



Ref: FR2004/394-[234V]

Mr I Horne
Secretary
The Motor Trade Association of South Australia
PO Box 2204
ADELAIDE SA 5000

Dear Mr I Horne

Financial Return - year ending 30 June 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- **a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)**
- **a greater emphasis given to Australian Accounting Standards**
- **the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)**
- **extensions of time are limited to one month**
- **restructured penalty provisions involving more extensive use of Civil Penalties**
- **the introduction of the Industrial Registrar's Reporting Guidelines**
- **organisations and their branches to report according to their financial structures, known as 'reporting units'.**

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (**RAO**) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

- Financial Statements containing:
 - a profit and loss statement, or other operating statement; and
 - a balance sheet; and
 - a statement of cash flows; and
 - any other statements required by the Australian Accounting Standards; and

- Notes to the Financial Statements containing:
 - notes required by the Australian Accounting Standards; and
 - information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and
- Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return for 30 June 2004, please quote the reference number at the beginning of this letter.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed for providing documents to members and holding meetings can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry (Ken Ophel on 03 8661 7984), or by e-mail at riateam1@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

Deputy Industrial Registrar
9 August 2004

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(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) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *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 report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, 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 management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO 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.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



FR 2004/344

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED
Level 1, 81 Greenhill Road, Wayville SA 5034

GPO BOX 2204, ADELAIDE 5001
TELEPHONE: (08) 8291 2000
FACSIMILE: (08) 8291 2099

INTERNET: <http://www.mta-sa.asn.au>
EMAIL: mta@mta-sa.asn.au

DECLARATION OF AN ASSOCIATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, IAN PHILIP HORNE of Level 1, 81 Greenhill Road, Wayville 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 Level 1, 81 Greenhill Road, South Australia, phone number (08) 8291 2000 and fax number (08) 8291 2099.
3. THAT the attached document titled "Annual Report" contains "Board of Management Certificate", "Statement of Income and Expenditure (for the year ending 31st March 2004)" and "Balance Sheet (as at 31st March 2004)" 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 20th day of August 2004 and that I was present at this Annual General Meeting.

THAT of the 29 persons who actually signed the attendance register, 24 signed as nominated representatives for voting purposes and were members of MTA; there were no 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 20th day of August 2004.

AND I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Registration & Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996), conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

At Wayville , South Australia

this 26th day of August 2004





THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

Level 1, 81 Greenhill Road, Wayville SA 5034

GPO BOX 2204, ADELAIDE 5001
TELEPHONE: (08) 8291 2000
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SCHEDULE "A"

MINUTES OF 78th ANNUAL GENERAL MEETING OF THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. HELD IN THE VICTORIA ROOM, HILTON ADELAIDE, ADELAIDE ON FRIDAY 20th AUGUST 2004

ATTENDANCE

Twenty nine members and guests signed the attendance sheet. Twenty four signatories were members of the Association.

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES

The President Peter Roberts, welcomed members and guests to the 78th Annual General Meeting of the Association and declared the meeting open at 7.10pm.

The President extended a special welcome to Life Members Messrs Ray Noack, Peter Robinson, Ian Brock, Richard Flashman AM, Arthur Walker and Len Miller; representatives of CGU and Mr John Rickus, Chairman of the MTAA Super Fund.

Mr Horne said that a number of apologies were received and included Board Members, Alan Biggs, Eve vander Woude, Roger Paech, Colin Butcher, Peter Cox, Mathew East and Arch Boonen; he said all apologies received would be recorded in the minutes (*61 apologies in total were received, 59 were members*).

2. TO ADOPT THE PREVIOUS MINUTES

It was moved Mr Walker seconded Mr Shipp

THAT THE MINUTES OF THE 77th ANNUAL GENERAL MEETING HELD ON 15th JULY 2003 BE ADOPTED **CARRIED...**

3. FINANCIAL REPORT FOR THE YEAR ENDED 31st MARCH 2004

The Treasurer spoke to his report and was pleased to report that the Association had again achieved a positive year end result with an operating surplus of \$127,048. He said this achievement was in keeping with the Board's resolution that the Association achieve a surplus result. The Treasurer thanked the President, Board of Management and MTA staff for the continued support and asked that the Financial Report be accepted.

Moved Mr Shipp seconded Mr Agostino

THAT THE FINANCIAL REPORT FOR THE 2003/2004 YEAR BE ACCEPTED

CARRIED...

4. BOARD OF MANAGEMENT REPORT

The President delivered the 2004 Annual Report and spoke on the relocation of MTA to Greenhill Road, an achievement he was proud to be a part of. The President thanked the Board of Management for their support and also MTA Executive Director Ian Horne and staff.

The President then moved

THAT THE 2004 BOARD OF MANAGEMENT REPORT BE RECEIVED

Seconded Mr Walker

CARRIED...

5. APPOINTMENT OF AUDITORS

The President reported that KPMG has indicated their preparedness to continue as auditors for the Association.

Moved Mr Claridge seconded Mr Walker

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 was pleased to declare 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 appoint a solicitor to act on behalf of the Motor Trade Association of South Australia Inc.**

Moved Mr Weeks seconded Mr Agostino

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 7.40pm

Confirmed this day of 2005.

President

MEMBERS ONLY TO SIGN
(one signature per Member Business)

MEMBER NAME	MEMBER BUSINESS
A. WALKER	GILBERT MOTOR BOBBER PL
JUSTICE ROWLEY	"YUMMA" RUMBLE
KATHRYN STOCK	STOCKS AUTOMOTIVE SERVICES
LEROY UREN	NORTHEAST NISSAN.
COUN HEMMSIDE	Myson Norwson.
Colive Polley	Independent Components
George Bala	BOLTONS KAWASAKI
NORMAN COOPER	MOTOR SEARCH.
Max Tibbrook	Tibbrook's Brake Service
DL Shane.	SOUTH COAST AUTO REPAIRS.
MRENEUG SHANE	
Thomas & Maria Musolino	Whelan's Motors
Murray Forbes.	Maughan Thien
MIKE CLARIDGE	CHURCHILL HOLDEN
PETER ROBERTS	O.C. Roberts & Co.
Len Miller	Life member'
JOHN HURLEY	KERRI TOWN AUTOMOTIVE
KIM WEBER	WARREN'S UTOPIA
STEPHAN BIEBOWSKI	DYNAMIC MECHANIX
M J MAUGHAN	
Bill Towler	BILL TOWLER MECHANICAL REPAIRS
Jim Williams	NISSAN MOTOR COMPANY.
BRENTON ABBOTT	FLEURIEU CRASH REPAIRS
JOHN GREGG	JOHN GREGG W/SHE
IAN SLAPE	Tunis Imports

APOLOGIES

BUSINESS NAME	NAME
Paech Motors	Roger Paech
River Murray Auto Wreckers	Eve vander Woude
Eastern Eyre Machinery	Colin Butcher
Graham Edwards Crash Repairs	
Wayne Richards Auto	
Turners Tyre Service, Kangaroo Island	
Scania Australia Pty Ltd	
Franklin Side Crash Repairs	
Clayton's Auto Refinishers	
Southeast Motor Company	
Top Sport Auto Dismantlers	
Crash Supplies Pty Ltd	
Hayes Augusta Motor Company	
Mac Ford	
River Murray Auto Wreckers	
Jarvis Ford	Richard Collins
Rosewanes of Kadina	
G & C Automotive Services	
CGU Motor Trades	Kevin Cleland
Life Member	Tom Bonnily
Wayne Richards Auto	Wayne Richards
Hamilton Holden	David Hamilton
Traction Tyres	Colin Clarke
Main North Nissan	Frank Bamford
Ralph's Auto Electrical	
RJ Crash Repairs	
Morelli's Allweld Repair	
Riverland Tyre & Mag Centre	
G & J East	
Ian Day (Life Member)	
Ultra Tune Prospect	
Rowell & Searle Automotive Transmissions	
Southcott Engines	Peter Cox
Peter Page Holden	Peter Page
Smith's Canvas & Vinyl	
Brighton Crash Repairs	
Butch Bennett Auto Repairs Pty Ltd	
Turnby Auto Electrical Services	
Commercial Motor Vehicles	Mike Crawford
City Holden	Chris Newton
All Clutch & Brake Service Pty Ltd	Tony Hempel
Transport Connection	Terence Critchley
Cole Motors	Michael Rathjen
Boylen Publishing & PR	Vicki Schmerl
Boylen Publishing & PR	Paul Dunne
Adtrans Group	Graeme Bignell
Adelaide Auto Repairs	
Hawker Motors	
Stirling North Supermarket Fuel & Takeaway	
Fitzroy Car Centre	Arch Boonen
Keith's Car Care	
City Holden	Julian Newton
Midcity Motors	
Biggs Ford Biggs Mitsubishi	Alan Biggs
Farm Supplies Saddleworth	Peter Richardson
Barossa Valley Toyota	
Southgate Holden	
Hanson Road Crash Repairs	Tony Bava
Welland Crash Repairs	
Willsmore Motor Body Repairs	
Richard's Utes	Kym Rundle



The Motor Trade Association of SA Inc

**THE
FINANCIAL
REPORT
OF
2004**



Independent audit report to the members of The Motor Trade Association of South Australia Incorporated

Scope

We have audited the financial report of The Motor Trade Association of South Australia Incorporated ("the Association") for the financial year ended 31 March 2004, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 25, and the statement by the Board of Management. 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 in Australia and requirements of the Associations Incorporation Act, 1985 as amended 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 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 statements of The Motor Trade Association of South Australia Incorporated are properly drawn up:

- a) so as to present fairly the Association's and consolidated entity's financial position as at 31 March 2004 and the results of their operations and their cash flows for the year ended on that date;
- b) in accordance with the Associations Incorporation Act 1985 as amended;
- 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 2004 and the income and expenditure and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.



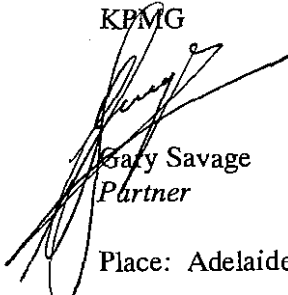


In addition we report the following:

- e) the Association maintained satisfactory accounting records during the year ended 31 March 2004 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 purpose of our audits.

KPMG

KPMG


Gary Savage
Partner

Place: Adelaide

Date: 19 May 2004

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST MARCH 2004

	Note	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
REVENUE FROM ORDINARY ACTIVITIES					
Operating Activities	2				
Membership Contributions & Entrance Fees		1,036,037	1,022,887	1,042,300	1,044,997
Commissions Received		299,966	319,620	299,966	319,620
Grant Income		33,800	-	33,800	-
Motor Industry Member Functions		4,333	2,264	4,333	2,264
Rents Received		687,944	279,422	687,944	279,422
Sales - Printing & Stationery	1n	341,266	321,274	341,266	321,274
Sundry Income		218,026	139,478	218,026	139,478
		<u>2,621,372</u>	<u>2,084,945</u>	<u>2,627,635</u>	<u>2,107,055</u>
Non-operating Activities					
Interest Earned		112,910	265,312	112,956	265,490
Proceeds on disposal of investments		-	33,895	-	33,895
Proceeds on disposal of plant & equipment		-	34,227	-	34,227
		<u>112,910</u>	<u>333,434</u>	<u>112,956</u>	<u>333,612</u>
TOTAL ORDINARY ACTIVITIES REVENUE					
		2,734,282	2,418,379	2,740,591	2,440,667
Less:					
ORDINARY ACTIVITIES EXPENSES					
		<u>2,607,234</u>	<u>2,266,795</u>	<u>2,617,799</u>	<u>2,294,641</u>
NET PROFIT FROM ORDINARY ACTIVITIES	12	127,048	151,584	122,792	146,026
TOTAL CHANGES IN EQUITY OF THE ASSOCIATION					
		<u>127,048</u>	<u>151,584</u>	<u>122,792</u>	<u>146,026</u>

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 31st MARCH 2004

	Note	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
ORDINARY ACTIVITIES EXPENSES					
Administration Expenses		315,437	289,957	324,877	315,886
Advertising & Promotion		174,738	88,268	174,738	88,268
Affiliation Fees		133,394	137,963	133,394	137,963
Annual Leave Provision		63,718	61,590	63,718	61,590
Audit Fees		13,500	12,500	13,500	12,500
Conferences & Seminars		2,260	4,856	2,260	4,856
Cost of Sales – Printing & Stationery	1n	176,982	162,569	176,982	162,569
Depreciation		240,284	151,892	240,284	151,892
Donations		350	1,150	350	1,150
Insurance – Other		40,253	28,997	40,253	28,997
Insurance – Workcover		6,910	5,886	6,910	5,886
Interest Expenses		1,014	1,751	1,014	1,751
Lease Expense		10,475	12,108	10,475	12,108
Legal Expenses		19,394	9,639	19,394	9,839
Long Service Leave – Provision		29,156	28,136	29,156	28,136
Membership Services		17,743	18,781	17,743	18,781
Motor Trade Journal		18,568	20,895	18,568	20,895
Motor Vehicle Expenses		21,413	25,772	21,413	25,772
Payroll Tax		29,189	26,025	29,189	26,025
Property Expenses		262,183	84,233	262,183	84,233
Salaries – Officials		155,682	163,808	155,682	163,808
Salaries – Others		630,342	586,775	630,342	586,775
Superannuation		147,572	131,641	147,572	131,641
Telephone, & Facsimile		42,020	44,419	43,145	46,136
Travel & Accommodation		52,183	64,586	52,183	64,586
Write Down of recoverable value of shares		2,474	27,600	2,474	27,600
Cost on disposal of investments		-	34,526	-	34,526
Written Down Value, on disposal of plant & equipment		-	40,472	-	40,472
TOTAL ORDINARY ACTIVITIES EXPENSES		2,607,234	2,266,795	2,617,799	2,294,641

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 31st MARCH 2004

	Note	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
CURRENT ASSETS					
Cash assets		760	760	760	760
Receivables	3	255,700	358,995	255,700	361,417
Investments	4	2,067,868	2,001,859	2,081,112	2,024,374
Inventories	5	51,558	47,001	51,558	47,001
Prepayments	6	69,611	43,777	69,611	43,777
TOTAL CURRENT ASSETS		2,445,497	2,452,392	2,458,741	2,477,329
NON-CURRENT ASSETS					
Publicly Listed Investments	7	-	2,474	-	2,474
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	6,182,229	5,976,494	6,182,229	5,976,494
TOTAL NON-CURRENT ASSETS		6,850,230	6,646,969	6,850,230	6,646,969
TOTAL ASSETS		9,295,727	9,099,361	9,308,971	9,124,298
CURRENT LIABILITIES					
Amounts Held on Behalf of Divisions		177,910	147,946	177,910	147,946
Subscriptions in Advance		367,759	382,662	370,801	385,825
Payables	9	284,707	244,689	284,707	250,974
Interest bearing liabilities	10	6,730	15,636	6,730	15,636
Provisions	11	240,501	223,663	240,501	224,694
TOTAL CURRENT LIABILITIES		1,077,607	1,014,596	1,080,649	1,025,075
NON-CURRENT LIABILITIES					
Provisions	11	42,021	35,714	42,021	35,714
TOTAL NON-CURRENT LIABILITIES		42,021	35,714	42,021	35,714
TOTAL LIABILITIES		1,119,628	1,050,310	1,122,670	1,060,789
NET ASSETS		8,176,099	8,049,051	8,186,301	8,063,509
ACCUMULATED MEMBER FUNDS					
Accumulated Surplus	12	7,505,044	7,377,996	7,515,246	7,392,454
Reserves	12	671,055	671,055	671,055	671,055
TOTAL MEMBER FUNDS	12	8,176,099	8,049,051	8,186,301	8,063,509

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 31st MARCH 2004

	Note	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
CASH FLOWS FROM OPERATING ACTIVITIES					
Customer Receipts		3,086,300	2,420,522	3,095,031	2,558,982
Payments to suppliers and employees		(2,677,262)	(2,338,675)	(2,695,310)	(2,476,024)
Interest received		112,910	265,312	112,956	265,490
Interest paid		(1,014)	(1,751)	(1,014)	(1,751)
Net cash provided by operating activities	18b	520,934	345,408	511,663	346,697
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment purchases		-	-	-	-
Proceeds on sale of investments		-	33,895	-	33,895
Fixed asset purchases		(446,019)	(4,246,781)	(446,019)	(4,246,781)
Proceeds on sale of fixed assets		-	34,227	-	34,227
Net cash (used) by/provided in investing activities		(446,019)	(4,178,659)	(446,019)	(4,178,659)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(8,906)	(7,969)	(8,906)	(7,969)
Net cash used in financing activities		(8,906)	(7,969)	(8,906)	(7,969)
Net (decrease)/increase in cash held		66,009	(3,841,220)	56,738	(3,839,931)
Cash at the beginning of the financial year		2,002,619	5,843,839	2,025,134	5,865,065
Cash at the end of the financial year	18a	2,068,628	2,002,619	2,081,872	2,025,134

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 Nil resulting from activities to the taxation year ended 30th June 2003, (previous year \$1,031).

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 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 the controlled entity included in the consolidated accounts have been eliminated.

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

NOTE 2: PROFIT FROM ORDINARY ACTIVITIES	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
Profit from ordinary activities has been determined after:				
a. Expenses:				
Depreciation of plant and equipment	109,394	84,985	109,394	84,985
Depreciation of property	130,890	66,907	130,890	66,907
Total Depreciation	240,284	151,892	240,284	151,892
Remuneration of auditor				
— audit or review services	13,500	12,500	13,500	12,500
— other services	-	-	-	-
Total remuneration	13,500	12,500	13,500	12,500
Rental expense on operating leases				
— minimum lease payments	10,475	12,108	10,475	12,108
Total	10,475	12,108	10,475	12,108

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 3: RECEIVABLES	\$	\$	\$	\$
Accounts Receivable	120,214	122,111	120,214	124,533
Less: Provision for Doubtful Debts	(10,000)	(10,000)	(10,000)	(10,000)
Receipts Outstanding – Over-Riding Commission	31,635	30,807	31,635	30,807
Other Debtors	113,851	216,077	113,851	216,077
	<u>255,700</u>	<u>358,995</u>	<u>255,700</u>	<u>361,417</u>

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 4: INVESTMENTS	\$	\$	\$	\$
CURRENT				
Deposits at Call	2,067,868	2,001,859	2,081,112	2,024,374
	<u>2,067,868</u>	<u>2,001,859</u>	<u>2,081,112</u>	<u>2,024,374</u>

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 5: INVENTORIES	\$	\$	\$	\$
CURRENT				
Stationery	39,119	33,572	39,119	33,572
Printing	12,439	13,429	12,439	13,429
	<u>51,558</u>	<u>47,001</u>	<u>51,558</u>	<u>47,001</u>

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 6: OTHER ASSETS	\$	\$	\$	\$
Prepayments	69,611	43,777	69,611	43,777
	<u>69,611</u>	<u>43,777</u>	<u>69,611</u>	<u>43,777</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

	Note	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
NOTE 7: INVESTMENTS					
Publicly Listed Investments	7(a)	30,074	30,074	30,074	30,074
Less Provision for Diminution in value		(30,074)	(27,600)	(30,074)	(27,600)
		-	2,474	-	2,474
Shares in Non-Listed Investments					
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)		1	1	1	1
Australian Automobile Dealers Association Dealer Services Pty. Ltd. (ACN 066 007 707)		-	-	-	-
Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)		-	-	-	-
		1	1	1	1
Units in MTAA House Unit Trust	7(b)	668,000	668,000	668,000	668,000
TOTAL INVESTMENTS		668,001	670,475	668,001	670,475

7(a) The Market Value of Publicly Listed Investments as at 31st March, 2004 was \$Nil, (2003 \$2,474) a provision for write down of recoverable value of shares of \$30,074 (2003 \$27,600).

7(b) 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 1st April 2001, when AAS 38 Revaluation of Non Current Assets was first applied.

Any units acquired since that date are stated at cost.

MTAA House was re-valued by Mr. P Harding FAPI of Knight Frank in June 2003 at a "willing buyer/seller" market value of \$17,500,000. On the basis of MTA's entitlement to net assets of the Trust per accounts dated 30th June 2003, (which included this revaluation of the building), MTA's net asset entitlement would be \$1,494,619. This represents an increase over booked value of \$826,619.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
NOTE 8:				
PROPERTY, PLANT AND EQUIPMENT				
Furniture & Fittings – at cost	168,266	156,551	168,266	156,551
Less: accumulated depreciation	(142,016)	(132,109)	(142,016)	(132,109)
	<u>26,250</u>	<u>24,442</u>	<u>26,250</u>	<u>24,442</u>
Plant & Equipment – at cost	711,903	655,645	711,903	655,645
Less: accumulated depreciation	(527,258)	(456,926)	(527,258)	(456,926)
	<u>184,645</u>	<u>198,719</u>	<u>184,645</u>	<u>198,719</u>
Motor Vehicles – at cost	157,733	157,733	157,733	157,733
Less: accumulated depreciation	(87,922)	(58,766)	(87,922)	(58,766)
	<u>69,811</u>	<u>98,967</u>	<u>69,811</u>	<u>98,967</u>
Land & Buildings				
Land				
(at deemed cost)				
3 Frederick Road, Royal Park	286,667	286,667	286,667	286,667
81 & 83 Greenhill Road, Wayville	1,382,930	1,382,930	1,382,930	1,382,930
Total Land	<u>1,669,597</u>	<u>1,669,597</u>	<u>1,669,597</u>	<u>1,669,597</u>
Buildings				
(at deemed cost)				
3 Frederick Road, Royal Park	1,547,460	1,530,872	1,547,460	1,530,872
Less: accumulated depreciation	(367,870)	(306,201)	(367,870)	(306,201)
	<u>1,179,590</u>	<u>1,224,671</u>	<u>1,179,590</u>	<u>1,224,671</u>
81 & 83 Greenhill Road, Wayville	2,768,861	2,765,860	2,768,861	2,765,860
Less: accumulated depreciation	(74,984)	(5,762)	(74,984)	(5,762)
	<u>2,693,877</u>	<u>2,760,098</u>	<u>2,693,877</u>	<u>2,760,098</u>
Total Buildings	<u>3,873,467</u>	<u>3,984,769</u>	<u>3,873,467</u>	<u>3,984,769</u>
Work in Progress	358,459	-	358,459	-
Total Property, Plant & Equipment	<u>6,182,229</u>	<u>5,976,494</u>	<u>6,182,229</u>	<u>5,976,494</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 1st 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 with vacant possession, of \$2,444,000.

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, 2004:

	Furniture & Fittings \$	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$
Balance at the beginning of year	24,442	198,719	98,967	-
Additions	11,715	56,257	-	358,459
Depreciation expense	(9,907)	(70,331)	(29,156)	-
Transfers between assets	-	-	-	-
Write-offs/disposals at WDV	-	-	-	-
Carrying amount at the end of year	26,250	184,645	69,811	358,459

	Buildings Royal Park \$	Buildings Wayville \$	Land Royal Park \$	Land Wayville \$	Total \$
Balance at the beginning of year	1,224,671	2,760,098	286,667	1,382,930	5,976,494
Additions	16,588	3,000	-	-	446,019
Depreciation expense	(61,669)	(69,221)	-	-	(240,284)
Transfers between assets	-	-	-	-	-
Write-offs/disposals at WDV	-	-	-	-	-
Carrying amount at the end of year	1,179,590	2,693,877	286,667	1,382,930	6,182,229

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, 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	<u>24,442</u>	<u>198,719</u>	<u>98,967</u>

	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	<u>1,224,671</u>	<u>2,760,098</u>	<u>286,667</u>	<u>1,382,930</u>	<u>5,976,494</u>

*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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
	\$	\$	\$	\$
NOTE 9: PAYABLES				
Current				
Trade creditors	103,878	51,212	103,878	51,212
Accruals	137,314	144,996	137,314	151,281
Unearned - Income	43,515	48,481	43,515	48,481
	<u>284,707</u>	<u>244,689</u>	<u>284,707</u>	<u>250,974</u>

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
	\$	\$	\$	\$
NOTE 10: INTEREST BEARING LIABILITIES				
Current				
Hire Purchase Contract	6,730	15,636	6,730	15,636
	<u>6,730</u>	<u>15,636</u>	<u>6,730</u>	<u>15,636</u>

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
	\$	\$	\$	\$
NOTE 11: PROVISIONS				
Current				
Provision for Annual Leave	85,313	84,359	85,313	84,359
Provision for Long Service Leave	155,188	139,304	155,188	139,304
Provision for Income Tax	-	-	-	1,031
	<u>240,501</u>	<u>223,663</u>	<u>240,501</u>	<u>224,694</u>

Non-Current				
Provision for Long Service Leave	42,021	35,714	42,021	35,714
	<u>42,021</u>	<u>35,714</u>	<u>42,021</u>	<u>35,714</u>

Number of employees at year end	19	19	19	19
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

Note	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 12: ACCUMULATED MEMBER FUNDS				
12(a)				
Accumulated Surplus:				
Balance – Beginning of Year	7,377,996	7,226,412	7,392,454	7,246,428
Surplus/(Deficit) for the Year	127,048	151,584	122,792	146,026
Balance - End of Year	7,505,044	7,377,996	7,515,246	7,392,454
12(b)				
Asset Revaluation Reserve:				
Balance – Beginning of Year	156,055	156,055	156,055	156,055
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
Balance – End of Year Reserves	671,055	671,055	671,055	671,055
TOTAL MEMBERS' FUNDS	8,176,099	8,049,051	8,186,301	8,063,509

NOTE 13: CAPITAL AND LEASING COMMITMENTS	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
a. Operating Lease Commitments				
Being for rent of motor vehicle				
Payable:				
— not later than 1 year	12,039	11,523	12,039	11,523
— later than 1 year but not later than 5 years	24,077	18,245	24,077	18,245
— later than 5 years	-	-	-	-
	<u>36,116</u>	<u>29,768</u>	<u>36,116</u>	<u>29,768</u>

2004 Motor vehicle leased on a non-cancellable operating lease from G E Automotive Financial Services.

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

b. Capital Commitments

Capital commitments contracted for:

Plant and equipment purchases	322,000	-	322,000	-
	<u>322,000</u>	<u>-</u>	<u>322,000</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 commitments of a material nature, existed at year end.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2004

	MTA of SA 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
NOTE 14: CONTINGENT LIABILITIES	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable:	50,000	50,000	50,000	50,000

2004

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 2004	MTA of SA 2003	Consolidated 2004	Consolidated 2003
	\$	\$	\$	\$
Premises Rental	231,500	203,000	231,500	203,000
Management, accounting and administrative support	165,007	92,493	165,007	92,493
	396,507	295,493	396,507	295,493
Officers & Directors Remuneration				
Remuneration (including fringe benefits) received or due and receivable, by officers and directors of the association.	227,276	228,143	227,276	228,143

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2003

Note 17

INDUSTRY SEGMENTS	Motor Trade Membership		Roadside Membership		Investments		Property		Printing & Stationery Services		Other		Eliminations		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
Operating Revenue	\$000		\$000		\$000		\$000		\$000		\$000				\$000	\$000
Sales to customers outside the group	1,340	1,381	6	22	113	299	688	279	341	321	252	139	-	-	2,740	2,441
Intersegment sales															-	-
Unallocated Revenue															-	-
Total revenue															<u>2,740</u>	<u>2,441</u>
Segment result	(466)	(425)	(4)	(6)	111	271	281	124	49	43	252	139	-	-	123	146
Unallocated expenses															-	-
Group operating profit (before equity accounting)															<u>123</u>	<u>2,898</u>
Segment assets	945	643	13	26	2,736	2,671	5,543	5,654	72	130	-	-	-	-	9,309	9,124
Unallocated assets															-	-
Total assets															<u>9,309</u>	<u>9,124</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2003

NOTE 18: CASH FLOW INFORMATION	MTA of SA 2004 \$	MTA of SA 2003 \$	Consolidated 2004 \$	Consolidated 2003 \$
a. Reconciliation of Cash				
Cash on hand	760	760	760	760
Deposits at Call – Investments Current	2,067,868	2,001,859	2,081,112	2,024,374
	<u>2,068,628</u>	<u>2,002,619</u>	<u>2,081,872</u>	<u>2,025,134</u>
b. Reconciliation of net cash provided by operating activities to profit from ordinary activities				
Profit from ordinary activities after income tax	127,048	151,584	122,792	146,026
Non-cash flows in profit from ordinary activities:				
Depreciation	240,284	151,892	240,284	151,892
Net loss/(Gain) on disposal of plant, equipment and investments	-	6,876	-	6,876
Recoverable Amount Decrement on Listed Investments	2,474	27,600	2,474	27,600
Changes in assets and liabilities:				
Decrease/ (Increase) in receivables	103,295	(50,188)	105,717	(49,882)
Decrease/ (Increase) in stock	(4,557)	2,250	(4,557)	2,250
Decrease/ (Increase) in other assets	(25,834)	(124,509)	(25,834)	(124,509)
Increase/(Decrease) in creditors and borrowings	55,079	152,113	48,673	157,623
Increase/(Decrease) in provisions	23,145	27,790	22,114	28,821
Net cash provided/(used) by Operating Activities	<u>520,934</u>	<u>345,408</u>	<u>511,663</u>	<u>346,697</u>

c. Financing Facilities

A Bank Overdraft Facility of \$20,000 (2003 - \$20,000) was available to the Association at 31st March 2004. As at that date, no amount of this facility was in use (2003 - \$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 (2003: \$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	
	2004	2003	2004	2003	2004	2003	2004	2003
FINANCIAL ASSETS	%	%	\$	\$	\$	\$	\$	\$
Cash	-	-	760	760	-	-	-	-
Receivables	-	-	255,700	358,995	-	-	-	-
Investments	-	-	668,001	670,475	-	-	-	-
Short Term Deposits	4.59	4.25	2,067,868	2,001,859	-	-	-	-
TOTAL FINANCIAL ASSETS			2,992,329	3,032,089	-	-	-	-
FINANCIAL LIABILITIES								
Bank overdraft & Loans	7.00	7.00	6,730	15,636	-	-	-	-
Accounts Payable	-	-	284,707	244,689	-	-	-	-
TOTAL FINANCIAL LIABILITIES			291,437	260,325	-	-	-	-

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 ENTITY

Note	Interest held		Book value of investment		Contribution to consolidated surplus	
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$
MTA of SA Inc. Controlled entity Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)	100%	100%	-	-	(4,256)	(5,558)

Roadusers' Club transferred its roadside assistance business to Australia Wide Assistance in October 2003. The company has not traded since that time. The controlled entity continues to hold cash balances as bank deposits.

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.

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, 2004;
- b] in the opinion of the Board of Management, meetings of the Board were held during the year ended 31st March 2004 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, 2003, and the auditor's report thereon.


PETER ROBERTS


MICHAEL CLARIDGE

Dated: 19th May, 2004

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, 2004 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, 2004, the number of members of the organisation is 1,065.


MICHAEL CLARIDGE
Principal Accounting Officer

Dated: 19th May, 2004.

**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)	2004	2003
received or due and receivable, by	\$	\$
officers of the association.	227,276	228,143

Signed pursuant to a resolution of the Board of Directors.


Peter Roberts


Michael Claridge

Dated this 19th day of May 2004

You're Invited!

MEMBERS & PARTNERS

Motor Trade Association of SA Inc.



78th

ANNUAL GENERAL MEETING

7.00pm Sharp to 7.30pm

and

COCKTAIL FUNCTION

Time: 7.30pm to 10.30pm

Venue: Hilton Victoria Room, Adelaide

Date: Friday 20 August 2004

Dress: Lounge/After Five

RSVP: Sue Chaplin by 6 August 2004

P: (08) 8291 2000 F: (08) 8291 2099

email: schaplin@mta-sa.asn.au

Attend AGM Y N

Attend Cocktail Function Y N

Names:

Business:



Australian Government
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
Executive Director
The Motor Trade Association
of South Australia (Incorporated)
GPO Box 2204
ADELAIDE SA 5001

Dear Mr Horne

**Re: The Motor Trade Association of South Australia (Incorporated)
Financial documents for year ended 31 March 2004 - FR2004/394**

I have received the full financial documents of the above named organisation for the year ended 31 March 2004. The documents were lodged in the Industrial Registry on 31 August 2004.

The documents have been filed.

New Legislation

As previously advised, the Workplace Relations Registration and Accountability of Organisations Schedule (the RAO Schedule) generally came into operation on 12 May 2003.

Many of the provisions relating to registered organisations currently in the Workplace Relations Act 1996 (the Act) are replicated in the new RAO Schedule, with some amendments. Other matters are substantially changed by the RAO Schedule particularly the financial reporting requirements.

The above named organisation has correctly completed and lodged its financial documents for the financial year ended 31 March 2004 under the Act. **However, the reporting obligations for the financial year ending 31 March 2005 will be governed by the requirements of the new RAO Schedule.**

Accordingly, it is recommended that, in preparation of the financial documents for the year commencing 1 April 2005, the new requirements be brought to the attention of the organisation's auditor.

Should you have any queries concerning these matters or require further information, I may be contacted on (03) 8661 7988.

Yours sincerely

A handwritten signature in cursive script that reads 'L. Markovski'.

Lynette Markovski
Statutory Services Branch
14 September 2004