ARB Corporation Ltd
4X4 ACCESSORIES

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ABN 31 006 708 756

21 August 2013

Announcements Officer
ASX Market Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Preliminary Final Report

Please find attached for release to the market a Preliminary Final Report) for ARB Corporation Limited for the year ended 30 June 2013.

John Forsyth
Director

ARB CORPORATION LIMITED
ABN 31 006 708 756
AND CONTROLLED ENTITIES

PRELIMINARY FINAL REPORT

FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2013
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A

Rule 4.3A

Appendix 4E **Preliminary Final Report**

Name of entity

ARB Corporation Limited

ABN or equivalent company reference:	ABN 31 006 708 756

1. Reporting period

Report for the financial year ended	30 JUNE 2013
Previous corresponding period is the financial year ended	30 JUNE 2012

2. Results for announcement to the market

				$'000
Revenues from ordinary activities *(item 2.1)*	up	8.3%	to	294,509
Net profit (loss) from ordinary activities after tax attributable to members *(item 2.2)*	up	10.0%	to	42,358
Net profit (loss) for the period attributable to members *(item 2.3)*	up	10.0%	to	42,358

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	12.5¢	12.5¢
Final dividend	15.5¢	15.5¢
There is no foreign conduit income attributed to the dividend		
Record date for determining entitlements to the dividend *(item 2.5)*	4th October 2013	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*

See attached Chairman's Statement

3. Statement of Comprehensive Income *(item 3)* Refer to the attached statement

4. Statement of Financial Position *(item 4)*Refer to the attached statement

5. Statement of Cash Flows *(item 5)* Refer to the attached statement

6. Dividends*(item 6)*

	Date of payment	**Total amount of dividend**
Interim dividend – year ended 30 June 2013	19 April 2013	$9,060 (‘000)
Final dividend – year ended 30 June 2012	19 October 2012	$10,147 (‘000)

Amount per security

	Amount per security	Franked amount per security at 30% tax
Total dividend: Current year	28.0¢	28.0¢
Previous year	25.0¢	25.0¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities	19,207	17,396
Total	**19,207**	**17,396**

7. The dividend reinvestment plan and bonus share plan remain suspended *(item 7)*

8. Statement of changes in equity*(item 8)*

	Consolidated Entity	
	2013	**2012**
	$’000	**$’000**
Balance at the beginning of year	151,176	129,275
Hedge and exchange differences	3,216	798
Net profit attributable to members of the Parent entity	42,358	38,499
Total available for appropriation	196,750	168,572
Dividends paid	(19,207)	(17,396)
Balance at end of the year	177,543	151,176

9. Net tangible assets per security *(item 9)*

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$2.27	$1.93

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

N/A

11. Details of associates and joint venture entities *(item 11)*

N/A

12. Significant information relating to the entity's financial performance and financial position *(item 12)*

All significant information is disclosed in this appendix and its attachments.

13. The financial information provided in the Appendix 4E is based on the annual financial report (attached), which has been prepared in accordance with the Australian Accounting Standards*(item 13)*

14. Commentary on the results for the period *(item 14)*

See attached Chairman's Statement and other attachments.

15. Audit of the financial report *(item 15)*

The financial report has been audited.

16. The audit has been completed *(item 16)*

Chairman's Statement

RESULTS

ARB Corporation Limited ("**ARB**" or the "**Company**") achieved a net profit after tax of $42.3 million for the year ended 30th June 2013. This represented a 10.0% increase over the prior year's net profit after tax.

The result was achieved in a very challenging year, particularly in relation to changing economic drivers in Australia, but also in terms of the economic difficulties faced by many countries in which the Company's export customers operate.

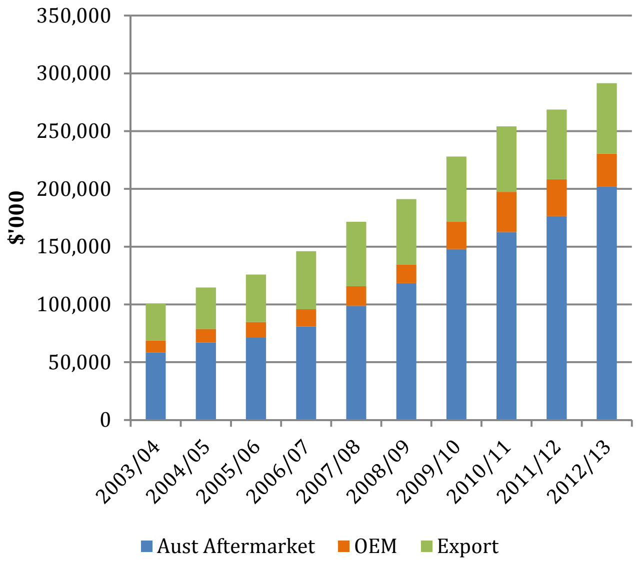
The Company's profit was achieved on an 8.5% increase in sales to $292 million from $269 million last year. A summary of the 2012/13 result is presented below:

Year to 30 June	2013 $'000	2012 $'000	Change
Sales Revenue	**291,510**	**268,718**	**+ 8.5%**
Total Revenue	294,509	271,843	
Net Profit Before Tax	**57,965**	**52,788**	**+ 9.8%**
Less Tax	15,607	14,289	
Net Profit After Tax	**42,358**	**38,499**	**+ 10.0%**
Basic EPS – cents	58.4	53.1	
DPS – cents			
Interim	12.5	11.0	
Final	15.5	14.0	
Total	28.0	25.0	
Franked Amount	100%	100%	

The Company intends to pay an increased final fully franked dividend of 15.5 cents per share on the 18th October 2013. This brings total ordinary dividends for the year to 28.0 cents per share fully franked, compared with 25 cents per share fully franked last year. The Record Date for the final dividend will be the 4th October 2013.

10 YEAR HISTORICAL PERFORMANCE

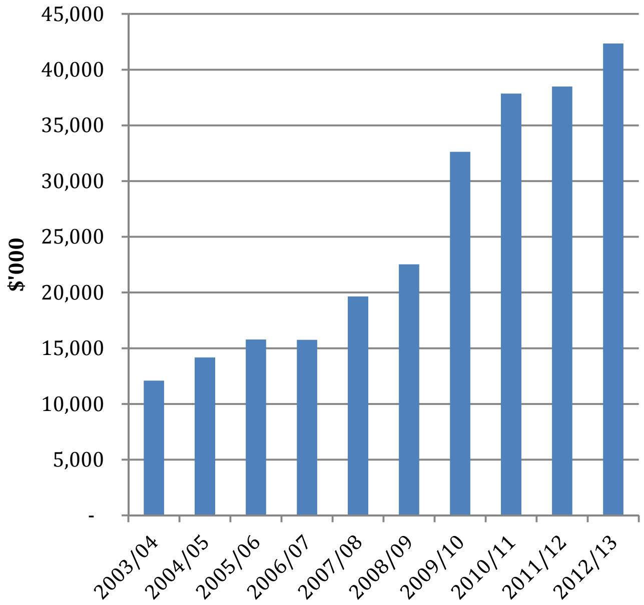
The sales, profits and dividends per share performance of the Company over the past 10 years are illustrated in the graphs below:



SALES REVENUE

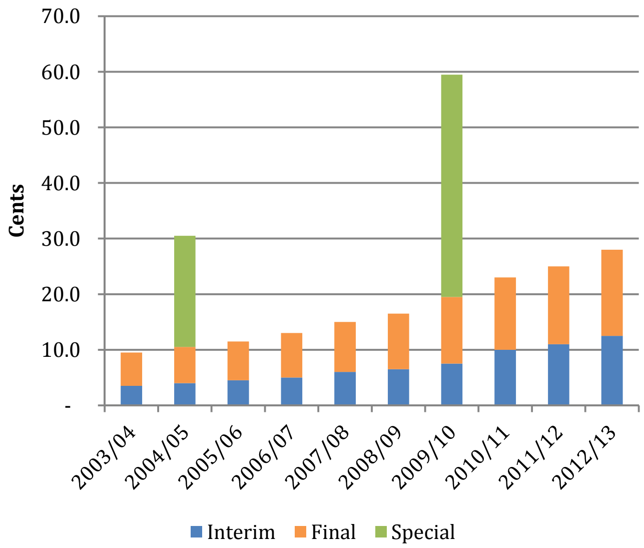
Annual sales revenue has grown at an average compound rate of 12.5% over the past 10 years.

Chairman's Statement (continued)



NET PROFIT AFTER TAX

Net profit after tax has grown at an average compound rate of 14.9% over the past 10 years.



DIVIDENDS PER SHARE

Dividends per share have grown steadily over the past 10 years with special dividends paid in 2004/05 and 2009/10. All dividends have been fully franked.

HIGHLIGHTS OF THE 2012/13 YEAR

Sales

Sales growth was not uniform across the business over the 2012/13 year. Australian aftermarket sales were up by a solid 15%, whilst export sales were flat and sales to original equipment manufacturers (OEM's) in Australia were down by 10%. For the year, Australian aftermarket sales represented 69% of the total sales, all exports 21% and sales to OEM's 10%.

Over the past financial year new Company owned ARB stores were established at Wangara in Western Australia and Alice Springs in the Northern Territory. The Company also purchased the licensed store at Ballarat in Victoria. An independently operated ARB licensed store was established at Hoppers Crossing in Victoria on 1st July 2013. As at 30th June 2013 there were 47 ARB stores in Australia, up from 44 at the same time last year. Currently 19 of the stores are Company owned. ARB stores will continue to be added to the network as opportunities arise.

Chairman's Statement (continued)

The Company's export sales, direct from Australia and Thailand and to customers via ARB's US subsidiary Air Locker Inc., were severely hampered by the strong Australian dollar and poor economic conditions in a number of markets. The Company was pleased that export sales were maintained at the previous year's levels despite these challenges and given world economic circumstances.

Sales to OEM's in Australia were impacted by the decline in demand due to the general cutbacks in the mining industry.

Products

ARB regards product development as essential and it is a key element in maintaining the Company's long-term competitive advantage. Expenditure on R&D was increased over the period and new products are regularly being released to ARB's markets worldwide.

The 2012/13 year was a year in which new vehicle releases continued. These provided opportunities for ARB and the Company's R&D department is actively developing both aftermarket and OEM products for customers in Australia and in export markets. ARB's engineers are also continuing to work on a number of long-term product development projects which should result in product releases over the 2013/14 year.

Manufacturing and Warehousing

In December 2012 the Company completed the construction of an additional new factory and warehouse of 17,500 square metres in Rayong, Thailand. The increased factory space will provide the Company with the ability to supply more manufactured product to ARB's customers as demand requires over the next few years.

The warehouse component of this facility is already reducing distribution costs and improving supply times to Company owned and customer warehouses around the world.

Financial

ARB strengthened its balance sheet during the period and had a net cash balance of $43.8 million at the 30th June 2013. This compares with a net cash balance of $33.2 million at the 30th June 2012.

The Company's strong financial position ensures that ARB can react quickly to appropriate opportunities, such as further earnings accretive capital projects or suitable acquisitions.

Exchange rates have fluctuated significantly over the year. The Company has some natural hedges through its operations in Australia, USA and Thailand and also through its purchasing and selling arrangements. However, changes in exchange rates affect costs in different geographic markets and management believes that more stable currency markets generally create a better business environment for the Company over the longer term.

THE FUTURE

The Company's growth in 2012/13 was achieved in the face of challenging global market conditions and the current economic environment, both locally and overseas, remains challenging. However, the outlook for the Company remains positive and the Board is optimistic about the future. A first quarter trading update will be provided to shareholders at the AGM in October 2013.

ARB's main strategies continue to be focused on achieving the best outcomes possible in the environment in which it operates. Rapidly changing exchange rates, reduced Australian mining industry spending, the recent decline in consumer confidence in Australia and on-going weak economies in a number of export customer countries all add to short term uncertainty.

However, with strong brands around the world, very capable senior management and staff, a strong balance sheet and growth strategies in place, ARB is well positioned to continue on-going success despite the various challenges.

Roger Brown
Chairman
21st August 2013

ARB CORPORATION LTD

ABN 31 006 708 756

AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

Please note: page numbering for the financial report commences at page 15.

Consolidated Income Statement
For the Year Ended 30 June 2013

	Note	CONSOLIDATED JUN 2013 ($'000s)	 JUN 2012 ($'000s)
Sales revenue		**291,510**	268,718
Other revenue		**2,999**	3,125
Total revenue	3	**294,509**	271,843
Materials and consumables used		**(132,008)**	(125,228)
Employee expenses		**(65,029)**	(57,728)
Depreciation and amortisation expense	4	**(6,449)**	(6,363)
Advertising expense		**(4,754)**	(4,488)
Distribution expense		**(7,694)**	(6,953)
Occupancy costs		**(9,993)**	(8,811)
Other expenses		**(10,617)**	(9,484)
Profit before income tax expense		**57,965**	52,788
Income tax expense	5	**(15,607)**	(14,289)
Profit attributable to members of the parent entity		**42,358**	38,499
Basic and Diluted Earnings per share (cents)	22	**58.44**	53.12

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 39.

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2013

		CONSOLIDATED	
	Note	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
Profit attributable to members of the parent entity		**42,358**	38,499
Other comprehensive income			
Items that may be reclassified subsequently to Profit/(Loss)			
Movement in fair value of cash flow hedges, net of tax	16	**47**	(70)
Exchange differences on translation of foreign operations, net of tax	16	**3,169**	868
Other comprehensive income for the year		**3,216**	798
Total comprehensive income for the year attributable to members of the parent entity		**45,574**	39,297

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 39.

Consolidated Statement of Financial Position

As at 30 June 2013

	Note	CONSOLIDATED JUN 2013 ($'000s)	JUN 2012 ($'000s)
CURRENT ASSETS			
Cash and cash equivalents	18	**43,764**	33,234
Receivables	7	**37,010**	36,979
Inventories	8	**58,728**	50,870
Other assets	9	**366**	384
Total current assets		**139,868**	121,467
NON-CURRENT ASSETS			
Property, plant and equipment	10	**63,156**	52,596
Deferred tax assets	5	**2,780**	2,748
Intangible assets	11	**13,247**	11,297
Total non-current assets		**79,183**	66,641
Total assets		**219,051**	188,108
CURRENT LIABILITIES			
Payables	12	**28,222**	25,179
Other financial liabilities	13	**23**	70
Current tax liabilities	5	**3,833**	3,343
Provisions	14	**8,738**	7,730
Total current liabilities		**40,816**	36,322
NON-CURRENT LIABILITIES			
Provisions	14	**692**	610
Total non-current liabilities		**692**	610
Total liabilities		**41,508**	36,932
Net assets		**177,543**	151,176
EQUITY			
Contributed equity	15	**46,618**	46,618
Reserves	16	**3,878**	662
Retained profits	16	**127,047**	103,896
Total equity		**177,543**	151,176

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 39.

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2013

Consolidated Entity	Contributed equity ($'000s)	Reserves ($'000s)	Retained earnings ($'000s)	Total equity ($'000s)
Balance as at 1 July 2012	**46,618**	**662**	**103,896**	**151,176**
Profit for the year	**-**	**-**	**42,358**	**42,358**
Movement in fair value of cash flow hedges, net of tax	**-**	**47**	**-**	**47**
Exchange differences on translation of foreign operations, net of tax	**-**	**3,169**	**-**	**3,169**
Total comprehensive income for the year	**-**	**3,216**	**42,358**	**45,574**
Transactions with owners in their capacity as owners:				
Dividends paid	**-**	**-**	**(19,207)**	**(19,207)**
Total transactions with owners in their capacity as owners	**-**	**-**	**(19,207)**	**(19,207)**
Balance as at 30 June 2013	**46,618**	**3,878**	**127,047**	**177,543**
Balance as at 1 July 2011	46,618	(136)	82,793	129,275
Profit for the year	-	-	38,499	38,499
Movement in fair value of cash flow hedges, net of tax	-	(70)	-	(70)
Exchange differences on translation of foreign operations, net of tax	-	868	-	868
Total comprehensive income for the year	-	798	38,499	39,297
Transactions with owners in their capacity as owners:				
Dividends paid	-	-	(17,396)	(17,396)
Total transactions with owners in their capacity as owners	-	-	(17,396)	(17,396)
Balance as at 30 June 2012	46,618	662	103,896	151,176

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 39.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	CONSOLIDATED JUN 2013 ($'000s)	JUN 2012 ($'000s)
Cash Flows From Operating Activities			
Receipts from customers		**316,436**	286,844
Payments to suppliers and employees		**(256,649)**	(241,045)
Interest received		**1,168**	1,481
Income tax paid		**(15,149)**	(16,135)
Other income received		**1,367**	1,434
Net cash provided by Operating activities	18	**47,173**	32,579
Cash Flows From Investing Activities			
Payments for property, plant and equipment		**(15,003)**	(11,837)
Payments for research & development		**(1,685)**	(1,069)
Payments for investments & goodwill	19	**(1,291)**	-
Proceeds from sales of property, plant & equipment		**383**	805
Net cash used in Investing activities		**(17,596)**	(12,101)
Cash Flows From Financing Activities			
Dividends paid		**(19,207)**	(17,396)
Net cash used in Financing activities		**(19,207)**	(17,396)
Foreign exchange differences		**160**	(543)
Net increase in cash held		**10,530**	2,539
Cash at the beginning of the financial year		**33,234**	30,695
Cash at the end of the financial year	18	**43,764**	33,234

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 20 to 39.

NOTE CONTENTS

1. Statement of significant accounting policies

The following is a summary of significant accounting policies adopted by the consolidated entity ("the Group") in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated entity is a for-profit entity for the purpose of preparing the financial statements.

The financial report covers ARB Corporation Limited and its controlled entities as a consolidated entity. ARB Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors as at the date of the Directors' report.

Compliance with IFRS
The consolidated financial statements of ARB Corporation Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention
The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Going concern

The financial report has been prepared on a going concern basis.

(c) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of all entities. ARB Corporation Limited has the power to control the financial and operating policies so as to obtain benefits from the activities of its subsidiaries. Details of the controlled entities are contained in Note 24.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are fully consolidated from the date on which control is established.

(d) Revenue recognition

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at transfer of ownership of the goods to the customer.

Revenue from rendering services to customers is recognised upon delivery of the service to the customer.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of six months or less held at call with financial institutions, and bank overdrafts.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and consumables: purchase cost on a first-in-first-out basis;
- Finished goods and work in progress: cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity.

1. Statement of significant accounting policies (continued)

(g) Property, plant and equipment

Cost and valuation
Freehold land and buildings are shown at cost less accumulated depreciation for buildings and accumulated impairment losses.

All other classes of property, plant and equipment are stated at cost less depreciation and accumulated impairment losses.

Depreciation
Land is not depreciated. The depreciable amounts of all other fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

The useful lives for each class of assets are:

		2013	2012
-	Buildings:	40 years	40 years
-	Plant and equipment:	3 to 10 years	3 to 10 years

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(i) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition

The consideration transferred is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control. Deferred consideration payable is discounted to present value using the Group's incremental borrowing rate.

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

Acquisition related costs are expensed as incurred.

(j) Intangibles

Goodwill
Goodwill is initially measured as described in Note 1 (i).

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and Development
Expenditure on research activities is recognised as an expense when incurred.

Expenditure on motor vehicle accessories design and development activities is capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible asset over its estimated useful lives, which range from 3 to 5 years. Amortisation commences when the intangible asset is available for use.

Other development expenditure is recognised as an expense when incurred.

Distribution Rights
The distribution rights were recorded at fair value on acquisition.

Amortisation is calculated using a straight-line method to allocate the cost over the period of the distribution rights.

1. Statement of significant accounting policies (continued)

(k) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(l) Taxes

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation
The parent entity and its controlled Australian entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered into a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(m) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(n) Financial instruments

Loans and Receivables
Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial Liabilities
Financial liabilities include trade payables, other creditors and loans from third parties.

Hedge Accounting
Certain derivatives are designated as hedging instruments and are classified as cash flow hedges.

At the inception of each hedging transaction the Group documents the relationship between the hedging instruments and hedged items, its risk management objective and its strategy for undertaking the hedge transaction. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Cash flow hedge
To qualify as a cash flow hedge the underlying transactions generating the cash flows must be highly probable.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity in the cash flow hedging reserve. The gain or loss is released to profit or loss in the same period when the forecast transactions occur, thereby mitigating any exchange fluctuations that would have transpired in the absence of the hedge.

1. Statement of significant accounting policies (continued)

(o) Foreign currency

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

Transactions and balances
Transactions in foreign currencies of entities within the consolidated entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

Entities that have a functional currency different to the presentation currency are translated as follows:

- Assets and liabilities are translated at year end exchange rates prevailing at that reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised as a separate component of equity.

(p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Rounding amounts

The Group is of a kind referred to in ASIC Class Order CO 98/0100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(s) New accounting standards and interpretations

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective and have not yet been adopted for the annual reporting period ended 30 June 2013. These are as follows:

AASB 10 *Consolidated Financial Statements,* replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation - Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

AASB 11 *Joint Arrangements,* introduces a principles-based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets new minimum disclosures requirements for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard will affect the type of information disclosed in relation to the consolidated entity's investments as the new standard requires extensive new disclosures regarding the nature of risk associated with the entity's interest in other entities and the effect of those interest on its financial position, financial performance and cash flows.

1. Statement of significant accounting policies (continued)

(s) New accounting standards and interpretations (continued)

AASB 13 introduces a fair value framework for all fair value measurements in the full suite of accounting standards. This standard explains how to measure fair value and aims to enhance fair value disclosures. The consolidated entity is currently assessing which, if any of its current measurement techniques will have to change as a result of the new standard.

The Group does not expect AASB 10 and AASB 11 to have an impact on its reporting structure. The Group expects minimal additional disclosures with the adoption of AASB 12. There will be minimal impact on the Group disclosures and carrying values with the adoption of AASB 13.

A number of other accounting standards and interpretations have been issued at the reporting date but are not yet effective. The Directors have not yet assessed the impact of these standards or interpretations.

2. Financial risk management

The consolidated entity is exposed to a variety of financial risks comprising:
(a) Currency risk
(b) Interest rate risk
(c) Credit risk
(d) Liquidity risk
(e) Fair values

The Board of Directors has overall responsibility for ensuring that the risk mitigation actions recommended by the Risk Management Committee are implemented. The Board's policy with respect to the Group's exposure to financial risks is to seek to minimise potential adverse effects on the financial performance as a result of risks arising from financial instruments.

(a) Currency risk

Derivative financial instruments are used by the Group to hedge exposure to exchange rate risk associated with foreign currency transactions. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

The Group enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the consolidated entity against unfavourable exchange rate movements for both the contracted and anticipated future sales and purchases undertaken in foreign currencies.

Forward exchange contracts as at 30 June were:

	JUN 2013 A($'000s)	JUN 2012 A($'000s)	**JUN 2013 $**	JUN 2012 $
Settlement	**Sell AUD/Buy EUR**		**Forward Exchange Rate**	
Less than 6 months	**-**	858	**-**	0.7768
Settlement	**Sell AUD/Buy SEK**		**Forward Exchange Rate**	
Less than 6 months	**3,324**	265	**6.1682**	6.6943
Settlement	**Sell AUD/Buy THB**		**Forward Exchange Rate**	
Less than 6 months	**-**	2,845	**-**	31.6302
Settlement	**Sell AUD/Buy NZD**		**Forward Exchange Rate**	
Less than 6 months	**160**	-	**1.2518**	-

The Group trades in various foreign currencies for both sales and purchases.

The Group purchases some equipment in Euro (EUR). To minimise the risk on the exposure to Euro the Group may take out hedge contracts.

The Group purchases product in Swedish Krona (SEK). To minimise the risk on the exposure to Swedish Krona the Group may take out hedge contracts.

The Group purchases product in Thai Baht (THB). To minimise the risk on the exposure to Thai Baht the Group may take out hedge contracts.

The Group purchases product in New Zealand Dollars (NZD). To minimise the risk on the exposure to New Zealand Dollars the Group may take out hedge contracts.

2. Financial risk management (continued)

(a) Currency risk (continued)

There is a net excess of United States Dollars (USD) received over the Group's United States Dollars payments. Accordingly, the Group monitors the foreign currency exchange rates and may take out hedge contracts to stabilise the Group's sale of United

If the Group considers its exposure in a foreign currency to be significant it will consider the use of hedging contracts.

Sensitivity

No reasonable movement in the Australian dollar (AUD) rates used to determine the fair value of the consolidated entity's financial instruments would result in a significant impact on profit or equity.

(b) Interest rate risk

The Group monitors its cash flow on a daily basis. Borrowings as at the year ended 30 June 2013 were $nil (2012: $nil). Finance facilities available and used as at the reporting date are disclosed in Note 21.

The consolidated entity's exposure to interest rate risks and the effective interests of financial assets and liabilities, both recognised and unrecognised at the balance date, are as follows:

Consolidated Entity	Note	Weighted Average Interest rate	Floating Interest rate ($'000s)	Fixed interest maturing in: 1 year or less ($'000s)	More than 1 year ($'000s)	Non Interest Bearing ($'000s)	Total ($'000s)
2013							
Financial assets							
Cash	18	3.25%	43,764	-	-	-	43,764
Receivables	7	-	-	-	-	37,010	37,010
Financial liabilities							
Payables	12	-	-	-	-	28,222	28,222
2012							
Financial assets							
Cash	18	4.79%	33,234	-	-	-	33,234
Receivables	7	-	-	-	-	36,979	36,979
Financial liabilities							
Payables	12	-	-	-	-	25,179	25,179

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is the net fair value of these contracts.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

Concentrations of credit risk
The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. The majority of cash holdings are held on deposit with Australian banks.

(d) Liquidity risk

The Group monitors its cashflow on a daily basis to ensure it can meet its obligations associated with financial liabilities.

Maturity analysis

All financial liabilities are due to be settled within the next six months in accordance with their contractual terms.

2. Financial risk management (continued)

(e) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the Consolidated Statement of Financial Position and Notes to the Financial Statements.

The fair values of derivative hedging instruments have been determined based on observable inputs including foreign currency forward exchange rates. Derivative hedging instruments are classified as Level 2 in the fair value measurement hierarchy. All other financial assets and liabilities carrying amounts are a reasonable approximation of fair values as they are short term trade receivables and payables.

3. Revenues from continuing operations

	CONSOLIDATED	
	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Sales Revenue		
Revenue from sale of goods	**291,510**	268,718
Other revenue:		
- Interest	**1,168**	1,481
- Net gain on disposal of property, plant and equipment	**162**	239
- Foreign exchange gains/(losses)	**301**	(29)
- Other	**1,368**	1,434
Total other revenues	**2,999**	3,125
Total Income from Continuing Operations	**294,509**	271,843

4. Profit from continuing operations

Profit from continuing operations before income tax has been determined after the following specific expenses:

Cost of goods sold	**166,921**	158,441
Depreciation of non-current assets:		
Buildings	**844**	693
Plant and equipment	**4,579**	4,699
	5,423	5,392
Amortisation of non-current assets:		
Research and development capitalised	**966**	911
Distribution right	**60**	60
	1,026	971
Total depreciation and amortisation	**6,449**	6,363
Other expense items:		
- Movement in provisions for impairment of receivables	**(20)**	5
- Research and development expenditure	**2,888**	3,002
- Operating lease rentals	**5,405**	4,733

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

		CONSOLIDATED	
5.	**Income tax**	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
(a)	**The components of tax expense:**		
	Current tax	**15,653**	14,666
	Deferred tax	**(32)**	(333)
	Under/(over) provision prior year	**(14)**	(44)
	Total income tax expense	**15,607**	14,289
(b)	**Income tax expense**		
	Prima facie income tax expense at 30% (2012: 30%) on the operating profit	**17,389**	15,836
	Increase/(decrease) in income tax expense due to:		
	Non tax deductible items	**1**	2
	Differences in overseas tax rates	**(1,778)**	(1,412)
	Other	**178**	17
	Research & development & building allowance deductions	**(169)**	(110)
	Income tax expense on operating profit	**15,621**	14,333
	Under/(over) provision prior year	**(14)**	(44)
	Total income tax expense	**15,607**	14,289
(c)	**Current tax liabilities**		
	Movements during the year were as follows:		
	Balance at beginning of year	**3,343**	4,846
	Income tax paid	**(15,149)**	(16,135)
	Current income tax liability on operating profit	**15,653**	14,666
	Under/(over) provision prior year	**(14)**	(34)
		3,833	3,343
(d)	**Deferred tax**		
	Deferred tax assets		
	Deferred tax asset comprises the estimated future benefit at applicable income tax rates of the following items:		
	Provisions, accruals and accrued employee benefits	**2,870**	2,553
	Doubtful debt impairment	**538**	635
	Inventory write-down	**364**	365
	Income tax expense on group unrealised profit	**776**	776
		4,548	4,329
	Deferred tax liabilities		
	Provision for deferred income tax comprises the estimated expenses at applicable income tax rates for the following items:		
	Difference in depreciation and amortisation of property, plant and equipment for accounting and income tax purposes	**878**	607
	Research & development expenditure capitalised	**970**	754
	Other income not yet assessable	**(80)**	220
		1,768	1,581
	Net deferred tax assets	**2,780**	2,748

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2013

6. Dividends

		Note	CONSOLIDATED JUN 2013 ($'000s)	JUN 2012 ($'000s)
Dividends recommended or paid by the Company are:				
(i)	a final fully franked ordinary dividend of 14 cents per share (2012: 13 cents fully franked) paid on 19 October 2012		**10,147**	9,423
(ii)	an interim fully franked ordinary dividend of 12.5 cents per share (2012: 11 cents fully franked) paid on 19 April 2013		**9,060**	7,973
		16	**19,207**	17,396
(iii)	a final fully franked ordinary dividend is proposed of 15.5 cents per share (2012: 14 cents fully franked) to be paid on 18 October 2013		**11,235**	10,147

The dividends paid by the Company were fully franked at the tax rate of 30% (2012: 30%) and the recommended final dividend will be fully franked at the tax rate of 30%.

Dividend franking account
The balance of the franking account at year end that could be distributed as franked dividends using franking credits already in existence or which will arise from the payment of income tax provided for in the financial statements and after deducting franking credits to be used in payment of the above dividends:

	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Franking Credits (measured on a tax paid basis under Australian Legislation)	**40,050**	31,319

7. Receivables

	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Current		
Trade receivables	**37,517**	37,073
Other receivables	**1,285**	2,021
	38,802	39,094
Less: provision for impairment	**1,792**	2,115
	37,010	36,979

Provision for impairment

Receivables ageing analysis at 30 June is:	**CONSOLIDATED Gross 2013 ($'000s)**	**Impairment 2013 ($'000s)**	CONSOLIDATED Gross 2012 ($'000s)	Impairment 2012 ($'000s)
Not past due	**34,295**	**(1,100)**	34,497	(1,484)
Past due 0 - 30 days	**3,073**	**(64)**	2,763	(83)
Past due 31 - 90 days	**720**	**(88)**	1,107	(71)
Past due more than 91 days	**714**	**(540)**	727	(478)
	38,802	**(1,792)**	39,094	(2,115)

Trade receivables are non interest bearing with 30 days terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment losses have been included within Other expenses in the Consolidated Income Statement. All trade receivables that are not impaired are expected to be received.

	CONSOLIDATED JUN 2013 ($'000s)	JUN 2012 ($'000s)
Movements in the provision for impairment were:		
Opening balance at 1 July	**(2,115)**	(2,110)
Charge for the year	**20**	(5)
Amounts written off	**323**	8
Foreign exchange translation	**(20)**	(8)
Closing balance at 30 June	**(1,792)**	(2,115)

	CONSOLIDATED	
8. Inventories	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
Current		
Raw materials and work in progress, at cost	**12,417**	11,461
Finished goods, at cost	**36,186**	30,737
Goods in transit, at cost	**10,125**	8,672
	58,728	50,870
9. Other assets		
Current		
Prepayments	**366**	384
10. Property, plant and equipment		
Land and buildings, at cost	**42,313**	34,821
Less: accumulated depreciation	**4,704**	3,930
	37,609	30,891
Plant and equipment, at cost	**61,810**	55,591
Less: accumulated depreciation	**36,263**	33,886
	25,547	21,705
Total property, plant and equipment Net book value	**63,156**	52,596
(a) Movements in the carrying amounts		
Freehold Land and Buildings		
Balance at the beginning of financial year	**30,891**	26,683
Additions	**7,000**	4,880
Depreciation	**(844)**	(693)
Foreign exchange impact	**562**	21
Balance at the end of financial year	**37,609**	30,891
Plant & Equipment		
Balance at the beginning of financial year	**21,705**	19,491
Additions	**8,003**	6,957
Disposals	**(221)**	(339)
Depreciation	**(4,579)**	(4,699)
Foreign exchange impact	**639**	295
Balance at the end of financial year	**25,547**	21,705

(b) Property, plant and equipment have been granted as security over bank facilities. Refer to Note 21 for details.

(c) In the year ended June 2011 the Group commenced a three year rotational independent valuation of freehold land and buildings. As at 30 June 2013, all of the 15 properties had been independently valued. The collective valuations were $45.3 million, compared with their collective carrying value of $37.6 million.

11. Intangible assets

	CONSOLIDATED JUN 2013 ($'000s)	CONSOLIDATED JUN 2012 ($'000s)
Distribution right, at cost	**300**	300
Less: accumulated amortisation	**285**	225
	15	75
Goodwill, at cost	**11,491**	10,200
Less: accumulated amortisation to 30 June 2004	**1,492**	1,492
Goodwill	**9,999**	8,708
Research & development, at cost	**12,342**	10,656
Less: accumulated amortisation	**9,109**	8,142
	3,233	2,514
	13,247	11,297

(a) Movements in the carrying amounts

	JUN 2013	JUN 2012
Distribution right		
Balance at the beginning of financial year	**75**	135
Amortisation	**(60)**	(60)
Balance at the end of financial year	**15**	75
Goodwill		
Balance at the beginning of financial year	**8,708**	8,708
Additions	**1,291**	-
Balance at the end of financial year	**9,999**	8,708
Research & Development		
Balance at the beginning of financial year	**2,514**	2,356
Additions	**1,685**	1,069
Amortisation	**(966)**	(911)
Balance at the end of financial year	**3,233**	2,514

Impairment

Goodwill is allocated to the following cash-generating units. The impairment test for each of these units has been prepared using a value in use calculation with a calculation for year 1 cash flows approved by management and years 2 to 5 projected using the growth rate below. Growth rates are based upon Director's assumptions and consideration of historical averages. The terminal value has been calculated based on an earnings multiple of 5 times.

		Goodwill ($'000s)	Growth rate	Discount Rate (post tax)	Period of projection
2013					
	Thule Car Rack systems	1,748	5.0%	10.0%	5 years
	Kingsley Enterprises	3,226	4.5%	10.0%	5 years
	ARB Corporation (Australia)	5,025	6.5%	10.0%	5 years
2012					
	Thule Car Rack systems	1,748	5.0%	10.0%	5 years
	Kingsley Enterprises	3,226	4.5%	10.0%	5 years
	ARB Corporation (Australia)	3,734	6.5%	10.0%	5 years

No reasonable change in any of the key assumptions would result in an impairment.

12. Payables

	CONSOLIDATED JUN 2013 ($'000s)	CONSOLIDATED JUN 2012 ($'000s)
Current		
Trade payables	**24,063**	17,773
Other payables	**4,159**	7,406
	28,222	25,179

	CONSOLIDATED	
	JUN 2013 ($'000s)	JUN 2012 ($'000s)
13. Other financial liabilities		
Current		
Derivatives that are designated and effective as hedging instruments carried at fair value:		
Forward exchange contracts	**23**	70
14. Provisions		
Current		
Employee benefits	**8,738**	7,730
Non-current		
Employee benefits	**692**	610
Total employee benefits	**9,430**	8,340
15. Contributed equity		
Issued and paid up capital		
72,481,302 ordinary shares (2012: 72,481,302)	**46,618**	46,618

Fully paid ordinary shares carry one vote and carry the right to dividends.

	CONSOLIDATED No. of shares		CONSOLIDATED	
Movements during the year	**JUN 2013**	JUN 2012	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
Balance at the beginning of the financial year	**72,481,302**	72,481,302	**46,618**	46,618
Balance at the end of the financial year	**72,481,302**	72,481,302	**46,618**	46,618

Capital Management

When managing capital, the Board monitors, with consideration of the domestic and international economic climates, the Group's debt and liquidity levels. The capital management objective is to maintain the dividend payment ratio, whilst generating cash for future growth. It is the Board's current intention to maintain a dividend payout ratio of between 40% to 60% of Net Profit after Tax, excluding any special dividends.

During 2013 the Company paid dividends of $19,207,000 (2012: $17,396,000).

16. Reserves and retained earnings

	Note	CONSOLIDATED JUN 2013 ($'000s)	JUN 2012 ($'000s)
Reserves			
Capital profits		**4,090**	4,090
Foreign currency translation reserve		**(189)**	(3,358)
Cash flow hedge		**(23)**	(70)
		3,878	662
Retained earnings		**127,047**	103,896
Capital Profits			
Balance at the beginning and end of the financial year		**4,090**	4,090

Capital profits reserve reflects previously realised profits on sale of capital assets.

	Note	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Foreign Currency Translation Reserve			
Balance at the beginning of the financial year		**(3,358)**	(4,226)
Movement during the year		**3,169**	868
Balance at the end of the financial year		**(189)**	(3,358)

Foreign currency translation reserve reflects exchange differences on translation of foreign operations.

	Note	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Cash Flow Hedge			
Balance at the beginning of the financial year		**(70)**	-
Amount recognised in equity		**47**	(70)
Balance at the end of the financial year		**(23)**	(70)

Cash flow hedge reserve reflects the difference between the hedge contracts translated at the year end and contractual exchange

	Note	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Retained earnings			
Balance at the beginning of the financial year		**103,896**	82,793
Net profit attributable to members of the parent entity		**42,358**	38,499
Dividends paid	6	**(19,207)**	(17,396)
Balance at the end of the financial year		**127,047**	103,896

17. Parent entity information

	COMPANY JUN 2013 ($'000s)	JUN 2012 ($'000s)
Profit before income tax expense	**61,814**	54,439
Income tax expense	**(14,772)**	(13,681)
Profit attributable to members of the parent entity	**47,042**	40,758
Total comprehensive income for the year attributable to members of the parent entity	**47,089**	40,847

The Profit before income tax expense includes dividends received from subsidiaries of $11,634,000 (2012: $8,290,000) which are eliminated on consolidation.

	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Current assets	**139,629**	115,030
Total assets	**214,511**	177,532
Current liabilities	**40,881**	31,396
Total liabilities	**41,574**	32,007
Net assets	**172,937**	145,525
Equity		
Contributed equity	**46,618**	46,618
Capital profits reserve	**3,991**	3,991
Cash flow hedge reserve	**(23)**	(70)
Retained profits	**122,351**	94,985
Total equity	**172,937**	145,525
Capital expenditure commitments		
Contracted, but not provided for and payable within one year	**242**	766

	CONSOLIDATED	
18. Cash flow information	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
(i) Reconciliation of Cash		
Cash	**43,764**	33,234
(ii) Reconciliations of the net profit after tax to the net cash flows from operations:		
Net profit	**42,358**	38,499
Add/(less) items classified as Investing/financing activities:		
(Profit)/loss on disposal of non-current assets	**(162)**	(239)
Add/(less) non-cash items		
Depreciation and amortisation	**6,449**	6,363
Provision for impairment of receivables	**(20)**	5
Impact of foreign exchange	**1,855**	798
Net cash provided by operating activities before change in assets and liabilities	**50,480**	45,426
Change in assets and liabilities		
(Increase)/decrease in inventories	**(7,858)**	(8,793)
(Increase)/decrease in prepayments	**18**	(116)
(Increase)/decrease in other receivables	**736**	(1,137)
(Increase)/decrease in trade receivables	**(747)**	(4,051)
(Increase)/decrease in deferred tax asset	**(32)**	(333)
(Decrease)/increase in payables	**3,043**	1,798
(Decrease)/increase in other financial liabilities	**(47)**	70
(Decrease)/increase in provisions	**1,090**	1,218
(Decrease)/increase in income tax payable	**490**	(1,503)
Net cash flow from operating activities	**47,173**	32,579

(iii) Credit stand-by arrangements and loan facilities are identified at Note 21.

19. Business combinations

During the year the consolidated entity purchased two retail stores in Australia: Alice Springs in Northern Territory (July 2012) and Ballarat in Victoria (June 2013).

A summary of these aggragated transactions is:

	$'000s
Total cost of combination	1,913

Assets and liabilities acquired	Fair value at acquisition $'000s
Assets and liabilities acquired	
Inventory	530
Plant and equipment	102
Deferred Tax Asset	5
Employee Entitlements	(15)
Net assets acquired	622
Goodwill	1,291

The goodwill on acquisition arises as a result of the reputations, employees and profitability of the businesses.

Goodwill is not deductible for tax purposes.

Contribution since acquisition

For the year ended 30 June 2013 the two retail stores have contributed revenue of $2,240,000 and a profit after tax of $259,000 which is included within the consolidated profit for that period.

These acquisitions were for the business assets only and accordingly appropriate accounting records are not available to ascertain what the contribution to revenue and profits would have been if the acquisitions had been at the beginning of the reporting period.

20. Commitments and contingencies

	CONSOLIDATED	
	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Operating lease commitments		
All operating leases are property leases.		
Minimum lease payments		
Future operating lease rentals of property, not provided for and payable as follows:		
Not later than one year	**5,399**	4,908
Later than one year but not later than five years	**13,435**	15,872
Later than five years	**1,137**	1,905
	19,971	22,685
Capital expenditure commitments		
Contracted, but not provided for and payable within one year	**509**	4,986

21. Financing arrangements

The consolidated entity has access to the following lines of credit:

Total facilities available:		
Bank overdraft	**500**	500
Online facility	**2,000**	2,000
Lease guarantees	**255**	255
	2,755	2,755
Facilities utilised at balance date:		
Lease guarantees	**255**	255
	255	255
Facilities not utilised at balance date:		
Bank overdraft	**500**	500
Online facility	**2,000**	2,000
	2,500	2,500

Bank overdraft

The bank overdraft is subject to annual review. Following such review, the Bank retains the right at its discretion to review all of the terms and conditions of the facilities including without limitation all facility limits, fees, pricing, security and facility conditions. This facility was unused at 30 June 2013.

Online facility

This facility is used for the clearance of wages and was unused at 30 June 2013.

Security & Conditions

The above facilities are secured by a First Registered Company Charge over all assets and undertakings of the Company and its Australian controlled entities.

22. Earnings per share

	CONSOLIDATED	
	JUN 2013 cents	JUN 2012 cents
Earnings per share	**58.44**	53.12
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**72,481,302**	72,481,302

Diluted earnings per share do not differ from basic earnings per share and are therefore not separately disclosed.

	CONSOLIDATED	
23. Auditors' remuneration	**JUN 2013 ($'000s)**	JUN 2012 ($'000s)
Remuneration of Pitcher Partners, the auditor of the parent entity for:		
- Auditing or reviewing the financial report	**161**	173
- Taxation services	**32**	24
- Other compliance and advisory services	**12**	2
Auditing or reviewing the financial report of subsidiaries		
- Remuneration of network firms of Pitcher Partners	**23**	20
- Remuneration of other non-related auditors	**26**	23
Total auditors' remuneration	**254**	242

24. Controlled entities

The consolidated financial statements include the financial statements of ARB Corporation Limited and its controlled entities listed below:

	Country of Incorporation	JUN 2013	JUN 2012
Parent entity			
ARB Corporation Limited	Australia	**%**	%
Controlled entities			
Air Locker, Inc.	United States of America	**100**	100
Kingsley Enterprises Pty Ltd	Australia	**100**	100
Off Road Accessories Ltd	Thailand	**100**	100
ARB Off Road Ltd	Thailand	**100**	100

25. Directors and executives

Details of Key Management Personnel

R.G. Brown	Executive Chairman
A.H. Brown	Managing Director
J.R. Forsyth	Executive Director and Company Secretary
R.D. Fraser	Non-executive Director
E.E. Kulmar	Non-executive Director
A.P. Stott	Non-executive Director

Director and executive compensation by category	**JUN 2013**	JUN 2012
Short term employment benefits	**1,123,974**	1,094,089
Post employment benefits	**91,500**	91,286
	1,215,474	1,185,375

26. Related party transactions

Directors
The names of each person holding the position of Director of ARB Corporation Limited during the financial year are R.G. Brown, A.H. Brown, J.R. Forsyth, R.D. Fraser, E.E. Kulmar and A.P. Stott.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the economic entity since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at

An importing and distribution company of which A.P. Stott is a Director, supplied product to ARB Corporation Limited and Kingsley Enterprises Pty Ltd and was paid a royalty during the year on an arms length basis. The total value of the royalty was $171,988 (2012: $183,453). The transactions were not material to the Company or to A.P. Stott personally.

Directors' holdings of shares
The ordinary shares of ARB Corporation Limited held by each Director, either directly or indirectly were:

	JUN 2013	JUN 2012
R.G. Brown (Executive)	**8,150,994**	9,550,994
A.H. Brown (Executive)	**8,150,994**	9,550,994
J.R. Forsyth (Executive)	**2,214,667**	2,814,667
R.D. Fraser	**25,077**	25,077
E.E. Kulmar	**15,888**	15,888

Common to each of R.G. Brown and A.H. Brown, are shares held in associated entities of Rogand Unit Trust, a trust that holds 8,107,387 ordinary shares and Rogand Superannuation Fund that holds 25,729 ordinary shares. Each Director also holds 8,939 shares directly.

R.G. Brown is a Director and member of Saharaton Pty Ltd., the holder of 8,939 (2012: 8,939) ordinary shares.

A.H. Brown is a Director and member of Thirty Third Jabot Nominees Pty Ltd., the holder of 8,939 (2012: 8,939) ordinary shares.

J.R. Forsyth, the holder of 9,414 (2012: 9,414) ordinary shares, is a Director and member of Formax Pty Ltd, the holder of 9,414 (2012: 9,414) ordinary shares, Formax Superannuation Pty Ltd, the holder of 192,874 (2012: 792,874) ordinary shares and Formax Pty Ltd (Reparar Account) the holder of 2,002,965 (2012: 2,002,965) ordinary shares.

R.D. Fraser, the holder of 6,191 (2012: 6,191) ordinary shares is a trustee and a member of the Fraser Family Superannuation Fund, the holder of 18,886 (2012: 18,886) ordinary shares.

E.E. Kulmar is a Director of Kulmar Pty Ltd which is the holder of 15,888 (2012:15,888) ordinary shares as trustee of the Kulmar Superannuation Fund of which he is a member.

Controlled entities
Details of interests in the controlled entities, being wholly-owned subsidiary companies, are set out at Note 24. All transactions between the Company and its controlled entities have been eliminated on consolidation.

Ultimate parent entity
The immediate parent entity and ultimate parent entity is ARB Corporation Limited.

Loans
Loans from the Company to its overseas controlled entities are charged interest monthly at arm's length rates on the outstanding balance.

Interest revenue is brought to account by the Company in relation to these loans during the year and eliminated on consolidation:

	THE COMPANY	
	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Interest revenue	**62**	107

26. Related party transactions (continued)

Other transactions

The Company sells / purchases finished goods to / from its controlled entities - Air Locker, Inc., Kingsley Enterprises Pty Ltd, Off Road Accessories Ltd and ARB Off Road Ltd. These transactions are conducted at arm's length.

2013	**Sales ($'000s)**	**Purchases ($'000s)**	**Mgt fee ($'000s)**	**Interest ($'000s)**	**Rent ($'000s)**
Air Locker, Inc.	**19,621**	**-**	**583**	**62**	**253**
Kingsley Enterprises Pty Ltd	**220**	**1,288**	**747**	**-**	**-**
Off Road Accessories Ltd	**1,765**	**24,886**	**516**	**-**	**-**
ARB Off Road Ltd	**1,271**	**-**	**-**	**-**	**-**

Other inter company transactions included:

- Sales by Kingsley Enterprises Pty Ltd of $104,292 to Air Locker, Inc.
- Sales by Off Road Accessories Ltd of $193,000 to ARB Off Road Ltd.
- Sales by ARB Off Road Ltd of $1,000 to Off Road Accessories Ltd.
- Rent charged by Kingsley Enterprises Pty Ltd of $125,000 to ARB Corporation Limited.
- Rent charged by Off Road Accessories Ltd of $19,000 to ARB Off Road Ltd.
- Management fee charged by Off Road Accessories Ltd of $21,000 to ARB Off Road Ltd.

2012	Sales ($'000s)	Purchases ($'000s)	Mgt fee ($'000s)	Interest ($'000s)	Rent ($'000s)
Air Locker, Inc.	20,431	-	548	107	241
Kingsley Enterprises Pty Ltd	218	1,107	737	-	-
Off Road Accessories Ltd	1,172	17,508	430	-	-
ARB Off Road Ltd	698	-	-	-	-

Other inter company transactions included:

- Sales by Kingsley Enterprises Pty Ltd of $51,000 to Air Locker, Inc.
- Sales by Off Road Accessories Ltd of $154,000 to ARB Off Road Ltd.
- Sales by ARB Off Road Ltd of $3,000 to Off Road Accessories Ltd.
- Rent charged by Kingsley Enterprises Pty Ltd of $122,000 to ARB Corporation Limited.
- Rent charged by Off Road Accessories Ltd of $18,000 to ARB Off Road Ltd.
- Management fee charged by Off Road Accessories Ltd of $17,000 to ARB Off Road Ltd.

Balances with entities within the Wholly-Owned Group

The aggregate amounts receivable from, and payable to, wholly-owned controlled entities of the Company at balance date:

	THE COMPANY	
	JUN 2013 ($'000s)	JUN 2012 ($'000s)
Current receivables	**19,199**	10,922
Current payables	**5,850**	3,797

27. Segment information

The major products/services from which the economic entity derived revenue during the year remained unchanged and were the design, manufacture, distribution and sale of motor vehicle accessories and light metal engineering works.

The reportable segments of the consolidated entity are based on geographical locations comprising operations in Australia, USA and Thailand.

(a) Income Statement

2013	Australia ($'000s)	USA ($'000s)	Thailand ($'000s)	Eliminations ($'000s)	Consolidated ($'000s)
Segment revenue					
Total segment revenue	**303,899**	**27,078**	**27,707**	**(64,175)**	**294,509**
Intersegmental revenues	**(39,055)**	**-**	**(25,120)**	**64,175**	**-**
Segment revenue from external source	**264,844**	**27,078**	**2,587**	**-**	**294,509**
Total segment result	**48,178**	**399**	**6,281**	**(12,500)**	**42,358**
Intersegmental eliminations	**(12,500)**	**-**	**-**	**12,500**	**-**
Segment result from external source	**35,678**	**399**	**6,281**	**-**	**42,358**
Items included within the segment result:					
Interest income	**1,161**	**-**	**7**	**-**	**1,168**
Depreciation and amortisation expense	**5,416**	**73**	**960**	**-**	**6,449**
Income tax expense	**15,259**	**228**	**120**	**-**	**15,607**
2012					
Segment revenue					
Total segment revenue	277,150	26,924	19,620	(51,851)	271,843
Intersegmental revenues	(34,150)	-	(17,701)	51,851	-
Segment revenue from external source	243,000	26,924	1,919	-	271,843
Total segment result	41,973	151	4,873	(8,498)	38,499
Intersegmental eliminations	(8,855)	-	356	8,498	-
Segment result from external source	33,118	151	5,229	-	38,499
Items included within the segment result:					
Interest income	1,481	-	-	-	1,481
Depreciation and amortisation expense	5,545	77	741	-	6,363
Income tax expense	14,149	108	69	(37)	14,289

(b) Statement of Financial Position

	Australia ($'000s)	USA ($'000s)	Thailand ($'000s)	Eliminations ($'000s)	Consolidated ($'000s)
2013					
Segment assets	**219,858**	**12,595**	**30,290**	**(43,692)**	**219,051**
Segment liabilities	**46,385**	**8,496**	**12,536**	**(25,909)**	**41,508**
Segment acquisition of property, plant, equipment and intangibles	**10,194**	**41**	**7,744**	**-**	**17,979**
2012					
Segment assets	182,990	11,680	18,764	(25,326)	188,108
Segment liabilities	36,538	8,566	7,372	(15,544)	36,932
Segment acquisition of property, plant, equipment and intangibles	9,177	118	3,611	-	12,906

28. Subsequent events

There has been no matter or circumstance, which has arisen since 30 June 2013 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2013 of the consolidated entity, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2013 of the consolidated entity.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 15 to 39 are in accordance with the Corporations Act 2001:

(a) Complying with Accounting Standards, and the Corporations Regulations 2001, and other mandatory professional reporting requirements;

(b) Complying with International Financial Reporting Standards as indicated in Note 1; and

(c) Give a true and fair view of the financial position of the consolidated entity as at 30 June 2013 and of its performance for the year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that ARB Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ended 30 June 2013.

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

Roger G Brown
Director

John R Forsyth
Director

Melbourne, 21 August, 2013

ARB CORPORATION LIMITED AND ITS CONTROLLED ENTITIES
ABN 31 006 708 756

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARB CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of ARB Corporation Limited and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion:

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

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in page 13 of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of ARB Corporation Ltd for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

A R FITZPATRICK
Partner

21 August 2013

PITCHER PARTNERS
Melbourne