

FR 2003/483



**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED**

AUTOMOTIVE CENTRE OF EXCELLENCE, 3 FREDERICK ROAD, ROYAL PARK SA 5014

PO BOX 440, PORT ADELAIDE 5015  
TELEPHONE: (08) 8241 1066  
FACSIMILE: (08) 8241 1055

INTERNET: <http://www.mta-sa.asn.au>  
INDUSTRIAL FACSIMILE: (08) 8241 1062

STATUTORY DECLARATION OF AN ASSOCIATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, IAN PHILIP HORNE of 3 Frederick Road, Royal Park in the State of South Australia, Secretary DO SOLEMNLY AND SINCERELY DECLARE as follows :

1. THAT I am the Secretary of the Motor Trade Association of South Australia Incorporated (hereinafter referred to as MTA).
2. THAT the registered office of the MTA is 3 Frederick Road, Royal Park, South Australia, phone number (08) 8241 1066 and fax number (08) 8241 1055.
3. THAT the attached document titled "Annual Report" contains "Board of Management Certificate", "Statement of Income and Expenditure (for the year ending 31st March 2003)" and "Balance Sheet (as at 31st March 2003)" is a true and correct record of what it purports to be.
4. THAT the attached documents marked "Schedule A" are true and correct copies of the Minutes of the Annual General Meeting held on the 15th day of July 2003 and that I was present at this Annual General Meeting.

THAT of the 46 persons who actually signed the attendance register, 36 signed as nominated representatives for voting purposes and were members of MTA; there were two duly appointed representatives by proxy. THAT all persons were, at that time, financial members of MTA and the attached document marked "Schedule B" is a true and correct copy of the Attendance Register for the Annual General Meeting held on the 15th day of July 2003.

AND I MAKE THIS SOLEMN DECLARATION by virtue of the provisions of subsection 268(3) of the Workplace Relations Act 1996 and subject to the penalties provided by the Act for making false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

at Royal Park, South Australia

this 28th day of July 2003

**D. Boldock**

A Justice of the peace in and for the state of South Australia

*[Signature]* No 24328

BEFORE ME :

.....





**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED**

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**SCHEDULE A**

**MINUTES OF THE 77th ANNUAL GENERAL MEETING  
OF THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
HELD AT THE RAMADA PLAZA PIER HOTEL, 18 PROMENADE, GLENELG  
ON TUESDAY 15th JULY 2003**

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**ATTENDANCE**

Forty six members and guests signed the attendance sheet. Thirty eight signatories were members of the Association.

**1. NOTICE OF MEETING AND RECORDING OF APOLOGIES**

The President, Peter Roberts welcomed members and guests to the 77th Annual General Meeting of the Association and declared the meeting open at 7.05pm.

The President extended a special welcome to Life Members, Messrs Ray Noack, Peter Robinson, Ian Brock, Richard Flashman AM and Arthur Walker; representatives of CGU - Messrs R Pederick, S Berry, R Humphrey, M Freeman, K Cleland, B Waller, J James and Jane Nguyen and Mr John Rickus Chairman of the MTA Super Fund.

Mr Horne said that a number of apologies were received and would be recorded in the minutes (*58 apologies in total were received, 53 were members*).

**2. TO ADOPT THE PREVIOUS MINUTES**

It was moved Mr Walker seconded Mr Shipp

**THAT THE MINUTES OF THE 76th ANNUAL GENERAL MEETING HELD ON 16th JULY 2002 BE ADOPTED**

**CARRIED**

**3. FINANCIAL REPORT FOR THE YEAR ENDED 31st MARCH 2003**

The Treasurer spoke to his report and was pleased to report another very positive year end result for the Association with an operating surplus of \$151,584, he said this is the fourth year in a row that a surplus has been achieved. He referred to the acquisition by MTA of 81 & 83 Greenhill Road, which will provide the Association with a secure investment opportunity. The Treasurer thanked the President, Board of Management and MTA staff for their continued support and asked that the Financial Report be accepted.

Moved Mr Agostino seconded Mr Shipp

**THAT THE FINANCIAL REPORT FOR THE 2002/2003 YEAR BE ACCEPTED**

**CARRIED**

**4. BOARD OF MANAGEMENT REPORT**

The President delivered the 2003 Annual Report; he said he was looking forward to the Association relocating to the near city location, describing it as a huge leap forward into the future! In conclusion, the President thanked the Board of Management for their support and also Ian Horne, MTA Executive Director and staff.

The President then moved

**THAT THE 2003 BOARD OF MANAGEMENT REPORT BE RECEIVED**

Seconded Mr Biggs

**CARRIED...**

**5. APPOINTMENT OF AUDITORS**

The President reported that KPMG have indicated their willingness to continue as auditors of the Motor Trade Association.

Moved Mr Claridge seconded Mr Shipp

**THAT KPMG BE APPOINTED AS AUDITORS AND THEIR REMUNERATION TO BE DETERMINED BY THE BOARD OF MANAGEMENT**

**CARRIED...**

**6. TO DECLARE THE RESULT OF THE ELECTION OF OFFICERS**

Mr Horne declared the result of the election which was as follows:

President	Peter Roberts
Vice President	Frank Agostino
Past President	Colin Heavyside
Treasurer	Michael Claridge
Members' Representative	Arthur Walker

**7. TO CONSIDER ANY BUSINESS SUBMITTED BY THE BOARD**

**(a) to appointed a solicitor to act on behalf of the Motor Trade Association of South Australia Inc.**

Moved Mr Clark seconded Mr Weeks

**THAT TOWNSEND SOLICITORS BE APPOINTED TO ACT AS SOLICITORS OF THE MOTOR TRADE ASSOCIATION**

**CARRIED...**

**8. TO CONSIDER ANY OTHER BUSINESS (under Rule 32)**

There was no Other Business.

**9. CLOSURE**

The President thanked members and guests for their attendance and closed the meeting at 7.25pm.

Confirmed this ..... day of ..... 2004.

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President

## APOLOGIES

BUSINESS NAME	NAME
MTAA Superannuation	Craig Walker
Karoonda Mechanical Services Pty Ltd	
Rightway Automotive Services	
Main North Nissan	Frank Bamford <b>proxy Peter Roberts</b>
Rowell & Searle Auto Transmissions	Peter Stewart
Schahinger Motors Pty Ltd	
Gawler Auto Electrics	
Paech Motors	Roger Paech <b>proxy Peter Roberts</b>
Midnight Motors	
BP Glossop	
Butlers Mechanical Service	
Agserv Industries	
Toop Motors Pty Ltd	Peter Toop
Ormerod Crash Repairs	
Le Cornu's Service Garage	
Auburn Service Centre	
Peter Page Holden	
Mobil Transcontinental Pt Augusta	
Pro Motors	
Hancock & Just Wheel Alignment Specialists	
Motacheck Pty Ltd	
North East Nissan	Leroy Uren
Tumby Bay Electrical Services	
Adtrans Group	Graeme Bignell
Natrad Whyalla	Barry Pickert
Gibb & Sons Pty Ltd	Neville Gibb
Cheney Dutton Volvo	Marc Cheney
Motorlab Pty Ltd	
AutoConnect	Marc Brien
G & J East	Mathew East
Measday's Services Pty Ltd	
Life Member	Tom Bonnilly
CMV	Michael Crawford
Errol Matschoss Motors	Errol Matschoss
Southgate Holden	Peter Altman
Steve's Paint & Panel	Judy Bell
Butch Bennett Auto Repairs	Barry Bennett
Curtis'	Sally Curtis
Ralph's Auto Electrical	Ralph Esposito
McLeod Motor Co	Mark Hale
Jarvis Truck Repairs	Leon Jarvis
Rosewarne of Kadina	Peter Miller
Morelli's	Carolyn Morelli
Cole Motors	Mike Rathjen
Farm Supplies	Peter Richards
Wayne Richards Auto	Wayne Richards
Rosewarne of Kadina	David Rosewarne
RJ Crash Repairs	Bob Scott
Life Member	Ian Day
Geoff Smith Motors	Geoff Smith
Formula Honda	Hilar Puvi
Taylor Ford	Kel Taylor
Oztrain	Tony Lawson
Jarvis Ford	Richard Collins
Life Member	Len Miller
Triple A Crash Repairs	Aldo Iglio
Scania Australia	Nick Papanikolaou
Maughan Thiem	Messrs McFarlane & Thompson

**MEMBERS ONLY TO SIGN**  
**(one signature per Member Business)**

MEMBER NAME	MEMBER BUSINESS	
GREG + ELAINE SCHULTZ	GRE CRASH REPAIRS.	m
<i>Jan &amp; Odele Bhr</i>	<i>Wandle Car G Nurestham</i>	m
COLIN + LORAYNE BUTLER	EASTERN BYRE MACHINERY	m
Warren RATT	GRAHAM EDWARDS CRASH	m
JOHN HURLEY	KEDD TOWN AUTOTUNE	m
Jim - Sue LITON	STRATHFIELD EQUIPMENT.	m
<i>B. Baker</i>	PETER ROBINSON MOTORS	m
ARTHUR WILKIE	GILBERT MOTORS BODRASP	m
Mario Marone	M.T.A. - G.T.S.	m
MICHAEL SCARMAN	M.T.A - G.T.S.	
H E SHIPP	SHIPP BROS PTY LTD	m
Laurie Altamura	PEDDERS SUSPENSION (M/VACE)	m
MARCO D'ARGENIO	MOBIL CAR CARE	m
PAUL <del>COO</del>	MTA - GTS.	
DAVID JARRETT	JARRETT MOTOR CO.	m
STEVE BROWN	STEVE'S BODY SHOP	m
ROS BROWN	STEVE'S BODY SHOP	m
STEVE HARRIS	G.M.I Toyota	m
Marianna Varricchio	Welland Crash Repairs	m
Carlos Varricchio		
Eve vander Woude	River Murray A/W	m
CHRIS VANDER WOUDE		
FRANK AGOSTINO	Agostino MITSUBISHI	m
JOHN CECE	SOUTHSIDE 4WD CENTRE	m
<i>John Polley</i>	Independent Components	m
LETA COX	SOUTHCOTT ENGINEER	m
MAXINE COX	11 11	





***The Motor Trade Association of SA Inc***

**THE  
FINANCIAL  
REPORT  
OF  
2003**



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC

### Scope

We have audited the financial report of The Motor Trade Association of South Australia Inc. ("the Association") for the year ended 31 March 2003, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 25, and the statement by committee members set out on pages 1 to 27. The Association's committee members are responsible for the financial report. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Association and its controlled entity. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in Australia and Workplace Relations Act 1996 so as to present a view which is consistent with our understanding of the Association's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Audit Opinion

In our opinion, the financial report of The Motor Trade Association of South Australia Inc. are properly drawn up:

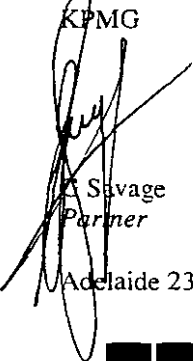
- (a) so as to present fairly the Association's and consolidated entity's financial position as at 31 March 2003 and their performance for the year ended on that date;
- (b) in accordance with the Associations Incorporation Act;
- (c) in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia; and
- (d) so as to give a true and fair view of the financial affairs of the Association and the economic entity as at 31 March 2003 and the income and expenditure, and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.

In addition we report the following:

- (e) the Association maintained satisfactory accounting records during the year ended 31 March 2003 detailing the sources and nature of income (including income from members) and the purpose and nature of expenditure of the Association; and
- (f) we received all the information and explanations we required for the purposes of our audit.

KPMG

KPMG

  
G. Savage  
Partner

Adelaide 23 May 2003



KPMG. KPMG, an Australian partnership, is a member of KPMG International, a Swiss Association



**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2003**

	Note	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>					
<b>Operating Activities</b>	2				
Membership Contributions & Entrance Fees		1,022,887	1,057,857	1,044,997	1,082,283
Motorcharge Fees		-	65,000	-	65,000
Commissions Received		319,620	243,651	319,620	243,651
Grant Income		-	-	-	
Motor Industry Member Functions		2,264	16,775	2,264	16,775
Rents Received		279,422	225,366	279,422	225,366
Sales - Printing & Stationery	1n	321,274	341,683	321,274	341,683
Sundry Income		139,478	124,599	139,478	124,599
		2,084,945	2,074,931	2,107,055	2,099,357
<b>Non-operating Activities</b>					
Interest Earned		265,312	138,631	265,490	138,738
Dividends Received		-	184,853	-	184,853
Proceeds on disposal of investments		33,895	21,752	33,895	21,752
Proceeds on disposal of plant & equipment		34,227	1,625	34,227	1,625
		333,434	346,861	333,612	346,968
Significant Item		-	4,886,259	-	4,886,259
- Proceeds on disposal of Motorcharge Ltd Shares					
<b>TOTAL ORDINARY ACTIVITIES REVENUE</b>		2,418,379	7,308,051	2,440,667	7,332,584
Less:					
<b>ORDINARY ACTIVITIES EXPENSES</b>		2,266,795	4,415,658	2,294,641	4,435,329
<b>NET PROFIT FROM ORDINARY ACTIVITIES</b>	12	151,584	2,892,393	146,026	2,897,255
Transfer from Asset Revaluation Reserve	12	-	4,360,267	-	4,360,267
<b>TOTAL CHANGES IN EQUITY OF THE ASSOCIATION</b>		151,584	7,252,660	146,026	7,257,522

The accompanying notes form part of this financial report as set out on pages 5 to 23.

**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2003**

	Note	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>ORDINARY ACTIVITIES EXPENSES</b>					
Administration Expenses		289,957	314,302	315,886	332,203
Advertising & Promotion		88,268	70,116	88,268	70,116
Affiliation Fees		137,963	133,339	137,963	133,339
Annual Leave Provision		61,590	51,048	61,590	51,048
Audit Fees		12,500	13,000	12,500	13,000
Conferences & Seminars		4,856	8,059	4,856	8,059
Cost of Sales – Printing & Stationery	1n	162,569	181,811	162,569	181,811
Depreciation		151,892	161,976	151,892	161,976
Donations		1,150	2,259	1,150	2,259
Grant Expenses		-	-	-	-
Insurance – Other		28,997	33,119	28,997	33,119
Insurance – Workcover		5,886	6,928	5,886	6,928
Interest Expenses		1,751	2,417	1,751	2,417
Lease Expense		12,108	11,246	12,108	11,246
Legal Expenses		9,639	29,983	9,839	30,183
Long Service Leave – Provision		28,136	21,270	28,136	21,270
Membership Services		18,781	34,720	18,781	34,720
Motor Trade Journal		20,895	17,173	20,895	17,173
Motor Vehicle Expenses		25,772	25,027	25,772	25,027
Payroll Tax		26,025	32,863	26,025	32,863
Property Expenses		84,233	80,465	84,233	80,465
Salaries – Officials		163,808	158,211	163,808	158,211
Salaries – Others		586,775	631,239	586,775	631,239
Superannuation		131,641	133,465	131,641	133,465
Telephone, & Facsimile		44,419	54,567	46,136	56,137
Travel & Accommodation		64,586	53,365	64,586	53,365
Write Down of recoverable value of shares		27,600	27,550	27,600	27,550
Cost on disposal of investments		34,526	-	34,526	-
Written Down Value, on disposal of plant & equipment		40,472	834	40,472	834
Sub total Ordinary Activities		2,266,795	2,290,352	2,294,641	2,310,023
Significant Item					
– Cost of Motorcharge Ltd Shares Sold		-	2,125,306	-	2,125,306
<b>TOTAL ORDINARY ACTIVITIES EXPENSES</b>		2,266,795	4,415,658	2,294,641	4,435,329

The accompanying notes form part of this financial report as set out on pages 5 to 23.

**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT THE YEAR ENDED 31<sup>st</sup> MARCH 2003**

	Note	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>CURRENT ASSETS</b>					
Cash assets		760	760	760	760
Receivables	3	358,995	192,942	361,417	195,670
Investments	4	2,001,859	5,843,079	2,024,374	5,864,305
Inventories	5	47,001	49,251	47,001	49,251
Prepayments	6	43,777	35,133	43,777	35,133
<b>TOTAL CURRENT ASSETS</b>		<b>2,452,392</b>	<b>6,121,165</b>	<b>2,477,329</b>	<b>6,145,119</b>
<b>NON-CURRENT ASSETS</b>					
Publicly Listed Investments	7	2,474	64,600	2,474	64,600
Shares in Non-Listed Investments	7	1	1	1	1
Units in MTAA House Unit Trust	7	668,000	668,000	668,000	668,000
Property, plant and equipment	8	5,976,494	1,922,077	5,976,494	1,922,077
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,646,969</b>	<b>2,654,678</b>	<b>6,646,969</b>	<b>2,654,678</b>
<b>TOTAL ASSETS</b>		<b>9,099,361</b>	<b>8,775,843</b>	<b>9,124,298</b>	<b>8,799,797</b>
<b>CURRENT LIABILITIES</b>					
Amounts Held on Behalf of Divisions		147,946	146,966	147,946	146,966
Subscriptions in Advance		382,662	343,510	385,825	346,762
Payables	9	244,689	132,707	250,974	133,394
Interest bearing liabilities	10	15,636	7,969	15,636	7,969
Provisions	11	223,663	195,043	224,694	195,043
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,014,596</b>	<b>826,196</b>	<b>1,025,075</b>	<b>830,1</b>
<b>NON-CURRENT LIABILITIES</b>					
Interest bearing liabilities	10	-	15,636	-	15,636
Provisions	11	35,714	36,544	35,714	36,544
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,714</b>	<b>52,180</b>	<b>35,714</b>	<b>52,180</b>
<b>TOTAL LIABILITIES</b>		<b>1,050,310</b>	<b>878,376</b>	<b>1,060,789</b>	<b>882,314</b>
<b>NET ASSETS</b>		<b>8,049,051</b>	<b>7,897,467</b>	<b>8,063,509</b>	<b>7,917,483</b>
<b>ACCUMULATED MEMBER FUNDS</b>					
Accumulated Surplus	12	7,377,996	7,226,412	7,392,454	7,246,428
Reserves	12	671,055	671,055	671,055	671,055
<b>TOTAL MEMBER FUNDS</b>	12	<b>8,049,051</b>	<b>7,897,467</b>	<b>8,063,509</b>	<b>7,917,483</b>

The accompanying notes form part of this financial report as set out on pages 5 to 23.

**THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2003**

	Note	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Customer Receipts		2,420,522	2,501,684	2,558,982	2,525,775
Payments to suppliers and employees		(2,338,675)	(2,689,313)	(2,476,024)	(2,709,806)
Interest received		265,312	138,631	265,490	138,738
Interest paid		(1,751)	(2,417)	(1,751)	(2,417)
Dividends Received		-	184,853	-	184,853
Net cash provided by operating activities	18b	345,408	133,438	346,697	137,143
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment purchases		-	(1,121,840)	-	(1,121,840)
Proceeds on sale of investments		33,895	4,912,011	33,895	4,912,011
Fixed asset purchases		(4,246,781)	(102,291)	(4,246,781)	(102,291)
Proceeds on sale of fixed assets		34,227	1,625	34,227	1,625
Net cash (used) by/provided in investing activities		(4,178,659)	3,689,505	(4,178,659)	3,689,505
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of borrowings		(7,969)	(7,305)	(7,969)	(7,305)
Net cash used in financing activities		(7,969)	(7,305)	(7,969)	(7,305)
Net (decrease)/increase in cash held		(3,841,220)	3,815,638	(3,839,931)	3,819,343
Cash at the beginning of the financial year		5,843,839	2,028,201	5,865,065	2,045,722
Cash at the end of the financial year	18a	2,002,619	5,843,839	2,025,134	5,865,065

The accompanying notes form part of this financial report as set out on pages 5 to 23.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Associations Incorporations Act – South Australia and the provisions of the Workplace Relations Act 1996, and the requirements of the law.

The financial report covers the Motor Trade Association of South Australia Incorporated (the Association) and controlled entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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.

No newly adopted Standards have significantly changed any values reported in the accounts on either an historical or current year basis.

### a. Income Tax

The Association is exempt from income tax pursuant to paragraph 50 – 15 of the Income Tax Assessment Act 1997.

For the controlled entity, tax effect accounting is applied using the liability method. The income tax expense is calculated on the accounting profit after adjusting for permanent differences (if any).

Future income tax benefits in the controlled entity are not recognised as an asset unless realisation of the benefit has a high probability of occurrence.

The controlled entity had an income tax expense of \$1,031 resulting from activities to the taxation year ended 30<sup>th</sup> June 2002, (previous year Nil).

### b. Inventories

Inventories consist of Printing and Stationery Department raw and finished products and are measured at the lower of cost and net realisable value. Cost is an average cost. Net realisable value is determined on the basis of normal selling pattern.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

c. **Property, Plant and Equipment**

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

**Plant and Equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the 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 present values in determining recoverable amounts.

Expenditure on fixed assets of less than \$300 is expensed when incurred.

**Revaluations**

The Association complies with the definition of a not-for-profit entity under Australian Accounting Standard AAS10, Accounting for the Recoverable Amount of Non-Current Assets. Therefore, a policy has been adopted of not revaluing Land and Buildings, where the service value of those assets does not relate to their ability to generate net cash inflows.

All other items of property, plant & equipment and vehicles are carried at the lower of cost, less accumulated depreciation, and recoverable amount.

**Depreciation**

The depreciable amount of all fixed assets are depreciated over the estimated economic life of the asset to the association commencing from the time the asset is held ready for use. Assets with a written down value of less than \$100 at the end of the year, are depreciated to Nil value at the year end.

Leasehold improvements are depreciated over the estimated useful lives of the improvements.

Plant and equipment are depreciated from the date of acquisition and where they have been been revalued, depreciation is charged on the adjusted amount. The reducing value method is used.

Buildings are depreciated over their expected useful economic life. The straight line method is used.

The depreciation rates used for each class of depreciable asset vary dependent on the assessed economic life of each individual asset, and within each class the depreciation rates used are as follows:

<u>Asset Class</u>	<u>Depreciation Rate</u>
Plant & Equipment	9 to 30%
Furniture & Fittings	11 to 30%
Motor Vehicles	22.5%
Buildings & Improvements	2.5 to 4%

The carrying amount of fixed assets is reviewed annually by directors 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**d. Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**e. Investments**

The Association has applied AAS 38 Revaluation of Non Current Assets for the first time from 1 April 2001. The standard requires each class of non-current asset to be measured on either the cost or fair value basis. The Association has adopted the cost basis for measurement of non-current investments with the carrying value at 1 April 2001 being the deemed cost.

The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Investments are designed to act as an inflationary hedge and return an income stream via rents, dividends or interest to the Association.

Investments are classified into four classes as disclosed in the notes to the accounts.

**f. Employee Entitlements**

Provision is made for Annual and Long Service Leave and employment on costs of Payroll Tax, WorkCover and Superannuation. Employment on costs, have been calculated on the basis that employees will take accumulated leave prior to retirement.

Vested entitlements are shown as current liabilities, measured at nominal wage rates. Non-vested Long Service Leave is measured as the present value, of the estimated future cash outflows, discounted by the interest rates applicable, to appropriate government guaranteed securities.

No provision is made for Sick Leave, which although cumulative is non-vesting. The Association's experience is that traditionally, sick leave paid in a year does not exceed the benefit accumulated in a year.

Annual leave is provided for at current rates of pay plus employment costs. The Associations experience is that the majority of Annual Leave is taken as accrued, and future wage increases are not subject to any agreed formula or enterprise agreements.

Contributions are made by the Association to accumulation style employee superannuation funds and are charged as expenses when incurred.

**g. Cash**

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

**h. Revenue**

Revenue from the sale of goods and services is recognised upon the delivery of goods or services to customers.

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

Dividend revenue is recognised when the Association has received a dividend.

All revenue is stated net of the amount of goods and services tax (GST).

Liabilities are recognised for amounts to be paid in future for goods and services received by the Association. Trade accounts payable, are normally settled within 30 days.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**i. Accounts Receivable**

Accounts receivable (excluding subscriptions), to be settled within 30 days are carried at amounts due. A provision is made for any doubtful debts based on a review of collect-ability of the outstanding amounts at balance date. Bad debts are written off when they are identified.

**j. Accounts Payable**

Liabilities are recognised for amounts to be paid in future for goods and services received by the Association. Trade accounts payable, are normally settled within 30 days.

**k. Interest Rate Risk**

The Association has exposure to interest rate risk through its bank borrowing facilities and hire purchase arrangement. Information about the borrowings is set out in notes 18(c) and 19. The Association also has an exposure to interest rate risk through its cash investments.

**l. Credit Risk**

The credit risk on financial assets of the Association which have been recognised on the balance sheet, is the carrying amount of any net provisions for doubtful debts. The Association is not materially exposed to any individual debtor.

**m. Goods & Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cashflows are included in the Statement of Cashflows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**n. Printing & Stationery Department Disclosures**

Sales of Printing & Stationery are disclosed as Gross Sales. Direct cost of sales is disclosed in the expenses section.



NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

**o. Principles of Consolidation**

The consolidated accounts of the economic entity include the financial statements of the Association, being the chief entity, and its controlled entity.

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated accounts have been eliminated.

Controlled Entity	Financial Year End
Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)	30 <sup>th</sup> June

**NOTE 2: PROFIT FROM ORDINARY ACTIVITIES**

Profit from ordinary activities has been determined after:

**a. Expenses:**

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
Depreciation of plant and equipment	84,985	101,047	84,985	101,047
Depreciation of property	66,907	60,929	66,907	60,929
<b>Total Depreciation</b>	<b>151,892</b>	<b>161,976</b>	<b>151,892</b>	<b>161,976</b>

Remuneration of auditor

— audit or review services	12,500	13,000	12,500	13,000
— other services	-	1,000	-	1,000
<b>Total remuneration</b>	<b>12,500</b>	<b>14,000</b>	<b>12,500</b>	<b>14,000</b>

Rental expense on operating leases

— minimum lease payments	12,108	11,246	12,108	11,246
<b>Total</b>	<b>12,108</b>	<b>11,246</b>	<b>12,108</b>	<b>11,246</b>

**b. Significant revenues and expenses:**

The following revenue and expense items are relevant in explaining the financial performance:

Sale of investment in Motorcharge Ltd.	-	4,886,259	-	4,886,259
Cost of investment in Motorcharge Ltd.	-	2,125,306	-	2,125,306
<b>Gross Profit on Sale</b>	<b>-</b>	<b>2,760,953</b>	<b>-</b>	<b>2,760,953</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
NOTE 3: RECEIVABLES	\$	\$	\$	\$
Accounts Receivable	122,111	71,923	124,533	74,651
Less: Provision for Doubtful Debts	(10,000)	(10,000)	(10,000)	(10,000)
Receipts Outstanding – Over-Riding Commission	30,807	35,000	30,807	35,000
Other Debtors	216,077	96,019	216,077	96,019
	<u>358,995</u>	<u>192,942</u>	<u>361,417</u>	<u>195,670</u>

	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
NOTE 4: INVESTMENTS	\$	\$	\$	\$
CURRENT				
Deposits at Call	2,001,859	5,843,079	2,024,374	5,864,305
	<u>2,001,859</u>	<u>5,843,079</u>	<u>2,024,374</u>	<u>5,864,305</u>

	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
NOTE 5: INVENTORIES	\$	\$	\$	\$
CURRENT				
Stationery	33,572	41,889	33,572	41,889
Printing	13,429	7,362	13,429	7,362
	<u>47,001</u>	<u>49,251</u>	<u>47,001</u>	<u>49,251</u>

	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
NOTE 6: OTHER ASSETS	\$	\$	\$	\$
Prepayments	43,777	35,133	43,777	35,133
	<u>43,777</u>	<u>35,133</u>	<u>43,777</u>	<u>35,133</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

	Note	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 7: INVESTMENTS</b>					
Publicly Listed Investments	7(a)	30,074	64,600	30,074	64,600
Less Provision. for Diminution in value		(27,600)	-	(27,600)	-
		<u>2,474</u>	<u>-</u>	<u>2,474</u>	<u>-</u>
<b>Shares in Non-Listed Investments</b>					
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)		1	1	1	1
Motorcharge Ltd. (ACN 008 962 132)	7(b)	-	-	-	-
Australian Automobile Dealers Association Dealer Services Pty. Ltd. (ACN 066 007 707)		-	-	-	-
Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)		-	-	-	-
		<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Units in MTAA House Unit Trust	7(c)	668,000	668,000	668,000	668,000
<b>TOTAL INVESTMENTS</b>		<u>670,475</u>	<u>732,601</u>	<u>670,475</u>	<u>732,601</u>

7(a) The Market Value of Publicly Listed Investments as at 31st March, 2003 was \$2,474, (2002 \$64,600) a provision for write down of recoverable value of shares of \$26,700.

7(b) Motorcharge Ltd. (ACN 008 962 132) investment was sold in its entirety in the year ended 31<sup>st</sup> March 2002.

7(c) The Association holds 12.7% (twelve point seven percent) of the issued units in the MTAA House Unit Trust. This investment's value is dependent on the market value of the major asset of the Trust, being MTAA House situated on Brisbane Avenue, Canberra. The investment was re-valued as at the 31st March 1997, by the Board on the basis of the entitlement to net assets of the Trust per accounts dated 30th June 1996, which included a revaluation of the building by McCann & Associates. This carrying value forms the basis for the deemed cost adopted at 1<sup>st</sup> April 2001, when AAS 38 Revaluation of Non Current Assets was first applied. Any units acquired since that date are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 8:</b>				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Furniture & Fittings – at cost	156,551	152,662	156,551	152,662
Less: accumulated depreciation	(132,109)	(123,983)	(132,109)	(123,983)
	<u>24,442</u>	<u>28,679</u>	<u>24,442</u>	<u>28,679</u>
Plant & Equipment – at cost	655,645	628,680	655,645	628,680
Less: accumulated depreciation	(456,926)	(408,944)	(456,926)	(408,944)
	<u>198,719</u>	<u>219,736</u>	<u>198,719</u>	<u>219,736</u>
Motor Vehicles – at cost	157,733	185,843	157,733	185,843
Less: accumulated depreciation	(58,766)	(79,159)	(58,766)	(79,159)
	<u>98,967</u>	<u>106,684</u>	<u>98,967</u>	<u>106,684</u>
<b>Land &amp; Buildings</b>				
<b>Land</b>				
(at deemed cost)				
3 Frederick Road, Royal Park	286,667	860,000	286,667	860,000
81 & 83 Greenhill Road, Wayville	1,382,930	-	1,382,930	-
Total Land	<u>1,669,597</u>	<u>860,000</u>	<u>1,669,597</u>	<u>860,000</u>
<b>Buildings</b>				
(at deemed cost)				
3 Frederick Road, Royal Park	1,530,872	952,035	1,530,872	952,035
Less: accumulated depreciation	(306,201)	(245,057)	(306,201)	(245,057)
	<u>1,224,671</u>	<u>706,978</u>	<u>1,224,671</u>	<u>706,978</u>
81 & 83 Greenhill Road, Wayville	2,765,860	-	2,765,860	-
Less: accumulated depreciation	(5,762)	-	(5,762)	-
	<u>2,760,098</u>	<u>-</u>	<u>2,760,098</u>	<u>-</u>
Total Buildings	<u>3,984,769</u>	<u>1,566,978</u>	<u>3,984,769</u>	<u>1,566,978</u>
Total Property, Plant & Equipment	<u>5,976,494</u>	<u>1,922,077</u>	<u>5,976,494</u>	<u>1,922,077</u>

Note 8: PROPERTY, PLANT AND EQUIPMENT (cont.)

Our 3 Frederick Road, Royal Park property was re-valued in the 1997 accounts to market value, valuation by Mr. J L Morgan B. App. Sc. (Val), FVLE. This carrying value forms the basis for the deemed cost adopted at 1<sup>st</sup> April 2001, when AAS 38 Revaluation of Non Current Assets was first applied. The carrying value of the property includes the cost of any buildings acquired since that date.

Our 3 Frederick Road, Royal Park property was valued by Mr. A Smithson B. App. Sc. (Val), FAPI on 25 April, 2002 as having the value to an owner occupier, of \$3,225,000.

The Association has a policy of dividing the initial value of property acquisitions and allocating one third of value to land and two thirds of value to buildings. The buildings component is then depreciated over the Board assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

**Movements in carrying amounts.**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year, 2003:

	Furniture & Fittings \$	Plant & Equipment \$	Motor Vehicles \$
Balance at the beginning of year	28,679	219,736	106,684
Additions	3,890	29,467	59,129
Depreciation expense	(8,127)	(48,669)	(28,189)
Transfers between assets	-	-	-
Write-offs/disposals at WDV	-	(1,815)	(38,657)
Carrying amount at the end of year	24,442	198,719	98,967

	Buildings Royal Park \$	Buildings Wayville \$	Land Royal Park \$	Land Wayville \$	Total \$
Balance at the beginning of year	706,978	-	860,000	-	1,922,077
Additions	5,505	2,765,860	-	1,382,930	4,246,781
Depreciation expense	(61,145)	(5,762)	-	-	(151,892)
Transfers between assets*	573,333	-	(573,333)	-	-
Write-offs/disposals at WDV	-	-	-	-	(40,472)
Carrying amount at the end of year	1,224,671	2,760,098	286,667	1,382,930	5,976,494

\*The split in value between land and buildings of our Royal Park property has been restated to reflect the actual split that took place on acquisition, in our depreciation schedules. There has been no adjustment to the total actual carrying value of the Royal Park property, nor any need to adjust accumulated building depreciation as a result of this reallocation.

Note 8: PROPERTY, PLANT AND EQUIPMENT (cont.)

Movements in carrying amounts.

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the previous financial year, 2002:

	Furniture & Fittings \$	Plant & Equipment \$	Motor Vehicles \$
Balance at the beginning of year	35,899	191,246	137,657
Additions	1,808	90,370	-
Depreciation expense	(9,028)	(61,046)	(30,973)
Transfers between assets	-	-	-
Write-offs/disposals at WDV	-	(834)	-
Carrying amount at the end of year	<u>28,679</u>	<u>219,736</u>	<u>106,684</u>

	Buildings Royal Park \$	Land Royal Park	Total \$
Balance at the beginning of year	757,794	860,000	1,982,596
Additions	10,113	-	102,291
Depreciation expense	(60,929)	-	(161,976)
Transfers between assets	-	-	-
Write-offs/disposals at WDV	-	-	(834)
Carrying amount at the end of year	<u>706,978</u>	<u>860,000</u>	<u>1,922,077</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 9: PAYABLES</b>				
Current				
Trade creditors	51,212	32,531	51,212	33,217
Accruals	144,996	91,739	151,281	91,740
Unearned - Income	48,481	8,437	48,481	8,437
	<u>244,689</u>	<u>132,707</u>	<u>250,974</u>	<u>133,394</u>

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 10: INTEREST BEARING LIABILITIES</b>				
Current				
Hire Purchase Contract	15,636	7,969	15,636	7,969
Non-current				
Hire Purchase Contract	-	15,636	-	15,636

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 11: PROVISIONS</b>				
Current				
Provision for Annual Leave	84,359	82,676	84,359	82,676
Provision for Long Service Leave	139,304	112,367	139,304	112,367
Provision for Income Tax	-	-	1,031	-
	<u>223,663</u>	<u>195,043</u>	<u>224,694</u>	<u>195,043</u>
Non-Current				
Provision for Long Service Leave	35,714	36,544	35,714	36,544
	<u>35,714</u>	<u>36,544</u>	<u>35,714</u>	<u>36,544</u>
Number of employees at year end	19	19	19	19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

Note	MTA of SA 2003	MTA of SA 2002	Consolidated 2003	Consolidated 2002
<b>NOTE 12: ACCUMULATED MEMBER FUNDS</b>				
<b>12(a)</b>				
Accumulated Surplus:				
Balance – Beginning of Year	7,226,412	(26,248)	7,246,428	(11,094)
Surplus/(Deficit) for the Year	151,584	2,892,393	146,026	2,897,255
Transferred from Reserves	-	4,360,267	-	4,360,267
Balance - End of Year	7,377,996	7,226,412	7,392,454	7,246,428
<b>12(b)</b>				
Asset Realisation Reserve:				
Balance – Beginning of Year	-	3,612,136	-	3,612,136
Transferred to Accumulated Surplus	-	3,612,136	-	3,612,136
Balance - End of Year	-	-	-	-
Asset Revaluation Reserve:				
Balance – Beginning of Year	156,055	725,265	156,055	725,265
Transferred to Accumulated Surplus	-	569,210	-	569,210
Balance - End of Year	156,055	156,055	156,055	156,055
Revaluation Reserve – MTAA House Unit Trust:				
Balance – Beginning of Year	515,000	515,000	515,000	515,000
Balance - End of Year	515,000	515,000	515,000	515,000
Absorption of Unexpended Levy Funds:				
Balance – Beginning of Year	-	178,921	-	178,921
Transferred to Accumulated Surplus	-	178,921	-	178,921
Balance - End of Year	-	-	-	-
Balance – End of Year Reserves	671,055	671,055	671,055	671,055
<b>TOTAL MEMBERS' FUNDS</b>	<b>8,049,051</b>	<b>7,897,467</b>	<b>8,063,509</b>	<b>7,917,483</b>

The asset revaluation reserves have been transferred to retained profits, due to the assets the balances related to, having being previously disposed of.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

NOTE 13: CAPITAL AND LEASING COMMITMENTS	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
a. Operating Lease Commitments				
Being for rent of motor vehicle				
Payable:				
— not later than 1 year	11,523	3,748	11,523	3,748
— later than 1 year but not later than 5 years	18,245	-	18,245	-
— later than 5 years	-	-	-	-
	<u>29,768</u>	<u>3,748</u>	<u>29,768</u>	<u>3,748</u>

2003 Motor vehicle leased on a non-cancellable operating lease from General Motor Acceptance Corp. Ltd.  
2002 Motor vehicle leased on a non-cancellable operating lease from Orix Australia Corporation Ltd.

b. Capital Commitments

Capital commitments contracted for:

Plant and equipment purchases	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

c. Superannuation Commitments

The association contributes to employee superannuation funds managed by external fund managers, which are accumulation plans. Members of these funds are entitled to benefits on retirement, disability or death. Employees may contribute to the plans at various percentages of their gross salaries. The association is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

d. Other Commitments

No other commitments of a material nature, other than an advertising promotion at the Adelaide Motor Show for \$18,000, existed at year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2003

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>NOTE 14: CONTINGENT LIABILITIES</b>				
Estimates of the maximum amount of contingent liabilities that may become payable:	50,000	50,000	50,000	50,000

2003

This item represents a potential liability which may arise over the next year due to shareholder undertakings re the sale of Motorcharge Ltd. This potential liability is fully secured by funds held in a solicitors trust account, which is on deposit with Westpac Banking Corporation Ltd.

**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no significant events to report.

**NOTE 16: RELATED PARTIES**

**Interest in Contracts**

The association rents premises and provides management consulting and administrative support services to the MTA Group Training Scheme Inc.

	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
Premises Rental	203,000	192,000	203,000	192,000
Management, accounting and administrative support	92,493	75,000	92,493	75,000
	<u>295,493</u>	<u>267,000</u>	<u>295,493</u>	<u>267,000</u>
<b>Officers &amp; Directors Remuneration</b>				
Remuneration (including fringe benefits) received or due and receivable, by officers and directors of the association.	228,143	232,691	228,143	232,691

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2002

Note 17

INDUSTRY  
SEGMENTS

	Motor Trade Membership		Roadside Membership		Investments		Property		Printing & Stationery Services		Other		Eliminations		Total	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Operating Revenue	\$000		\$000		\$000		\$000		\$000		\$000				\$000	\$000
Sales to customers outside the group	1,381	1,318	22	24	299	5,297	279	225	321	342	139	125	-	-	2,441	7,331
Intersegment sales															-	-
Unallocated Revenue															-	2
Total revenue															2,441	7,333
Segment result	(425)	(528)	(6)	5	271	3,172	124	75	43	47	139	125	-	-	146	2,896
Unallocated expenses															-	2
Group operating profit (before equity accounting)															146	2,898
Segment assets	643	502	26	24	2,671	6,573	5,654	1,567	130	134	-	-	-	-	9,124	8,800
Unallocated assets															-	-
Total assets															9,124	8,800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2002

NOTE 18: CASH FLOW INFORMATION	MTA of SA 2003 \$	MTA of SA 2002 \$	Consolidated 2003 \$	Consolidated 2002 \$
<b>a. Reconciliation of Cash</b>				
Cash on hand	760	760	760	760
Deposits at Call – Investments Current	2,001,859	5,843,079	2,024,374	5,864,305
	<u>2,002,619</u>	<u>5,843,839</u>	<u>2,025,134</u>	<u>5,865,065</u>
<b>b. Reconciliation of net cash provided by operating activities to profit from ordinary activities</b>				
Profit from ordinary activities after income tax	151,584	2,892,393	146,026	2,897,255
Non-cash flows in profit from ordinary activities:				
Depreciation	151,892	161,976	151,892	161,976
Net loss/ (Gain) on disposal of plant, equipment and investments	6,876	(2,783,496)	6,876	(2,783,496)
Recoverable Amount Decrement on Listed Investments	27,600	27,550	27,600	27,550
Changes in assets and liabilities:				
Decrease/ (Increase) in receivables	(50,188)	(23,207)	(49,882)	(23,648)
Decrease/ (Increase) in stock	2,250	12,016	2,250	12,016
Decrease/ (Increase) in other assets	(124,509)	(58,297)	(124,509)	(58,297)
Increase/ (Decrease) in creditors and borrowings	152,113	(110,541)	157,623	(111,257)
Increase/ (Decrease) in provisions	27,790	15,044	28,821	15,044
Net cash provided/ (used) by Operating Activities	<u>345,408</u>	<u>133,438</u>	<u>346,697</u>	<u>137,143</u>

**c. Financing Facilities**

A Bank Overdraft Facility of \$20,000 (2002 - \$20,000) was available to the Association at 31st March 2003. As at that date, no amount of this facility was in use (2002 - \$Nil).

The National Australia Bank has a registered mortgage over our 3 Frederick Road, Royal Park property for \$500,000. This security was originally created to secure a commercial bill facility that was discontinued during the year ended 31 March 2000, the security has not been discharged to save potential future costs should the Association require to utilise such a facility in the future.

A hire purchase contract is current with Orix Australia Corporation Ltd.

d. There were no non-cash financing or investing activities during the period.

e. Cash balances of \$50,000 (2002: \$50,000) held in solicitors trust account are not available for use by the economic entity at the reporting date refer note 14.

NOTE 19: 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		Fixed Interest Rate Maturing			
			Rate		Within 1 Year		1 to 5 Years	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>FINANCIAL ASSETS</b>	%	%	\$	\$	\$	\$	\$	\$
Cash	-	-	760	760	-	-	-	-
Receivables	-	-	358,995	192,942	-	-	-	-
Investments	-	-	670,475	732,601	-	-	-	-
Short Term Deposits	4.25	3.62	2,001,859	5,843,079	-	-	-	-
<b>TOTAL FINANCIAL ASSETS</b>			<b>3,032,089</b>	<b>6,769,382</b>	-	-	-	-
<b>FINANCIAL LIABILITIES</b>								
Bank overdraft & Loans	7.00	7.00	15,636	23,605	-	-	-	-
Accounts Payable	-	-	244,689	132,707	-	-	-	-
<b>TOTAL FINANCIAL LIABILITIES</b>			<b>260,325</b>	<b>156,312</b>	-	-	-	-

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, net of any provisions for doubtful debts, 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.

NOTE 19: FINANCIAL INSTRUMENTS (cont.)

c. Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 20: PARTICULARS IN RELATION TO CONTROLLED ENTITIES

Note	Interest held		Book value of investment		Contribution to consolidated surplus	
	2003	2002	2003	2002	2003	2002
	%	%	\$	\$	\$	\$
MTA of SA Inc. Controlled entities						
Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)	100%	100%	-	-	(5,558)	4,862

NOTE 21: NOTICE REQUIRED UNDER THE WORKPLACE RELATIONS ACT 1996

Section 274

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

NOTE 22: ASSOCIATION DETAILS

The principal place of business of the association is:

3 Frederick Road, Royal Park, Adelaide, South Australia.

NOTE 23: PRINCIPAL ACTIVITIES

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

To protect and promote the interests of members by:-

- Providing a political voice for the retail motor industry,
- Providing an industry voice in discussion with all levels of government,
- Providing industrial award advice, advocacy and representation
- Providing technical information and specialized industry stationery.

NOTE 24: SIGNIFICANT CHANGES

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

NOTE 25: A Melville Memorial Fund

Funds are held on behalf of the A Melville Memorial Fund and invested with Association funds as interest earning deposits.

THE MOTOR TRADE ASSOCIATION  
OF SOUTH AUSTRALIA INC.

STATEMENT BY THE BOARD OF MANAGEMENT

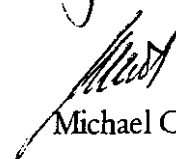
As required by Section 35 (2) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

- [i] the accounts present fairly the results of the operations of the association for the financial year and the state of affairs of the association as at the end of the 2002/2003 financial year; and
- [ii] the Board has reasonable grounds to believe that the association will be able to pay its debts as and when they fall due; and
- [iii] that the association has no subsidiary; and
- [iv] that the association is not a trustee of a trust.

Signed pursuant to a resolution of the Board of Directors.



Peter Roberts



Michael Claridge

Dated this                      21st            day of                      May                      2003



## BOARD OF MANAGEMENT CERTIFICATE

We, Peter Roberts and Michael Claridge, being two members of the Board of Management of The Motor Trade Association of SA Inc., do state on behalf of the Board and in accordance with the resolution passed by the Board, that:

- a] in the opinion of the Board of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st March, 2003;
- b] in the opinion of the Board of Management, meetings of the Board were held during the year ended 31st March 2003 in accordance with the rules of the organisation;
- c] to the knowledge of any member of the Board, there have been no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub-section 274 (1) of the Workplace Relations Act 1996) or copies of those records or documents, or copies of the rules of the organisation, have not been furnished or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation;
- d] the organisation has complied with sub-section 279 (1) and (4) of the Workplace Relations Act 1996, as amended, in relation to the financial accounts in respect of the year ended 31st March, 2002, and the auditor's report thereon.



PETER ROBERTS



MICHAEL CLARIDGE


Dated: 21st May, 2003

## STATEMENT OF THE PRINCIPAL ACCOUNTING OFFICER

I, Michael Claridge, being the Principal Accounting Officer of the Motor Trade Association of SA Inc., state that in my opinion -

- a] the accompanying accounts for the financial year ended 31st March, 2003 give a true and fair view of the financial affairs of the organisation at the end of the financial year;
- b] a record has been kept of all monies paid by, or collected from, members of the organisation, and all monies so paid or collected have been credited to the bank account or accounts to which those monies are to be credited, in accordance with the rules of the organisation;
- c] before any expenditure was incurred by the organisation, approval for the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- d] with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the funds was operated;
- e] no loans or other financial benefits, other than remuneration in respect of their full-time employment with the organisation, were made to persons holding office in the organisation;
- f] the register of members required by the Workplace Relations Act 1996, as amended, to be kept, has been maintained in accordance with the Act.

As at 31st March, 2003, the number of members of the organisation is 1,075.

  
MICHAEL CLARIDGE  
Principal Accounting Officer

Dated: 21st May, 2003.

**THE MOTOR TRADE ASSOCIATION  
OF SOUTH AUSTRALIA INC.**

**REPORT BY THE BOARD OF MANAGEMENT**

As required by Section 35 (5) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

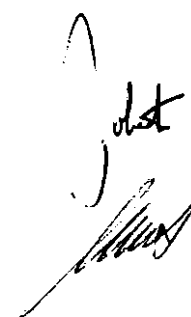
- [a] No benefit has been received as a result of a contract between an officer, firm or corporate (in which an officer or member of the association, is a member or has a substantial financial interest), and the association.
- [b] No officer of the association has received any payment or benefit of a pecuniary value other than as part of a negotiated remuneration package as an employee of the association.
- [c] 

Remuneration (including fringe benefits)	2003	2002
received or due and receivable, by	\$	\$
officers of the association.	228,143	232,691

Signed pursuant to a resolution of the Board of Directors.

Peter Roberts

Michael Claridge



Dated this                      21st            day of                      May                      2003



## AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Ian Horne  
Secretary  
The Motor Trade Association of South Australia  
PO Box 440  
PORT ADELAIDE SA 5015

Dear Mr Horne,

**Re: The Motor Trade Association of South Australia  
Financial documents for year ended 31 March 2003 - FR2003/483**

Receipt is acknowledged of the financial documents of The Motor Trade Association of South Australia for the year ended 31 March 2003. The documents were lodged in the Principal Registry on 31 July 2003.

The documents have been filed.

### **New legislation**

As you may be aware, the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

The RAO legislation establishes a **Registration and Accountability of Organisations Schedule** (the RAO Schedule) inserted as Schedule IB within the *Workplace Relations Act 1996* (the WR Act) pertaining to registered organisations. Many of the provisions relating to registered organisations currently in the WR Act are replicated in the new RAO Schedule, with some amendments. Other matters will be substantially changed by the RAO Schedule, particularly the financial reporting requirements.

I note that the abovenamed organisation will be required to complete the financial reporting obligations for the financial year ended 31 March 2004 under the WR Act. However, the reporting obligations for the financial year ending 31 March 2005 will be governed by the requirements of the RAO Schedule. This is because the relevant transitional provisions of the *Workplace Relations Legislation Amendment (Registration of Accountability of Organisations) (Consequential Provisions) 2002 Act* apply to the first complete financial year subsequent to the commencement of the legislation [(see item 44(1))].

Yours sincerely,

Ruth Hansen   
Statutory Services Branch

31 July 2003