



SUPER CHEAP AUTO GROUP LIMITED (SUL)
INTERIM REPORT
FOR THE 26 WEEK PERIOD ENDED 26 DECEMBER 2009

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Interim Financial Report	B

SECTION A

APPENDIX 4D HALF YEAR REPORT

SUPER CHEAP AUTO GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period: From 28 June to 26 December 2009
Previous Reporting Period: From 29 June to 27 December 2008

Results for Announcement to the Market

		Amount \$'000
Revenue from ordinary activities	Up 12.3% to	463,587
Profit from ordinary activities after tax attributable to members	Up 14.5% to	15,519
Net profit for the period attributable to members	Up 14.5% to	15,519

For commentary on the results refer to the Directors' Report.

Net Tangible Assets per Security

	2009 \$	2008 \$
Net Tangible assets per security	0.74	0.57

Financial Information

The Appendix 4D should be read in conjunction with the consolidated financial report for the 26 weeks ending 26 December 2009 as set out on pages 3 to 25.

Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

Dividends – Ordinary Shares

	Amount per security	Franked amount per security
2009 Final dividend declared 26 August 2009 (paid 20 October 2009)	11.5¢	11.5¢
2010 Interim dividend declared 18 February 2010 (payable 31 March 2010)	8.5¢	8.5¢
Record date for determining entitlements to the interim dividend	1 March 2010	

The Company has a Dividend Reinvestment Plan.

Information on Audit or Review

The interim report is based on accounts which have been subject to review.

SECTION B

**SUPER CHEAP AUTO GROUP LIMITED
INTERIM FINANCIAL REPORT
FOR THE 26 WEEKS ENDED 26 DECEMBER 2009**

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DIRECTORS' REPORT

The Directors of Super Cheap Auto Group Limited submit herewith the financial report for the 26 week period ended 26 December 2009.

Directors

The names of the Directors of the Company during or since the end of the period are:

R D McIlwain (resigned 28 October 2009)
R A Rowe
D D McDonough
R J Wright
P A Birtles
R J Skippen

Review of Operations

The consolidated net profit for the period was \$15,519,000 (2008: \$13,555,000). After adjusting for \$2.0 million in impairment charges relating to Goldcross Cycles, the underlying net profit for the period was \$17,519,000. Sales for the period were \$463,587,000 (2008: \$412,811,000).

Highlights during the half year included:-

- Supercheap Auto opened 9 new stores during the period to take total store numbers to 265 as well as refurbishing 25 existing stores including the conversion of one store to a superstore. BCF opened 4 stores and acquired 1 store from an external entity to take total store numbers to 64. Goldcross Cycles refurbished 9 stores during the period.
- Supercheap Auto had sales of \$326.0 million which represented an increase of 7.6% over the prior comparative period, whilst BCF sales of \$125.5 million were 23.4% higher than the comparative period. Goldcross Cycles and Oceania had sales of \$12.2 million which represented an increase of 40.5% over the prior comparative period.
- \$21.0 million was invested in new and refurbished stores and \$2.6 million in infrastructure and systems during the period. Net external debt decreased by \$19.9 million since June 2009.

Dividends

On 18 February 2010, the Directors declared a dividend of 8.5 cents fully franked. The dividend will be paid on 31 March 2010.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "Rounding off" of amounts in the Directors' Report and Financial Report. Amounts rounded are rounded off to the nearest thousand dollars.

Auditor's Independence Declaration

A copy of the auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included at page 5 of this report.

Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors.



R J Wright
Director

Brisbane
17 February 2010



P A Birtles
Director

PricewaterhouseCoopers
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Auditor's Independence Declaration

As lead auditor for the review of Super Cheap Auto Group Limited the half year ended 26 December 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Super Cheap Auto Group Limited and the entities it controlled during the period.



Brett Delaney
Partner
PricewaterhouseCoopers

Brisbane
17 February 2010

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CONSOLIDATED INCOME STATEMENT
For the 26 weeks ended 26 December 2009

	Notes	Consolidated entity	
		26 December 2009 \$'000	27 December 2008 \$'000
Revenue from continuing operations	3	463,655	413,210
Other income	4	53	423
Total revenues and other income		<u>463,708</u>	<u>413,633</u>
Expenses			
Cost of sales of goods		269,243	243,088
Other expenses:			
- selling and distribution		55,319	48,633
- marketing		26,204	25,333
- occupancy		35,717	32,184
- administration		50,856	40,430
Borrowing costs expense		4,831	6,393
Total expenses		<u>442,170</u>	<u>396,061</u>
Profit before income tax	5	21,538	17,572
Income tax expense	6	<u>(6,019)</u>	<u>(4,017)</u>
Profit attributable to members of Super Cheap Auto Group Limited		<u>15,519</u>	<u>13,555</u>
Earnings per share for profit attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings per share		14.4	12.7
Diluted earnings per share		14.1	12.7

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

STATEMENT OF COMPREHENSIVE INCOME
For the 26 weeks ended 26 December 2009

	Notes	Consolidated entity	
		26 December 2009 \$'000	27 December 2008 \$'000
Profit for the year		15,519	13,555
Other comprehensive income			
Cash flow hedges		(1,768)	1,695
Exchange differences on translation of foreign operations		25	1,419
Income tax relating to components of other comprehensive income		0	0
Other comprehensive income for the year, net of tax		(1,743)	3,114
Total comprehensive income for the year		13,776	16,669
Total comprehensive income for the year is attributable to:			
Members of Super Cheap Auto Group Limited		13,776	16,669

The above statement of comprehensive income must be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 26 December 2009

	Notes	Consolidated entity	
		26 December 2009 \$'000	27 June 2009 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	31,484	16,810
Trade and other receivables	8	22,977	25,113
Inventories	9	245,031	222,821
Total current assets		<u>299,492</u>	<u>264,744</u>
Non-current assets			
Property, plant and equipment	10	93,347	87,948
Deferred tax assets	11	11,306	9,672
Intangible assets	12	74,840	75,407
Total non-current assets		<u>179,493</u>	<u>173,027</u>
Total assets		<u>478,985</u>	<u>437,771</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	154,579	116,623
Borrowings	14	6,227	39,496
Current tax liabilities	15	4,080	4,593
Provisions	16	10,015	10,152
Total current liabilities		<u>174,901</u>	<u>170,864</u>
Non-current liabilities			
Trade and other payables	17	12,852	12,320
Borrowings	18	120,000	92,000
Deferred tax liabilities	19	0	0
Provisions	20	7,564	6,233
Total non-current liabilities		<u>140,416</u>	<u>110,553</u>
Total liabilities		<u>315,317</u>	<u>281,417</u>
Net assets		<u>163,668</u>	<u>156,354</u>
EQUITY			
Contributed equity	21	90,097	84,627
Reserves		(1,318)	42
Retained profits		74,889	71,685
Capital and reserves attributable to equity holders of Super Cheap Auto Group Limited		<u>163,668</u>	<u>156,354</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 26 weeks ended 26 December 2009

	Notes	Consolidated entity	
		26 December 2009 \$'000	27 December 2008 \$'000
Total equity at the beginning of the period		156,354	135,761
Total comprehensive income for the year		13,776	16,669
Transactions with equity holders in their capacity as equity holders:			
Dividends provided for or paid	22	(12,315)	(7,997)
Employee share options		383	141
		(11,932)	(7,856)
Issue of shares		5,470	0
Total equity at the end of the period		163,668	144,574

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

CONSOLIDATED CASH FLOW STATEMENT

For the 26 weeks ended 26 December 2009

	Notes	Consolidated entity	
		26 December 2009 \$'000	27 December 2008 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		509,591	452,069
Payments to suppliers and employees (inclusive of goods and services tax)		(416,150)	(367,991)
Rental payments:			
- external		(32,905)	(27,284)
- related parties		(4,749)	(4,708)
Income taxes paid		(6,765)	(5,478)
Net cash inflow from operating activities	25	49,022	46,608
Cash flows from investing activities			
Payments for business acquired		(1,332)	(4,621)
Payments for property, plant and equipment		(15,325)	(17,291)
Proceeds from sale of property, plant and equipment		0	746
Net cash (outflow) from investing activities		(16,657)	(21,166)
Cash flows from financing activities			
Proceeds from borrowings		205,900	225,959
Repayments of borrowings		(211,435)	(215,822)
Interest paid		(5,102)	(5,882)
Dividend paid to company's shareholders		(8,494)	(7,997)
Proceeds from issue of shares		1,445	0
Net cash (outflow) from financing activities		(17,686)	(3,742)
Net increase/(decrease) in cash and cash equivalents		14,679	21,700
Cash and cash equivalents at the beginning of the period		16,810	8,709
Effects of exchange rate changes on cash and cash equivalents		(5)	162
Cash and cash equivalents at the end of the financial period	7	31,484	30,571

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 26 WEEKS ENDED 26 DECEMBER 2009

1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half year reporting period ended 26 December 2009 has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB134: Interim Financial Reporting.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the period ended 27 June 2009 and any public announcements made by Super Cheap Auto Group Limited and its controlled entities during the interim reporting period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

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

2. Segment information

The consolidated entity is organised on a global basis into the following business segments:

Supercheap Auto: Retail and distribution of motor vehicle spare parts and accessories, tools and equipment.

BCF (Boating, Camping and Fishing): Retail and distribution of boating, camping and fishing equipment.

Goldcross Cycles: Retail and distribution of bicycles and bicycle equipment and accessories.

Business Segments

Half-year 2009	Supercheap Auto \$'000	BCF \$'000	Goldcross Cycles and Oceania \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Total segment revenue	325,968	125,466	12,153	463,587	0	463,587
Unallocated revenue						0
Total revenue and other income						463,587
Segment result (pre-borrowing costs and impairment)	22,419	11,396	(3,513)	30,302	(1,933)	28,369
Impairment of goodwill					(2,000)	(2,000)
Borrowing costs					(4,831)	(4,831)
Profit before income tax						21,538
Half-year 2008						
Total segment revenue	302,842	101,663	8,651	413,156	477	413,633
Unallocated revenue						0
Total revenue and other income						413,633
Segment result (pre-borrowing costs)	19,451	7,906	(1,608)	25,749	(1,784)	23,965
Borrowing costs					(6,393)	(6,393)
Profit before income tax						17,572

Notes to the Consolidated Financial Statements (continued)

Consolidated entity

	26 December 2009 \$'000	27 December 2008 \$'000
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3. Revenue

From continuing operations:

Sales revenue

Sale of goods

463,587

412,811

Other revenue

Interest

68

399

463,655

413,210

4 Other Income

Other income

53

423

Notes to the Consolidated Financial Statements (continued)

Consolidated entity

	26 December 2009 \$'000	27 December 2008 \$'000
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5. Income and Expenses

Profit before income tax includes the following specific expenses:

Net loss on disposal of property, plant and equipment	48	294
Depreciation		
- Computer systems	2,742	2,570
- Plant and equipment	5,747	4,757
- Motor vehicles	20	62
Total depreciation	<u>8,509</u>	<u>7,389</u>
Amortisation/Impairment		
- Computer software	1,431	1,205
- Intangibles	73	73
- Goodwill	2,000	0
	<u>3,504</u>	<u>1,278</u>
Borrowing costs		
Interest and finance charges	4,831	6,393
Amount capitalised	0	0
Accretion of put option	57	0
Borrowing costs expensed	<u>4,888</u>	<u>6,393</u>
Rental expense relating to operating leases		
- Lease expenses	34,433	31,912
- Equipment hire	1,803	1,232
Total rental expense relating to operating leases	<u>36,236</u>	<u>33,144</u>
Foreign exchange gains and losses		
- Net foreign exchange loss/(gains)	<u>2,267</u>	<u>(2,923)</u>
Employee benefits expense		
Superannuation expense	5,188	4,566
Salaries and wages	77,148	65,992
	<u>82,336</u>	<u>70,558</u>

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	26 December 2009 \$'000	27 December 2008 \$'000
6. Income Tax		
(a) Income tax expense		
Current tax	7,772	6,793
Deferred tax	(875)	(1,451)
Adjustments for current tax of prior periods	(878)	(1,325)
	6,019	4,017
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	(868)	(1,510)
Increase/(decrease) in deferred tax liabilities	(7)	59
	(875)	(1,451)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	21,538	17,572
Tax at the Australian tax rate of 30% (2008: 30%)	6,461	5,272
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments re NZ branch	(205)	123
Investment allowance	(199)	0
Goodwill impairment	600	0
Sundry items	240	69
	6,897	5,464
Difference in overseas tax rates	0	0
Adjustments for current tax of prior period	(65)	(1,447)
R&D credits	(813)	0
Restatement of New Zealand deferred tax balance to 30%	0	0
Income tax expense	6,019	4,017
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax – debited/(credited) directly to equity	(757)	726
	(757)	726

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	26 December 2009 \$'000	27 June 2009 \$'000
7. Current assets – cash and cash equivalents		
Cash at bank and in hand	<u>31,484</u>	<u>16,810</u>
8. Current assets – trade and other receivables		
Trade receivables	19,045	18,257
Provision for impairment of receivables	(578)	(347)
	<u>18,467</u>	<u>17,910</u>
Other receivables	1,882	4,597
Tax receivable	227	1,091
Prepayments	2,401	1,515
	<u>22,977</u>	<u>25,113</u>
9. Current assets – inventories		
Finished goods, at lower of cost or net realisable value	<u>245,031</u>	<u>222,821</u>
10. Non-current assets – property, plant and equipment		
Plant and equipment - at cost	123,213	113,116
Less accumulated depreciation	(44,943)	(39,916)
Net plant and equipment	<u>78,270</u>	<u>73,200</u>
Motor vehicles – at cost	326	326
Less accumulated depreciation	(274)	(256)
Net motor vehicles	<u>52</u>	<u>70</u>
Computer systems – at cost	41,209	38,184
Less accumulated depreciation	(26,184)	(23,506)
Net computer equipment	<u>15,025</u>	<u>14,678</u>
Total net property, plant and equipment	<u>93,347</u>	<u>87,948</u>
11. Non-current assets – deferred tax assets		
Deferred tax asset	<u>11,306</u>	<u>9,672</u>

Notes to the Consolidated Financial Statements (continued)

Consolidated entity

26 December 2009 \$'000	27 June 2009 \$'000
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12. Non-current assets – intangible assets

Goodwill - at cost	68,240	67,280
Less impairment	(2,000)	0
Net goodwill	66,240	67,280
Trademarks - at cost	14	14
Less accumulated depreciation	0	0
Net trademarks	14	14
Computer software - at cost	21,324	19,347
Less accumulated amortisation	(15,420)	(13,989)
Net computer software	5,904	5,358
Brand names - at cost	2,500	2,500
Less accumulated amortisation	(146)	(125)
Net brand names	2,354	2,375
Supplier agreement	400	400
Less accumulated amortisation	(72)	(20)
Net supplier agreement	328	380
Total net intangibles	74,840	75,407

13. Current liabilities – trade and other payables

Trade payables	117,747	90,572
Other payables	36,807	26,026
Loans from related parties	25	25
	154,579	116,623

14. Current liabilities – borrowings

Secured		
Finance leases	0	850
Commercial bill	7,000	39,700
Less borrowing costs capitalised, net	(773)	(1,054)
Total current liabilities – secured interest bearing liabilities	6,227	39,496
Unsecured		
Related parties	0	0
Unsecured bank financing	0	0
Total current liabilities – unsecured interest bearing liabilities	0	0
Total current liabilities – interest bearing liabilities	6,227	39,496

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	26 December 2009 \$'000	27 June 2009 \$'000
15. Current liabilities – tax liabilities		
Income tax payable	4,080	4,593
16. Current liabilities – provisions		
Put option provision	701	644
Provision for warranties	44	44
Make good provision	61	117
Employee benefits	9,209	9,347
	10,015	10,152
Movements in provisions – dividends		
Carrying amount at the start of the financial period	0	0
Dividend declared	12,315	14,928
Payments/other sacrifices of economic benefits	(12,315)	(14,928)
Carrying amount at the end of the financial period	0	0
17. Non-current liabilities – trade and other payables		
Straight line lease adjustment	12,852	12,320
18. Non-current liabilities – borrowings		
Secured		
Cash advance	120,000	92,000
	120,000	92,000
Secured interest bearing liabilities		
Total secured interest bearing liabilities (current and non-current) are:		
Finance lease	0	850
Commercial bills	7,773	40,754
Cash advance	120,000	92,000
Total current and non-current secured interest bearing liabilities	127,773	132,754
19. Non-current liabilities – deferred tax liabilities		
Deferred tax liabilities	0	0
20. Non-current liabilities – provisions		
Make good provision	5,813	5,171
Employee benefits	1,619	930
Provision for future Oceania dividend	132	132
	7,564	6,233

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	26 December 2009 \$'000	27 June 2009 \$'000
21. Contributed equity		
Ordinary shares fully paid (107,956,356 ordinary shares as at 26 December 2009)	90,097	84,627
22. Dividends		
Ordinary Shares		
Dividends provided for or paid during the half year.	12,315	7,997
Dividends not recognised at the end of the half year		
Subsequent to the end of the half year, the Directors have recommended the payment of an interim dividend of 8.5 cents per ordinary share fully franked based on tax paid at 30%. The aggregate amount of the dividend expected to be paid on 31 March 2010, out of retained profits at 26 December 2009, but not recognised as a liability at the end of the half year is	9,176	6,931

23. Business combinations

(a) Explore Outdoors (current period)

2009
\$'000

Acquisition by controlled entity

On 27 October 2009, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the Explore Outdoors Dubbo Store business from an entity external to the Group.

Net assets acquired and goodwill are as follows:

Purchase consideration	
Cash Paid	1,331
Total purchase consideration	<u>1,331</u>
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	<u>371</u>
Goodwill	960

The goodwill is attributable to Explore Outdoors Dubbo position and profitability in the leisure market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired	
Inventory (net of provisions)	387
Gift voucher liability	(6)
Employee entitlements	(8)
Other creditors	(2)
Net identifiable assets acquired	<u>371</u>

The amounts recognised by the vendor immediately before acquisition for each class of asset and liability are not significantly different from the fair values included in the table above.

The acquired business contributed revenues of \$0.675 million to the Group for the period 27 October 2009 to 26 December 2009. If the acquisition had occurred on 28 June 2009, the contribution to group revenue would have been \$2.025 million. The contribution to Group net profit after tax is not significant.

23. Business combinations (continued)

(b) **Jurkiewicz Adventure Store (including Canberra Ski and Board Centre) (prior period)**

2008
\$'000

Acquisition by controlled entity

On 30 July 2008, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the Jurkiewicz Adventure Store business from an entity external to the Group.

Net assets acquired and goodwill are as follows:

Purchase consideration	
Cash Paid	1,700
Total purchase consideration	<u>1,700</u>
Less: Allocation of Fair value of net identifiable assets acquired (refer below)	<u>781</u>
Goodwill	919

The goodwill is attributable to Jurkiewicz Adventure Store position and profitability in the leisure market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired

Inventory (net of provisions)	811
Employee entitlements	(21)
Other creditors	<u>(9)</u>
Net identifiable assets acquired	<u>781</u>

The amounts recognised by the vendor immediately before acquisition for each class of asset and liability are not significantly different from the fair values included in the table above.

The acquired business contributed revenues of \$1.028 million to the Group for the period 30 July 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$1.034 million. The contribution to Group net profit after tax is not significant.

23. Business combinations (continued)

(c) Victor Cycles (prior period)

2008
\$'000

Acquisition by controlled entity

On 17 November 2008, Goldcross Cycles Pty Ltd acquired certain assets and assumed certain liabilities of the Victor Cycles business from an entity external to the Group.

Net assets acquired are as follows:

Purchase consideration	
Cash Paid	405
Direct costs relating to the acquisition	13
Total purchase consideration	418
Less: Allocation of Fair value of net identifiable assets acquired (refer below)	<u>341</u>
Goodwill	77

The goodwill is attributable to Victor Cycles strong position and profitability in the cycling market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired	
Inventory (net of provisions)	278
Plant and equipment	60
Other assets	4
Employee entitlements	<u>(1)</u>
Net identifiable assets acquired	<u>341</u>

The amounts recognised by the vendor immediately before acquisition for each class of asset and liability are not significantly different from the fair values included in the table above.

The acquired business contributed revenues of \$0.112 million to the Group for the period 17 November 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$0.497 million. The contribution to group net profit after tax is not significant.

23. Business combinations (continued)

(d) Riders Cycles (prior period)

2008
\$'000

Acquisition by controlled entity

On 11 December 2008, Goldcross Cycles Pty Ltd acquired certain assets and assumed certain liabilities of the Riders Cycles business from an entity external to the Group.

Net assets acquired and goodwill are as follows:

Purchase consideration	
Cash Paid	2,503
Less cash acquired	(1)
Total purchase consideration	2,502
Less: Allocation of Fair value of net identifiable assets acquired (refer below)	<u>752</u>
Goodwill	1,750

The goodwill is attributable to Riders Cycles strong position and profitability in the cycling market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired

Inventory (net of provisions)	695
Plant and equipment	50
Other assets	17
Employee entitlements	<u>(10)</u>
Net identifiable assets acquired	<u>752</u>

The amounts recognised by the vendor immediately before acquisition for each class of asset and liability are not significantly different from the fair values included in the table above.

The acquired business contributed revenues of \$0.189 million to the Group for the period 11 December 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$2.150 million. The contribution to group net profit after tax is not significant.

24. Events occurring after reporting date

No matters or circumstances have arisen since 26 December 2009 that has significantly affected or may significantly affect the Group's operations or state of affairs in future financial years.

25. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated entity	
	26 December 2009 \$'000	27 December 2008 \$'000
Profit from ordinary activities after related income tax	15,519	13,555
Depreciation and amortisation	12,013	8,667
Net loss/(gain) on sale of non-current assets	48	294
Non-cash employee benefits expense/share based payments	401	141
Net interest expense	4,819	5,994
Change in operating assets and liabilities, net of effects from the purchase of controlled entities		
- (increase) in receivables	(1,132)	(1,069)
- (increase) in inventories	(21,823)	(28,326)
- increase in payables	38,607	46,360
- increase in provisions	1,129	2,428
- (increase) in deferred tax	(559)	(1,436)
Net cash inflow from operating activities	49,022	46,608

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Super Cheap Auto Group Limited, it is our opinion that:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 26 December 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the period ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



R J Wright
Director



P A Birtles
Director

Brisbane
17 February 2010

Independent auditor's review report to the members of Super Cheap Auto Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial statements of Super Cheap Auto Group Limited, which comprise the statement of financial position as at 26 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Super Cheap Auto Group Limited (the consolidated entity). The consolidated entity comprises both Super Cheap Auto Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 the consolidated entity's financial position as at 26 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Super Cheap Auto Group Limited, 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of
Super Cheap Auto Group Limited (continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

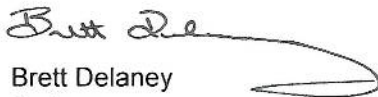
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Super Cheap Auto Group Limited 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 26 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*.



PricewaterhouseCoopers


Brett Delaney
Partner

Brisbane
17 February 2010