



AUTODOM

**AUTODOM LIMITED
AND CONTROLLED ENTITIES
A.B.N. 43 009 123 782**

**APPENDIX 4D
HALF YEAR REPORT
31 DECEMBER 2009**

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AUTODOM LIMITED
A.B.N. 43 009 123 782
AND CONTROLLED ENTITIES
RESULTS FOR ANNOUNCEMENT TO THE MARKET

APPENDIX 4D
HALF YEAR REPORT

Revenue and Net Profit (Loss) **AU\$'000's**

Revenue from ordinary activities down 30% on previous corresponding period	37,989
Loss from ordinary activities after tax attributable to members has increased 74% over the previous corresponding period	(298)

Dividends

No interim dividend is to be paid for this period.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION
CONSOLIDATED NET TANGIBLE ASSET BACKING

	31 DEC 2009	31 DEC 2008
	\$	\$
Net Assets	15,535,999	14,400,901
Less intangible assets	(5,358,289)	(5,363,963)
Less net deferred tax assets	(3,157,822)	(3,831,213)
Less NCI net tangible assets	(4,135,584)	(4,135,584)
Net tangible assets of the Consolidated Entity	<u>2,884,304</u>	<u>1,070,141</u>
Fully paid ordinary shares on issue at Balance Date	54,346,301	54,346,301
Net tangible asset backing per issued ordinary share as at Balance Date (cents)	5.3 c	2.0 c

This Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.2A.3

Current Reporting Period: 31st December, 2009
Previous Corresponding Period: 31st December, 2008

For and on behalf of the Directors



AJ DALE
MANAGING DIRECTOR
Dated: 24 February, 2010

AUTODOM LIMITED
A.B.N. 43 009 123 782

I N D E X

	Page
Directors Report	3
Lead Auditors Independence Declaration	4
Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Balance Sheet	6
Condensed Consolidated Statement of Changes in Equity	7
Consolidated Cash Flow Statement	8
Notes to the Financials Statements	9
Directors' Declaration	12
Independent Review Report	13

The directors of Autodom Limited present their report and the consolidated financial report of the Company for the half year ended 31 December 2009.

Directors

The names of the persons who have been a director of the Company any time during or since the end of the half year are Anthony John Dale, Robert Paul Martin and Scott Angus Mutton.

Review of Operations

Consolidated loss after tax for the six months ended 31st December 2009 was \$297,910.
Consolidated loss after tax for the same period last year was \$171,201.

During the six months ended 31 December 2009 the Company experienced a stabilisation of sales revenues albeit at low levels compared with the first quarter of the year ended 30 June 2009 and prior to that time. The stabilisation of passenger vehicle sales in Australia at this low level follows the significant reductions experienced during the year ended 30 June 2009. Revenues during the six months ended 31 December 2009 were 30% down on the previous corresponding period. During the six months to 31 December 2009, and in the last half of fiscal year 2009, the Company has focused on cost reductions and improvements in working capital and productivity. These efforts have mitigated the impact the substantial sales revenue reduction has on the financial performance of the Company.

Lead Auditors Independence Declaration

The auditors' independence declaration under section 307C of the Corporations Act 2001 is included within this financial report.

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



AJ DALE
MANAGING DIRECTOR
Dated: 24 February, 2010

RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Autodom Limited for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

J A KOMNINOS
Partner

Perth, WA
Dated: 24 February 2010

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AUTODOM LIMITED

Consolidated Statement of Comprehensive Income For The Half-Year Ended 31 December 2009

	Note	2009 \$	2008 \$
Revenue		37,989,334	54,255,782
Other income	2	858,619	909,622
Changes in inventories of finished goods and work in progress		(577,438)	45,203
Raw materials and consumables used		(26,975,283)	(38,477,842)
Employee benefits expense		(7,028,692)	(11,876,457)
Depreciation and amortisation expense		(1,247,622)	(1,738,292)
Finance costs - net		(276,107)	(551,286)
Other expenses		(3,148,032)	(3,116,684)
Profit/(loss) before income tax expense		(405,221)	(549,956)
Income tax benefit/(expense)		107,311	370,687
Profit/(loss) for the period		(297,910)	(179,269)
(Profit)/loss attributable to non- controlling interests		-	8,068
Profit/(loss) attributable to members of Autodom Limited		(297,910)	(171,201)
Other comprehensive income		-	-
Total Comprehensive Income For the Period		(297,910)	(171,201)
Loss per share attributable to the ordinary equity holders of Autodom Limited			
Basic earnings per share (Cents)		(0.01)	(0.32)
Diluted earnings per share (Cents)		(0.01)	(0.32)

The above income statement should be read in conjunction with the accompanying notes.

AUTODOM LIMITED

Condensed Consolidated Balance Sheet As at 31 December 2009

	31 December 2009 \$	30 June 2009 \$
Current Assets		
Cash and cash equivalents	2,452,945	674,336
Trade and other receivables	9,636,460	10,179,392
Inventories	8,255,962	8,833,400
Other assets	2,247,010	1,899,444
Total Current Assets	22,592,377	21,586,572
Non-Current Assets		
Receivables	4,135,682	4,135,682
Property, Plant and Equipment	11,268,118	12,319,798
Deferred Tax Assets	4,174,034	4,066,723
Intangible Assets	5,358,289	5,372,086
Other Assets	586,323	852,005
Total Non-Current Assets	25,522,447	26,746,294
Total Assets	48,114,823	48,332,866
Current Liabilities		
Trade and other payables	14,852,492	14,171,585
Borrowings	12,147,092	12,824,300
Provisions	1,624,177	1,468,085
Total Current Liabilities	28,623,761	28,463,970
Non-Current Liabilities		
Borrowings	1,300,000	1,500,000
Deferred Tax Liabilities	1,016,212	1,016,212
Provisions	1,638,851	1,518,913
Total Non-Current Liabilities	3,955,063	4,035,125
Total Liabilities	32,578,824	32,499,095
Net Assets	15,535,999	15,833,771
Equity		
Contributed Equity	17,916,201	17,916,201
Reserves	440,858	440,858
Accumulated Losses	(6,956,644)	(6,658,872)
Capital and reserves attributable to the owners of Autodom Limited	11,400,415	11,698,187
Non-controlling interests	4,135,584	4,135,584
Total Equity	15,535,999	15,833,771

The above balance sheet should be read in conjunction with the accompanying notes.

AUTODOM LIMITED

Condensed Consolidated Statement of Changes in Equity For The Half-Year Ended 31 December 2009

Attributable to Owners of Autodom Ltd

	Ordinary Share Capital \$	Option Reserve \$	Dividend Reserve \$	Retained Earnings/ (Accumulated Losses) \$	Sub Total \$	Non- controlling Interests \$	Total \$
Balance at 1 July 2008	17,916,201	200,950	239,908	(7,920,642)	10,436,417	4,143,702	14,580,119
Profit attributable to members of Autodom Ltd	-	-	-	(171,201)	(171,201)	(8,068)	(179,269)
Other adjustments	-	-	-	-	-	50	50
Balance at 31 December 2008	<u>17,916,201</u>	<u>200,950</u>	<u>239,908</u>	<u>(8,091,843)</u>	<u>10,265,216</u>	<u>4,135,684</u>	<u>14,400,900</u>
Balance at 1 July 2009	17,916,201	200,950	239,908	(6,658,872)	11,698,187	4,135,584	15,833,771
Profit attributable to members of Autodom Ltd	-	-	-	(297,910)	(297,910)	-	(297,910)
Other adjustments	-	-	-	138	138	-	138
Balance at 31 December 2009	<u>17,916,201</u>	<u>200,950</u>	<u>239,908</u>	<u>(6,956,644)</u>	<u>11,400,415</u>	<u>4,135,584</u>	<u>15,535,999</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

AUTODOM LIMITED

Consolidated Cash Flow Statement For The Half-Year Ended 31 December 2009

	2009	2008 \$
Cash flows from operating activities		
Receipts from customers and others	39,285,220	60,532,119
Payments to suppliers and employees	(36,152,359)	(60,802,622)
Interest and borrowing costs paid	(276,107)	(551,286)
Income taxes (refunded)/paid	-	234,210
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	<u>2,856,754</u>	<u>(587,579)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(206,542)	(241,961)
Proceeds from sale of property, plant and equipment	5,605	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities	<u>(200,937)</u>	<u>(241,961)</u>
Cash flows from financing activities		
Net proceeds from/ (repayment of) borrowings	(877,208)	72,687
	<hr/>	<hr/>
Net cash inflow/(outflow) from financing activities	<u>(877,208)</u>	<u>72,687</u>
Net increase/(decrease) in cash and cash equivalents	1,778,609	(756,853)
Cash and cash equivalents at the beginning of the financial period	674,336	(76,705)
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial period	<u>2,452,945</u>	<u>(833,558)</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

AUTODOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE HALF-YEAR REPORT

This general purpose financial report for the half year reporting period ended 31 December 2009 has been prepared in accordance with accounting standard AASB 134 *Interim Financial Reporting and the Corporation's Act 2001*.

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Autodom Limited during the half year ended 31 December 2009 in accordance with the continuous disclosure requirements of the Corporation's Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period .

(a) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value basis of accounting has been applied.

As disclosed in the half year ended 31 December 2009 financial statements, the consolidated entity recorded the following results:

- * Loss attributable to members of \$297,910, including a reduction in depreciation resulting from a change in accounting estimates. (full year ended 30 June 2009: loss attributable to members excluding non-recurring items of \$1,738,231);
- * Net current liabilities of \$6,031,384 (30 June 2009: net current liabilities of \$6,877,398) predominantly due to the classification of its bank loans of \$10,850,990 (30 June 2009: \$11,324,300) as a current liability, because during the period, the consolidated entity did not meet the bank's loan covenants, resulting in the loan facilities being subject to review and possible repayment at the bank's discretion.

While the above factors indicate material uncertainty as to the consolidated entity's ability to continue as a going concern, the Directors are of the opinion that the consolidated entity will be able to continue as a going concern because of the following factors:

*The consolidated entity achieved a net cash inflow from operating activities of \$2,856,754 (full year ended 30 June 2009: net cash outflow of \$459,514), contributing to the reduction in net current liabilities of the consolidated entity at balance date;

*The consolidated entity has reduced the operating loss before income tax (including a reduction in depreciation arising from changes in accounting estimates) to \$405,221 for the six months ended 31 December 2009, compared with the operating loss before income tax (excluding non recurring income items) of \$1,336,283 for the year ended 30 June 2009 and \$9,984,168 (inclusive of impairment provisions and deferred expenditure write offs) for the year ended 30 June 2008. The operating loss for the six months ended 31 December 2009 was achieved despite a 30% fall in revenues compared with the revenues for the six months ended 31 December 2008;

*The consolidated entity's banker has not exercised its review discretion referred to above at the date of this report; and

*Subject to the difficulties associated with predicting future demand from the global automotive industry, for the 12 month period from the date of this financial report, the consolidated entity is budgeting to generate positive trading cashflows from operations in the twelve month period from the date of this financial report.

The financial report does not contain any adjustments to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

AUTODOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE HALF-YEAR REPORT (Continued)

(b) Changes in accounting policies

From 1 July 2009, the consolidated entity has adopted all Australian Accounting Standards and Interpretations mandatory for annual periods beginning on or after 1 July 2009, including:

*AASB 8 *Operating Segments*: This standard requires the disclosure of information about the Consolidated Entity's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Consolidated Entity. Adoption of this standard did not have any effect on the financial position or performance of the Consolidated Entity.

*AASB 101 *Revised Presentation of Financial Statements*: The revised standard separates owner and non-owner changes in equity and requires a statement of comprehensive income to be prepared which discloses all changes in equity during a period resulting from non-owner transactions.

*AASB 127 *Revised Consolidated and Separate Financial Statements*: The Standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The Standard also specifies the accounting when control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in profit or loss. The Consolidated Entity will in future allocate losses to the non-controlling interest in its subsidiaries even if the accumulated losses should exceed the non-controlling interest in the subsidiary's equity. Under the previous policy, excess losses were allocated to the parent entity.

(c) Change in Accounting Estimates

During the half year, the estimated useful lives of manufacturing plant and equipment were revised. The financial effect of the change in accounting estimate on the half year was a decrease in depreciation expense of the consolidated entity of \$363,059 and expected full year impact will be a decrease in depreciation expense by \$726,118.

The financial effect of this change in estimates on future financial years cannot be estimated due to impracticalities.

(d) Correction of Accounting Error

During the half year, a reclassification of other assets of \$586,323 at 31 December 2009 and \$828,224 at 30 June 2009 from current assets to non-current assets was made. The other assets pertain to grants receivable via the Automotive Competitiveness and Investment Scheme ("ACIS"). There is no impact on the income statement.

AUTODOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	Consolidated	
	31 December 2009	31 December 2008
	\$	\$

2. OTHER INCOME

Government Grants (net)	769,180	856,057
Other Income	89,439	53,565
	<u>858,619</u>	<u>909,622</u>

3. DIVIDENDS

No dividend has been paid or provided for in the current half year.

	<u>-</u>	<u>-</u>
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4. EVENTS OCCURRING AFTER BALANCE DATE

On February 22, 2010, a wholly owned subsidiary of the company, aiAutomotive Pty Ltd, entered into a Heads of Agreement to purchase the business of DAIR industries, an automotive components manufacturer based in Victoria. The Heads of Agreements specified that completion, which is expected to be by end of April 2010, is subject to due diligence and finance.

Other than the above, there have been no events since balance date that would require revision of the amounts included in the consolidated entity's financial statements and the company's bankers have been regularly briefed on the recovery initiatives and are working with the company

5. CONTINGENT LIABILITIES

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

6. OPERATING SEGMENTS

The consolidated entity is manufacturing automotive components at two manufacturing plants: one in South Australia and one in Victoria. Each area of operation has been aggregated and therefore the operations of the consolidated entity present one operating segment, Automotive, under AASB 8 *Operating Segments*.

AUTODOM LIMITED

DIRECTORS DECLARATION

The directors of the company declare that:

- (a) the financial statements and notes, as set out within this financial report:
 - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
 - (ii) comply with Accounting Standards AASB 134 "Interim Financial Reporting" and the Corporations Regulations.
- (b) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



AJ Dale
Managing Director

Perth
Dated 24 February 2010

RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUTODOM LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Autodom Ltd ("the consolidated entity") which comprises the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, accompanying notes to the financial statements and directors' declaration. The consolidated entity comprises both Autodom Ltd as the parent entity and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Autodom Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

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

Basis for Qualified Conclusion

Recoverability of Deferred Tax Balances

The consolidated entity has recognised a net deferred tax asset in respect of unused tax losses and temporary differences of \$4,174,034 in the balance sheet. Under Australian Accounting Standard AASB 112 *Income Taxes* a deferred tax asset can only be recognised if it is probable that future taxable profits will be available against which the balance can be utilised.

The recoverability of the deferred tax asset is dependent on the consolidated entity generating future taxable profits. We have not been able to obtain sufficient appropriate evidence to determine whether it is probable that the consolidated entity will be able to generate adequate profits to utilise the deferred tax asset. We are therefore unable to determine whether recognition of the net deferred tax asset is in accordance with the requirements of Australian Accounting Standards.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the limitations on the scope of our review as discussed in the preceding paragraphs not existed, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Autodom Ltd is not in accordance with the *Corporations Act 2001* including:

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

Material Uncertainty Regarding Continuation as a Going Concern

Without further qualifying our conclusion expressed above, we draw attention to Note 1 in the financial report which indicates the consolidated entity recorded a net loss attributable to members of \$297,910 during the half year ended 31 December 2009. At balance date, the consolidated entity's current liabilities exceeded its current assets by \$6,031,384. In addition, during the half year review period, the consolidated entity did not meet its banker's loan covenants, resulting in the bank's loan facility being subject to review and possible repayment at its discretion. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

RSM BIRD CAMERON PARTNERS
Chartered Accountants

Perth, WA
Dated:

J A KOMNINOS
Partner