ARB Corporation Ltd
4X4 ACCESSORIES

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ABN 31 006 708 756

20 August 2014

The Manager
Market Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

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 2014.

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 2014
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 2014
Previous corresponding period is the financial year ended	30 JUNE 2013

2. Results for announcement to the market

				$'000
Revenues from ordinary activities *(item 2.1)*	up	1.8%	to	299,947
Net profit (loss) from ordinary activities after tax attributable to members *(item 2.2)*	up	0.5%	to	42,570
Net profit (loss) for the period attributable to members *(item 2.3)*	up	0.5%	to	42,570

Dividends *(item 2.4)*	Amount per security	Franked amount per security
Interim dividend	13.0¢	13.0¢
Final dividend	16.0¢	16.0¢
There is no foreign conduit income attributed to the dividend		
Record date for determining entitlements to the dividend *(item 2.5)*	10th October 2014	

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 2014	17 April 2014	$9,424 (‘000)
Final dividend – year ended 30 June 2013	18 October 2013	$11,235 (‘000)

Amount per security

		Amount per security	Franked amount per security at 30% tax
Total dividend:	Current year	29.0¢	29.0¢
	Previous year	28.0¢	28.0¢

Total dividend on all securities

	Current period $A'000	Previous corresponding Period - $A'000
Ordinary securities	20,659	19,207
Total	**20,659**	**19,207**

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

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

	Consolidated Entity	
	2014	**2013**
	$’000	**$’000**
Balance at the beginning of year	177,543	151,176
Hedge and exchange differences	(1,780)	3,216
Net profit attributable to members of the Parent entity	42,570	42,358
Total available for appropriation	218,333	196,750
Employee share issue	140	-
Dividends paid	(20,659)	(19,207)
Balance at end of the year	197,814	177,543

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

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$2.49	$2.27

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 $42.6 million for the year ended 30th June 2014. This represented a 0.5% 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 continuing economic difficulties faced by many countries in which the Company's export customers operate.

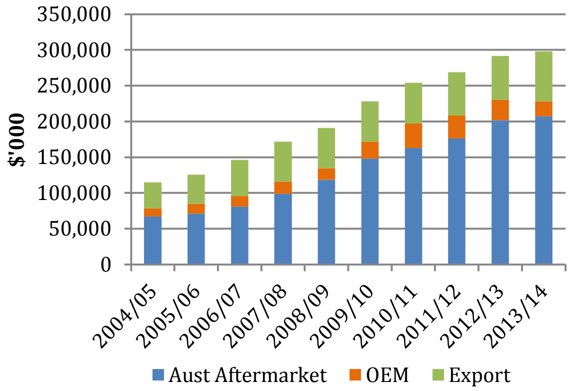
The Company's profit was achieved on a 2.2% increase in sales to $298 million from $292 million last year. A summary of the 2013/14 result is presented below:

Year to 30 June	2014 $'000	2013 $'000	Change
Sales Revenue	**297,779**	**291,510**	**+ 2.2%**
Total Revenue	299,947	294,509	
Net Profit Before Tax	**57,291**	**57,965**	**- 1.2%**
Less Tax	14,721	15,607	
Net Profit After Tax	**42,570**	**42,358**	**+ 0.5%**
Basic EPS – cents	58.7	58.4	
DPS – cents			
Interim	13.0	12.5	
Final	16.0	15.5	
Total	29.0	28.0	
Franked Amount	100%	100%	

The Company intends to pay an increased final fully franked dividend of 16.0 cents per share on the 24th October 2014. This brings total ordinary dividends for the year to 29.0 cents per share fully franked, compared with 28 cents per share fully franked last year. The Record Date for the final dividend will be the 10th October 2014.

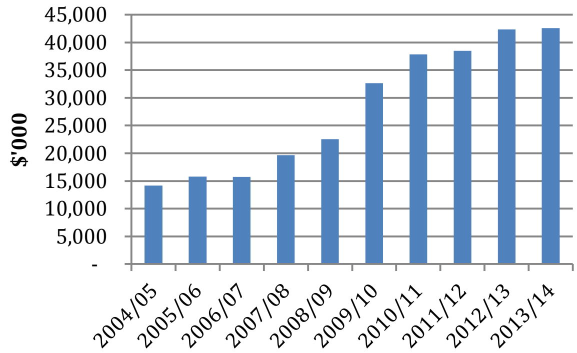
10 YEAR HISTORICAL PERFORMANCE

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



SALES REVENUE

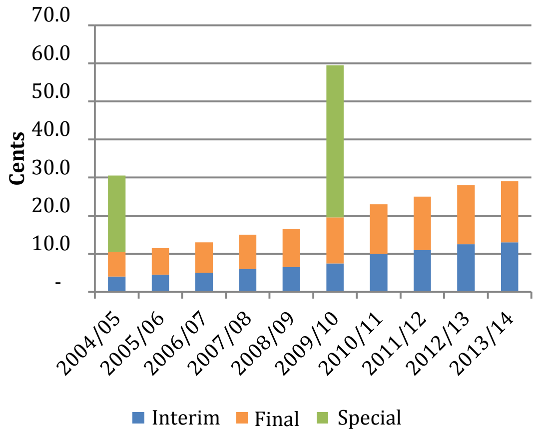
Annual sales revenue has grown at an average compound rate of 11.2% over the past 10 years.



NET PROFIT AFTER TAX

Net profit after tax has grown at an average compound rate of 13.0% over the past 10 years.

Chairman's Statement (continued)



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 2013/14 YEAR

Sales and Distribution

Sales for the period grew by a modest 2.2% over the previous corresponding period. The Company experienced large declines in sales to original equipment manufacturers in Australia, and reductions in sales to aftermarket customers associated with the mining industry, especially in Queensland and Western Australia. This was offset by strong growth in export sales and a continuing strong contribution from the rest of the Australian aftermarket. After a disappointing third quarter, the final three months of the financial year provided better sales growth.

A summary of sales category performance for the period is as follows:

Customer Category	Percentage of Sales		Sales Growth
	12 months to June 2014	12 months to June 2013	
Australian Aftermarket	69.6%	69.5%	+1.8%
Exports	23.4%	20.5%	+14.0%
Original Equipment	7.0%	10.0%	-28.0%
	100.0%	100.0%	+2.2%

Over the past financial year, independently owned ARB stores were established at Biggera Waters in Queensland, Broken Hill in New South Wales and Pakenham in Victoria. The Company also purchased the independently owned ARB stores in Welshpool in Western Australia and Darwin in the Northern Territory. This last transaction was completed at the end of the financial year. As at the date of this report there were 50 ARB stores in Australia, up from 47 at the same time last year. Currently 21 of the stores are operated by the Company. New ARB stores will continue to be added to the network as opportunities arise.

Australian warehousing capacity will be increased over the next 12 months. In Queensland, a new Company owned warehouse is being built in Brendale, Brisbane and will be opened in December 2014. In New South Wales, the sales facility at Moorebank has been purchased by the Company and will be substantially renovated over the next 12 months. In addition, a larger warehouse has been leased in New South Wales to relieve current congestion. In South Australia, ARB has purchased a warehouse to replace existing leased properties and provide increased capacity.

As previously advised, to enhance supply to the Company's export customers, ARB Europe has been established in Prague in the Czech Republic. The establishment of this warehouse facility will provide better access to the Company's products for all European customers. In addition, ARB has established a second warehouse in the USA, based in Jacksonville, Florida to service customers in the south-east USA and Central and South America. Both of these new operations have operated successfully for the last quarter of the financial year.

Chairman's Statement (continued)

Products and Production

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 Company's R&D department is actively developing both aftermarket and OEM products and is also continuing to work on a number of long term product development projects.

One of these long term development projects, the ARB Ascent Canopy, was released to the market in April 2014 after many years of development. This product represents a new level of design and innovation which is world leading. Over the next 12 months versions of the canopy will be released to suit all the popular utilities. More information on the Ascent Canopy is available at this website: http://www.arb.com.au/products/arb-canopies-sport-lids/ascent-canopies.

The Board expects that another important new product range will be released in the second quarter of this financial year.

Demand for the Company's manufactured products made by the Australian plant was subdued during the period, primarily due to the lower demand from original equipment customers. However, demand on the Thailand plants continued to be strong and the recent expansion of ARB's warehouse capacity in Thailand to improve supply chain efficiencies and to meet increased export demand has been timely.

Financial

ARB has maintained a strong balance sheet over the period and had a net cash balance of $38.8 million at the 30th June 2014. This was despite increased spending on inventory, plant and equipment and property over the period.

The Company's strong financial position ensures that ARB can react quickly to appropriate opportunities, such as further 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 modest growth in 2013/14 was achieved in the face of difficult local and global market conditions. The current economic environment remains challenging. However, the outlook for the Company is positive and the Board is optimistic about the future.

Demand for the Company's products currently remains healthy in many countries around the world. ARB has long term expansion plans in place, both in Australia and in export markets, which include new products and improved distribution.

With strong brands around the world, very capable senior management and staff, a strong balance sheet and growth strategies in place, the board believes ARB is well positioned to achieve on-going success.

A first quarter trading update will be provided to shareholders at the AGM in October 2014.

Roger Brown
Chairman
20st August 2014

ARB CORPORATION LTD

ABN 31 006 708 756

AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Please note: page numbering for the financial report commences at page 16.

Consolidated Income Statement
For the Year Ended 30 June 2014

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Sales revenue		**297,779**	291,510
Other income		**2,168**	2,999
Total revenue and other income	3	**299,947**	294,509
Materials and consumables used		**(131,764)**	(132,008)
Employee expenses		**(67,191)**	(65,029)
Depreciation and amortisation expense	4	**(7,402)**	(6,449)
Advertising expense		**(4,745)**	(4,754)
Distribution expense		**(7,237)**	(7,694)
Occupancy costs		**(11,618)**	(9,993)
Other expenses		**(12,699)**	(10,617)
Profit before income tax expense		**57,291**	57,965
Income tax expense	5	**(14,721)**	(15,607)
Profit attributable to members of the parent entity		**42,570**	42,358
Basic and Diluted Earnings per share (cents)	22	**58.7**	58.4

The Consolidated Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 21 to 40.

Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2014

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Profit attributable to members of the parent entity		**42,570**	42,358
Other comprehensive income			
Items that may be reclassified subsequently to Profit/(Loss)			
Movement in fair value of cash flow hedges, net of tax	16	**(285)**	47
Exchange differences on translation of foreign operations, net of tax	16	**(1,495)**	3,169
Other comprehensive income for the year		**(1,780)**	3,216
Total comprehensive income for the year attributable to members of the parent entity		**40,790**	45,574

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the Notes to the Financial Statements set out on pages 21 to 40.

Consolidated Statement of Financial Position

As at 30 June 2014

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
CURRENT ASSETS			
Cash and cash equivalents	18	**38,835**	43,764
Receivables	7	**39,762**	37,010
Inventories	8	**70,443**	58,728
Other assets	9	**1,580**	366
Total current assets		**150,620**	139,868
NON-CURRENT ASSETS			
Property, plant and equipment	10	**71,943**	63,156
Deferred tax assets	5	**2,167**	2,780
Intangible assets	11	**17,034**	13,247
Total non-current assets		**91,144**	79,183
Total assets		**241,764**	219,051
CURRENT LIABILITIES			
Payables	12	**30,202**	28,222
Other financial liabilities	13	**308**	23
Current tax liabilities	5	**3,192**	3,833
Provisions	14	**9,528**	8,738
Total current liabilities		**43,230**	40,816
NON-CURRENT LIABILITIES			
Provisions	14	**720**	692
Total non-current liabilities		**720**	692
Total liabilities		**43,950**	41,508
Net assets		**197,814**	177,543
EQUITY			
Contributed equity	15	**46,758**	46,618
Reserves	16	**2,098**	3,878
Retained profits	16	**148,958**	127,047
Total equity		**197,814**	177,543

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements set out on pages 21 to 40.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2014

Consolidated Entity	Contributed equity ($'000s)	Reserves ($'000s)	Retained earnings ($'000s)	Total equity ($'000s)
Balance as at 1 July 2013	**46,618**	**3,878**	**127,047**	**177,543**
Profit for the year	**-**	**-**	**42,570**	**42,570**
Movement in fair value of cash flow hedges, net of tax	**-**	**(285)**	**-**	**(285)**
Exchange differences on translation of foreign operations, net of tax	**-**	**(1,495)**	**-**	**(1,495)**
Total comprehensive income for the year	**-**	**(1,780)**	**42,570**	**40,790**
Transactions with owners in their capacity as owners:				
Employee share issue	**140**	**-**	**-**	**140**
Dividends paid	**-**	**-**	**(20,659)**	**(20,659)**
Total transactions with owners in their capacity as owners	**140**	**-**	**(20,659)**	**(20,519)**
Balance as at 30 June 2014	**46,758**	**2,098**	**148,958**	**197,814**
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

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 21 to 40.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Cash Flows From Operating Activities			
Receipts from customers		**319,047**	316,436
Payments to suppliers and employees		**(267,526)**	(256,649)
Interest received		**1,206**	1,168
Income tax paid		**(14,702)**	(15,149)
Other income received		**(1,519)**	1,367
Net cash provided by Operating activities	18	**36,506**	47,173
Cash Flows From Investing Activities			
Payments for property, plant and equipment		**(16,298)**	(15,003)
Payments for development costs		**(1,856)**	(1,685)
Payments for investments & goodwill	19	**(3,006)**	(1,291)
Proceeds from sales of property, plant & equipment		**303**	383
Net cash used in Investing activities		**(20,857)**	(17,596)
Cash Flows From Financing Activities			
Dividends paid		**(20,659)**	(19,207)
Net cash used in Financing activities		**(20,659)**	(19,207)
Foreign exchange differences		**81**	160
Net increase/(decrease) in cash held		**(4,929)**	10,530
Cash at the beginning of the financial year		**43,764**	33,234
Cash at the end of the financial year	18	**38,835**	43,764

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 21 to 40.

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 the Company and all entities which the Company controls. 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:

	2014	2013
- 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 method.

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 of non-financial assets

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. Loans and receivables are tested for impairment. Any impairment loss is recognised in the profit and loss.

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 of GST.

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) Adoption of new and amended accounting standards that are first operative at 30 June 2014

AASB 10 Consolidated Financial Statements

The consolidated financial statements are those of the consoldiated entity, comprising the financial statements of the parent entity and all entities which the parent controls.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.

The consolidated entity concluded that the adoption of AASB 10 did not change the consolidation status of its subsidiaries. Therefore, no adjustments to any of the carrying amounts are required.

AASB 11 Joint Arrangements

AASB 11 has a principles-based approach to accounting for joint arrangements. Investments in joint arrangments are classified as either joint operations or joint ventures depending on the rights and obligations of the parties to the arrangement, rather than the legal structure of joint arrangements. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate is no longer be permitted. Parties to a joint operation account for their share of revenues, expenses, assets and liabilities arising from the arrangement by recognising their share of interest in each them.

The consolidated entity concluded that the adoption of AASB 11 has no impact on the composition or performance of the consolidated entity. Therefore, no adjustments to any of the carrying amounts are required.

1. Statement of significant accounting policies (continued)

(s) Adoption of new and amended accounting standards that are first operative at 30 June 2014 (continued)

AASB 12 Disclosure of Interests in Other Entities

AASB 12 has new minimum disclosures requirements for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements found in AASB 127 and AASB 128. This standard affects 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.

The consolidated entity concluded that the adoption of AASB 12 did not change the information on disclosures.

AASB 13 Fair Value Measurement

AASB 13 introduces a fair value framework for all fair value measurements in the full suite of accounting standards as well as the enhanced disclosure requirements. This standard explains how to measure fair value and aims to enhance fair value disclosures.

Application of AASB 13 does not materially change the company's fair value measurements. However, additional disclosures required under AASB 13 are provided in Note 10: Property, plant and equipment.

AASB 119 Employee Benefits

The amendments to AASB 119 revise the definitions of short term and long term employee benefits, placing the emphasis on when the benefit is expected to be settled rather than when it is due to be settled. The group has assessed its impact and concludes that the adoption of AASB 119 has no material effect on the amounts recognised in current or prior years.

No other new and amended accounting standards effective for the financial year beginning 1 July 2013 affected any amounts recorded in the current or prior year.

(t) New accounting standards and interpretations issued but not operative at 30 June 2014

AASB 9 *Financial Intruments* , improve and simplify the approach for classification and measurement of financial assets and financial liabilities, when compared with AASB 139. When adopted, the standard could change the classification and measurement of financial assets. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income for equity investments that are not held for trading. The new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. Therefore, there will be no impact on the consolidated entity's accounting for financial liabilities.

In December 2013, new general hedge accounting requirements are also incorporated in AASB 9. The new model aligns hedge accounting more closely with risk management, and will be easier to apply and reduce the costs of implementation. However, the new model requires extended disclosure. The standard is not applicable until 1 January 2017 but is available for early adoption. The consolidated entity has yet to assess the impact of new general hedge accounting model on its hedge arrangements. The consolidated entity has decided not to early adopt AASB 9 at 30 June 2014.

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.

2. Financial risk management (continued)

(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 2014 A($'000s)	JUN 2013 A($'000s)	**JUN 2014 $**	JUN 2013 $
Settlement	**Sell AUD/Buy JPY**		**Forward Exchange Rate**	
Less than 6 months	**182**	-	**92.37**	-
Settlement	**Sell AUD/Buy SEK**		**Forward Exchange Rate**	
Less than 6 months	**3,089**	3,324	**5.9885**	6.1682
Settlement	**Sell AUD/Buy THB**		**Forward Exchange Rate**	
Less than 6 months	**6,585**	-	**29.6117**	-
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 and products in Japanense Yen (JPY), Thai Baht (THB), Swedish Krona (SEK), New Zealand Dollars (NZD) and Euro (EUR). To minimise the risk on the exposure to these currencies, the Group may take out hedge contracts.

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 States Dollars.

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.

2. Financial risk management (continued)

(b) Interest rate risk

The Group monitors its cash flow on a daily basis. Borrowings as at the year ended 30 June 2014 were $nil (2013: $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)	Fixed interest maturing in: More than 1 year ($'000s)	Non Interest Bearing ($'000s)	Total ($'000s)
2014							
Financial assets							
Cash	18	2.79%	38,835	-	-	-	38,835
Receivables	7	-	-	-	-	39,762	39,762
Financial liabilities							
Payables	12	-	-	-	-	30,202	30,202
Other financial liabilities	13	-	-	-	-	308	308
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
Other financial liabilities	13	-	-	-	-	23	23

(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.

(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. These foreign currency forward contracts are valued on a discounted cash flow basis using forward exchange rates. All other financial assets and liabilities carrying amounts are a reasonable approximation of fair values as they are short term trade receivables and payables.

	CONSOLIDATED	
3. Revenues from continuing operations	**JUN 2014 ($'000s)**	JUN 2013 ($'000s)
Sales Revenue		
Revenue from sale of goods	**297,779**	291,510
Other income:		
- Interest	**1,206**	1,168
- Net gain on disposal of property, plant and equipment	**157**	162
- Foreign exchange gains/(losses)	**(789)**	301
- Other	**1,594**	1,368
Total other income	**2,168**	2,999
Total Income from Continuing Operations	**299,947**	294,509

4. Profit from continuing operations

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

Cost of goods sold	**174,211**	166,921
Depreciation of non-current assets:		
Buildings	**976**	844
Plant and equipment	**5,351**	4,579
	6,327	5,423
Amortisation of non-current assets:		
Development costs capitalised	**1,060**	966
Distribution right	**15**	60
	1,075	1,026
Total depreciation and amortisation	**7,402**	6,449
Other expense items:		
- Movement in provisions for impairment of receivables	**117**	(20)
- Research and development expenditure	**4,604**	2,888
- Operating lease rentals	**5,207**	5,405

		CONSOLIDATED	
5.	**Income tax**	**JUN 2014 ($'000s)**	JUN 2013 ($'000s)
(a)	**The components of tax expense:**		
	Current tax	**14,465**	15,653
	Deferred tax	**400**	(32)
	Under/(over) provision prior year	**(144)**	(14)
	Total income tax expense	**14,721**	15,607
(b)	**Income tax expense**		
	Prima facie income tax expense at 30% (2013: 30%) on the operating profit	**17,187**	17,389
	Increase/(decrease) in income tax expense due to:		
	Non tax deductible items	**-**	1
	Differences in overseas tax rates	**(2,199)**	(1,778)
	Other	**63**	178
	Research & development & building allowance deductions	**(186)**	(169)
	Income tax expense on operating profit	**14,865**	15,621
	Under/(over) provision prior year	**(144)**	(14)
	Total income tax expense	**14,721**	15,607
(c)	**Current tax liabilities**		
	Movements during the year were as follows:		
	Balance at beginning of year	**3,833**	3,343
	Income tax paid	**(14,702)**	(15,149)
	Current income tax liability on operating profit	**14,465**	15,653
	Under/(over) provision prior year	**(404)**	(14)
		3,192	3,833
(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	**2,980**	2,870
	Doubtful debt impairment	**491**	538
	Inventory write-down	**408**	364
	Income tax expense on group unrealised profit	**838**	776
		4,717	4,548
	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	**1,194**	878
	Development costs capitalised	**1,209**	970
	Other income not yet assessable	**147**	(80)
		2,550	1,768
	Net deferred tax assets	**2,167**	2,780

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2014

6. Dividends

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Dividends recommended or paid by the Company are:			
(i) a final fully franked ordinary dividend of 15.5 cents per share (2013: 14 cents fully franked) paid on 18 October 2013		**11,235**	10,147
(ii) an interim fully franked ordinary dividend of 13 cents per share (2013: 12.5 cents fully franked) paid on 17 April 2014		**9,424**	9,060
	16	**20,659**	19,207
(iii) a final fully franked ordinary dividend is proposed of 16 cents per share (2013: 15.5 cents fully franked) to be paid on 24 October 2014		**11,599**	11,235

The dividends paid by the Company were fully franked at the tax rate of 30% (2013: 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 2014 ($'000s)	JUN 2013 ($'000s)
Franking Credits (measured on a tax paid basis under Australian Legislation)	**44,735**	40,050

7. Receivables

	JUN 2014 ($'000s)	JUN 2013 ($'000s)
Current		
Trade receivables	**39,477**	37,517
Other receivables	**1,922**	1,285
	41,399	38,802
Less: provision for impairment	**1,637**	1,792
	39,762	37,010

Provision for impairment

Receivables ageing analysis at 30 June is:	CONSOLIDATED Gross 2014 ($'000s)	CONSOLIDATED Impairment 2014 ($'000s)	CONSOLIDATED Gross 2013 ($'000s)	CONSOLIDATED Impairment 2013 ($'000s)
Not past due	**33,037**	**(1,113)**	34,295	(1,100)
Past due 0 - 30 days	**5,180**	**(117)**	3,073	(64)
Past due 31 - 90 days	**2,126**	**(111)**	720	(88)
Past due more than 91 days	**1,056**	**(296)**	714	(540)
	41,399	**(1,637)**	38,802	(1,792)

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 2014 ($'000s)	JUN 2013 ($'000s)
Movements in the provision for impairment were:		
Opening balance at 1 July	**(1,792)**	(2,115)
Charge for the year	**(117)**	20
Amounts written off	**270**	323
Foreign exchange translation	**2**	(20)
Closing balance at 30 June	**(1,637)**	(1,792)

	CONSOLIDATED	
8. Inventories	**JUN 2014 ($'000s)**	JUN 2013 ($'000s)
Current		
Raw materials and work in progress, at cost	**15,870**	12,417
Finished goods, at cost	**41,287**	36,186
Goods in transit, at cost	**13,286**	10,125
	70,443	58,728

9. Other assets

Current		
Prepayments	**1,580**	366

10. Property, plant and equipment

Land and buildings, at cost	**51,727**	42,313
Less: accumulated depreciation	**5,468**	4,704
	46,259	37,609
Plant and equipment, at cost	**65,505**	61,810
Less: accumulated depreciation	**39,821**	36,263
	25,684	25,547
Total property, plant and equipment Net book value	**71,943**	63,156

(a) Movements in the carrying amounts

Freehold Land and Buildings		
Balance at the beginning of financial year	**37,609**	30,891
Additions	**10,314**	7,000
Disposals	**(34)**	-
Depreciation	**(976)**	(844)
Foreign exchange impact	**(654)**	562
Balance at the end of financial year	**46,259**	37,609
Plant & Equipment		
Balance at the beginning of financial year	**25,547**	21,705
Additions	**5,984**	8,003
Disposals	**(112)**	(221)
Depreciation	**(5,351)**	(4,579)
Foreign exchange impact	**(384)**	639
Balance at the end of financial year	**25,684**	25,547

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

(c) Fair Value of freehold land and buildings – The group obtains independent property valuations of freehold land and buildings on a 3 year rotational basis. The collective valuations for freehold land and buildings were $55.1 million, compared with the collective carrying value of $46.3 million. The fair value measurements have been determined as level 3 in the fair value measurement hierarchy. The valuations are based on the expected vacant possession sales price with consideration of comparable sales information and prevailing rental capitalisation rates.

11. Intangible assets

	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Distribution right, at cost	**300**	300
Less: accumulated amortisation	**300**	285
	-	15
Goodwill	**13,005**	9,999
Development, at cost	**13,694**	12,342
Less: accumulated amortisation	**9,665**	9,109
	4,029	3,233
	17,034	13,247

(a) Movements in the carrying amounts

	JUN 2014	JUN 2013
Distribution right		
Balance at the beginning of financial year	**15**	75
Amortisation	**(15)**	(60)
Balance at the end of financial year	**-**	15
Goodwill		
Balance at the beginning of financial year	**9,999**	8,708
Additions	**3,006**	1,291
Balance at the end of financial year	**13,005**	9,999
Development Costs		
Balance at the beginning of financial year	**3,233**	2,514
Additions	**1,856**	1,685
Amortisation	**(1,060)**	(966)
Balance at the end of financial year	**4,029**	3,233

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 a multiple of 5 times net profit before tax.

		Goodwill ($'000s)	Growth rate	Discount Rate (post tax)	Period of projection
2014					
	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)	8,031	6.5%	10.0%	5 years
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

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

12. Payables

	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Current		
Trade payables	**25,762**	24,063
Other payables	**4,440**	4,159
	30,202	28,222

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2014

	CONSOLIDATED	
13. Other financial liabilities	**JUN 2014 ($'000s)**	JUN 2013 ($'000s)
Current		
Derivatives that are designated and effective as hedging instruments carried at fair value:		
Forward exchange contracts	**308**	23
14. Provisions		
Current		
Employee benefits	**9,528**	8,738
Non-current		
Employee benefits	**720**	692
Total employee benefits	**10,248**	9,430
15. Contributed equity		
Issued and paid up capital		
72,493,302 ordinary shares (2013: 72,481,302)	**46,758**	46,618

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

	CONSOLIDATED		CONSOLIDATED	
Movements during the year	**JUN 2014 No. of shares**	JUN 2013	**JUN 2014 ($'000s)**	JUN 2013 ($'000s)
Balance at the beginning of the financial year	**72,481,302**	72,481,302	**46,618**	46,618
Other shares issued	**12,000**	-	**140**	-
Balance at the end of the financial year	**72,493,302**	72,481,302	**46,758**	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 2014 the Company paid dividends of $20,659,000 (2013: $19,207,000).

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2014

16. Reserves and retained earnings

	Note	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Reserves			
Capital profits		**4,090**	4,090
Foreign currency translation reserve		**(1,684)**	(189)
Cash flow hedge		**(308)**	(23)
		2,098	3,878
Retained earnings		**148,958**	127,047

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.

Foreign Currency Translation Reserve

Balance at the beginning of the financial year	**(189)**	(3,358)
Movement during the year	**(1,495)**	3,169
Balance at the end of the financial year	**(1,684)**	(189)

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

Cash Flow Hedge

Balance at the beginning of the financial year	**(23)**	(70)
Amount recognised in equity	**(285)**	47
Balance at the end of the financial year	**(308)**	(23)

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

Retained earnings

	Note		
Balance at the beginning of the financial year		**127,047**	103,896
Net profit attributable to members of the parent entity		**42,570**	42,358
Dividends paid	6	**(20,659)**	(19,207)
Balance at the end of the financial year		**148,958**	127,047

17. Parent entity information

	COMPANY	
	JUN 2014 ($'000s)	JUN 2013 ($'000s)
Profit before income tax expense	**54,410**	61,814
Income tax expense	**(13,365)**	(14,772)
Profit attributable to members of the parent entity	**41,045**	47,042
Total comprehensive income for the year attributable to members of the parent entity	**40,760**	47,089

The Profit before income tax expense includes dividends received from subsidiaries of $8,678,000 (2013: $11,634,000) which are eliminated on consolidation.

	JUN 2014	JUN 2013
Current assets	**139,633**	139,629
Total assets	**230,280**	214,511
Current liabilities	**36,869**	40,881
Total liabilities	**37,590**	41,574
Net assets	**192,690**	172,937
Equity		
Contributed equity	**46,758**	46,618
Capital profits reserve	**3,991**	3,991
Cash flow hedge reserve	**(308)**	(23)
Retained profits	**142,249**	122,351
Total equity	**192,690**	172,937
Capital expenditure commitments		
Contracted, but not provided for and payable within one year	**10,828**	242

18. Cash flow information

(i) Reconciliation of Cash

	CONSOLIDATED	
	JUN 2014 ($'000s)	JUN 2013 ($'000s)
Cash	**38,835**	43,764

(ii) Reconciliations of the net profit after tax to the net cash flows from operations:

	JUN 2014	JUN 2013
Net profit	**42,570**	42,358
Add/(less) items classified as Investing/financing activities:		
(Profit)/loss on disposal of non-current assets	**(157)**	(162)
Add/(less) non-cash items		
Depreciation and amortisation	**7,402**	6,449
Provision for impairment of receivables	**(155)**	(20)
Impact of foreign exchange	**(528)**	1,855
Net cash provided by operating activities before change in assets and liabilities	**49,132**	50,480
Change in assets and liabilities		
(Increase)/decrease in inventories	**(11,715)**	(7,858)
(Increase)/decrease in prepayments	**(1,214)**	18
(Increase)/decrease in other receivables	**459**	736
(Increase)/decrease in trade receivables	**(3,211)**	(747)
(Increase)/decrease in deferred tax asset	**613**	(32)
(Decrease)/increase in payables	**1,980**	3,043
(Decrease)/increase in other financial liabilities	**285**	(47)
(Decrease)/increase in provisions	**818**	1,090
(Decrease)/increase in income tax payable	**(641)**	490
Net cash flow from operating activities	**36,506**	47,173

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

19. Business combinations

Current Year

During the year the consolidated entity purchased two retail stores in Australia: Welshpool in Western Australia (February 2014) and Darwin in Northern Territory (30 June 2014).

A summary of these aggragated transactions is:

	$'000s
Total consideration paid	4,049

Assets and liabilities acquired

	Fair value at acquisition $'000s
Assets and liabilities acquired	
Inventory	884
Plant and equipment	268
Deferred Tax Asset	46
Employee Entitlements	(155)
Net assets acquired	1,043
Goodwill	3,006

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 2014 the two retail stores contributed revenue of $1,683,000 and a profit after tax of $135,000 which is included within the consolidated profit for that period.

Prior Year

During the prior 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 consideration paid	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 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.

Notes to the Financial Statements (continued)
For the Year Ended 30 June 2014

20. Commitments and contingencies

	CONSOLIDATED	
	JUN 2014 ($'000s)	JUN 2013 ($'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	**5,847**	5,399
Later than one year but not later than five years	**12,732**	13,435
Later than five years	**620**	1,137
	19,199	19,971
Capital expenditure commitments		
Contracted, but not provided for and payable within one year	**11,803**	509

21. Financing arrangements

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

	JUN 2014	JUN 2013
Total facilities available:		
Bank overdraft	**500**	500
Online facility	**2,000**	2,000
Lease guarantees	**650**	255
	3,150	2,755
Facilities utilised at balance date:		
Lease guarantees	**417**	255
	417	255
Facilities not utilised at balance date:		
Bank overdraft	**500**	500
Online facility	**2,000**	2,000
Lease guarantees	**233**	-
	2,733	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 2014.

Online facility
This facility is used for the clearance of wages and was unused at 30 June 2014.

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 2014 cents	JUN 2013 cents
Earnings per share (cents)	**58.7**	58.4
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**72,485,445**	72,481,302

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

23. Auditor's remuneration

	CONSOLIDATED JUN 2014 ($'000s)	JUN 2013 ($'000s)
Remuneration of Pitcher Partners, the auditor of the parent entity for:		
- Auditing or reviewing the financial report	**209**	161
- Taxation services	**20**	32
- Other compliance and advisory services	**5**	12
Auditing or reviewing the financial report of subsidiaries		
- Remuneration of network firms of Pitcher Partners	**30**	23
- Remuneration of other non-related auditors	**33**	26
Total auditors' remuneration	**297**	254

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 2014 %	JUN 2013 %
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
ARB Europe s.r.o	Czech Republic	**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 2014	JUN 2013
Short term employment benefits	**1,118,846**	1,123,974
Post employment benefits	**112,103**	91,500
	1,230,949	1,215,474

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 year end.

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.

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, Thailand and Europe.

(a) Income Statement

2014	Australia ($'000s)	USA ($'000s)	Thailand ($'000s)	Europe ($'000s)	Eliminations ($'000s)	Consolidated ($'000s)
Segment revenue						
Total segment revenue	**301,472**	**31,358**	**39,281**	**1,343**	**(73,507)**	**299,947**
Intersegmental revenues	**(37,305)**	**-**	**(36,202)**	**-**	**73,507**	**-**
Segment revenue from external source	**264,167**	**31,358**	**3,079**	**1,343**	**-**	**299,947**
Total segment result	**41,396**	**2,171**	**7,846**	**(63)**	**(8,780)**	**42,570**
Intersegmental eliminations	**(8,780)**	**-**	**-**	**-**	**8,780**	**-**
Segment result from external source	**32,616**	**2,171**	**7,846**	**(63)**	**-**	**42,570**
Items included within the segment result:						
Interest income	**1,199**	**-**	**7**	**-**	**-**	**1,206**
Depreciation and amortisation expense	**5,893**	**100**	**1,401**	**8**	**-**	**7,402**
Income tax expense	**13,497**	**1,091**	**158**	**-**	**(25)**	**14,721**
2013						
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

(b) Statement of Financial Position	Australia ($'000s)	USA ($'000s)	Thailand ($'000s)	Europe ($'000s)	Eliminations ($'000s)	Consolidated ($'000s)
2014						
Segment assets	**240,874**	**14,544**	**32,738**	**3,664**	**(50,056)**	**241,764**
Segment liabilities	**46,790**	**8,457**	**14,647**	**3,680**	**(29,624)**	**43,950**
Segment acquisition of property, plant, equipment and intangibles	**19,612**	**261**	**1,078**	**209**	**-**	**21,160**
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

28. Subsequent events

There has been no matter or circumstance, which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2014 of the consolidated entity,
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2014 of the consolidated entity.

Directors' Declaration

The Directors declare that the financial statements and notes set out on pages 16 to 40 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 2014 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 2014.

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

Roger G Brown
Director

John R Forsyth
Director

Melbourne, 20 August, 2014

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 2014, 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 2014 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 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

M Harrison

M J HARRISON
Partner

20 August 2014

Pitcher Partners

PITCHER PARTNERS
Melbourne

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial Shareholders

The number of shares to which substantial shareholders were entitled as listed in the Company's register of substantial shareholders at 31 July 2014 was:

Shareholder	Ordinary
Rogand Pty Ltd	**8,186,750**
Perpetual Limited	**7,029,403**
Aberdeen Asset Management Asia Limited	**5,954,219**
Bennelong Funds Management Group Pty Ltd	**4,513,141**

Class of Shares and Voting Rights

At 10 August 2014, there were 5,917 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares are set out in the Company's Constitution.

Distribution of shareholders (as at 10 August 2014):

	Holders	%	Shares Held	%
1 - 1,000	2,610	44.11	1,318,060	1.82
1,001 - 5,000	2,339	39.53	5,901,973	8.14
5,001 - 10,000	535	9.04	3,906,847	5.39
10,001 - 100,000	400	6.76	9,452,103	13.04
100,001 or more	33	0.56	51,914,319	71.61
	5,917	100.00	72,493,302	100.00

The number of shareholders holding less than a marketable parcel at 10 August 2014 was 105.

Twenty largest shareholders (as at 8 August 2014)

Name of Holder	Number of ordinary shares held	% of issued ordinary shares held
BNP Paribas Noms Pty Ltd <DRP>	9,516,174	13.13
Rogand Pty Ltd	8,107,387	11.18
HSBC Custody Nominees (Australia) Limited	6,884,096	9.50
J P Morgan Nominees Australia Limited	5,726,507	7.90
National Nominees Limited	3,950,843	5.45
RBC Investor Services Australia Nominees Pty Limited <PI Pooled Account>	3,553,156	4.90
Citicorp Nominees Pty Ltd	2,404,725	3.32
Formax Pty Ltd (Reparar Account)	2,002,965	2.76
RBC Investor Services Australia Nominees Pty Limited <BKCust Account>	1,130,275	1.56
BKI Investment Company Limited	873,600	1.21
Citicorp Nominees Pty Ltd <Colonial First State Inv Account>	784,758	1.08
RBC Investor Services Australia Nominees Pty Limited <PIIC Account>	762,266	1.05
Milton Corporation Limited	744,741	1.03
Mrs Pamela Shirley Carpenter	598,888	0.83
Australian Foundation Investment Company Limited	583,224	0.80
Mr Gerard James Van Paassen (The Van Paassen Fam Account)	407,199	0.56
Mirrabooka Investments Limited	375,000	0.52
Illabarook Pty Ltd	350,000	0.48
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp Account>	347,517	0.48
Netwealth Investments Limited <Wrap Services Account>	276,943	0.38

The 20 largest shareholders hold 68.12% of the ordinary shares of the Company.

There is no current on market buy back of shares.