Australian Motor Finance Group Limited

ABN 67 121 257 412

APPENDIX 4D

Report for the Half Year ended 31 December 2008

Previous corresponding period : Half year ended 31 December 2007

1. Results for announcement to the market

The results of Australian Motor Finance Group Limited for the half year ended 31 December 2008 are as follows:

Results

- Total revenues from ordinary activities down from $69,844 to $9.
- Loss from ordinary activities after tax attributable to members up from $455,451 in 2007 to $7,470,321 in 2008.
- Net loss 2008 includes impairment losses of $7,332,129.

Dividends
No dividends have been paid or declared by the entity since the beginning of the reporting period. No dividends were paid or declared in the previous corresponding period.

2. Commentary on and brief explanation of result

The company incurred a net loss of $7,470,321, primarily as a result of the impairment of the value of subsidiary Australian Motor Finance Limited as a consequence of the appointment of receivers on 23 January 2009. Refer to the Directors Report in the appended financial statements for further details.

3. Other information to be included in Appendix 4D

Net Tangible Assets per ordinary Security
Net tangible assets per ordinary security at 31 December 2008 are a deficiency of $0.0002 (2007: net tangible assets $0.19).

Subsidiaries, associates and joint ventures
There were no changes in subsidiaries, associates and joint ventures during the half year. As noted in item 2 above, receivers were appointed to subsidiary Australian Motor Finance Limited on 23 January 2009.

Status of review of accounts
This Appendix 4D is based on accounts which have been subject to review by our auditors.

4. Audit Opinion

There is an adverse audit opinion, as a consequence of the issues described in the Directors' Report relating to the appointment of receivers to subsidiary Australian Motor Finance Limited on 23 January 2009.

5. Financial information

The Interim condensed Financial Report for the half year ended 31 December 2008 is appended to this report.

B R Andrew
Company Secretary

Australian Motor Finance Group Limited

(Subject to Deed of Company Arrangement)

ABN 67 121 257 412

Interim Condensed Financial Report

for the half year ended 31 December 2008

Contents

Corporate Information

ABN 67 121 257 412

This interim report is not a consolidated report. It covers the parent entity being Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement). The presentation currency is Australian Dollars AUD ($).

Australian Motor Finance Limited (Receivers and Managers Appointed), a subsidiary of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) has not been consolidated at balance date. The Directors' Report details the circumstances surrounding the subsidiary company at balance date.

A description of the entity's operations and of its principal activities is included in the review of operations and activities in the directors' report on pages 3-5. The directors' report is not part of the financial report.

Directors
D. Hickie (Chairman)
B. R. Andrew
I. Draudins
F. M. Menzies
J.P. O'Callaghan

Company Secretary
B.R. Andrew

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Australia

Principal place of business
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Melbourne Vic 3000
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770 Canning Highway
Applecross WA 6953
T 618 9315 2333
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Solicitors
Wantrup & Associates
Level 7, 160 Queen Street
Melbourne Vic 3000
Australia

Auditors
Bentleys Melbourne Audit Pty Ltd
114 William Street
Melbourne Vic 3000

Directors' Report

This report is submitted by the Board of Directors of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) in respect of the half year ended 31 December 2008.

Directors

The names of the directors in office during or since the end of the half year are:

Mr David Hickie, Chairman
Mr Bruce Andrew, Non-executive Director (appointed 24 November 2008)
Mr Ilmars Draudins, Non-executive Director (appointed 6 April 2010)
Mr Mark Menzies, Non-executive Director (appointed 6 April 2010)
Mr Jon O'Callaghan, Non-executive Director (appointed 6 April 2010)
Mr Richard Green, Non-executive Director (appointed 12 February 2009, resigned 6 April 2010)
Mr Denis Angeleri, Chief Executive Officer Director (resigned 12 February 2009)
Mr Ian Brindley, Executive Director (appointed 24 November 2008, resigned 12 February 2009)
Mr Michael O'Brien, Executive Director (appointed 24 November 2008, resigned 12 February 2009)
Mr Wayne Kernaghan, Non-executive Director (resigned 24 November 2008)
Mr Michael Pavone, Non-executive Director (retired due to ill health, 23 December 2008)

Significant Events After Balance Date

Appointment of Receivers and Managers to Subsidiary

On 23 January 2009, Receivers and Managers ("Receivers") were appointed to Australian Motor Finance Limited, a subsidiary of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), ("AMFGL"). The appointment was made by a secured lender, ABL Nominees Pty Ltd, which was the primary provider of wholesale loan funds to the AMF Warehouse Trust, an entity separate from Australian Motor Finance Limited, under arrangements which provided a right of recourse to Australian Motor Finance Limited (Receivers and Managers Appointed), in certain circumstances. The activities of Australian Motor Finance Limited (Receivers and Managers Appointed) have been under the control of the Receivers since the date of their appointment, and up to the date of this report.

Following the appointment of receivers to the subsidiary, the directors received their full co-operation and over a period of time a number of meetings were held to monitor progress and to take control of any property and records of AMFGL as they were identified during investigations by the Receiver. The Receivers have reported that upon their appointment, they were unable to locate certain computer systems and electronic records of Australian Motor Finance Limited (Receivers and Managers Appointed). The receiver has also advised the directors that certain physical and electronic records of AMFGL have not yet been located.

Since that time, the Receivers have been unable to provide the directors with access to any electronic records for the purposes of preparing financial statements. As a consequence, no transaction information is available in relation to the trading activities of Australian Motor Finance Limited (Receivers and Managers Appointed) for the half year ended 31 December 2008. However, reports prepared by the Receivers and on the public record indicate that any assets of Australian Motor Finance Limited (Receivers and Managers Appointed), will be wholly applied to the liabilities owing to the secured lender, and that there will be no residual assets that will vest with shareholders.

There are a small number of transactions in Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), the parent entity, and these have been reconstructed from paper records.

As a consequence of these events and circumstances, the directors cannot be certain that all records and information required for compliance with the Corporations Law and accounting standards are in the possession of the Company.

Directors' Report (continued)

Significant Events After Balance Date (continued)

Incomplete Financial Information for Consolidated Entity

The directors are of the opinion that it is not possible to prepare financial statements and notes in respect of the consolidated entity that are in accordance with the requirements of the Corporations Act 2001 due to the absence of electronic and financial records reported by the Receiver.

Framework Agreement for Reconstruction of Company

In October 2009 the company reported that it has entered into a Framework Agreement for the reconstruction and relisting of the company on the ASX. The reorganised company would be re named Orpheus Energy Limited.

The proposal is subject to compliance with regulatory requirements and shareholder and other approvals, and will involve:

(a) Acquiring a portfolio of coal and minerals projects from several vendors which are at various stages of negotiations and are expected to include the Hodgson Vale coal project (EPC1145, QLD) and Ashford Limestone Project (EL 6511, NSW) ;
(b) Acquiring Orpheus Energy Group Pty Ltd, which plans to acquire rights to participate in further coal, uranium and industrial minerals projects;
(c) Consolidation of present issued share capital of 53,801,664 ordinary shares on a 1 for 5 basis to 10,760,333 ordinary shares (in anticipation of future share issues);
(d) Consolidation of present issued options of 27,558,748 options on a 1 for 5 basis to 5,511,750 options;
(e) A deed of company arrangement where Orpheus Energy Group Pty Ltd will advance a convertible loan of $132,557 to the company to extinguish its existing liabilities which will be satisfied by the payment of $132,557 in cash and the balance in shares in the company;

If the proposal clears shareholder, contractual and regulatory hurdles, a new board of directors experienced in coal and minerals projects would be appointed. A share issue and capital raising would be completed in conjunction with any ASX relisting. In respect of the company's remaining assets, these would be divested from the company. A general meeting of shareholders is expected to be convened on 30 November 2010 to seek approval of the various matters to give effect to these arrangements.

It was the intention of the directors that, through the loan arrangements incorporated in the Framework Agreement, all debts of the Company at the date the Company went into external administration would be expunged by the terms of the Deed of Company Arrangement. However, as the terms of the Deed of Company Arrangement remain to be fully observed and performed and given the continuing receivership of the subsidiary, the directors are precluded from reaching a position of unqualified certainty that all debts of the Company are known and have been identified or that they can be paid as and when they fall due. The payments required to be made to the Deed Administrators have been fully paid to enable the payment of a dividend to creditors of the Company. Upon payment by the Deed Administrators of the dividend to creditors and termination of the Deed of Company Arrangement all claims upon the Company occurring prior to the Company going into external administration will be extinguished under the terms of the Deed.

Share Placement October 2009

As part of the Framework Agreement outlined above, a share placement was completed on 29 October 2009, with the allotment of 7,017,608 shares to raise $21,052.

Directors' Report (continued)

Significant Events After Balance Date (continued)

Deed of Company Arrangement

As part of the Framework Agreement outlined above, the company was placed into voluntary administration on 18 January 2010, and, on 16 March 2010 it entered into a Deed of Company Arrangement.

At the date of this report, the deed remains in place. The administrator is seeking to finalise the liabilities of the company, in preparation for settlement thereof. The administrator has received various claims which are under assessment as to their veracity as liabilities of the company. In the course of preparing the financial statements, the directors have reviewed the claims reported by the administrator, and have incorporated some creditor claims, but others have been excluded where either the administrator or the directors have not reached a conclusion as to the veracity of the amounts claimed.

Impairment losses

The circumstances outlined above have resulted in the recognition of the following impairment losses during the half year ended 31 December 2008.

Impairment of carrying value of investment in, and loans to Australian Motor Finance Ltd	$6,832,109
Impairment of loan to Australian Motor Finance Corporate Pty Ltd	$ 500,000
Impairment of investment in Bushveld Exploration SA (Pty) Ltd	$ 20
Total Impairment Losses	$7,332,129

Review of Operations

In view of the absence of financial and electronic records reported by the Receiver, the Directors are unable to provide a review of operations for the reporting period.

Financial Results

Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) recorded a net loss after tax of $7,470,321, including impairment losses of $7,332,129 (2008, loss $455,451).

Auditor independence

The directors have obtained a declaration of independence from Bentleys Melbourne Audit Pty Ltd, the company's auditors, which is attached to this report.

This report has been made in accordance with a resolution of directors.

BRUCE ANDREW
Director
Melbourne, 4 November, 2010

Bentleys
Thinking ahead

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN MOTOR FINANCE GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2008 there have been:

a) no contraventions of the auditor independence requirements as set out in 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.

BENTLEYS MELBOURNE AUDIT PTY LTD	**MARTIN FENSOME**
CHARTERED ACCOUNTANTS	**DIRECTOR**

Dated in Melbourne on this 4th day of November 2010

Income Statement
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Note	*PARENT ENTITY*	
		2008	*2007*
		$	*$*
Revenue	4(a)	9	69,844
Other income	4(b)	-	37,744
Administrative expenses		(112,998)	(85,496)
Exploration expenses		-	(266,367)
Other expenses		-	(211,176)
Impairment losses	4(d)	(7,332,129)	-
Loss before income tax		(7,445,117)	(455,451)
Income tax expense	5	(25,204)	-
Net loss for half year		(7,470,321)	(455,451)
Earnings (loss) per share			
Basic earnings (loss) per share (cents per share)		(16.0)	(3.4)
Diluted earnings per share (cents per share)		(16.0)	(3.4)

The accompanying notes form part of these financial statements.

Balance Sheet
AS AT 31 DECEMBER 2008

	Note	*PARENT ENTITY December 2008 $*	*June 2008 $*
ASSETS			
Current Assets			
Cash and cash equivalents	6	240	27,694
Trade and other receivables		57,936	44,071
Total Current Assets		58,176	71,765
Non-current Assets			
Trade and other receivables		-	500,000
Available for sale financial assets			6,980,756
Deferred tax assets		-	25,204
Total Non-current Assets		-	7,505,960
TOTAL ASSETS		58,176	7,577,725
LIABILITIES			
Current Liabilities			
Trade and other payables		59,674	108,902
Provisions		9,552	9,552
Total Current Liabilities		69,226	118,454
TOTAL LIABILITIES		69,226	118,454
NET ASSETS / (LIABILITIES)		(11,050)	7,459,271
EQUITY			
Contributed equity	7	8,362,642	8,362,642
Retained earnings		(9,353,644)	(1,883,323)
Reserves		979,952	979,952
TOTAL EQUITY / (DEFICIENCY)		(11,050)	7,459,271

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

PARENT ENTITY

	Ordinary Shares $	Reserves $	Accumulated Losses $	Total $
Half Year Ended 31 December 2008				
At 1 July 2008	8,362,642	979,952	(1,883,323)	7,459,271
Loss for half year	-	-	(7,470,321)	(7,470,321)
At 31 December 2008	8,362,642	979,952	(9,353,644)	(11,050)
Half Year Ended 31 December 2007				
At 1 July 2007	3,130,042	979,952	(293,760)	3,816,234
Loss for half year	-	-	(455,451)	(455,451)
At 31 December 2007	3,130,042	979,952	(749,211)	3,360,783

The accompanying notes form part of these financial statements.

Cash Flow Statement
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

	Note	*PARENT ENTITY*	
		2008	*2007*
		$	*$*
Cash flows from (used in) operating activities			
Receipts from customers		-	-
Payments to suppliers and employees (inclusive of GST)		(176,090)	(629,247)
Interest received		9	69,844
Net cash flows (used in) operating activities	6	(176,081)	(559,403)
Cash flows from investing activities			
Proceeds from sale of investments		148,627	137,744
Net cash flows (used in) investing activities		148,627	137,744
Cash flows from financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(27,454)	(421,659)
Cash and cash equivalents at beginning of period		27,694	2,622,474
Cash and cash equivalents at end of period	6	240	2,200,815

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

1 CORPORATE INFORMATION

The financial report of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) ("the Company") for the half year ended 31 December 2008 was authorised for issue in accordance with a resolution of the directors on 26 October 2010.

Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) is a company limited by shares incorporated in Australia whose shares are currently suspended from being publicly traded on the Australian stock exchange.

2 SIGNIFICANT EVENTS AFTER BALANCE DATE

Appointment of Receivers and Managers to Subsidiary

On 23 January 2009, Receivers and Managers ("Receivers") were appointed to Australian Motor Finance Limited, a subsidiary of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), ("AMFGL"). The appointment was made by a secured lender, ABL Nominees Pty Ltd, which was the primary provider of wholesale loan funds to the AMF Warehouse Trust, an entity separate from Australian Motor Finance Limited, under arrangements which provided a right of recourse to Australian Motor Finance Limited (Receivers and Managers Appointed), in certain circumstances.

The activities of Australian Motor Finance Limited have been under the control of the Receivers since the date of their appointment, and up to the date of this report. The Receivers have reported that upon their appointment, they were unable to locate certain computer systems and electronic records of Australian Motor Finance Limited (Receivers and Managers Appointed), and AMFGL. Since that time, the Receivers have been unable to provide the directors with access to any electronic records for the purposes of preparing financial statements.

As a consequence, no transaction information is available in relation to the trading activities of Australian Motor Finance Limited (Receivers and Managers Appointed) for the half year ended 31 December 2008. However, reports prepared by the Receivers and on the public record indicate that any assets of Australian Motor Finance Limited (Receivers and Managers Appointed), will be wholly applied to the liabilities owing to the secured lender, and that there will be no residual assets that will vest with shareholders.

There are a small number of transactions in Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), the parent entity, and these have been reconstructed from paper records.

Incomplete Financial Information for Consolidated Entity

The directors are of the opinion that it is not possible to prepare financial statements and notes in respect of the consolidated entity that are in accordance with the requirements of the Corporations Act 2001 due to the absence of electronic and financial records reported by the Receiver.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

2 SIGNIFICANT EVENTS AFTER BALANCE DATE (continued)

Framework Agreement for Reconstruction of Company

In October 2009 the company reported that it has entered into a Framework Agreement for the reconstruction and relisting of the company on the ASX. The reorganised company would be re named Orpheus Energy Limited.

The proposal is subject to compliance with regulatory requirements and shareholder and other approvals, and will involve:

(a) Acquiring a portfolio of coal and minerals projects from several vendors which are at various stages of negotiations and are expected to include the Hodgson Vale coal project (EPC1145, QLD) and Ashford Limestone Project (EL 6511, NSW) ;
(b) Acquiring Orpheus Energy Group Pty Ltd, which plans to acquire rights to participate in further coal, uranium and industrial minerals projects;
(c) Consolidation of present issued share capital of 53,801,664 ordinary shares on a 1 for 5 basis to 10,760,333 ordinary shares (in anticipation of future share issues);
(d) Consolidation of present issued options of 27,558,748 options on a 1 for 5 basis to 5,511,750 options;
(e) A deed of company arrangement where Orpheus Energy Group Pty Ltd will advance a convertible loan of $132,557 to the company to extinguish its existing liabilities which will be satisfied by the payment of $132,557 in cash and the balance in shares in the company;

If the proposal clears shareholder, contractual and regulatory hurdles, a new board of directors experienced in coal and minerals projects would be appointed. A share issue and capital raising would be completed in conjunction with any ASX relisting. In respect of the company's remaining assets, these would be divested from the company. A general meeting of shareholders is expected to be convened on 30 November 2010 to seek approval of the various matters to give effect to these arrangements.

Share Placement October 2009

As part of the Framework Agreement outlined above, a share placement was completed on 29 October 2009, with the allotment of 7,017,608 shares to raise $21,052.

Deed of Company Arrangement

As part of the Framework Agreement outlined above, the company was placed into voluntary administration on 18 January 2010, and, on 16 March 2010 it entered into a Deed of Company Arrangement.

At the date of this report, the deed remains in place. The administrator is seeking to finalise the liabilities of the company, in preparation for settlement thereof. The administrator has received various claims which are under assessment as to their veracity as liabilities of the company. In the course of preparing the financial statements, the directors have reviewed the claims reported by the administrator, and have incorporated some creditor claims, but others have been excluded where either the administrator or the directors have not reached a conclusion as to the veracity of the amounts claimed.

Notes to the Financial Statements (continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

2 SIGNIFICANT EVENTS AFTER BALANCE DATE (continued)

Impairment losses

The circumstances outlined above have resulted in the recognition of the following impairment losses during the half year ended 31 December 2008.

Impairment of carrying value of investment in, and loans to Australian Motor Finance Ltd	$6,832,109
Impairment of loan to Australian Motor Finance Corporate Pty Ltd	$ 500,000
Impairment of investment in Bushveld Exploration SA (Pty) Ltd	$ 20
Total Impairment Losses	$7,332,129

Going Concern (Significant Uncertainty as at 31 December 2008)

In view of the circumstances outlined above, the company's future operations are uncertain. The Framework Agreement anticipates a reconstruction of the company, but it is subject to a number of processes and approvals that are not yet complete.

As at 31 December 2008, the financial position of the parent entity as disclosed in the financial statements reflects a net asset deficiency of $11,050, after recognising a net loss for the half year of $7,470,321.

The accounts have been prepared on a going concern basis, which includes the presumption that the Framework Agreement will proceed and sufficient funds will be available to finance the future operations of the company. In adopting this position, the directors have had regard to:

- The progress achieved to date with the Framework Agreement
- The expectation that the Deed of Company Arrangement will be settled and the appointment of the administrator will terminate

At the present time however, the directors cannot declare with absolute certainty that completion of the Framework Agreement will be achieved. The directors plan to continue the company's current activities on the basis outlined above. To the extent that future arrangements may not be concluded on a timely basis, and in the absence of new capital or additional funding, there is significant uncertainty whether the company will continue as a going concern, and therefore, whether the company will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Other than the impairment losses disclosed above, the financial statements take no account of the consequences, if any, of the effects of unsuccessful commercialisation or capital raising, nor the ability of the company to continue as a going concern. Hence, the financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half year financial report should be read in conjunction with the annual Financial Report of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) as at 30 June 2008.It is also recommended that the half year financial report be considered together with any public announcements made by Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) and its controlled entities during the half-year ended 31 December 2008 and up to the date of signing these accounts in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

a) Basis of preparation

The half year condensed financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, and AASB 134 Interim Financial Reporting, other than in respect of consolidation of subsidiaries (see “Basis of consolidation” below). The financial report is presented in Australian dollars, and for the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2008.

b) Basis of consolidation

The half-year financial statements comprise the financial statements of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement) only. As noted above, the net assets of subsidiary, Australian Motor Finance Limited (Receivers and Managers Appointed), have been impaired to a zero carrying value, and trading movements for the half year have not been reported as the information is not available. For these reasons, there has been no consolidation of this subsidiary at balance date.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2008

4 REVENUES AND EXPENSES

		PARENT ENTITY	
		2008 *$*	*2007* *$*
(a)	**Other revenue**		
	Finance income – bank interest received	9	69,844
(b)	**Other income**		
	Profit on sale on investment	-	37,744
(c)	**Employee benefits expense**		
	Wages and salaries	4,288	49,432
	Defined contribution plan expense	(38)	4,564
		4,250	53,996
(d)	**Specific Items**		
	Impairment losses included in Other expenses (refer Note 2)		
	- Investment in subsidiaries	(6,832,129)	-
	- Loan to Australian Motor Finance Corporate Pty Ltd	(500,000)	-
		(7,332,129)	-
	Other expenses	-	61,249
	Other expenses - total	(7,332,129)	61,249

Details of the circumstances surrounding the impairment losses and the basis of valuation are included in note 2

(f) Seasonality of operations

There is no inherent seasonality in the operations of the Group.

5 INCOME TAX

Income Statement

Current income tax		
Current income tax charge arising from writing off deferred tax assets	25,204	-
Income tax expense reported in income statement	25,204	-

The current income tax charge arises from writing off deferred tax assets.

Notes to the Financial Statements (continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

6 CASH AND CASH EQUIVALENTS

Reconciliation to Cash Flow Statement
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 31 December:

	PARENT ENTITY	
	2008	*2007*
	$	*$*
Cash at bank and in hand	240	2,200,815
	240	2,200,815

Reconciliation of net loss after tax to net cash flows from operations		
Net loss after tax	(7,470,321)	(455,451)
Adjustments for:		
Gain on sale of investment	-	(37,744)
Impairment losses	7,332,129	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(13,866)	(45,295)
(Increase)/decrease in investments	-	20
(Increase)/decrease in deferred tax assets	25,204	
(Decrease)/increase in trade and other payables	(49,227)	(24,515)
(Decrease)/increase in provisions	-	3,582
Net cash used in operating activities	(176,081)	(559,403)

Notes to the Financial Statements (continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

7 CONTRIBUTED EQUITY AND RESERVES

	PARENT ENTITY	
	Half Year Ended December 2008 $	*Year Ended June 2008 $*
Ordinary shares - Issued and fully paid	8,362,642	8,362,642

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

Movement in issued capital	*$*	*$*
Opening Balance	8,362,642	3,130,042
Issued as consideration for acquisition of business - Tranche 1	-	4,004,942
Issued as consideration for acquisition of business – Tranche 2	-	1,227,658
Closing Balance	8,362,642	8,362,642

Movement in ordinary shares on issue	*No of Shares*	*No of Shares*
Opening Balance	98,249,990	17,500,000
Issued for cash pursuant to Placement	-	61,804,641
Issued for cash upon exercise of employee options	-	18,945,349
Consolidation of shares @ 2.1:1	(51,465,935)	-
Closing Balance	46,784,055	98,249,990

8 COMMITMENTS AND CONTINGENCIES

Since the last annual reporting date, the directors are not aware of any material changes in any commitments and contingencies of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), subject to the matters disclosed in Note 2, and in particular, the receivership of Australian Motor Finance Limited (Receivers and Managers Appointed), and to finalization of the Deed of Company Arrangement.

9 SEGMENT NOTE

As the Company did not trade in its own right during the reporting period, no segment information is reported.

Directors' Declaration

In accordance with a resolution of the Directors of Australian Motor Finance Group Limited (Subject to Deed of Company Arrangement), the Directors of the company declare that:

1 Due to the circumstances described in Note 2 to the financial statements, it is not possible to state that:

(a) the financial statements and notes of the parent entity are in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half year ended on that date of the Company; and

ii comply with Accounting Standards and the Corporations Regulations 2001; 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.

2. Due to the circumstances described in Note 2 to the financial statements, it is not possible to state that:

(a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

(b) the financial statements and notes for the half year comply with the Accounting Standards; and

(c) the financial statements and notes for the half year give a true and fair view.

On behalf of the Board

BRUCE ANDREW

Director

Melbourne, 4 November 2010

Bentleys
Thinking ahead

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Audit & Assurance Services

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INDEPENDENT AUDITORS REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN MOTOR FINANCE GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Motor Finance Group Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors declaration.

Director's Responsibility for the Half-Year Financial Report

The director's 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 designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatements, 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 Australian 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 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN MOTOR FINANCE GROUP LIMITED (CONTINUED)

Independence
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the company on 4 November 2010, would be in the same terms if provided to the directors as at the same time as this auditor's review report

Basis for adverse conclusion

As noted, the directors make the following statements in the directors' declaration:

"1 Due to the circumstances described in Note 1 to the financial statements, it is not possible to state that:

(a) the financial statements and notes of the parent entity are in accordance with the Corporations Act 2001, including:

i giving a true and fair view of the financial position as at 31 December 2008 and the performance for the half-year ended on that date of the Company; and

ii comply with Accounting Standards and the Corporations Regulations 2001; 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.

2. Due to the circumstances described in Note 1 to the financial statements, it is not possible to state that:

(a) the financial records of the company for the half-year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

(b) the financial statements and notes for the half-year comply with the Accounting Standards; and

(c) the financial statements and notes for the half-year give a true and fair view;"

The circumstances as referred to above and detailed in Note 1 to the financial statements include the following items:

1. Appointment of receivers and managers to subsidiary;
2. Framework agreement for reconstruction of company;
3. Share placement October 2009
4. Deed of company arrangement January 2010; and
5. Going concern (significant uncertainty).

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUSTRALIAN MOTOR FINANCE GROUP LIMITED (CONTINUED)

Based on the statements made by the directors, we have not been able to obtain reliable conclusive review evidence during the course of the review. Therefore in our conclusion it is highly improbable that the company will be able to continue as a going concern. Had the going concern basis not been used, adjustments would need to be made relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities, to reflect the fact that the company may be required to realise its assets and extinguish its liabilities other than in the normal course of business, and at amounts different from those stated in the financial report.

As the accounting records as described above are not adequate to permit application of necessary review procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

We were appointed auditors of the company at the 2008 Annual General Meeting. We have not been able to arrange for access to the audit work papers of the prior period auditor and given the statements made by the directors we have been unable to perform audit procedures on the comparative financial information and are therefore unable to form a conclusion on the comparative financial information.

Adverse Conclusion
Our review indicates that because of the matters referred to in the preceding paragraph, this financial report is not in accordance with the Corporations Act 2001 including:

a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

BENTLEYS MELBOURNE AUDIT PTY LTD
CHARTERED ACCOUNTANTS

MARTIN FENSOME
DIRECTOR

Dated in Melbourne on this 4 day of November 2010