



Australian Government

Australian Industrial Registry

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80 William Street, East Sydney, NSW 2011
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Mr Jeffery Griffiths
National Vice President
Australian Petroleum Agents and Distributors Association
369 High Street
Kew Victoria 3101

Dear Mr Griffiths

Re: Financial Reports for year ended 30 June 2006 – FR2006/386

Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)

I have received the financial reports for your Association for the year ended 30 June 2006. The documents were lodged in the Australian Industrial Registry on 31 October 2006.

The documents have been filed.

Although the documents have been filed, there are a number of matters in relation to them that I need to bring to the attention of both the Association and your auditor. It is particularly concerning that two of these matters were specifically brought to the attention of the Association and your auditor in correspondence written by Ms Lynette Markovski of the Registry of 28 September 2005 with respect to the accounts for the year ended 30 June 2005. We do however appreciate however that some of the other comments made by Ms Markovski have been acted upon.

Please ensure that the comments made below are acted upon in future financial years to ensure that the prompt filing of the documents is not compromised.

Auditor's Report

The Audit Opinion has incorporated the terminology suggested by Ms Markovski, but with one critical omission. In compliance with paragraph 257(5)(a) of the RAO Schedule Ms Markovski specifically sought confirmation that the General Purpose Financial Report (GPFR) is presented fairly in accordance with the Australian Accounting Standards. It is puzzling as to why the word "applicable" was substituted for "Australian", contrary to the requirements of the Act. Please confirm next year whether the GPFR is presented fairly in accordance with Australian Accounting Standards.

A very minor matter relates to the reference to "Schedule 1B" in the Audit Opinion. Following the recent amendments to the Act this schedule is now referred to as simply "Schedule 1".

I have forwarded a copy of this letter to your auditor for his information about this matter.

Timeframe for information to be provided to members

Your certificate of 20 October 2006 (under s268 of the RAO Schedule) confirms that the documents lodged in the Registry were provided to members "at least 14 days prior to the date of the (annual general) meeting". However s265(5) of the RAO Schedule requires the full report to be provided to the members at least 21 days prior to the general meeting. This point was raised by Ms Markovski last year when members received the full financial report just 16 days prior to the annual general meeting.

In future financial years please ensure that the members receive the report at least 21 days prior to the general meeting.

Certificate of Secretary or other Authorised Officer

In order to ascertain whether there has been compliance with subsection 265(5), we need to know the date when members received the copies of the full report. The current advice that it was at least 14 days prior to the annual general meeting means that there is no way to determine whether or not the 21 days period has been complied with other than by the Registry seeking further information from the Association resulting in at the very least a delay to the filing of the documents.

When preparing your next set of financial documents for the year ending 30 June 2007 we strongly suggest that you use the attached "Certificate of Secretary or other Authorised Officer" pro forma document in lieu of the manner of certification provided this year. Indeed, in relation to the financial documents lodged for the year ended 30 June 2005 Mr Philip Molineux signed a certificate dated 9 September 2005 formatted in the same manner as I am now suggesting you utilise next year. You may wish to review the reasons why the Association changed the format of the certificate this year.

Operating Report

RAO Regulation 159(c) prescribes that the Operating Report must list the name of each person who has been a member of the committee of management at any time during the reporting period, and the period for which he or she held such a position.

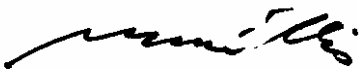
You have listed the names of persons who were members of the APADA Board and one is left to assume that each person held office for the entire 12 month period. I appreciate that this may well have been the case but to ensure the information is provided as clearly as possible could you please, next year, confirm whether all Board members did in fact hold office throughout the full reporting period or otherwise provide a breakdown of the tenure in office for them.

Timing of lodgement in the Australian Industrial Registry

Section 268 of the RAO Schedule requires that a copy of the full report and the certificate by a prescribed designated officer (as referred to above) be lodged in the Registry within 14 days after the general meeting. As your annual general meeting took place on 4 October 2006 the documents should have been lodged by 18 October whereas they were lodged on 31 October. Please ensure that future lodgements are on time.

Copies of this letter have been forwarded to both Mr Garth Symington, your General Manager and to Mr Geoff Parker, your auditor.

Yours sincerely,



Michael Ellis
Deputy Industrial Registrar
3 November 2006

cc Mr Garth Symington
General Manager
Australian Petroleum Agents and Distributors Association

Mr Geoff Parker
Director
Inpact Audit Australia

Attachment

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1 *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report²]*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report³]*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management³]* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



Australian Petroleum Agents
and Distributors Association

369 High Street,
Kew, VIC, 3101
Telephone: (03) 9855 5490
Facsimile: (03) 9855 5494
Email: admin@apada.com.au
www.apada.com.au

20 October 2006

Industrial Registrar
Australian Industrial Registry
11 Exhibition Street
MELBOURNE VIC 3000

FR 2006/386.

Lodged 31/10/06.

Dear Sir

Lodgment of Financial Reports for year ended 30 June 2006

We enclose documentation relating to the financial reports of this organisation for the year ended 30 June 2006 for filing.

Any questions regarding this report should be directed in the first instance to our General Manager, Garth Symington, on (03) 9855 5493.

Yours sincerely

Jeffery Griffiths
National Vice President

Enc:

20 October 2006

**AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION –
FINANCIAL ACCOUNTS – YEAR ENDED 30 JUNE 2006.**

I hereby certify that the financial documents filed herewith are true and correct copies of the financial statements which were presented at the Annual General Meeting of Members of this organisation held at the "Sails in the Desert" Resort, Ayers Rock, Northern Territory, on 4 October 2006.

This documentation was sent to all members at least 14 days prior to the date of the meeting, together with appropriate notice and agenda of the meeting, in accordance with our Constitution.



Jeffery Griffiths
National Vice President

**AUSTRALIAN PETROLEUM AGENTS AND
DISTRIBUTORS ASSOCIATION**

FINANCIAL REPORT

30 JUNE 2006

Director's Report

Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes To and Forming Part of the Financial Report

Committee of Management Statement

Auditor's Report

Additional Information for Members

Operating Report

Certificate of Authorised Officer

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

FOR THE YEAR ENDED 30 JUNE 2006

Directors Report

Your directors submit the financial report of the Australian Petroleum Agents and Distributors Association for the financial year ended 30 June 2006

Directors

The names of the directors throughout the year and at the date of this report are:

Robert Perry – South Australia
Jeffrey Griffith – Victoria
Graeme Gough – New South Wales
Brian Jasper – Western Australia
Philip Molineux – Tasmania
John Clark – Queensland

Principal Activities

The principal activities of the association during the financial year were:

To represent the interests of its members with the oil companies, state and federal governments, the various regulatory authorities, the unions and the media.

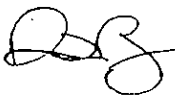
Significant Changes

No significant change to the nature of these activities occurred during the year.

Operating Result

The profit from ordinary activities after providing for income tax amounted to \$287,754 (2005 + \$53,360) Note: This included \$250,000, being the provision made in 1999 for possible Fidelity Fund claims, now time expired.

Signed in accordance with a resolution of the members of the Board.



Robert Perry – President



Philip Molineux – Treasurer

Dated this *31st* day of *August* 2006

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	NOTE	2006 \$	2005 \$
Revenues from ordinary activities	2	729,449	500,462
Employee benefits expense		(221,905)	(207,796)
Administration costs		(132,572)	(120,200)
Member services		(,698)	(32,792)
Convention expenses		(43,000)	(41,502)
Other expenses		(33,872)	(43,221)
Depreciation and amortisation expenses		(657)	(844)
Loss on disposal of fixed assets		-	(747)
Total changes in equity of the association		<u>287,754</u>	<u>53,360</u>

The accompanying notes form part of this financial report.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**BALANCE SHEET
AS AT 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
CURRENT ASSETS			
Cash	4	928,833	901,809
Receivables	5	8,333	8,333
Prepayments	6	12,636	6,498
Investments	7	1,369,180	144,159
TOTAL CURRENT ASSETS		<u>2,318,882</u>	<u>1,060,799</u>
NON-CURRENT ASSETS			
Plant & Equipment	8	1,887	2,544
TOTAL NON-CURRENT ASSETS		<u>1,887</u>	<u>2,544</u>
TOTAL ASSETS		<u>2,320,869</u>	<u>1,063,343</u>
CURRENT LIABILITIES			
Accounts Payable	9	30,366	8,807
Provisions	10	125,371	386,677
Other	11	113,508	131,467
TOTAL CURRENT LIABILITIES		<u>269,245</u>	<u>526,951</u>
NON-CURRENT LIABILITIES			
Provision	10	11,440	8,983
TOTAL NON-CURRENT LIABILITIES		<u>11,440</u>	<u>8,983</u>
TOTAL LIABILITIES		280,685	535,934
NET ASSETS		<u>2,040,184</u>	<u>527,409</u>
MEMBERS' FUNDS			
Retained Surplus		815,163	527,409
Reserves		1,225,021	-
TOTAL MEMBERS' FUNDS		<u>2,040,184</u>	<u>527,409</u>

The accompanying notes form part of this financial report.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2004	474,049	-	474,049
Profit attributable to members	53,360		53,360
 Balance at 30 June 2005	<hr/> 527,409	<hr/> -	<hr/> 527,409
 Profit attributable to members	287,754		287,754
Adjustment on adoption of AASB 139		1,225,021	1,225,021
Balance at 30 June 2006	<hr/> 815,163	<hr/> 1,225,021	<hr/> 2,040,184

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		153,082	187,727
Interest received		47,398	39,361
Dividends Received		66,642	54,929
Commission Received		100,000	100,000
Other Income received		86,231	94,186
Payments to suppliers and employees		(391,232)	(444,359)
Net cash provided by/(used in) operating Activities	14(b)	<u>62,121</u>	<u>31,844</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Investments		-	-
Payment for Property, Plant and Equipment		-	(547)
Net cash used in investing activities		<u>-</u>	<u>(547)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Received		1,925	4,854
Payment of Fidelity Fund Outgoings		(37,022)	(8,140)
Net cash provided by/(used in) Financing Activities		<u>(35,097)</u>	<u>(3,286)</u>
Net increase/(decrease) in cash held		27,024	28,011
Cash at beginning of financial year		901,809	873,798
Cash at end of financial year	14(a)	<u>928,833</u>	<u>901,809</u>

The accompanying notes form part of this financial report.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

First-time adoption of Australian Equivalents to International Financial Reporting Standards

Australian Petroleum Agents and Distributors Association has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

These accounts are the first financial statements of Australian Petroleum Agents and Distributors Association to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 18: Change in Accounting Policy for further details.

Reconciliations of the transition from previous Australian GAAP to AIFRS have also been included in Note 18: Change in Accounting Policy.

Reporting Basis and Conventions

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

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report.

(a) *Income Tax*

No provision for income tax is necessary as the Association is exempt from income tax under the provisions of the Income Tax Assessment Act 1997, Section 50-15.

Fringe benefits tax does apply and is paid as it is incurred.

(b) *Fixed Assets*

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:-

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Computers	20%
Furniture, Fittings and Office Equipment	20%

The carrying amount of fixed assets is reviewed annually by committee members to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

(c) *Employee Entitlements*

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(d) *Cash*

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)

(e) *Shares - OAMPS Ltd*

At balance date, APADA holds 403,888 shares (2005: 403,888) in OAMPS Ltd., a corporation listed on the Australian Stock Exchange.

The shares are disclosed in the balance sheet at fair value.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- Members Fees	208,023	219,941
- Interest Received	47,398	39,361
- Commission Received	100,000	100,000
- Business Partner program	1,000	9,000
- Other Income	3,928	472
- Convention Income	44,015	39,597
- Training Courses	2,360	3,984
- Dividends	66,642	54,929
- Emergency Response	-	33,178
- Fidelity Fund Administration	6,083	-
- Fidelity Fund Reversal of Claims Provision	250,000	-
	<hr/>	<hr/>
Total Revenue	729,449	500,462
	<hr/>	<hr/>

**NOTE 3: PROFIT FROM ORDINARY
ACTIVITIES**

Profit from ordinary activities has been determined after:

- Depreciation	657	844
- Remuneration of auditor		
- audit or review services	6,850	6,300
- other services	2,355	4,150
Total remuneration	<hr/>	<hr/>
	9,205	10,450
	<hr/>	<hr/>
Rental expense	20,182	24,000

NOTE 4: CASH

Cash at Bank – BT	840,550	806,582
Cash at Bank – NAB	88,270	95,126
Petty Cash	13	101
	<hr/>	<hr/>
	928,833	901,809
	<hr/>	<hr/>

NOTE 5: RECEIVABLES

CURRENT

Commission Receivable	8,333	8,333
Other Receivables	-	-
	<hr/>	<hr/>
	8,333	8,333
	<hr/>	<hr/>

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006

	2006 \$	2005 \$
NOTE 6: PREPAYMENTS		
CURRENT		
Convention Prepayments	12,636	6,498
	<u>12,636</u>	<u>6,498</u>
NOTE 7: INVESTMENTS		
CURRENT		
Investments in OAMPS Ltd Shares At Fair Value	1,369,180	1,029,914
	<u>1,369,180</u>	<u>1,029,914</u>
NOTE 8: PLANT & EQUIPMENT		
Furniture, Fittings and Office Equipment at cost	6,769	6,769
Less: Accumulated Depreciation	(4,882)	(4,225)
	<u>1,887</u>	<u>2,544</u>
NOTE 9: ACCOUNTS PAYABLE		
Trade Creditors	30,366	8,807
	<u>30,366</u>	<u>8,807</u>
NOTE 10: PROVISIONS		
CURRENT		
Holiday Pay	43,169	20,365
Long Service Leave	43,952	42,965
Fidelity Fund Contributions and Future Programs	38,250	323,347
	<u>125,371</u>	<u>386,677</u>
NON CURRENT		
Long Service Leave	<u>11,440</u>	<u>8,983</u>

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
NOTE 11: OTHER LIABILITIES		
CURRENT		
Accrued expenses	26,353	29,131
Subscriptions in advance	87,155	102,336
	<u>113,508</u>	<u>131,467</u>

**NOTE 12: PROVISION FOR FIDELITY
FUND AND FUTURE CONTRIBUTIONS**

Balance at 1 July 2005	323,347	326,633
Interest earned	1,925	4,854
Refund of contributions	(30,939)	(8,140)
Administration Fees	(6,083)	-
Fund claims provision transferred to Income Statement	<u>(250,000)</u>	<u>-</u>
Balance at 30 June 2006	<u>38,250</u>	<u>323,347</u>

NOTE 13: APADA FIDELITY FUND

The Apada (1988) Fidelity Trust ("the Trust") was terminated on 1 March 1999 and at that date APADA reviewed outstanding and potential claims against the Trust and set aside a sum of \$250,000 to cover these claims.

The quantum of eventual payment is ultimately dependent upon the establishment of the claim and the discretion of APADA as to the amount to be paid.

During the year ended 30 June 2006 no claims were registered.

At the date of this report APADA is not presently obligated to make any payments, and it was resolved to write down the provision for potential claims.

The balance of the provision for Fidelity and Future Contributions reflects the amount of contributions expected to be paid in the future.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

2006	2005
\$	\$

NOTE 14: NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

Cash at the end of the year is shown in the balance sheet as:

Cash at bank – BT	840,550	806,582
Cash at bank – NAB	88,270	95,126
Petty Cash	13	101
	<u>928,833</u>	<u>901,809</u>

(b) Reconciliation of net cash provided by operating activities to Operating Profit/(Loss)

Operating Profit/(Loss)	287,754	53,360
Non-cash flows in operating profit/(loss)		
Depreciation	657	844
Loss on disposal of fixed assets	-	747
Fidelity Fund claim provision write back	(250,000)	-
Changes in assets and liabilities		
(Increase)/decrease in prepayments	(6,138)	(6,498)
(Increase)/decrease in receivables	-	7,955
(Decrease)/Increase in accounts payable	3,600	(41,856)
(Decrease)/Increase in employee provisions	26,248	(14,568)
(Decrease)/Increase in other liabilities	-	31,860
Net cash provided by/(used in) operating Activities	<u>62,121</u>	<u>31,844</u>

(c) The Association has no credit stand-by or financing facilities in place.

(d) There were no non-cash financing or investing activities during the year.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

NOTE 15: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

The association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2006	2005	2006	2005
FINANCIAL ASSETS				
Cash	88,283	95,227	3.00%	3.55%
Cash on Deposit	840,550	806,582	5.30%	5.30%
TOTAL FINANCIAL ASSETS	<u>\$928,833</u>	<u>\$901,809</u>		

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements.

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

c. Net Fair Values

For financial assets and other liabilities the net fair value approximates their carrying value.

NOTE 16: PRESCRIBED INFORMATION NOTICE

According to subsections 272(1), (2) and (3) of Schedule 1B to the Workplace Relations Act (the Registration and Accountability of Organisations Schedule):-

- (1) A member of APADA, or a Registrar, may apply to APADA for specified prescribed information in relation to APADA to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to APADA.
- (3) APADA must comply with an application made under subsection (1).

NOTE 17: SEGMENT REPORTING

The Association operates in the petroleum sector, promoting and defending the interests of petroleum agents and distributors with the government, media and various organisations within Australia.

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 18: CHANGE IN ACCOUNTING POLICY

The association has adopted the following accounting standards for application on or after 1 January 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation
- AASB 139: Financial Instruments: Recognition and Measurement

The adoption of AASB 139 has resulted in material differences in the recognition and measurement of the association's financial instruments. The association has elected not to adjust comparative information resulting from the introduction of AASB 139 as permitted under the transitional provisions of this Standard. As such, previous Australian Accounting Standards have been applied to comparative information. A summary of the main adjustments that would have resulted were AASB 139 to have been applied retrospectively is included below.

Available-for-sale financial assets

Under AASB 139, available-for-sale financial assets are revalued to fair value at reporting date. All adjustments resulting from changes in fair value are taken directly to equity. Were AASB 139 to have been applied retrospectively, one financial asset reflected at cost in the comparative year would have been adjusted to fair value at 30 June 2005. This would have resulted in an increased carrying value attributable to financial assets at 30 June 2005, and a corresponding increase in reserves at that date.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2006 is as follows:

	2006			2005		
	Previously Stated	Adjustments	Restated	Previously Stated	Adjustments	Restated
	\$	\$	\$	\$	\$	\$
Balance Sheet						
Financial assets	114,159	1,255,021	1,369,180	114,159	915,755	1,029,914
Financial instruments reserve (equity)	-	1,255,021	1,255,021	-	915,755	915,755

NOTE 19: ASSOCIATION DETAILS

The registered office is:

Australian Petroleum Agents and Distributors Association
369 High Street
Kew Victoria 3101

The principal places of business is:

Australian Petroleum Agents and Distributors Association
369 High Street
Kew Victoria 3101

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

Committee of Management Statement

On 31 August 2006 the Committee of Management of the Australian Petroleum Agents & Distributors Association passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) there is only one reporting unit
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been made by the commission under Section 273 of the RAO Schedule during the period.

For Committee of Management: Robert Perry

Title of Office held: President

Signature:



Date: 31 August 2006

**AUDITORS' REPORT TO MEMBERS OF
AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION**

30 JUNE 2006

Scope

The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the statement by members of the board of management for Australian Petroleum Agents and Distributors Association. (the association), for the year ended 30 June 2006.

The board of the association is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards and the Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

Scope

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Australian Petroleum Agents and Distributors Association presents a true and fair view in accordance with applicable Accounting Standards, Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia, the financial position of Australian Petroleum Agents and Distributors Association as at 30 June 2006, and the results of its operations and its cash flows for the year then ended.

Impact Audit Australia

INPACT Audit Australia



Geoff Parker
Director

Dated at Melbourne this *4th* day of *September*, 2006

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

ADDITIONAL INFORMATION FOR MEMBERS

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	2006 \$	2005 \$
INCOME			
Members' Fees	A	208,023	219,941
Interest Received		47,398	39,361
Commission Received	B	100,000	100,000
Business Partner Program		1,000	9,000
Other Income	C	3,928	472
Convention Income		44,015	39,597
Training Courses		2,360	3,984
Dividends		66,642	54,929
Emergency Response		-	33,178
Fidelity Fund Administration		6,083	-
Fidelity Fund claims provision write back		250,000	-
TOTAL INCOME		<u>729,449</u>	<u>500,462</u>
EXPENDITURE			
Aboveground Guidelines		3,468	-
Accounting & Audit		9,205	10,450
Computer Expenses		1,597	874
Convention Expenses		43,000	41,502
Depreciation		657	844
Emergency Response		1,300	32,792
Entertainment - FBT		2,694	3,245
Entertainment - Non FBT		892	1,149
Fringe Benefits Tax		1,369	1,683
Legal Costs		19,219	21,252
Loss on Disposal of Fixed Assets		-	747
Marketing & Promotion		3,648	3,434
Meeting Costs	D	11,344	18,530
Office Expenses	E	41,928	44,459
President's Allowance		3,000	3,000
Professional Advice		1,800	6,388
Rent		20,182	24,000
Salaries & Wages - employees		151,589	138,076
Staff Superannuation		70,316	69,720
Subscriptions & References		9,840	5,810
Sundry Expenses		-	1,697
Training Expenses		4,921	-
Travel & Accommodation		39,726	17,450
TOTAL OPERATING EXPENDITURE		<u>441,695</u>	<u>447,102</u>
NET PROFIT/(LOSS)		<u>287,754</u>	<u>53,360</u>

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
Note A: MEMBERS FEES		
Full Members Fees - Victoria	48,425	43,836
- New South Wales	54,850	71,000
- Queensland	41,400	44,605
- Western Australia	21,900	25,050
- Tasmania	11,904	11,450
- South Australia / NT	24,200	22,100
Subscriber Members	1,300	-
Trade Subscriptions	4,044	1,900
	<u>208,023</u>	<u>219,941</u>
Note B: COMMISSION RECEIVED		
Commission – OAMPS	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Note C: OTHER INCOME		
Advertising Income	200	82
Sundry Income	135	390
AIP Storage Tank	1,033	-
Sponsorships	2,560	-
	<u>3,928</u>	<u>472</u>
Note D: MEETING COSTS		
(Including travel & accommodation)		
Regional	534	893
National Board	10,310	17,637
Special Meeting	500	
	<u>11,344</u>	<u>18,530</u>

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
Note E: OFFICE EXPENSES		
Bank Charges	3,538	4,783
Casual Labour	8,868	8,549
Car Parking	1,775	1,008
General Expenses	2,960	384
Insurance	7,287	7,209
Internet	1,124	3,674
Management Charges	1,410	461
Membership Fees	-	290
Postage & Couriers	2,020	3,491
Printing & Stationery	4,141	6,689
Staff Amenities	139	157
Seminars	1,571	1,367
Storage	1,524	-
Telephone & Fax	4,765	4,016
WorkCover	806	2,381
	<u>41,928</u>	<u>44,459</u>

AUSTRALIAN PETROLEUM AGENTS AND DISTRIBUTORS ASSOCIATION

OPERATING REPORT – For year ended 30 June 2006

The following Operating Report is now required under the new guidelines set under the RAO schedules of the Workplace Relations Act 1996. It will form the basis of the Presidents address to be given at APADA's Annual General Meeting.

Membership at 30 June 2006.

Full Distributor Members	103
Associate Members	10
Business Partners	6
Trade Members	13
Life Members	3

	135

APADA Staff. 3

General Manager
Workplace Relations Mgr
Membership / Admin Asst

APADA Board

Rob Perry
Jeffrey Griffith
Brian Jasper
Graeme Gough
John Clark
Philip Molineux

Financial position

- Positive result for 2005 / 2006 - \$287,754 (Net Profit). Note: This includes \$250,000 provision made in 1999 for possible Fidelity Fund claims, now time expired.
- Financial position sound for the coming year - 2006 / 2007 period

Key Activities over the past 12 months.

- Workplace relations support: (on-going & diverse) and includes:
 - Monitoring and Disseminating impact of WorkChoices legislation/regulations in order to provide members with current information.
 - Conducting workplace training for members and their employees.
 - General advice relating to workplace relations issues, including discrimination and occupational health and safety.
 - Advocacy before federal/state tribunals on behalf of members.
 - Negotiating with unions as appropriate.
- Representing Distributor sector on the numerous State & Federal Government Inquiry working groups:
 - Federal Government dept meetings on Supply & national emergency response plans.
 - Ethanol and bio-diesel discussions with Federal Government and producers.
 - Federal Government reviews on market reform and revised Oilcode
- Assisted members with various franchise and supply agreements with their major fuel suppliers.

- Submissions to and face-to-face discussions with the Federal Government & ACCC on industry issues, particularly in relation to the supermarket alliances influence on the petroleum marketplace..
- Continuing involvement in the various State EPA's on Underground Storage Tanks policy review & its implications nationally.
- Discussions with the Australian Government Treasury on Fuel Tax Credit Reform.
- Participation on the industry Service Station Security Committee
- Contact with the media, predominately on the concern for small business in regional & rural Australia, as well as the normal discussions on the general issue of fuel pricing and fluctuations.
- Distributor Business valuations
- Facilitating on-line Trade Practice Act compliance training.
- On-going participation with Re-Car (ISS) & OAMPS in the Emergency Response Call Centre Program.
- Provision of advice on industry matters to media & government
- Established key contacts with like associations in the USA and Canada.
- Established close and permanent working relationships with the Australasian Association of Convenience Stores.

Right of members to resign (s 143 of the Constitution, as required by s254 of ROA)

Any members may resign his membership by notice in writing addressed to the General Manager of the Association, and shall be delivered to him personally or by leaving it in an envelope addressed to the General Manger at the registered office of the Association, or by posting it to the General Manager at the registered office of the Association.

Trustees of superannuation entities.

This is not applicable as there is no association fund, and therefore no director involvement.

Signed by:

Rob Perry
National President



Dated this *31st* day of *AUGUST* 2006

