Malone and 2,000,000 options to Mr Raymond Smith-Roberts. The terms of the Options include a nil consideration price with an exercise price of $1.20 each. The Options vest 12 months from the date of Shareholder Approval (i.e. 27 November 2016). They expire 3 years from issue date. These Options are convertible into 1 fully paid ordinary Share in the Company. Upon exercise the Shares issued will be quoted and will rank equally with all other fully paid ordinary Shares.

On 25 April 2017, Mr Ashley Killick was issued with 2,000,000 options to acquire ordinary shares in the Company. The terms of the Options include a nil consideration price with an exercise price of $1.20 each. The Options vest 12 months from the date of issue (i.e. 25 April 2018). They expire 3 years from issue date. These Options are convertible into 1 fully paid ordinary Share in the Company. Upon exercise the Shares issued will be quoted and will rank equally with all other fully paid ordinary Shares.

There were no options issued to Key Management Personnel during the current financial year as part of their compensation.

D Service agreements

The Group has entered into service agreements with Key Management Personnel. It is a standard requirement of these contracts that no individual, 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.

Specific details of the service agreements for Key Management Personnel in place as at 30 June 2018 are:

Name:	**Raymond Malone**
Title:	Executive Chairman and Chief Executive Officer
Agreement commenced:	4 July 2010
Agreement extended:	1 July 2012
Term of original agreement:	5 Years
Term of extension:	5 Years
Other terms:	On 28 September 2017, the Company and Mr Malone agreed to continue his employment on an ongoing basis with the following variations: (i) The base remuneration was increased to $950,000 per annum; and (ii) The arrangement may be terminated by either party after giving twelve months written notice.

Name:	**Brian Austin**
Title:	Non-Executive Director
Agreement commenced:	23 December 2015
Term of agreement:	Ongoing
Termination period:	None
Termination payment:	Nil
Other terms:	None

Name:	**Leath Nicholson**
Title:	Non-Executive Director
Agreement commenced:	23 December 2015
Term of agreement:	Ongoing
Termination period:	None
Termination payment:	Nil
Other terms:	None

Name:	**Hugh Robertson**
Title:	Non-Executive Director
Agreement commenced:	2 June 2015
Term of agreement:	Resigned 3 August 2018
Termination period:	None
Termination payment:	Nil
Other terms:	None

Name:	**Raymond Smith-Roberts**
Title:	Executive Director and Chief Executive Officer of Automotive Components and Accessories
Agreement commenced:	1 September 2010
Agreement extended:	1 July 2012
Term of extension:	5 Years
Term of original agreement:	No fixed term
Other terms:	On 28 September 2017, the Company and Mr Smith-Roberts agreed to continue his employment on an ongoing basis with the following variations: (i) The remuneration package remained the same subject to the short term incentive entitlement being subject to adjustment if additional responsibilities were added in the future; and (ii) The arrangement may be terminated by either party after giving twelve months written notice.

Name:	**Andrew Hopkins**
Title:	Executive Director and Chief Executive Officer of Vehicle Panel Repair
Agreement commenced:	16 December 2015
Term of agreement:	5 Years
Termination period:	None
Termination payment:	None
Other terms:	Mr Hopkins is employed as the Key Person under a consultancy services agreement with an entity that is a related party to him. On 28 September 2017, the Company and the related party agreed to increase the base consultancy fee to $900,000 plus GST per annum plus a motor vehicle allowance of $100,000 per annum.

Name:	**Ashley Killick**
Title:	Chief Financial Officer
Agreement commenced:	1 July 2018
Term of agreement:	Ongoing on a contracted basis.
Termination period:	Nil
Termination payment:	Nil
Other terms:	None

Generally, the Company or the individual may terminate employment at any time by giving the other party appropriate contractual notice in writing.

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

The employment of each individual 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 individual or a consistent failure to carry out duties in a manner satisfactory to the Company.

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry Date	Issue Price of Shares	Number under Option
27 Nov 2015	27 Nov 2018	1.20	12,000,000
25 Apr 2016	25 Apr 2019	1.20	6,875,000

No option holder has any right under the option to participate in any other share issue of the Company or any other entity.

Included in these options were options granted as remuneration to Key Management Personnel. Details of options granted to Key Management Personnel are disclosed in the audited remuneration report above.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No shares were issued on the exercise of options in the financial year ended 30 June 2018 or 30 June 2017.

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 to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of coverage 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.

ENVIRONMENTAL REGULATION

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 Group had no adverse environmental issues during the year.

NON-AUDIT SERVICES

No non-audit services were provided by ShineWing Australia.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act*, in relation to the review for the Year ended 30 June 2018, is provided with this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and the Year financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

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

Director

28 August 2018

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of AMA Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Nick Michael
Partner

Melbourne, 28 August 2018

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Revenue from continuing operations	4	509,756	382,165
Raw materials and consumables used		(221,214)	(164,200)
Employment benefits expense	5	(190,923)	(140,851)
Occupancy expense	5	(33,963)	(25,480)
Professional services expense		(6,856)	(3,999)
Travel and motor vehicle expense		(3,753)	(2,946)
Advertising and marketing expense		(1,929)	(1,787)
Information technology expense		(1,835)	(1,559)
Communication expense		(1,159)	(896)
Insurance expense		(697)	(653)
Other expense	5	(3,794)	(2,589)
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)		**43,633**	**37,205**
Depreciation and amortisation expense	5	(13,352)	(10,612)
Impairment expense	5	(2,108)	(300)
Earnings before interest and tax (EBIT)		**28,173**	**26,293**
Finance costs	5	(786)	(170)
Share of net profit from associates using the equity method	14	(1,744)	-
Profit from continuing operations before fair value adjustments		**25,643**	**26,123**
Fair value adjustments to financial liabilities		(951)	(1,218)
Fair value adjustments to contingent consideration		-	500
Profit (loss) before income tax from continuing operations		**24,692**	**25,405**
Profit (loss) before tax from discontinued operations	31	(5)	-
Profit (loss) before income tax		**24,687**	**25,405**
Income tax benefit / (expense)	6	(9,318)	(7,994)
Net profit (loss)		**15,369**	**17,411**
Profit (loss) attributable to			
Members of AMA Group Limited		15,105	17,210
Non-controlling interests	22	264	201
		15,369	**17,411**
Earnings per Share		**Cents**	**Cents**
From continuing operations			
Basic earnings per share	33	2.88	3.32
Diluted earnings per share	33	2.78	3.20
From continuing and discontinuing operations			
Basic earnings per share	33	2.88	3.32
Diluted earnings per share	33	2.78	3.20

The above consolidated income statement is to be read in conjunction with the attached notes.

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Net profit (loss)		15,369	17,411
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(50)	(6)
Other comprehensive income, net of tax		(50)	(6)
Total comprehensive income, net of tax		15,319	17,405
Total comprehensive income attributable to:			
Members of AMA Group Limited		15,055	17,204
Non-controlling interests	22	264	201
		15,319	17,405

The above consolidated statement of comprehensive income is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Current assets			
Cash and cash equivalents	7	16,214	14,723
Trade and other receivables	8	44,753	34,965
Inventories	9	29,402	19,213
Income tax receivable	6	188	-
Other current assets	10	3,442	3,701
Total current assets		93,999	72,602
Non-current assets			
Property, plant and equipment	11	55,421	45,944
Intangible assets	12	199,769	159,103
Deferred tax asset	13	9,223	7,205
Investments	14	-	3,932
Other non-current assets	10	4,442	3,610
Total non-current assets		268,855	219,794
Total assets		362,854	292,396
Current liabilities			
Trade and other payables	15	67,220	49,662
Borrowings	16	311	13,597
Income tax payable	6	-	458
Provisions	17	18,955	11,590
Other current liabilities	18	12,478	13,933
Total current liabilities		98,964	89,240
Non-current liabilities			
Borrowings	16	52,521	100
Provisions	17	6,944	6,469
Other non-current liabilities	18	30,094	30,223
Deferred tax liability	19	3,254	3,509
Total non-current liabilities		92,813	40,301
Total liabilities		191,777	129,541
Net assets		171,077	162,855
Equity			
Contributed equity	20	187,206	181,691
Reserves	21	3,004	3,054
Retained earnings (deficit)		(19,429)	(22,122)
Total Group interest		170,781	162,623
Non – controlling interest	22	296	232
Total equity		171,077	162,855

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

	Note	Equity $'000	Reserves $'000	Retained Earnings $'000	Total $'000	Non Control Interest $'000	Total $'000
At 1 July 2016		172,149	3,059	(28,855)	146,353	197	146,550
Profit for the period		-	-	17,210	17,210	201	17,411
Other comprehensive income		-	(5)	-	(5)	-	(5)
Total comprehensive income for the period		-	(5)	17,210	17,205	201	17,406
Transactions with owners in their capacity as owners:							
Non-controlling interest on acquisition of subsidiary		-	-	-	-	30	30
Shares issued, net of costs		9,149	-	-	9,149	-	9,149
Employee equity plan		393	-	-	393	-	393
Dividends recognised	23	-	-	(10,477)	(10,477)	(196)	(10,673)
		9,542	-	(10,477)	(935)	(166)	(1,101)
As at 30 June 2017		181,691	3,054	(22,122)	162,623	232	162,855
At 1 July 2017		181,691	3,054	(22,122)	162,623	232	162,855
Profit for the period		-	-	15,105	15,105	264	15,369
Other comprehensive income		-	(50)	-	(50)	-	(50)
Total comprehensive income for the period		-	(50)	15,105	15,055	264	15,319
Transactions with owners in their capacity as owners:							
Non-controlling interest on acquisition of subsidiary		-	-	-	-	-	-
Shares issued, net of costs		5,015	-	-	5,015	-	5,015
Employee equity plan		500	-	-	500	-	500
Dividends recognised	23	-	-	(12,412)	(12,412)	(200)	(12,612)
		5,515	-	(12,412)	(6,897)	(200)	(7,097)
As at 30 June 2018		187,206	3,004	(19,429)	170,781	296	171,077

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

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Cash flows from operating activities			
Receipts from customers		496,496	362,877
Payments to suppliers and employees		(462,211)	(340,094)
Interest received		398	98
Interest and other costs of finance paid		(786)	(170)
Income taxes paid		(9,423)	(9,724)
Net cash flows used in operating activities	32	24,474	12,987
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		398	52
Proceeds from disposal of business		167	-
Payments for purchases of property plant and equipment		(11,026)	(11,986)
Payments for intangible assets		(18)	-
Payments for businesses acquired, net of cash acquired		(36,836)	(6,851)
Loans and other investments		(2,003)	(3,902)
Net cash flows (used in) / provided by investing activities		(49,318)	(22,687)
Cash flows from financing activities			
Equity raised		(51)	-
Proceeds from borrowings		43,000	13,000
Repayment of borrowings		(3,913)	(782)
Dividends paid to AMA shareholders	23	(12,412)	(10,477)
Dividends paid to non-controlling shareholders		(200)	(196)
Net cash flows (used in) / provided by financing activities		26,424	1,545
Net (decrease) / increase in cash and cash equivalents		1,580	(8,155)
Cash and cash equivalents, at beginning of year		14,723	22,888
Effects of exchange changes on the balances held in foreign currencies		(89)	(10)
Cash and cash equivalents, at the end of year	7	16,214	14,723

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

Index of Notes to the Financial Statements

Note 1 Significant Accounting Policies

1 (a) Basis of preparation

1 (a) (i) Basis of accounting

This general purpose financial report, for the year ended 30 June 2018, 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,* for AMA Group Limited ("AMA" or the "Company") and its controlled entities as a consolidated group (the "Group"). The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements comply with International Financial Reporting Standards (IFRSs).

This general purpose financial report has been prepared on a going concern basis, which assumes that the Group will be able to meet its debts as and when they become due and payable. As at 30 June 2018, the financial report shows current liabilities exceeding current assets by $4.965 million. This ratio is impacted by the significant non-cash items in other current liabilities; namely the deferred income and the scrip component of deferred vendor consideration. Reflecting for these items, this ratio becomes an excess of current assets over current liabilities of $2.261 million.

1 (a) (ii) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all controlled entities in the Group as at 30 June 2018 and the results of all controlled entities for the year then ended. A list of the controlled entities is provided in Note 29 to these financial statements.

The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

1 (a) (iii) Historical cost convention

These financial statements have 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 and certain classes of property, plant and equipment.

1 (a) (iv) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

1 (a) (v) Rounding amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

1 (a) (vi) Critical Accounting Estimates

The preparation of these financial statements 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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 to these financial statements.

1 (b) Summary of principal accounting policies

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

1 (b) (i) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of comprehensive income.

1 (b) (ii) Revenue recognition

Sales revenue represents revenue earned from the sale of the Group's products and services, net of returns, trade allowances and duties and taxes paid. All revenues are stated net of goods and services taxes.

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 Revenue* and revenue is recognised when all of the following criteria are met:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods.
- the Group 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 Group.
- 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.

1 (b) (iii) Income tax

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which Management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

AMA Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liabilities /(assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 September 2006.

1 (b) (iv) Cash and cash equivalents

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 statement of financial position.

1 (b) (v) 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.

1 (b) (vi) 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 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 re-valued amount of each item of plant and equipment over its expected useful life to the Group. The expected useful lives are as follows:-

Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired life of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

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.

Furniture and equipment

The expected useful life of furniture and equipment is two to ten years.

Motor vehicles

The expected useful life of motor vehicles is four to eight years.

1 (b) (vii) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental 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 Group 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 statement of comprehensive income in the period in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

1 (b) (viii) Intangible assets

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest. The Group can elect to initially measure the non-controlling interest in the acquiree either at fair value (full goodwill method) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). The Group determines which method to adopt for each acquisition based on the entitlement of non-controlling interest to a proportionate share of the subsidiary net assets.

Under the full goodwill method, the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Research and Development

Expenditure on research activities, undertaken with the prospect of obtaining new or scientific or technical knowledge and understanding, is recognised in the Statement of Comprehensive Income 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 are 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 accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their estimated useful life of 5 years.

Customer contracts

Customer contracts are recognised at the fair value at acquisition. Customer contracts have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Customer contracts are amortised over the lesser of the remainder of the contract or their estimated useful life relevant to each specific contract.

1 (b) (ix) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

1 (b) (x) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30-45 days of recognition. Other payables not due within a year are measured less cumulative amortisation calculated using the effective interest method.

1 (b) (xi) 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. The excess of the lease obligations over the expected economic benefits is expensed in the period that the contract becomes onerous. The liability represents the present value of the minimum lease payments and is held on the statement of financial position until it is extinguished.

1 (b) (xii) 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

1 (b) (xiii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable the Group 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 the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1 (b) (xiv) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be wholly settled within 12 months of the end of the reporting period are recognised in other payables and provisions in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are wholly 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 at present value. 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 an option pricing 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 Group’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 the end of the reporting period.

1 (b) (xv) 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.

1 (b) (xvi) 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 the end of the reporting period.

1 (b) (xvii) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. the Company). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the Company. At this date, the Company recognises, in the consolidated accounts, and subject to certain limited exceptions, the acquisition date fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

1 (b) (xviii) 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.

1 (b) (xix) 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 Statement of Financial Position.

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.

1 (b) (xx) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Quoted prices in an active market are used, where available, to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date. (All other loans and receivables are classified as non-current assets.)

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

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those that are expected to mature within 12 months after reporting date, which are classified as current assets.

If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by Management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those that are expected to be disposed of within 12 months after reporting date, which are classified as current assets.

v. Financial liabilities

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30-45 days of recognition. Other payables not due within a year are measured less cumulative amortisation calculated using the effective interest method.

Loans are initially recognised at their fair value plus transaction costs. Interest is accrued over the period it becomes due and unpaid interest is recorded as part of current payables.

Interest free loans are recorded at their fair value. Discounted cash flow models are used to determine the fair values of the loans.

All non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted financial instruments, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with *AASB: 118 Revenue*. Where the entity gives guarantees in exchange for a fee, revenue is recognised under *AASB: 118 Revenue*.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

1 (b) (xxi) Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specially exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Statement of Comprehensive Income.

1 (c) New accounting standards for application in future periods

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "AASB") that are relevant to their operations and effective for annual reporting periods beginning on 1 July 2017.

The adoption of all new and revised Standards and Interpretations did not affect the amounts reported for the current or prior periods. In addition, the new and revised Accounting Standards and Interpretations have not had a material impact and not resulted in change to the Group's presentation of or disclosure in these financial statements.

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated amending standards (applicable for annual reporting periods commencing on or after 1 January 2018)

AASB 9 will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, based on the preliminary assessment performed to date, the effects are not expected to be material.

AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018)

This standard, when effective, will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. AASB 15 also requires enhanced disclosures regarding revenues. This standard will require retrospective restatement and is available for early adoption.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the Group's recognition of revenue, based on the preliminary assessment performed to date, the effects are not expected to be material. This preliminary assessment included a review of the type and nature of the goods and services provided in the generation of revenue, the terms and conditions on which these transactions are undertaken and the documentation and contractual terms associated with this transactions.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019)

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related interpretations when it becomes effective. AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively. Furthermore, extensive disclosures are required by AASB 16.

The Group had as at 30 June 2018, non-cancellable operating lease commitments of $66.781 million (30 June 2017: $54.57 million). AASB 117 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in Note 28. A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of AASB 16. The new requirement to recognise a right-of-use asset and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements. It is not practicable to provide a reasonable estimate of the financial effect until a full assessment of the potential impact is completed by the Group.

AASB 2017-1: Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

This standard is applicable from annual reporting periods beginning on or after 1 January 2018 with earlier application being permitted. This standard amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2017-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard is applicable from annual reporting periods beginning on or after 1 January 2018 with earlier application being permitted. This standard amends *AASB 107 Statement of Cash Flows* to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

This Standard is not expected to significantly impact the Group's financial statements.

AASB 2017-5: Amendments to Australian Accounting Standards - Classification and Measurement of Share based Payment Transactions

This Standard is applicable from 1 January 2018 with earlier application being permitted. The Standard amends *AASB 2 Share-based Payment* to address:

a) The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
b) The classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and
c) The accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

This Standard is not expected to significantly impact the Group's financial statements.

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 Group and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

When preparing the financial statements, Management undertakes various judgements, estimates and assumptions concerning the recognition and measurement of assets, liabilities, income and expenses. The resulting accounting estimates will, by definition, seldom equate with the related actual results. The following are significant judgements, estimates and assumptions made in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Impairment of Goodwill

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 Group 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. Refer to Note 12 for details of key assumptions used to calculate the recoverable amount of goodwill. The Group is yet to finalise the acquisition accounting for certain of its current year acquisitions (e.g. ASG) and will seek to do so over the twelve months post acquisition. The value attributed to Goodwill may therefore change in future periods.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, Management uses the best information available.

The carrying value of the Contingent vendor consideration, payable as a result of the acquisition of businesses and entities, incorporate a number of assumptions. In determining this value, Management have applied a discount factor and a probability factor on the earn-out components to determine the fair value. The interest expense and the fair value adjustment have been taken to the Statement of Comprehensive Income.

Share-based payments plans

The cost of share-based payments plans (including options) is determined on the basis of the fair value of the equity instrument at grant date. Determining the fair value assumes choosing the most suitable valuation model for these equity instruments, by which the characteristics of the grant have a decisive influence. This assumes also the input into the valuation model of some relevant judgments, like the estimated expected life of the option and the volatility of the underlying share.

Provision for Make Good

Provisions for Make Good are measured at the present value of management's best estimate of the expenditure required to remove any leasehold improvements at the end of the respective lease. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Note 3 Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board and Executive Management 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.

The Group only operates within one geographical area, Australasia, and has historically been segmented by the products it provides, being:

- Vehicle Panel Repair - Motor vehicle panel repairs.
- Manufacturing - Manufacture of motor vehicle protection products and Ute/Commercial accessories.
- Distribution - Distribution of automotive electrical & 4WD accessories.
- Remanufacturing - Motor vehicle component remanufacturing & repairs.
- Workshop - automotive workshops and performance products.

Unless stated otherwise, all amounts reported with respect to operating segments are determined in accordance with the Group's accounting policies. All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

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.

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.

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:

- 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 sales adjustments;
- finance costs;
- dividend payments;
- intangible assets; and
- discontinued operations.

Revenue from two customers amounted to $238,606,000 (2017: $179,370,000), arising from sales in the Vehicle Panel Repair segment.

	Panel $'000	Manufacturing $'000	Distribution $'000	Remanufacturing $'000	Workshop $'000	Total $'000
Year to 30 June 2018						
Revenue						
External sales	427,078	37,391	17,183	11,599	3,901	497,152
Other income	8,997	957	186	242	44	10,426
Total sales & other income	436,075	38,348	17,369	11,841	3,945	507,578
Unallocated revenue						2,178
Total revenue						509,756
Result						
EBITDA	39,202	7,671	1,249	2,446	136	50,704
Unallocated expenses						(7,071)
Depreciation, amortisation and impairment expense						(15,460)
Finance costs						(786)
Fair value adjustments						(951)
Share of net profit from associates using equity method						(1,744)
Profit from continuing operations before income tax						24,692
Net assets						
Segment assets	280,401	48,066	12,166	5,316	1,121	347,070
Unallocated assets						15,784
Total Assets						362,854
Segment liabilities	(91,272)	(9,285)	(2,383)	(1,768)	(927)	(105,635)
Unallocated liabilities						(86,142)
Total Liabilities						(191,777)
						171,077

	Panel $'000	Manufacturing $'000	Distribution $'000	Remanufacturing $'000	Workshop $'000	Total $'000
Year to 30 June 2017						
Revenue						
External sales	323,769	25,685	14,864	10,340	-	374,658
Other income	6,229	791	121	221	-	7,362
Total sales & other income	329,998	26,476	14,985	10,561	-	382,020
Unallocated revenue						145
Total revenue						382,165
Result						
EBITDA	34,221	7,231	481	2,349	-	44,282
Unallocated expenses						(7,077)
Depreciation, amortisation and impairment expense						(10,912)
Finance costs						(170)
Fair value adjustments						(718)
Share of net profit from associates using equity method						-
Profit from continuing operations before income tax						25,405
Net assets						
Segment assets	234,168	19,380	10,521	5,427	-	269,496
Unallocated assets						22,900
						292,396
Segment liabilities	(62,681)	(3,231)	(2,090)	(1,752)	-	(69,754)
Unallocated liabilities						(59,787)
						(129,541)
						162,855

Note 4 Revenue

	30 Jun 2018 $'000	30 Jun 2017 $'000
From continuing operations		
Sales revenue		
Sale of goods	69,068	50,839
Service and hire	428,084	323,819
	497,152	374,658
Other revenue		
Interest received	93	98
Deferred income amortisation	7,453	5,487
Gain on acquisition	2,108	-
Other revenue	2,950	1,922
	12,604	7,507
Total revenue from continuing operations	509,756	382,165
Total revenue from discontinued operations	1,421	-

Note 5 Expenses

	30 Jun 2018 $'000	30 Jun 2017 $'000
Profit before income tax includes the following specific expenses:		
Rental expense relating to operating leases (minimum lease payments)	22,678	16,165
Defined contribution superannuation expense	13,990	10,197
Executive equity plan expense	853	403
Consulting and advisory expense	6,496	3,684
Bad and doubtful debts expense / (recovery)	(81)	(32)
Inventory obsolescence expense	(222)	12
Loss / (profit) on disposal of assets	(5)	(15)
Depreciation and amortization expense		
- Depreciation of property, plant & equipment	10,049	7,168
- Amortisation of intangible assets	3,303	3,444
Impairment expense		
- Goodwill	2,108	-
- Other	-	300
Interest and finance charges paid / payable	786	170
Fees paid or payable to ShineWing Australia (the Company's Auditors) or its related practices:		
- Audit or review of the financial reports	360	316
- Other services	-	-
	360	316

Note 6 Income Tax Expense

	Notes	30 Jun 2018 $'000	30 Jun 2017 $'000
Income tax expense			
Current tax payable		(188)	458
Businesses acquired during the year		-	-
Current year tax instalments paid during the year		9,400	8,267
Deferred tax		141	(450)
(Over)/Under provision in respect of prior year		(38)	(279)
Other		3	(1)
Aggregate income tax expense		9,318	7,995
Deferred tax included in income tax expense comprises:			
Decrease/(increase) in deferred tax assets		375	(236)
(Decrease)/increase in deferred tax liabilities		(234)	(214)
		141	(450)
Reconciliation of prima facie tax payable to income tax expense:			
Profit before income tax (expense)/benefit		24,687	25,405
Tax at the Australian tax rate of 30%		7,406	7,622
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:			
Employee equity plan		-	121
Impairment		632	90
Fair value adjustments		285	215
Non-deductible professional services fees		1,143	226
Share of net profit of associate accounted for by the equity method		523	-
Other		(633)	-
(Over)/Under provision in respect of prior year		(38)	(279)
Income tax expense		9,318	7,995
Income tax expense attributable to:			
- Members of the Company		9,204	7,909
- Non-controlling interests		114	86
Income tax expense		9,318	7,995
Income tax expense attributable to:			
- Continuing operations		9,320	7,995
- Discontinued operations	31	(2)	-
Income tax expense		9,318	7,995
The applicable weighted average effective tax rates are as follows:		37.8%	31.5%

The Group is part of a tax consolidation group. See the income tax accounting policy in Note 1.

Note 7 Cash and Cash Equivalents

	30 Jun 2018 $'000	30 Jun 2017 $'000
Cash on hand	104	65
Cash at bank	16,110	14,658
	16,214	14,723

Note 8 Trade and Other Receivables

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Trade receivables	35,434	28,711
Less provision for impairment of receivables	(259)	(269)
	35,175	28,442
Other receivables	9,578	6,523
	44,753	34,965

There were no non-current trade or other receivables in either reported year.

Bad and doubtful trade receivables

The Group has recognised a provision of $259,000 (2017: $269,000) in respect of bad and doubtful trade receivables during the year ended 30 June 2018.

Impairment of receivables

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

	30 Jun 2018 $'000	30 Jun 2017 $'000
3 to 6 months	259	269
Over 6 months	-	-
	259	269

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

	30 Jun 2018 $'000	30 Jun 2017 $'000
Opening balance	269	130
Business acquisition	155	20
Additional provisions recognised/(released)	(81)	127
Receivables written off/(back-in) during the year as uncollectible	(78)	(8)
Discontinuing operation	(6)	-
Closing balance	259	269

Past due but not impaired

The ageing of the past due but not impaired receivables is shown below:

	30 Jun 2018 $'000	30 Jun 2017 $'000
1 to 3 months	5,604	4,899
3 to 6 months	-	-
Over 6 months	-	-
Closing balance	5,604	4,899

Customers with balances past due but without provision for impairment at 30 June 2018 amount to $5,604,000 (2017: $4,899,000). Management do not consider that there is any credit risk on the aggregate balances after reviewing credit agency information and recognising a tacit extension to the recorded credit terms of customers based on recent collection practices.

The balances of receivables that remain within initial trade terms (as detailed in table) are considered to be of high credit quality.

Note 9 Inventories

	30 Jun 2018 $'000	30 Jun 2017 $'000
Raw materials and consumables	11,881	8,212
Work in progress	10,285	5,844
Finished goods	7,236	5,157
	29,402	19,213

Note 10 Other Assets

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Deferred Employee Equity Plan	758	170
Prepayments	2,684	3,531
	3,442	3,701
Non-Current		
Deferred Employee Equity Plan	1,264	205
Prepayments	1,016	1,246
Vendor loans	2,162	2,159
	4,442	3,610

Note 11 Property, Plant and Equipment

	30 Jun 2018 $'000	30 Jun 2017 $'000
Leasehold improvements - at cost	20,441	16,105
less accumulated amortisation	(5,370)	(4,317)
	15,071	11,788
Plant & equipment - at cost	63,475	52,069
less accumulated depreciation	(28,725)	(21,073)
Less impairment provision	(2,122)	(1,651)
	32,628	29,345
Furniture & equipment - at cost	6,269	4,319
less accumulated depreciation	(2,311)	(1,946)
	3,958	2,373
Motor vehicles - at cost	6,206	4,754
less accumulated depreciation	(2,442)	(2,316)
	3,764	2,438
	55,421	45,944

Movements in the fair values of Property, Plant & Equipment are set out below:

	Leasehold improvements $'000	Plant & Equipment $'000	Furniture & Fittings $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2016	8,182	22,945	1,644	2,192	34,963
Additions	3,956	6,983	824	312	12,075
Business acquisition	65	5,951	18	77	6,111
Disposals	-	(2)	-	(35)	(37)
Depreciation expense	(415)	(6,532)	(113)	(108)	(7,168)
Discontinued operations	-	-	-	-	-
Balance at 30 June 2017	11,788	29,345	2,373	2,438	45,944
Balance at 1 July 2017	11,788	29,345	2,373	2,438	45,944
Additions	3,655	4,033	1,633	1,272	10,593
Business acquisitions	537	8,087	426	471	9,521
Disposals	(34)	(200)	(91)	(121)	(446)
Depreciation expense	(788)	(8,582)	(383)	(296)	(10,049)
Discontinued operations	(87)	(55)	-	-	(142)
Balance at 30 June 2018	15,071	32,628	3,958	3,764	55,421

Note 12 Intangible Assets

	30 Jun 2018 $'000	30 Jun 2017 $'000
Goodwill - at cost	207,649	161,594
Less impairment	(10,652)	(8,545)
	196,997	153,049
Patents & Trademarks	650	629
Less amortisation	(220)	(212)
	430	417
Customer contracts	11,977	11,977
Less amortisation	(9,635)	(6,340)
	2,342	5,637
	199,769	159,103

Movements in the carrying amounts of Intangible Assets are set out below:

	Goodwill $'000	Patents & Trademarks $'000	Customer Contracts $'000	Total $,000
Balance at 1 July 2016	**139,706**	**437**	**9,061**	**149,204**
Additions and adjustment	96	-	-	96
Acquired	13,247	-	-	13,247
Impairment expense	-	-	-	-
Amortisation expense	-	(20)	(3,424)	(3,444)
Balance at 30 June 2017	**153,049**	**417**	**5,637**	**159,103**
Additions and adjustment	4	14	-	18
Acquired	46,226	7	-	46,233
Disposed	(174)	-	-	(174)
Impairment expense	(2,108)	-	-	(2,108)
Amortisation expense	-	(8)	(3,295)	(3,303)
Balance at 30 June 2018	**196,997**	**430**	**2,342**	**199,769**

Goodwill

Goodwill is allocated to cash-generating units (“CGU”) which are based on the Group’s operating segments:

	30 Jun 2018 $'000	30 Jun 2017 $'000
Vehicle Panel Repair	162,094	134,826
Manufacturing	28,094	11,414
Distribution	5,349	5,349
Remanufacturing	1,460	1,460
Workshop	-	-
	196,997	153,049

The Group is yet to finalise the acquisition accounting for certain of its current year acquisitions and the value attributed to Goodwill may change in future periods.

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on 5-year cash projection budgets approved by the Board, using the following key assumptions:

	Vehicle Panel Repair	Manufacturing	Distribution	Remanufacturing	Workshop
Growth Rate %	0.00	0.00	0.00	0.00	0.0
Pre-tax discount rate %	8.20	8.70	9.50	9.50	9.50

The value in use calculations use weighted average growth rates to project revenue & costs and Management's best estimates of what it believes will occur in future years. Due to the current effects of the economic environment on the automotive industry, the Company has adopted a conservative approach and used growth rates of 0.00%.

The pre-tax discount rates of 8.20% to 9.50% reflect Management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for additional risk factors associated with each segment.

Impact of possible changes in key assumptions

Vehicle Panel Repair Segment

If the base EBITDA used in the value-in-use calculation for this CGU had decreased by 10% and then remained constant with no further growth applied, the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

If the estimated pre-tax discount rate for this CGU had been 1% higher than Management's estimates (9.20% instead of 8.20%), the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

Manufacturing Segment

In the current financial year, a significant portion of the increase in goodwill for this segment is attributable to the ASG acquisition. In estimating the base EBITDA for this segment, it has been assumed that the significant "abnormal" costs incurred by ASG pre-acquisition will not reoccur.

If the base EBITDA used in the value-in-use calculation for this CGU had decreased by 10% and then remained constant with no further growth applied, the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

If the estimated pre-tax discount rate for this CGU had been 1% higher than Management's estimates (9.70% instead of 8.70%), the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

Distribution Segment

If the base EBITDA used in the value-in-use calculation for this CGU had decreased by 10% and then remained constant with no further growth applied, the group would be not required to recognise any further impairment of goodwill in relation to this CGU.

If the estimated pre-tax discount rate for this CGU had been 1% higher than Management's estimates (10.50% instead of 9.50%), the group would be not required to recognise any further impairment of goodwill in relation to this CGU.

Remanufacturing Segment

If the base EBITDA used in the value-in-use calculation for this CGU had decreased by 10% and then remained constant with no further growth applied, the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

If the estimated pre-tax discount rate for this CGU had been 1% higher than Management's estimates (10.50% instead of 9.50%), the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

Workshop Segment

If the base EBITDA used in the value-in-use calculation for this CGU had decreased by 10% and then remained constant with no further growth applied, the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

If the estimated pre-tax discount rate for this CGU had been 1% higher than Management's estimates (10.50% instead of 9.50%), the group would not be required to recognise any further impairment of goodwill in relation to this CGU.

Note 13 Deferred Tax Asset

	30 Jun 2018 $'000	30 Jun 2017 $'000
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income:		
Employee benefits	6,322	4,158
Provisions	293	368
Accrued expenses	689	1,211
Inventory	361	197
Doubtful debts	77	81
Other	866	925
	8,608	6,940
Amounts recognised in equity:		
Transaction costs on share issue	615	265
	615	265
Deferred tax asset	9,223	7,205
Movement:		
Carrying amount at beginning of year	7,205	5,227
Business acquisitions	2,448	1,742
Business disposal	(55)	-
Credited/(charged) to the statement of comprehensive income	(375)	236
Carrying amount at end of year	9,223	7,205

At 30 June 2018, the Group has estimated un-recouped revenue losses of $334,000 (2017: $334,000) and estimated un-recouped capital losses of $3,528,900 (2017: $3,528,900) which can be carried forward indefinitely. None of these losses have been brought to account as a deferred tax asset. The benefit of these losses will only be obtained if:

- 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.
- The companies continue to comply with the conditions for deductibility imposed by the law.
- No changes in tax legislation adversely affect the companies in realising the benefit from the deductions for the losses.

Note 14 Investments

	30 Jun 2018 $'000	30 Jun 2017 $'000
Investment in associates	-	3,932

On 23 May 2017, AMA announced that it would seek to acquire all of the shares in Automotive Solutions Group Limited ("ASG"). This Offer lapsed on 7 July 2017. At 30 June 2017, the Company had acquired 12,532,376 fully paid ordinary shares in ASG which represents 24.9% of the issued capital of ASG. At completion of the offer, AMA held 15,755,471 fully paid ordinary shares in ASG which represents 31.3% of the issued capital of ASG.

On 17 November 2017, AMA announced an off market conditional takeover offer for all of the issued capital of ASG. On 19 January 2018, having received the required number of acceptances, AMA concluded the takeover bid and compulsorily acquired the balance of shares. AMA has therefore now 100% of the issued capital of ASG. Refer to Note 30 for further details.

Note 15 Trade and Other Payables

	30 Jun 2018 $'000	30 Jun 2017 $'000
Trade payables	53,357	37,182
Other payables	13,863	12,480
	67,220	49,662

Note 16 Borrowings

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Bank loan	-	13,000
Lease liability	311	597
	311	13,597
Non-current		
Bank loan	52,500	-
Lease liability	21	100
	52,521	100
Total		
Bank loan	52,500	13,000
Lease liability	332	697
	52,832	13,697
Recap of repayments in cash flow from financing activities:		
Bank loan	3,500	-
Lease liability	413	782
	3,913	782

At year end the Group had unrestricted access to the following lines of credit:

	30 Jun 2018 $'000	30 Jun 2017 $'000
Bank loan facility	60,000	40,000
Unutilised at balance date	7,500	27,000

Financing arrangements

On 24 August 2016, the Company entered into a new Facility Agreement with National Australia Bank Limited. The key terms of this agreement are:

- a $40 million facility, with a 36 months tenor, to assist in funding acquisitions and general corporate needs;
- a $6.5 million lease facility to assist with the purchase of capital equipment;
- a $3.0 million bank guarantee facility to assist with securing property rental leases; and
- a $0.4 million letter of credit facility.

On 7 February 2018, the Company's Facility Agreement with the National Australia Bank Limited was amended to:

- a $40 million facility, with a tenure until 31 August 2019, to assist in funding acquisitions and general corporate needs;
- a $20 million facility, with a tenure until 31 January 2021, to assist in funding acquisitions and general corporate needs;
- a $6.5 million lease facility to assist with the purchase of capital equipment;
- a $6.0 million bank guarantee facility to assist with securing property rental leases; and
- a $0.4 million letter of credit facility.

On 17 May 2018, these facilities were further amended to include a $0.15 million credit card facility.

The Facility is secured by a fixed and floating charge over all of the assets of the Company and its wholly owned subsidiaries and is subject to standard covenants. At year end, the Company was in compliance with these covenants.

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.

Note 17 Provisions

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Annual leave	13,014	8,604
Long service leave	5,206	2,408
Dividends	243	190
Onerous lease	492	388
	18,955	11,590
Non-current		
Long service leave	2,854	2,847
Make good	3,974	3,153
Onerous lease	116	469
	6,944	6,469

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Dividends	Make Good	Onerous Lease	Total
Carrying amount at beginning of year	190	3,153	857	4,200
Arising during the year	53	-	-	53
Business acquisitions	-	1,117	452	1,569
Utilised	-	(296)	(701)	(997)
Carrying amount at end of year	243	3,974	608	4,825

Amounts not expected to be settled within the next 12 months

The current provision for annual leave is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group 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 Group does not have an unconditional right to defer settlement. However, based on past experience, the Group 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 classified as a current liability but is not expected to be taken within the next 12 months:

	30 Jun 2018 $'000	30 Jun 2017 $'000
Annual leave obligation expected to be settled after 12 months	1,269	1,473
Long service leave obligation to be settled after 12 months	1,096	792
	2,365	2,265

Note 18 Other Liabilities

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Deferred income	7,079	6,000
Contingent vendor consideration	5,399	7,933
	12,478	13,933
Non-current		
Deferred income	-	8,532
Contingent vendor consideration	30,094	21,691
	30,094	30,223

Contingent vendor consideration

The Company has recorded deferred and contingent consideration to Business Vendors for $36.804 million (2017: $30.708 million) which, as per the relevant business purchase agreement includes amounts for performance based earn-outs to be paid in a mixture of shares and cash. The present value of the liability is $35.493 million (2017: $29.624 million). Refer to Note 24 for further information on how fair value has been determined for contingent consideration. An analysis of this liability by type of consideration follows:

	30 Jun 2018 $'000	30 Jun 2017 $'000
Current		
Cash Settlement	5,253	4,143
Share Settlement	146	3,790
	5,399	7,933
Non-Current:		
Cash Settlement	24,443	19,319
Share Settlement	5,651	2,372
	30,094	21,691
	35,493	29,624
Movement:		
Carrying amount at beginning of year	29,624	28,954
Arising during the year	11,510	5,822
Fair Value adjustment	(423)	(424)
Payments	(6,170)	(5,314)
Adjustment to contingent consideration	-	(500)
Charge to Profit	952	1,086
Carrying amount at end of year	35,493	29,624

Deferred Income

In a previous financial year, the Group entered into an agreement with a key supplier to purchase product and services from the supplier over an agreed period of time and receives various preferential benefits; one of which is a market investment incentive. To satisfy the requirements of this agreement, the Group must purchase from this supplier in accordance with agreed terms. The incentive is being amortised as this liability reduces. At 30 June 2018, an amount of $7.1 million (2017: $6.0 million) has been classified as current representing the anticipated reduction in this incentive over the next twelve months.

Note 19 Deferred Tax Liability

	30 Jun 2018 $'000	30 Jun 2017 $'000
The balance comprises temporary differences attributable to:		
Amounts recognised in statement of comprehensive income:		
Sundry debtors	2,551	1,818
Customer contracts	703	1,691
Sundry items	-	-
Deferred tax liability	3,254	3,509
Movement:		
Carrying amount at beginning of year	3,509	2,622
Business acquisitions	-	1,101
Business disposal	(21)	-
Credited/(charged) to the statement of comprehensive income	(234)	(214)
Carrying amount at end of year	3,254	3,509

Note 20 Contributed Equity

	30 Jun 2018 Number	30 Jun 2017 Number	30 Jun 2018 $'000	30 Jun 2017 $'000
Fully Paid Ordinary shares				
Quoted	527,440,147	488,892,102	181,106	161,691
Unquoted	6,276,899	30,100,428	6,100	20,000
	533,717,046	518,992,530	187,206	181,691

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

Unquoted Fully Paid Ordinary shares entitle the holder to all the same benefits and responsibilities of holders of Quoted Fully Paid Ordinary shares with exception that they do not entitle the holder to participate in dividends or vote at general meetings of the Company. As such they are not listed for trade on the ASX. They have been issued as part consideration for the acquisition of various entities and are subject to a restriction period. In the event that the business has met its earnings target at the completion of this restriction period, the shares are then eligible to participate in dividends.

Movements in ordinary share capital

	30 Jun 2018		30 Jun 2017	
	Number	**$'000**	**Number**	**$'000**
Quoted:				
Opening balance	**488,892,102**	**161,691**	**473,196,686**	**157,149**
Shares issued				
Employee share issues	500,158	500	491,756	393
Vendor share issues	13,047,887	3,915	15,203,660	4,149
Convert from Unquoted shares	25,000,000	15,000	-	-
Closing balance	**527,440,147**	**181,106**	**488,892,102**	**161,691**
Unquoted:				
Opening balance	**30,100,428**	**20,000**	**25,000,000**	**15,000**
Shares issued				
Vendor share issue	1,176,471	1,100	5,100,428	5,000
Convert to Quoted shares	(25,000,000)	(15,000)	-	-
Closing balance	**6,276,899**	**6,100**	**30,100,428**	**20,000**
Total	**533,717,046**	**187,206**	**518,992,530**	**181,691**

Note 21 Reserves

	30 Jun 2018 $'000	30 Jun 2017 $'000
Equity Based Remuneration Reserve	3,048	3,048
Foreign Exchange Translation Reserve	(44)	6
	3,004	3,054

Equity Based Remuneration Reserve

The Equity Based Remuneration Reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Foreign Exchange Translation Reserve

The Foreign Exchange Translation Reserve is used to recognise foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into $AUD.

Note 22 Non-Controlling Interests

On 1 July 2015, the Group acquired 60.0% of the issued capital of Woods Auto Shops (Dandenong) Pty Ltd; the operator of the Trackright businesses. The owners of the other 40.0% of issued capital are the management of the Trackright business. Set out below is summarised financial information for this entity.

	30 Jun 2018 $'000	30 Jun 2017 $'000
Summarised balance sheet		
Current assets	1,237	1,696
Current liabilities	(1,004)	(669)
Current net assets	233	1,027
Non-current assets	2,192	430
Non-current liabilities	(1,686)	(877)
Non-current net assets	506	(447)
Net assets	739	580
Accumulated Non-Controlling Interest	296	232
Summarised statement of comprehensive income		
Revenue	6,783	5,027
Profit for the period	659	503
Other comprehensive income	-	-
Total comprehensive income	659	503
Profit allocated to Non-Controlling Interest	264	201
Dividends paid to Non-Controlling Interest	200	196
Summarised cash flows		
Cash flows from operating activities	1,368	158
Cash flows from investing activities	(88)	(5)
Cash flows from financing activities	(1,398)	33
Net increase/ (decrease) in cash and cash equivalents	(118)	186
Movement:		
Opening Balance	232	197
Entity joins the Group	-	30
Share of result for the period	264	201
Dividends paid	(200)	(196)
Closing Balance	296	232

Note 23 Dividends

	30 Jun 2018 $'000	30 Jun 2017 $'000
Dividends paid or declared during the period ended were:		
Final dividend of 1.7 cents per share, fully franked, paid 30 Oct 2016	-	8,045
Interim dividend of 0.5 cents per share, fully franked, paid 7 Apr 2017	-	2,432
Final dividend of 2.0 cents per share (fully franked), paid 30 Oct 2017	9,786	-
Interim dividend of 0.5 cents per share, fully franked, paid 15 Jun 2018	2,626	-
	12,412	10,477
Franking credits available for subsequent financial years based on tax rate of 30%	18,960	14,884

The aforementioned amounts represent the balance of the franking account as at the end of the reporting period, 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 24 Financial Instruments

Financial risk management

The Group's activities expose it to a variety of financial risks. These include market risk (including foreign currency risk, price risk and interest rate risk), credit risk, and liquidity risk. The Group'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 Group. The Group 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 ageing analysis for credit risk.

Risk management is carried out by Executive Management under policies approved by the Board. Executive Management identifies, evaluates and mitigates financial risks within the Group's operating units.

Market risk

Foreign currency risk

The Group continues to make purchases in foreign currencies and is therefore exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are set out below:

	Assets		**Liabilities**	
Consolidated	**30 Jun 2018 $'000**	**30 Jun 2017 $'000**	**30 Jun 2018 $'000**	**30 Jun 2017 $'000**
US Dollar	48	-	316	202
NZ Dollar	344	147	183	205
SA Rand	-	-	30	
	392	147	529	407

The Group had financial assets denominated in US Dollars of AUD $48,000 as at 30 June 2018 (2017: AUD $Nil). Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the US Dollar with all other variables held constant, the Group's result for the year and equity would have been $5,000 higher/lower (2017: A$Nil).

The Group had financial assets denominated in NZ Dollars of AUD $344,000 as at 30 June 2018 (2017: AUD $147,000). Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the NZ Dollar with all other variables held constant, the Group's result for the year and equity would have been $38,000 higher/lower (2017: A$16,000).

The Group had financial liabilities denominated in US Dollars of AUD $316,000 as at 30 June 2018 (2017: AUD $202,000). Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the US Dollar with all other variables held constant, the Group's result for the year and equity would have been $35,000 higher/lower (2017: A$22,000).

The Group had financial liabilities denominated in NZ Dollars of AUD $183,000 as at 30 June 2018 (2017: AUD $205,000). Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the NZ Dollar with all other variables held constant, the Group's result for the year and equity would have been $20,000 higher/lower (2017: $23,000).

The Group had financial liabilities denominated in South African Rand of AUD $30,000 as at 30 June 2018 (2017: AUD $Nil). Based on this exposure, had the Australian Dollar weakened/strengthened by 10% against the South African Rand with all other variables held constant, the Group's result for the year and equity would have been $3,000 higher/lower (2017: $Nil).

There were no assets or liabilities denominated in any other foreign currencies, other than US Dollars, NZ Dollars or South African Rand as at 30 June 2018 or as at 30 June 2017.

The foreign exchange (loss)/gain for the year ended 30 June 2018 was a loss of $29,000 (2017: $41,000 loss).

The Group does not employ foreign currency hedges and has no official foreign currency policy. If the transactional value, net asset position and overall exposure were to increase it is likely that a policy will be adopted to mitigate risk.

Price risk

The Group and the Company are not exposed to any significant price risk.

Interest rate risk

The Group and the Company's main interest rate risk arises from short and long-term borrowings. All borrowings are issued at variable rates and this exposes the Group and the Company to interest rate risk. The Group and the Company 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. At the end of the financial year, the Group had bank loans outstanding of $52.5 million (2017: $13.0 million).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	30 Jun 2018 $'000	**30 Jun 2017 $'000**
Increase of 50 bps	(147)	(11)
Decrease of 50 bps	147	11

Credit risk

Credit risk is managed on a Group basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 the end of the reporting period to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and the Notes to the Financial Statements.

As at 30 June 2018 the Group had no significant concentration of credit risk.

Liquidity risk

The Group 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.

The Group 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.

The Group'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.

Remaining contractual maturities

The following table details the Group's remaining contractual maturity for its 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 Group 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 statement of financial position for interest-bearing liabilities due to the interest component.

	Weighted average interest rate %	1 year or less $'000	Over 1 to 2 years $'000	Over 2 to 5 years $'000	Over 5 years $'000	Total contractual maturities $'000
2018						
Non-interest bearing						
Trade payables		53,357	-	-	-	53,357
Other payables		13,463	-	-	-	13,463
Deferred cash consideration		5,475	21,813	9,516	-	36,804
Interest bearing - variable rate						
Lease liability	5.76%	317	24	-	-	341
Bank bills commercial loan		-	52,500	-	-	52,500
		72,612	74,337	9,516	-	156,465
2017						
Non-interest bearing						
Trade payables		37,182	-	-	-	37,182
Other payables		12,480	-	-	-	12,480
Contingent vendor consideration		8,070	300	22,838	-	31,208
Interest bearing - variable rate						
Lease liability	5.76%	617	108	-	-	725
Bank bills commercial loan		13,000	-	-	-	13,000
		71,349	408	22,838	-	94,595

Fair value of financial instruments

The carrying value of financial instruments as shown in the Statement of Financial Position reflects their fair value. These financial instruments have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset / liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset / liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the financial instruments included in Level 3 of the hierarchy has been determined using valuation techniques incorporating observable direct and indirect market data relevant to the Company and an estimation of the probability on paying the full amount.

During the financial year, the Group has acquired various entities and businesses. In undertaking these acquisitions, the Group has incurred a contingent consideration liability consisting of an obligation to provide shares in the Company and / or make an additional cash payment to the vendor if the average profits of the acquisition for the earn-out period exceed a pre-specified target level.

The fair value of this contingent consideration liability was measured using a discounted cash flow methodology applying the Group's cost of capital. In making this assessment, it has been assumed, that where the arrangement is subject to a cap, the business will meet the pre-specified target and the maximum will be payable. Where the arrangement is not subject to a cap, Management have determined an estimate of the likely outcome, based on the possible average profit outcomes that may be achieved, weighted by the probability of each scenario.

The following table provides quantitative information regarding the significant unobservable inputs, the ranges of those inputs and the relationships of unobservable inputs to the fair value measurement for two larger acquisitions; CSM Service Bodies ("CSM") and Wells Harvey Group ("WHG"):

Significant Unobservable Inputs Used	Unobservable Inputs Used	Estimated Sensitivity of Fair Value Measurement to Changes in Unobservable Inputs
If CSM failed to meet its earning target	EBITDA in excess of $1 million per annum	If EBITDA was $500,000 higher / lower, the fair value of the total deferred consideration would increase / decrease by $Nil / $850,000
The CSM Discount rate	Discount rate of 2.78%	If discount rate was 0.1% (10 bps) higher, the fair value of the total deferred consideration would decrease by $1,000
If WHG failed to meet its earning target	EBITDA in excess of $3 million per annum	If EBITDA was $500,000 higher / lower, the fair value of the total deferred consideration would increase / decrease by $750,000 / $1,250,000
The WHG Discount rate	Discount rate of 2.63%	If discount rate was 0.1% (10 bps) lower, the fair value of the total deferred consideration would increase by $14,000

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it 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 Group's capital includes ordinary share capital, debt facilities, vendor loans and lease liabilities supported by financial assets. There are no externally imposed capital requirements. The Group 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.

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Debt			
Borrowings	16	52,832	13,697
Contingent vendor consideration	18	35,493	29,624
Cash & cash equivalents	7	(16,214)	(14,723)
Net debt		72,111	28,598
Fully Paid Ordinary Shares			
Quoted (at market price)		551,175	474,225
Unquoted (at issue price)		6,100	20,000
		557,275	494,225
Total capital		629,386	522,823
Gearing ratio		11.46%	5.47%

Fully Paid Ordinary Shares Quoted value has been calculated using the closing share prices as at 30 June each year.

Note 25 Share-Based Payments

On 14 September 2015, the Company agreed to the new AMA Group Limited Employee Equity Plan (the “Employee Equity Plan”). It was subsequently approved by shareholders at the annual general meeting held on 27 November 2015. It replaces the old Employee Share Option Plan which was last approved by Shareholders at the 2013 AGM. The Employee Equity Plan was adopted by the Board to ensure it meets the July 2015 changes to Australian Taxation laws regarding deferred taxation on employee options and performance rights and to adopt the requirements of ASIC Class Order 14/1000.

The Employee Equity Plan is for the benefit of all staff members employed by the Group, including Directors and Executive Management. Under the Employee Equity Plan an eligible participant is invited to accept a right to receive a share or option.

Shares

During the year ended 30 June 2018, the Company issued fully paid ordinary shares to employees in consideration of these employees agreeing to enter into long term contracts with the Company and accepting significant post-employment restraint provisions. These 500,158 shares were issued for non-cash consideration at an average deemed price of $1.00 per share.

Options

During the year ended 30 June 2016, 18,875,000 options were issued and these options remained unexercised at the end of that financial year. Each option vested after 12 months, is exercisable for $1.20 each over the subsequent 24 months and is convertible into 1 Fully Paid Ordinary Quoted Share in the Company. As detailed in the Remuneration Report contained in the Directors’ Report, 14,000,000 of these options had been issued to Key Management Personnel.

No options were issued during the financial year ended 30 June 2018 and no options were exercised during that financial year. At the date of this report, 18,875,000 options remained unexercised.

Note 26 Related Party Transactions

The Company and its Controlled Entities

The ultimate holding entity is AMA Group Limited.

Investments in Controlled Entities are set out in Note 29.

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.

Key Management Personnel

Further disclosures relating to Key Management Personnel are set out in the audited Remuneration Report contained in the Directors' Report.

Compensation

The aggregate compensation made to Directors and other members of Key Management Personnel of the Group is set out below:

	30 Jun 2018 $'000	30 Jun 2017 $'000
Short-term employee benefits	4,514	2,495
Long-term benefits	585	17
Post-employment benefits	76	104
Share-based payments	-	136
Termination benefits	-	-
Total	5,175	2,752

Payments for Other Expenses

As detailed in Note 14 the Group acquired shares in ASG and in this process utilised the services of Bell Potter Securities Limited. Mr Hugh Robertson is currently associated with this firm. The Group paid fees for these services of which Mr Robertson was entitled to $66,173 (2017: $25,077).

The Group uses PSC Insurance Brokers (Aust) Pty Ltd as its General Insurance Broker. Mr Brian Austin is associated with this firm. A fee of $35,000 (2017: $35,000) was paid by the Group for these services.

The Group utilises Nicholson Ryan Lawyers (and its antecedent firms) for legal and advisory services. Mr Leath Nicholson is associated with this firm. The Group has paid Foster Nicholson fees totalling $1,438,770 (2017: $536,755) for these services.

Payments were made during the year to the following related entities of Mr Raymond Malone.

	30 Jun 2018 $'000	30 Jun 2017 $'000
Silvan Bond Pty Ltd - Rental fees	171	183
Malone Superannuation Fund - Rental fees	57	61
	288	244

Payments were made during the year to the following related entities of Mr Andrew Hopkins.

	30 Jun 2018 $'000	30 Jun 2017 $'000
AV Ventures Pty Ltd – Rental fees	201	161
A&R Property Developments Pty Ltd – Rental fees	421	316
A&R Development Holdings Pty Ltd – Rental fees	283	-
A&R Development Holdings Pty Ltd – Rental fees	76	-
A&R Development Holdings Pty Ltd – Rental fees	141	-
Keyspace Developments Pty Ltd – Rental fees	-	43
	1,122	520

Payments were made during the year to the following related entities of Mr Raymond Smith-Roberts.

	30 Jun 2018 $'000	30 Jun 2017 $'000
SRFE Pty Ltd - Rental Fees	266	258
SRFE Pty Ltd - Recruitment services	6	-
	272	258

Trade Receivables from and Trade Payables to related parties

There are no trade receivables from or trade payables to related parties at the end of the reporting period.

Loans to/from related parties

As part of the acquisition of Gemini Accident Repair Centres Pty Ltd in a prior year, the Group acquired loans to certain vendors of that entity. These loans have not been repaid and it is proposed that they will be extinguished on completion of the “earn-out” of that entity. As such, at 30 June 2018 there are loans to entities associated with Mr Andrew Hopkins totalling $1,270,884 (2017: $1,270,884). There are no other loans with related parties outstanding at the end of the reporting period.

Note 27 Contingent Liabilities

Unsecured guarantees, indemnities and undertakings have been given by the Company in the normal course of business in respect of financial trade arrangements entered into by its subsidiaries and a Deed of Cross Guarantee (Note 35) was entered into with its continuing subsidiaries during the financial year ended 30 June 2018. It is not practicable to ascertain or estimate the maximum amount for which the Company may become liable in respect thereof. At 30 June 2018 no subsidiary was in default in respect of any arrangement guaranteed by the Company and all amounts owed have been brought to account as liabilities in the financial statements.

	30 Jun 2018 $’000	30 Jun 2017 $’000
Bank guarantees	3,834	2,652

Note 28 Commitments for Expenditure

	Note	30 Jun 2018 $'000	30 Jun 2017 $'000
Capital commitments - property, plant & equipment			
Committed at the end of the reporting period but not recognised as liabilities, payable:			
Within one year		1,201	1,100
One to five years		-	-
After more than five years		-	-
		1,201	1,100
Lease commitments – operating			
Committed at the end of the reporting period but not recognised as liabilities, payable:			
Within one year		21,696	17,570
One to five years		38,403	32,895
After more than five years		6,682	4,105
		66,781	54,570
Lease commitments – finance			
Committed at the end of the reporting period but not recognised as liabilities, payable:			
Within one year		317	617
One to five years		24	108
After more than five years			-
		341	725
less future finance charges		(9)	(28)
		332	697
Represented as:			
Current commitment	16	311	597
Non-current commitment	16	21	100
		332	697

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.

During the current and previous financial years, the Group acquired businesses that had non-cancellable leases for property that were deemed by Management to be onerous contracts. In these instances a provision was raised to reflect the least net cost of exiting from the contract; which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. This provision will unwind over the remaining period of the lease terms.

Note 29 Investments in Controlled Entities

Name of entity	Country of incorporation	Class of shares	Equity holding % 2018	Equity holding % 2017
A.C.N. 107 954 610 Pty Ltd [(*) (a)]	Australia	Ordinary	100	100
Service Body Manufacturing Australia Pty Ltd [(b)]	Australia	Ordinary	100	100
A.C.N. 124 414 455 Pty Ltd [(*)]	Australia	Ordinary	100	100
A.C.N. 624 628 986 Pty Ltd [(d)]	Australia	Ordinary	100	-
A.C.N. 624 896 000 Pty Ltd [(e)]	Australia	Ordinary	100	-
AECAA Pty Ltd [(c)]	Australia	Ordinary	100	100
Custom Alloy Pty Ltd	Australia	Ordinary	100	100
ECB Pty Ltd	Australia	Ordinary	100	100
FluidDrive Holdings Pty Ltd	Australia	Ordinary	100	100
Mr Gloss Holdings Pty Ltd	Australia	Ordinary	100	100
Phil Munday’s Panel Works Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Bayswater Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Dandenong Pty Ltd	Australia	Ordinary	100	100
BMB Collision Repairs Pty Ltd	Australia	Ordinary	100	100
Shipstone Holdings Pty Ltd	Australia	Ordinary	100	100
Woods Auto Shops (Dandenong) Pty Ltd	Australia	Ordinary	60	60
Gemini Accident Repair Centres Pty Ltd	Australia	Ordinary	100	100
Repair Management New Zealand Limited	New Zealand	Ordinary	100	100
Ripoll Pty Ltd [(*)]	Australia	Ordinary	100	100
Woods Auto Shops (Holdings) Pty Ltd	Australia	Ordinary	100	100
Rapid Accident Management Services Pty Ltd	Australia	Ordinary	100	100
Woods Auto Shops (Cheltenham) Pty Ltd [(*)]	Australia	Ordinary	100	100
Micra Accident Repair Centre Pty Ltd [(i)]	Australia	Ordinary	100	100
Direct One Accident Repair Centre Pty Ltd [(j)]	Australia	Ordinary	100	100
Smash Repair Canberra Pty Ltd [(l)]	Australia	Ordinary	100	100
Geelong Consolidated Repairs Pty Ltd [(m)]	Australia	Ordinary	100	100
Accident Management Australia Pty Ltd [(n)]	Australia	Ordinary	100	100
Gemini Accident Repair Centres NZ Limited [(*) (o)]	New Zealand	Ordinary	100	100
Carmax New Zealand Limited [(*) (p)]	New Zealand	Ordinary	100	100
Automotive Solutions Group Pty Ltd [(h) (q)]	Australia	Ordinary	100	25
Fleet Alliance Pty Ltd [(h)]	Australia	Ordinary	100	25
ACAD Limited [(f)]	Australia	Ordinary	100	-
Alloy Motor Accessories Australia Pty Ltd [(g)]	Australia	Ordinary	100	-
ASG 4x4 Australia Pty Ltd [(e)]	Australia	Ordinary	100	-
Deering Autronics Australia Pty Ltd [(e)]	Australia	Ordinary	100	-
Roo Systems Australia Pty Ltd [(g)]	Australia	Ordinary	100	-
Uneek 4x4 Australia Pty Ltd [(e)]	Australia	Ordinary	100	-
Carmax Australia Pty Ltd [(i)]	Australia	Ordinary	100	-

Note:
(*) Dormant
(a) Previously known as Alanco Australia Pty Ltd
(b) Previously known as ACN 122 879 814 Pty Ltd. Name changed 27 October 2017
(c) Previously known as KT Cable Accessories Pty Ltd
(d) Registered on 23 February 2018
(e) Registered on 9 March 2018
(f) Registered on 26 February 2018
(g) Registered on 1 March 2018
(h) Acquired 100% on 18 January 2018
(i) Acquired 5 October 2017
(j) Acquired on 1 July 2016
(l) Acquired on 1 February 2017
(m) Registered on 8 February 2017
(n) Registered on 3 February 2017
(o) Registered on 11 November 2016
(p) Registered on 11 November 2016
(q) Changed to a Pty Ltd Company 13 April 2018

Note 30 Business Combinations

On 23 May 2017, AMA announced that it would seek to acquire all of the shares in Automotive Solutions Group Limited ("ASG"). This Offer lapsed on 7 July 2017. At 30 June 2017, the Company had acquired 12,532,376 fully paid ordinary shares in ASG which represented 24.9% of the issued capital of ASG. In the previous financial year AMA had recorded its investment in ASG at $3.932 million. At completion of the takeover offer, AMA held 15,755,471 fully paid ordinary shares in ASG which represented 31.3% of the issued capital of ASG. At this date, this investment had a cost of $5.072 million.

Although AMA held more than 20% of the issued capital of ASG, it did not:

- Have any board representation or participate in policy-making processes;
- Interchange managerial personnel or provide essential technical information; or
- Conduct material transactions with ASG or its operating divisions.

It was however presumed that AMA had gained significant influence over this entity and therefore the investment was classified an investment in an associate. As such the carrying amount of this investment was subsequently adjusted to include the Group's share of the ASG operating result.

On 17 November 2017, AMA announced an off market conditional takeover offer for all of the issued capital of ASG. On 19 January 2018, having received the required number of acceptances, AMA concluded the takeover bid and compulsorily acquired the balance of shares. AMA has therefore now 100% of the issued capital of ASG.

At the date of acquiring 100% of the issued capital of ASG the carrying amount of this investment was:

	$'000
Beginning of the period	3,932
Additions	1,140
Share of Profit/(loss) for the period	(1,744)
Dividends paid	-
End of the period	3,328

Based on the last share trade prior to compulsory acquisition, the fair value of this investment was calculated to be $5.436 million; implying a gain on acquisition of $2.108 million. Following the guidance relating to "step acquisitions" in AASB 3 *"Business Combinations"* this investment has been restated to fair value and the resultant gain has been recognised in profit.

	$'000
Investment in associate	3,328
Gain on acquisition	2,108
	5,436
Additional investment arising from compulsory acquisition	12,107
	17,543

Details of this acquisition are as follows:

	$'000
Cash and cash equivalents	1,091
Trade and other receivables	2,550
Inventories	2,937
Other current assets	97
Plant and equipment	1,819
Deferred tax assets	1,781
Trade payables and accruals	(4,569)
Provisions	(2,777)
Borrowings	(2,949)
Net tangible assets acquired	(20)
Goodwill	17,562
Total consideration	17,542
Representing:	
Cash paid or payable	17,542
Shares issued	-
Cash to be paid	-
Shares to be issued	-
Fair value adjustments	-
	17,542
Acquisition costs	297

The Group is yet to finalise the valuation of certain assets (namely property, plant & equipment). As such, the accounting for this acquisition is incomplete and the value attributed to Plant & equipment and Goodwill may change in future periods.

From the date of acquisition to 30 June 2018, this acquisition generated revenue of $14.415 million and profit before tax of $0.575 million.

During the financial year, the Group also acquired various Vehicle Panel Repair businesses. These acquisitions are expected to increase the Group's product offering and market share and reduce costs through economies of scale. These acquisitions were:

- AAA Accident Repair Centre on 1 July 2017;
- A&A Smash Repairs on 14 July 2017;
- Griffiths Panel Works on 21 July 2017;
- Picken Autobody Repair Centre in North Hobart, Tasmania on 28 July 2017;
- Eastern Autobody in Eastern Shore, Tasmania on 28 July 2017;
- JPV Smash Repairs in Kogarah, New South Wales on 1 December 2017;
- Bunbury City Smash Repairs in Bunbury, Western Australia on 8 December 2017;
- Californian Smash Repairs in Botany, New South Wales on 15 December 2017;
- Alexander Body Works in Townsville, Queensland on 22 December 2017;
- Craig Hall Bodyworks in Phillip, Australian Capital Territory on 5 January 2018;
- Bear's Auto Hospital Group of businesses on 16 February 2018:
  - Albion Park, New South Wales;
  - Bathurst, New South Wales;
  - Corrimal, New South Wales;
  - Helensburgh, New South Wales;
  - Orange, New South Wales; and
  - Wollongong, New South Wales;
- Wells Harvey Group of businesses on 30 April 2018:
  - Wells Smash Repairs located in Arundel, Queensland;
  - Wells Bodyworks & Towing located in Hobart, Tasmania;
  - H Harvey Collison Repairs located in Upper Coomera, Queensland;
  - H Harvey Prestige located in Upper Coomera, Queensland; and
  - Domroy Prestige Autobody, located in Moorooka, Queensland.

From the date of acquisition to 30 June 2018, these acquisitions generated revenue of $28.774 million and profit of $1.744 million.

In addition, the AMA Group has also acquired CSM Service Bodies ("CSM") on 1 December 2017. CSM is the market leader in Trade Service Bodies, specialising in the Fleet Vehicle Market, offering complete Vehicle Solutions including Bullbars, Towbars, Gross Vehicle Mass Upgrades, Electrical Accessories, and many other Vehicle Accessories. The National Sales Office and Fitting workshop is located at the Darra Queensland and the manufacturing facility is located in the Warwick Queensland. It has Distributors and Service Centres located in all major population centres of Australia.

From the date of acquisition to 30 June 2018, CSM generated revenue of $5.052 million and profit of $0.475 million.

Details of these acquisitions are as follows:

	CSM $'000	Bears $'000	Wells Harvey $'000	Other $'000	Total $'000
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	1,070	-	-	-	1,070
Inventories	938	190	181	111	1,420
Other current assets	42	-	308	33	383
Plant and equipment	1,201	601	2,739	2,688	7,229
Deferred tax assets	86	153	382	440	1,061
Trade payables and accruals	(834)	-	(599)	-	(1,433)
Provisions	(382)	(511)	(1,274)	(1,465)	(3,632)
Borrowings	-	-	-	-	-
Net tangible assets acquired	2,121	433	1,737	1,807	6,098
Goodwill	1,404	4,428	12,731	10,104	28,667
Total consideration	3,525	4,861	14,468	11,911	34,765
Representing:					
Cash paid or payable	2,716	4,861	7,346	7,480	22,403
Shares issued	-	-	-	1,100	1,100
Cash to be paid	850	-	7,500	100	8,450
Shares to be issued	-	-	-	3,235	3,235
Fair value adjustments	(41)	-	(378)	(4)	(423)
	3,525	4,861	14,468	11,911	34,765
Acquisition costs	394	32	746	164	1,336

The Group is yet to finalise the valuation of certain assets (namely property, plant & equipment) and liabilities (namely Contingent vendor consideration). As such, the accounting for this acquisition is incomplete and the value attributed to Contingent vendor consideration, Plant & equipment and Goodwill may change in future periods.

Note 31 Discontinued Operations

Following the acquisition of Automotive Solutions Group Limited ("ASG"), AMA management undertook a strategic review of ASG's operations and decided to discontinue certain activities. These included the ASG corporate centre and the Umhauers Geelong and Warrnambool businesses. Financial information relating to this disposal group for the reporting period has been classified as a discontinued operation and is set out below.

	30 June 2018 $'000
Operating result	
Revenue	708
Expenses	(785)
Profit before income tax	(77)
Income tax expense	28
Profit after income tax of discontinued operation	**(49)**
Cash Flow	
Net cash inflow (outflow) from ordinary activities	(4,056)
Net cash inflow (outflow) from investing activities	767
Net cash inflow (outflow) from financing activities	3,701
Net cash inflow (outflow)	**412**

(a) Description

Following the ASG Strategic Review, the AMA Group entered into a binding contract to sell the business and assets of JDR Motorsports and 4x4 Enhancements, a business based at 61 Bridge St, Picton NSW 2571. The sale of this business was completed on 29 March 2018. Financial information relating to this disposal group for the reporting period has been classified as a discontinued operation and is set out below.

(b) Financial Information	**30 June 2018 $'000**
Operating Result	
Revenue	708
Expenses	(636)
Profit before income tax	72
Income tax expense	(26)
Profit after income tax of discontinued operation	**46**
Gain on sale of the business after income tax (see (c) below)	-
Profit (loss) from discontinued operations	**46**
Cash Flow	
Net cash inflow (outflow) from ordinary activities	(90)
Net cash inflow (outflow) from investing activities	41
Net cash inflow (outflow) from financing activities	49
Net cash inflow (outflow)	**-**

(c) Details of sale of discontinued operation	**30 June 2018 $'000**
Consideration received or receivable	167
Carrying amount of net assets sold	(167)
Gain on sale before income tax	-
Income tax expense on gain	-
Gain on sale after income tax	-

The carrying amounts of assets and liabilities as at the date of sale were:	**29 Mar 2018 $'000**
Inventories	36
Property, plant and equipment	95
Intangible	229
Total assets	360
Trade creditors	(3)
Employee benefit obligations	(190)
Total liabilities	(193)
Net assets	**167**

Note 32 Reconciliation of Profit after Tax to Operating Cash Flows

	30 Jun 2018 $'000	30 Jun 2017 $'000
Profit after income tax	15,105	17,210
Non-controlling interest	264	201
Income tax expense	9,319	7,995
Fair value adjustments	951	718
Share of equity accounted investment's result	1,744	-
Depreciation and amortisation expense	13,390	10,612
Impairment expense	2,108	300
Gain on acquisition	(2,108)	-
Non cash remuneration	853	403
Deferred income amortisation	(7,453)	(5,487)
Onerous leases	(570)	(775)
Income tax paid	(9,423)	(9,725)
Other	(724)	(134)
(Increases)/decreases in accounts receivable	(6,003)	(11,864)
(Increases)/decreases in inventories	(5,253)	(2,775)
(Increases)/decreases in prepayments	370	(5)
(Increases)/decreases in other assets	910	(1,835)
Increases/(decreases) in accounts payable	8,674	5,308
Increases/(decreases) in current provisions	4,024	657
Increases/(decreases) in non-current provisions	(1,704)	2,183
Increases/(decreases) in other liabilities	-	-
Net operating cash flows	24,474	12,987

Note 33 Earnings per Share

	30 Jun 2018 $'000	30 Jun 2017 $'000
Profit after income tax attributable to members of AMA Group Ltd		
- From continuing operations	15,108	17,210
- From discontinued operations	(3)	-
	15,105	17,210
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	524,637,728	518,992,530
Adjustments for calculation of diluted earnings per share	18,875,000	18,875,000
	543,512,728	537,867,530
	Cents	**Cents**
Continuing operations:		
- Basic earnings per share	2.88	3.32
- Diluted earnings per share	2.78	3.20
Discontinued operations:		
- Basic earnings per share	-	-
- Diluted earnings per share	-	-
Continuing and discontinued operations:		
- Basic earnings per share	2.88	3.32
- Diluted earnings per share	2.78	3.20

Note 34 Parent Information

The following information has been extracted from the books and records of the Company and has been prepared in accordance with accounting standards.

	30 Jun 2018 $'000	30 Jun 2017 $'000
Assets		
Current assets	3,080	7,952
Total assets	**169,254**	**163,076**
Liabilities		
Current liabilities	11,866	29,977
Total liabilities	**141,015**	**115,649**
Net assets/(liabilities)	**28,239**	**47,427**
Equity		
Contributed equity	187,206	181,691
Reserves	3,048	3,048
Accumulated losses	(162,015)	(137,312)
Total equity	**28,239**	**47,427**
Profit/(loss) for the year	**(12,291)**	**(9,982)**
Total comprehensive income /(loss)	**(12,291)**	**(9,982)**

Guarantees and contingent liabilities

Refer to Note 27 for details of guarantees and contingent liabilities.

Contractual commitments

Refer to Note 28 for details of contractual commitments.

Note 35 Deed of Cross Guarantee Disclosures

The consolidated financial statements of the Group incorporate the assets, liabilities and results of the controlled entities detailed in Note 29 prepared in accordance with the accounting policy described in Note 1.

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2017/785, relief has been granted from the Corporations Act 2001 requirements for the preparation, audit and lodgement of financial reports for the controlled entities detailed below.

Name of entity	**Country of incorporation**	**Equity holding**	
		2018 %	**2017 %**
A.C.N. 107 954 610 Pty Ltd	Australia	100	100
Service Body Manufacturing Australia Pty Ltd	Australia	100	100
A.C.N. 124 414 455 Pty Ltd	Australia	100	100
AECAA Pty Ltd	Australia	100	100
Custom Alloy Pty Ltd	Australia	100	100
ECB Pty Ltd	Australia	100	100
FluidDrive Holdings Pty Ltd	Australia	100	100
Mr Gloss Holdings Pty Ltd	Australia	100	100
Phil Munday's Panel Works Pty Ltd	Australia	100	100
Repair Management Australia Pty Ltd	Australia	100	100
Repair Management Australia Bayswater Pty Ltd	Australia	100	100
Repair Management Australia Dandenong Pty Ltd	Australia	100	100
BMB Collision Repairs Pty Ltd	Australia	100	100
Shipstone Holdings Pty Ltd	Australia	100	100
Gemini Accident Repair Centres Pty Ltd	Australia	100	100
Ripoll Pty Ltd	Australia	100	100
Woods Auto Shops (Holdings) Pty Ltd	Australia	100	100
Rapid Accident Management Services Pty Ltd	Australia	100	100
Woods Auto Shops (Cheltenham) Pty Ltd	Australia	100	100
Micra Accident Repair Centre Pty Ltd	Australia	100	100
Accident Management Australia Pty Ltd	Australia	100	100
Direct One Accident Repair Centre Pty Ltd	Australia	100	100
Geelong Consolidated Repairs Pty Ltd	Australia	100	100
Smash Repair Canberra Pty Ltd	Australia	100	100
Carmax Australia Pty Ltd	Australia	100	-
Automotive Solutions Group Pty Ltd	Australia	100	25
Fleet Alliance Pty Ltd	Australia	100	25
ACAD Limited	Australia	100	-
A.C.N. 624 628 986 Pty Ltd	Australia	100	-
A.C.N. 624 896 000 Pty Ltd	Australia	100	-
Alloy Motor Accessories Australia Pty Ltd	Australia	100	-
ASG 4x4 Australia Pty Ltd	Australia	100	-
Deering Autronics Australia Pty Ltd	Australia	100	-
Roo Systems Australia Pty Ltd	Australia	100	-
Uneek 4x4 Australia Pty Ltd	Australia	100	-

As a condition of the Instrument, the above entities entered into a Deed of Cross Guarantee. The effect of the deed is that AMA Group Limited has guaranteed to pay any deficiency in the event of winding up of a controlled entity detailed above or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to guarantee. The controlled entities detailed above have also given a similar guarantee in the event that AMA Group 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.

The Trustee to this deed of cross guarantee is Ripoll Pty Ltd; which is a member of the consolidated group. The Alternate Trustee to this deed of cross guarantee is Woods Auto Shops (Cheltenham) Pty Ltd; which is also a member of the consolidated group. The continuing entities and only the continuing entities are included in the deed of cross guarantee.

If the Deed of Cross Guarantee and the subsequent closed group disclosures were contained in the accounts of AMA Group Limited, then an assessment would need to be made as to the fair value of the Deed of Cross Guarantee (as a financial guarantee to the Company) 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 AMA Group Limited (see Note 27 for further information on financial guarantees).

The Statement of Comprehensive Income of the entities that are members of the Closed Group is shown below.

	30 Jun 2018 $'000	**30 Jun 2017 $'000**
Revenue from continuing operations	**500,721**	**354,960**
Raw materials and consumables used	(216,826)	(150,702)
Employment benefits expense	(187,953)	(130,767)
Occupancy expense	(33,388)	(23,717)
Travel and motor vehicle expense	(3,677)	(2,714)
Professional services expense	(6,727)	(3,717)
Advertising and marketing expense	(1,926)	(1,738)
Insurance expense	(691)	(610)
Research and development expense	(295)	(219)
Information technology expense	(1,794)	(1,448)
Communication expense	(1,132)	(810)
Other expense	(3,418)	(2,122)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	42,894	36,396
Depreciation and amortisation expense	(13,256)	(10,297)
Impairment expense	(2,108)	(300)
Earnings before interest and tax (EBIT)	27,530	25,799
Finance costs	(786)	(169)
Share of Net Profit from Associates using the Equity Method	(1,744)	-
Profit from continuing operations before fair value adjustments	25,000	25,630
Fair value adjustments to financial liabilities	(951)	(1,191)
Fair value adjustments to contingent consideration	-	500
Profit (loss) before income tax from continuing operations	24,049	24,939
Profit (loss) before tax from discontinued operations	(5)	-
Profit (loss) before income tax	24,044	24,939
Income tax benefit / (expense)	(8,932)	(7,850)
Net profit (loss)	15,112	17,089

The Consolidated Statement of Financial Position of the entities that are members of the Closed Group is as shown below:

Statement of Financial Position as at	30 Jun 2018 $'000	30 Jun 2017 $'000
Assets		
Current assets		
Cash and cash equivalents	15,853	12,801
Trade and other receivables	43,656	30,654
Inventories	29,187	18,152
Tax receivable	129	-
Other	3,459	3,561
Total current assets	92,284	65,168
Non-current assets		
Property, plant and equipment	54,631	39,732
Deferred tax assets	9,205	7,035
Intangibles	198,998	147,953
Investment in controlled entities	750	11,379
Receivables from related entities	916	5,762
Other	4,442	3,495
Total non-current assets	268,942	215,356
Total assets	361,226	280,524
Liabilities		
Current liabilities		
Trade and other payables	66,083	43,798
Borrowings	311	13,222
Current tax payable	-	455
Provisions	18,914	10,134
Other	12,478	13,933
Total current liabilities	97,786	81,542
Non-current liabilities		
Borrowings	52,521	100
Deferred tax Liabilities	3,225	3,452
Provisions	6,943	5,140
Other	30,094	28,130
Total non-current liabilities	92,783	36,822
Total liabilities	190,569	118,364
Net assets	170,657	162,160
Equity		
Contributed equity	187,206	181,691
Reserves	3,048	3,048
Accumulated losses	(19,597)	(22,579)
Total equity	170,657	162,160

Note 36 Events Occurring after the Reporting Period

On 8 August 2018 the Group acquired the Mt Druitt Group of Companies with an "earn out" as part of their acquisition consideration. These companies operate four Vehicle Panel Repairs shops:

- ARM Structural Accident Repairs, Mount Druitt, New South Wales;
- ARM Rapid Accident Repairs, Penrith, New South Wales;
- ARM Rapid Accident Repairs, Mount Druitt, New South Wales;
- ARM Rapid Accident Repairs, Wetherill, New South Wales;

On 28 August 2018, the Directors declared a fully franked dividend of 2.0 cents per security, which is to be paid on 13 November 2018.

No other matters or circumstances have arisen since 30 June 2018 that have significantly affected, or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

In the Directors' opinion:

a. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

   i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the financial Year ended on that date; and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c. at the date of this declaration, there are reasonable grounds to believe that the members of the closed group identified in Note 35 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 35.

Note 1 confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Director

28 August 2018

ShineWing Australia
Accountants and Advisors
Level 10, 530 Collins Street
Melbourne VIC 3000
T +61 3 8635 1800
F +61 3 8102 3400
shinewing.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AMA GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AMA Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed during the audit</th></tr>
<tr><td>Valuation of goodwill
Note 12
At 30 June 2018 the Group’s Statement of Financial Position includes goodwill amounting to $197million, representing the Group’s largest asset.
We have determined this is a key audit matter due to the judgement required by management in preparing a value in use model to satisfy the impairment test as prescribed in AASB 136 Impairment of Assets, including the forecasting of future cash flows and applying an appropriate discount rate which inherently involves a high degree of estimation and judgement by management.</td><td>Our procedures included, amongst others:
• Assessed the model for compliance with AASB 136 Impairment of Assets;
• Assessed management’s determination of the Group’s cash generating units based on our understanding of the nature of the Group’s business, the economic environment in which the segments operate and the Group’s internal reporting structure;
• Analysed future cash flow forecasts and developed an understanding of the process by which they were prepared, including testing the underlying calculations of the models;
    ○ Checked mathematical accuracy; and
    ○ Critically assessed the key assumptions in the forecasts by comparing them to historical results and business strategies.
• Performed sensitivity analysis on the discount rate and EBITDA assumptions and considered the likelihood that changes in assumptions, either individually or collectively, would result in goodwill to be impaired; and
• Assessed the adequacy of disclosures in the financial statements regarding assumptions used in the initial valuation and subsequent impairment testing of goodwill against the requirements of AASB 136 Impairment of Assets.</td></tr>
<tr><td>Deferred Vendor Consideration
Note 18
The group has acquired a number of businesses during recent financial periods. Certain business purchase agreements contain provisions for the payment of further consideration should certain targets be met. The measurement of the liability is based on an estimate of the likely quantum of consideration which will ultimately be paid.
We have determined this is a key audit matter due to the judgement required by management in forecasting future cash flows relevant to the calculation of deferred vendor consideration liabilities which inherently involves a high degree of estimation and judgement.</td><td>Our procedures included, amongst others:
• Challenged the assumptions used and the basis on which the forecasts have been prepared by management;
• Assessed the accuracy and reliability of forecasts with reference to historical financial performance;
• Understood the synergies arising through acquisition and impact on forward forecasts;
• Assessed whether calculations are based on terms of respective business agreements; and
• Assessed the adequacy of disclosures in the financial statements regarding assumptions used against the requirements of AASB 3 Business Combinations.</td></tr>
</table>

Key Audit Matter	How the matter was addressed during the audit
Acquisition Accounting Note 30 During the year, the Group acquired new businesses, as disclosed in Note 30, in line with its business strategy. The group has determined these acquisitions to be business combinations for which the purchase price is to be allocated between acquired assets and liabilities at their respective fair values. The identification of such assets and liabilities and their measurement at fair value is inherently judgemental and thus we consider this to be a key audit matter.	Our procedures included, amongst others: • Obtained valuations prepared by management or independent valuers engaged by the Group; • Assessed the competence and objectivity of valuers engaged; • Evaluated management's process of determining the fair value of assets and liabilities recognised on acquisition, having regard to the completeness of assets and liabilities identified and challenged the assumptions in their respective valuations; • Checked management's computation of goodwill on acquisition; • Assessed whether acquisitions during the year ended 30 June 2018 were accounted for as per the requirements of AASB 3 *Business Combinations*; and • Assessed the adequacy of disclosures in the financial statements against the requirements of AASB 3 *Business Combinations*

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit 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 Group's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 18 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of AMA Group Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Nick Michael
Partner

Melbourne, 28 August 2018

The Board of Directors (Board) of AMA Group Limited (Company) is responsible for the corporate governance of the group. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (3rd Edition) (principles or recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the recommendations, the board has offered full disclosure of the nature and reason for the departure.

All Charters and Policies are available from the Company or on its website at www.amagroupltd.com.

Principle 1: Lay solid foundations for management and oversight.

Role of the Board and Executive Management

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of executive management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of executive management in carrying out these delegated duties. The Board's responsibilities are detailed in its Board Charter.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a director or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its committees (as applicable) on governance matters, monitoring that the Board and committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Company is committed to increasing diversity amongst its employees, not just gender diversity. Our workforce is employed based on the right person for the right job regardless of their gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability.

Executive and board positions are filled by the best candidates available without discrimination. The Company is committed to increasing gender diversity within these positions when appropriate appointments become available. It is also committed to identifying suitable persons within the organisation and where appropriate opportunities exist, advance diversity and to support promotion of talented employees into management positions.

The Company has not set any gender specific diversity objectives as it believes that all categories of diversity are equally as important within its organisation.

The following table demonstrates the Company's gender diversity amongst employees and contractors as at 30 June 2018.

	Board	Executive Team	Employees
Women (Qty.) 2017	0	1	237
Women (Qty.) 2018	0	1	308

Encourage Enhanced Performance

The performance of the Board, individual directors and executive officers of the Company is monitored and evaluated by the Board. The Board is responsible for conducting evaluations on a regular basis in line with these policy guidelines.

An evaluation of the performance of the board was conducted during the year. The evaluation has provided the board with valuable feedback for future development.

During the year, all directors have full access to all Company records and receive financial and operational reports at each Board meeting.

Independent Advice

Directors collectively or individually have the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. All advice obtained is made available to the full Board.

Principle 2: Structure the Board to add value.

Structure and Composition of the Board

The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties and being of value to the Company.

The names of the directors, their independence, qualifications and experience are stated on in the directors' report along with the term of office held by each.

The Board believes that the interests of all shareholders are best served by:

- Directors having the appropriate skills and experience;
- A number of the directors being independent as defined in the ASX Corporate Governance Guidelines; and
- Some major shareholders being represented on the Board.

Where any director has a material personal interest in a matter, the director will not be permitted to be present during discussion or to vote on the matter. The enforcement of this requirement is in accordance with the Corporations Act and aims to ensure that the interests of shareholders, as a whole, are pursued and that their interest or the director's independence is not jeopardised.

At 30 June 2018 the Board consisted of six directors of whom three directors, Hugh Robertson, Leath Nicholson and Brian Austin, were considered independent non-executive directors by the Company. During the current year, the Company had a commercial relationship with companies associated with each of the non-executive directors. The fees paid to each of these companies were on an arms-length commercial basis and not considered material in light of the Company's overall expenditure for the period (refer Note 26). Each of the non-executive directors were not present or able to vote when the Board discussed or voted on the contracts/fees paid to the directors associated companies.

Post 30 June, Hugh Robertson resigned as a director. The Company is currently in negotiations to replace with appropriate candidates to replace Mr Robertson as an independent non-executive director. The Board believes the existence of three independent directors on the Board provides sufficient independent judgement to the Board at this time.

The Board is chaired by Raymond Malone who is also the Company's Chief Executive Officer. The Board believes that although Mr Malone is not considered independent, he is the appropriate person to lead the Company. The Board has delegated certain responsibilities from the Chairman to non-executive directors to minimize any conflict that may arise from the Chairman and Chief Executive Officer roles being exercised by the same individual.

The Company currently has no Nomination Committee as it believes that due to the size of the Board and the Company and the nature of the Company's current activities, this function is best served by the full Board. The Board is responsible for considering board succession issues and reviewing Board composition to assist in ensuring the Board has the appropriate balance of skills, knowledge, experience and independence to enable it to discharge its duties and responsibilities effectively.

Members of the board have a broad range of industry, financial and other skills, knowledge and experience to effectively guide the business. Directors with a range of qualifications, expertise and experience are appointed to enable the Board to effectively discharge its duties and to add value to its deliberations. The following skills matrix identified the skills, knowledge, experience and capabilities of the Board that enable it to meet the current and future challenges of the Group.

- Industry Knowledge
- Acquisition & Divestment
- Public Company & Investor Relations
- Financial Acumen & Risk Management
- Legal & Compliance
- Strategic Planning
- People Management

Induction of New Directors and Ongoing Development

Any new directors will be issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any committee work.

A new director induction program is in place and directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Principle 3: Act ethically and responsibly

Ethical and Responsible Decision-Making

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has adopted a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders.

The Company has a share trading policy that regulates the dealings by directors, officers and employees, in shares, options and other securities issued by the Company. The policy has been formulated to ensure that directors, officers, employees and consultants who work on a regular basis for the Company are aware of the legal restrictions on trading in Company securities while in possession of unpublished price-sensitive information.

As a good corporate citizen, the Company encourages compliance with and commitment to appropriate corporate practices that are fair and ethical, via its Code of Conduct.

Principle 4: Safeguard integrity in corporate reporting.

Audit Committee

During the year the Company had a duly constituted Audit Committee currently consisting of three non-executive Directors, with the committee Chairman being an independent non-executive director. The committee chairman Hugh Robertson resigned as a director of the Company post 30 June 2018. Another independent non-executive director will be appointed to the committee in due course. The current members of the committee, as at the date of this report, and their qualifications are detailed in the directors' profiles in the Directors' Report.

The committee holds a minimum of two meetings a year. Attendance to these meetings by the members of the Audit Committee is detailed in the Directors' Report.

The Company's external auditor attends each annual general meeting and is available to answer any questions with regard to the conduct of the audit and their report.

Chief Executive Officer and Chief Financial Officer Declarations

The Chief Executive Officer and Chief Financial Officer have provided the Board with a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Making timely and balanced disclosure.

The Company has procedures in place to ensure that the Company's Continuous Disclosure obligations under ASX Listing Rules and Corporations Act are met and that the market is properly informed of matters which may have a material impact on the price at which securities are traded.

The Board has designated the Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with ASX Listing Rules, the Company immediately notifies the ASX of information concerning the Company:

1. That a reasonable person would or may expect to have a material effect on the price or value of the Company's securities; and
2. That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Principle 6: Respect the rights of shareholders.

The Company is committed to providing current and relevant information to its shareholders.

The Company respects the rights of its shareholders, and to facilitate the effective exercise of the rights, the Company is committed to:

1. Communicating effectively with shareholders through ongoing releases to the market via ASX information and general meetings of the Company;
2. Giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
3. Making it easy for shareholders to participate in general meetings of the Company; and
4. Requesting the external Auditor to attend the Annual General Meeting and be available to answer shareholder's questions about the conduct of the audit, and the preparation and content of the Auditor's Report.

Any shareholder wishing to make inquiries of the Company is advised to contact the registered office. All public announcements made by the Company can be obtained from the ASX's website www.asx.com.au.

Shareholders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

The Company maintains information in relation to its corporate governance documents, Directors and senior executives, Board and committee charters and Annual Reports on the Company's website.

Principle 7: Recognise and managing risk.

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities.

The Audit Committee operates pursuant to a charter which provides for risk oversight and management within the Company. This is periodically reviewed and updated. Executive management reports risks identified to the committee on a periodic basis.

The Company's Risk Management Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

The Board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound. A review of the Company's risk management framework was conducted during the 2018 financial year.

Executive management reports risks identified to the Board through regular operations reports, and via direct and timely communication to the Board where and when applicable. During the reporting period, executive management has reported to the Board as to the effectiveness of the Company's management of its material business risks. The Company does not have an internal audit function.

The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Chief Executive Officer and the Chief Financial Officer have given a statement to the Board that the integrity of the financial statements is founded on a sound system of risk management and internal compliance and controls based on the Company's Risk Management policies.

Principle 8: Remunerate fairly and responsibly

Profiles of the members and details of meetings of the Remuneration Committee are outlined in the Director's Report. The Committee's responsibilities are detailed in the Remuneration Committee Charter.

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with "Best Practice" as well as supporting the interests of shareholders. Senior executives may receive a remuneration package based on fixed and variable components, determined by their position and experience. Shares and/or options may also be granted based on an individual's performance, with those granted to Directors subject to shareholder approval.

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive Directors. Non-executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company without prior shareholder approval.

Current remuneration is disclosed in the Remuneration Report and in Note 26: Related Party Transactions.

Key Management Personnel or closely related parties of Key Management Personnel are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In accordance with the Company's share trading policy, participants in any equity-based incentive scheme are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

In accordance with the ASX Listing Rules the following information, as at 24 August 2018, is provided:

Substantial holders

The Company hold current substantial holder notifications in accordance with section 671B of the Corporations Act for the following:

Cedarfield Holdings Pty Ltd ATF The Cedarfield Trust (Notice dated 24 Oct 2016)	35,239,167	7.45%
Greencape Capital Pty Ltd (Notice dated 4 Oct 2017)	34,690,685	7.09%
Thorney Opportunities Ltd (Notice dated 14 Jun 2018)	27,093,761	5.14%
Celeste Funds Management Limited (Notice dated 1 Sep 2017)	25,058,448	5.13%

Number of holders of equity securities

527,682,865 Fully Paid Ordinary Quoted shares are held by 2,226 individual holders.

8,355,901 Fully Paid Ordinary Unquoted shares are held by 3 individual holders; with all holders having in excess of 100,000 units.

12,000,000 unquoted options over Fully Paid Ordinary Quoted shares exercisable at $1.20 each before 27 November 2018 held by 2 holders; with all holders having in excess of 100,000 units.

6,225,000 unquoted options over Fully Paid Ordinary Quoted shares exercisable at $1.20 each before 25 April 2019 held by 8 holders; with all holders having in excess of 100,000 units.

Voting rights

The voting rights attached to Fully Paid Ordinary shares are set out below:

Fully Paid Ordinary Quoted 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.

Fully Paid Ordinary Unquoted shares

No voting rights

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:	**Holders**	**Ordinary Shares**
1 to 1,000	265	112,590
1,001 to 5,000	524	1,619,436
5,001 to 10,000	383	3,128,798
10,001 to 100,000	839	29,731,659
100,001 and over	215	493,090,382
Total	2,226	527,682,865
Holding less than a marketable parcel	126	5,130

Equity security holders

Twenty largest quoted equity security holders

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

Shareholder	Number Held	% of Total Shares Held
J P Morgan Nominees Australia Limited	71,408,146	13.53
Mr Gloss Pty Limited	67,961,015	12.88
HSBC Custody Nominees (Australia) Limited	62,068,101	11.76
Cedarfield Holdings Pty Ltd <The Cedarfield A/C>	50,341,667	9.54
National Nominees Limited	37,021,245	7.02
UBS Nominees Pty Ltd	27,332,422	5.18
Sherdley Investments Pty Ltd <Walsh Family A/C>	8,841,667	1.68
Mr Raymond Malone & Mrs Leona Malone <The Malone Super Fund A/c>	8,490,335	1.61
Citicorp Nominees Pty Ltd	8,410,372	1.59
BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C>	7,799,580	1.48
BNP Paribas Nominees Pty Ltd <DRP>	7,792,653	1.48
Birdlake Holdings Pty Ltd <Timothy Simon Hopkins A/C>	7,083,333	1.34
Citicorp Nominees Pty Ltd <Colonial First State Inv A/c>	7,083,052	1.34
Sandhurst Trustees Ltd <Endeavor Asset Mgmt MDA A/C>	6,620,179	1.25
Magnacon Pty Ltd <P&J Bubeck Family A/C>	5,733,334	1.09
Mr Richard John Calver	5,600,000	1.06
Phil Munday Investments Pty Ltd	5,389,706	1.02
Washington Motors Pty Ltd	5,389,706	1.02
Missy Nominees Pty Ltd <Frank Crispo Family A/C>	5,058,333	0.96
Yerrus Holdings Pty Ltd <Surrey Panels Pension A/c>	4,500,000	0.85
	409,924,846	77.68

Unquoted equity shareholders

The names of security holders who hold 20% or more of the unquoted equity share class are as follows:

Autoco Pty Ltd <Autoco Group AMA Unit Trust>	5,100,428	61.0%
Stipe Popovic & Biserka Popovic <The S&B Popovic Family Trust>	2,079,002	24.9%

Securities subject to escrow

Class of Security	Number	Date Escrow period ends
Fully Paid Ordinary Quoted	106,383	25 Apr 2019
Fully Paid Ordinary Quoted	58,333,333	10 Jun 2019
Fully Paid Ordinary Quoted	25,000,000	10 Jun 2019
Fully Paid Ordinary Quoted	1,576,905	28 Jul 2019
Fully Paid Ordinary Quoted	242,718	31 Dec 2019
Fully Paid Ordinary Quoted	327,660	3 Jan 2020
Fully Paid Ordinary Quoted	413,950	20 Jul 2021
Fully Paid Ordinary Unquoted	1,176,471	18 Mar 2019
Fully Paid Ordinary Unquoted	2,079,002	30 Sep 2021

Shareholder enquiries

Shareholders with enquiries about their shareholdings should contact the share registry:

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street,
Abbotsford, Victoria 3067
Phone: +61 3 9415 4000
Fax: +61 3 9473 2500
Email: essential.registry@computershare.com.au

Change of address, change of name, consolidation of shareholdings

Shareholders should contact the Share Registry to obtain details of the procedure required for any of these changes.

Annual report

Shareholders do not automatically receive a hard copy of the Company's Annual Report unless they notify the Share Registry in writing. An electronic copy of the Annual Report can be viewed on the Company's website www.amagroupltd.com

Tax file numbers

It is important that Australian resident shareholders, including children and corporate entities, have their tax file number, ABN or exemption details noted by the Share Registry.

CHESS (Clearing House Electronic Sub-register System)

Shareholders wishing to move to uncertified holdings under the Australian Stock Exchange CHESS system should contact their stockbroker.

Uncertified share register

Shareholding statements are issued at the end of each month that there is a transaction that alters the balance of an individual/company's holding.

Directors
Mr Raymond Malone (Chairman and Executive Director)
Mr Brian Austin (Non-Executive Director)
Mr Leath Nicholson (Non-Executive Director)
Mr Hugh Robertson (Non-Executive Director) (Resigned 3 Aug 2018)
Mr Andrew Hopkins (Executive Director)
Mr Raymond Smith-Roberts (Executive Director)

Executive Management
Mr Raymond Malone (Chief Executive Officer)
Mr Andrew Hopkins (Chief Executive Officer – Vehicle Panel Repair Division)
Mr Raymond Smith-Roberts (Chief Executive Officer - Automotive Components & Accessories Divisions)
Mr Ashley Killick (Chief Financial Officer)
Mrs Terri Bakos (Company Secretary)

Registered Office
Level 7, 420 Collins Street, MELBOURNE VICTORIA 3000 AUSTRALIA
Email: info@amagroupltd.com
Telephone: +61 7 3897 5780
Facsimile: +61 7 3283 1168

Principal Place of Business
31 Snook Street, CLONTARF, QUEENSLAND, 4019, AUSTRALIA
P.O. Box 122, MARGATE, QUEENSLAND, 4019, AUSTRALIA
Telephone: +61 7 3897 5780
Facsimile: +61 7 3283 1168
Web: www.amagroupltd.com

Share Registry
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, ABBOTSFORD, VICTORIA, 3067, AUSTRALIA
GPO Box 2975, MELBOURNE VICTORIA 3001 AUSTRALIA
Telephone: +61 3 9415 4000
Telephone: 1300 787 272 (Within Australia)
Facsimile: +61 3 9473 2500

Auditor
ShineWing Australia
Level 10, 530 Collins Street, MELBOURNE VICTORIA 3000 AUSTRALIA

Solicitors
Nicholson Ryan Lawyers
Level 7, 420 Collins Street, MELBOURNE VICTORIA 3000 AUSTRALIA

Bankers
National Australia Bank Limited

Stock Exchange Listing
AMA Group Limited shares are listed on the Australian Securities Exchange, code AMA.