

FR 2005/442.



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

05 JUL 21 AM 9:49

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 2005)" and "Balance Sheet (as at 31st March 2005)" is a true and correct record of what it purports to be. ¹
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 2005 and that I was present at this Annual General Meeting.

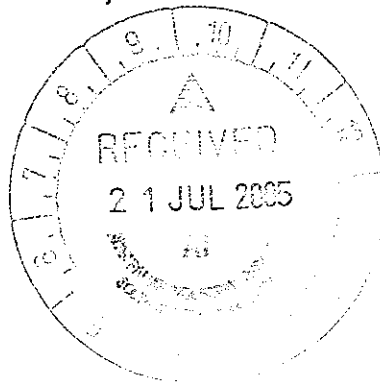
THAT of the 67 persons who actually signed the attendance register, 43 signed as nominated representatives for voting purposes and were members of MTA; there were no duly appointed representatives by proxy. THAT all persons were, at that time, financial members of MTA and the attached document marked "Schedule B" is a true and correct copy of the Attendance Register for the Annual General Meeting held on the 15th day of July 2005.

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 20th day of July 2005



¹ An error in the Treasurer's report was noted and is attached



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SCHEDULE "A"

**MINUTES OF THE 79th ANNUAL GENERAL MEETING OF
THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIAN INC.
HELD IN HALL D, ADELAIDE CONVENTION CENTRE, NORTH TERRACE ADELAIDE
ON FRIDAY 15h JULY 2005**

ATTENDANCE

Sixty seven members and guests signed the attendance sheet. Forty three signatories were members of the Association.

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES

The President Peter Roberts, welcomed members and guests to the 79th Annual General Meeting of the Association and declared the meeting open at 7.10pm.

The President extended a special welcome to Life Members Messrs Ian Brock, Bruce McFarlane, Len Miller, Ray Noack and Harold Shipp and representatives of CGU Insurance.

Mr Horne said 58 apologies in total were received; 38 of these were members.

2. TO ADOPT THE PREVIOUS MINUTES

It was moved Mr Shipp seconded Mr Polley

**THAT THE MINUTES OF THE 78th ANNUAL GENERAL MEETING HELD ON 20th AUGUST 2004
BE ADOPTED** **CARRIED...**

3. FINANCIAL REPORT FOR THE YEAR ENDED 31st MARCH 2005

The Treasurer spoke to his report and drew members' attention to two errors contained in it; he said surplus for the consolidated entry should read \$154,940 and that increases in the Association's accumulated assets by approximately 2% totalled \$8,341,241. The Treasurer expressed pleasure at the Association's year end result, which was in keeping with the Board's resolution that the Association achieve a surplus result. He thanked the President, Board of Management and MTA staff for their continuing support and asked that the Financial Report be accepted.

Moved Mr Weeks seconded Mr Bolton

THAT THE FINANCIAL REPORT FOR THE 2004/2005 YEAR BE ACCEPTED **CARRIED...**

4. BOARD OF MANAGEMENT REPORT

The President delivered the 2005 Annual Report. He advised the meeting that this was his last Annual General Meeting as President of the Association and sincerely thanked the Board of Management, MTA Executive Director Ian Horne and staff for their support over the last three years; he extended his well wishes to the new MTA President Frank Agostino.

The President then moved

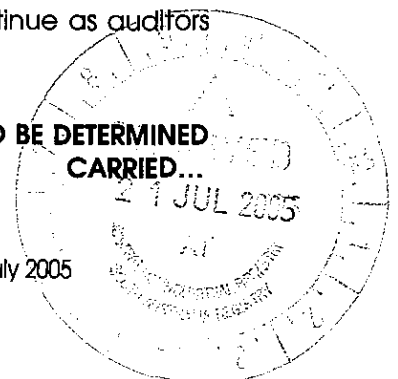
THAT THE 2005 BOARD OF MANAGEMENT REPORT BE RECEIVED **CARRIED...**
Seconded Mr Shipp

5. APPOINTMENT OF AUDITORS

The President said that KPMG had indicated their willingness to continue as auditors for the Association.

Moved Mr Claridge seconded Mr Heavyside

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



6. TO DECLARE THE RESULTS OF THE ELECTION OF OFFICERS

Mr Horne was pleased to declare the results of the election, which was as follows:

President	Frank Agostino
Vice President	Colin Clark
Past President	Peter Roberts
Treasurer	Michael Claridge
Members' Representative	Arthur Walker
Auto Dismantlers Division	Peter Barrows

The President took the opportunity to thank Colin Heavyside for his contribution and dedication to the Board of Management.

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 Bolton seconded Mr Shipp

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 7.30pm.

Confirmed this day of 2006.

President

This is the corrected Treasurer's report (correction in bold and underline)

TREASURER'S REPORT

The Association's Board of Management has delivered another positive financial result for our trading year of 2004/2005, reflecting our objective of operating surplus budgets. Members will note a surplus for the consolidated entity of **\$154,940**.

This is made up of:

- o An operating surplus of \$152,537, the fifth year in a row that an operating surplus has been achieved!
- o A Retail Motor Trading Company profit of \$2403.

This result increases our accumulated assets by approximately 2% to **\$8,341,241** as reflected in the Statement of Financial Position.

I am pleased to report that our normal operating expenses remain under control ensuring an ongoing surplus result for the Association.

During the 04/05 financial year, MTA moved to its complex at 81-83 Greenhill Road. This purchase has allowed the relocation of the Association's administration function back to the CBD fringe and importantly, provides the Association with a secure investment opportunity that will provide for future generations of Motor Trade Association members. The MTA occupies approximately 30% of the building's floor space, with the remaining areas fully leased to quality tenants.

The Royal Park Training Centre is now a significant income producing asset for the MTA as well as providing an appropriate base for the MTA Group Training Scheme.

Our asset base continues to improve in both value and quality.

The current total asset profile as at 30th March 2005 shows:

MTAA House, Canberra = 8%
Royal Park Training Centre = 17%
Cash = 24%
Greenhill Road = 48%
Others (receivables, stock etc.) = 3%

MTAA House in Canberra, while not generating a return to shareholders at this stage, is seen as an investment on behalf of members and the trades in the political and business influence of our industry in the nation's capital and should be held freehold by the Motor Trades Association within four years.

As Treasurer I emphasise the importance of our business relationship with CGU Motor Trades who have worked with us on a unique and beneficial membership drive that has also delivered financial benefits to existing members, and Capricorn who remain an important support mechanism for the industry, members and the Association. Combined commissions from all sources contributed some 17% of our income.

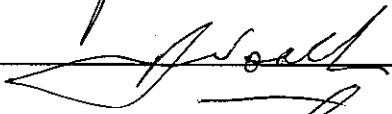
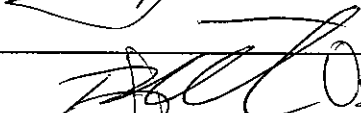
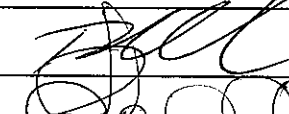
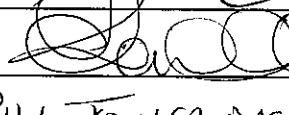
Finally I would remind members that despite our continuing strong financial performance, we have a responsibility to continue to maximise member benefits and minimise costs. We continue to ensure every year is one of responsible application of members' funds and to preserve and enhance the financial legacy inherited from previous generations of motor traders for the benefit of current and future members.

I thank the Board of MTA, the Executive Committee and MTA management and staff for their efforts, support and assistance.

Michael Claridge
Treasurer

REGISTRATION

Please sign

MEMBER NAME	MEMBER BUSINESS
BRENTAN STEW	AGOSTINO GROUP.
GEORGE BOLTON	BOLTONS KAWASAKI
VIVIAN W. FIEBIGER	FIEBIGER MOTORS ALGASTON
Jean Fiebigier	" "
JEAN HURLEY	KENT TOWN AUTO TRUCK
LOUISE HURLEY	" " " "
Rev Waters.	TUNDRA Sales Service
BRUCE McPARLANE	LIFE MEMBER.
NORMAN COOPER	MOTOR SEARCH
RIK STOCKLEY	CARLEE PIL
JAY RICHARDS	RICHARDS UTES
ROGER PAECH	PAECH MOTORS
ANTHONY MALEY	Boyleen Publishing.
Rolf Meyer	Approved Automotive Services
FRANK AGOSTINO	AGOSTINO GROUP.
ARCH BOONEN	FITZROY CAR CENTRE
DI MULVHILL	" " "
Peter Robinson	Life member
Peter Barrows	TOP SPOT AUTO DISMANTLERS
DAVID JARROLD	JARROLD MOTOR COMPANY PT
BRIAN WHEELS	WESTERN AUTO REPAIRS
Colin Hepburn	Angon Norwood.
LAY MARDON NOALL	
ANGELA MANN. SHAWN NOALL	
Theodore Penella	 Used Tyre Dept
Connie Penella	 Used Tyre Dept
Bill Towler	BILL TOWLER MECHANICAL REPAIRS

REGISTRATION

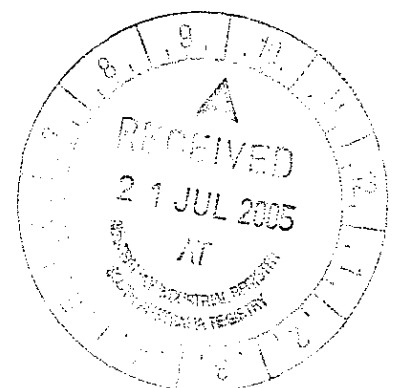
Please sign

MEMBER NAME	MEMBER BUSINESS
Len Miller	Retired
DES & JOY AYRES	AWA - ROADSIDE
HAROLD E SHIPP	SHIPP BROS PTY LTD.
Dave Don	UCA pty ltd
John	UCA pty ltd
Dean Chipstone	REDDERS SUSPENSION
Leslie Blake	TRACTION TUNERS.
MIKE CHARIDGE	CHARIDGE HOORN
Peter Roberts	O.C. Roberts & Co
Philip Brown	Tandari Sales & Serv.
Alex Bohmer	CITY SSANGYONG
Betty Bohmer	CITY SSANGYONG
TERENCE CRITCHLEY	TRANSPORT CONNECTION
FRANK RAMFORD	MAIN NORTH HISSAM
Jan Brock	Life Member
Neville Gibb	Gibb & Sons.
John Iannotti	RE-CAR PTY LTD
PAMMY SHANG.	SOUTH COAST AUTO REPAIRS.
MARK KRAULIS	UPULLIT. PTY LTD
Ron Gibbins	PULSAR PARTS.
Juan Niekerk	Metzler/Kazuma Kopyels
John Carroll	Coms Inster Bn & Resourc Smpls
Tom Horne	MTA
MARC BRIEN	AUTO CONNECT
KAREN BRIEN	AUTO CONNECT
ALAN THOMAS	AUTO CONNECT



The Motor Trade Association of SA Inc

**THE
FINANCIAL
REPORT
OF
2005**





**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 2005, consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes 1 to 26, and the statement by the Board of Management. The Board of Management 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 2005 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 2005 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 2005 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


Mary Savage
Partner

Place: Adelaide

Date: 19th May 2005

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITY
ABN 76267492138

OPERATING REPORT

Your Board of Management present their report together with the financial report of the Association and of the consolidated entity, being the Association and its consolidated entity for the financial year ended 31st March 2005.

The names of the Members of the Board of Management who held office at any time during or since the end of the year are:

Peter Roberts	Colin Butcher
Frank Agostino	Arch Boonen
Colin Heavyside	George Bolton
Michael Claridge	Shawn Noack
Arthur Walker	Harold Shipp
Colin Clark	Roger Paech
Alan Biggs	Dale John
LeRoy Uren	Mathew East
John Hitchcock	Eve vander Woude
Brian Weeks	Danny Shane
John Zulian	Neville Gibb
Clive Polley	Barry Pickert
Peter Cox	

The consolidated profit for the financial year amounted to \$154,940 (2004 \$122,792).

A review of the operations of the consolidated entity during the financial year and the results of those operations is included in the President's report which is attached.

No significant changes in the consolidated entity's state of affairs occurred during the financial year.

The principal activities of the consolidated entity during the financial year were to serve the interests of employers and members of the Retail Motor Trade in SA.

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

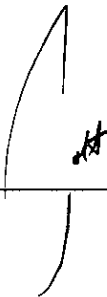
Members' rights to resign is set out in Item 13 of the constitution, in summary a member may resign from membership by written notice addressed and delivered to the offices of the Motor Trade Association.

At the end of the financial year there were 1,177 members of the Motor Trade Association of SA Inc.


The Association employed 18 staff at the end of the financial year.

Signed in accordance with the resolution of the Board of Management.

Board
Member



Board
Member



Dated this 18th day of May 2005.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITY
ABN 76267492138**

**DISCUSSION AND ANALYSIS OF PRINCIPAL FACTORS AFFECTING THE FINANCIAL
PERFORMANCE, FINANCIAL POSITION AND FINANCIAL AND INVESTING
ACTIVITIES**

The financial statements and disclosures in the financial report have been derived from the 2005 Financial Report of the Motor Trade Association of SA Inc. and Consolidated Entity.

A copy of the full financial report and auditor's report will be sent to all members, free of charge.

The following discussion and analysis is provided to assist the understanding of members of the MTA of SA Inc. The discussion and analysis is based on the general purpose financial report of the Association and Consolidated Entity.

Statement of Financial Performance

The profit from ordinary activities in the financial year was \$154,940. This was an increase of \$32,148 from the previous year. This was achieved due to increased commissions received as a result of additional MTA membership marketing in conjunction with CGU Motor Trades Insurance. The Association has also been able to increase its rental income by letting its premises previously occupied at Royal Park.

Statement of Financial Position

The financial position of the Association and its Consolidated Entity was improved by the operating profit noted above. Equity increased to \$8,341,241. Interest bearing liabilities were reduced by \$6,730.

Cash flow from operations was \$489,360. This was largely the result of the operating profit (which included a depreciation charge of \$288,800) and commissions. Extensive refurbishment of 81 Greenhill Road premises occurred during the year together with replacement of computers and other office furniture and fittings.

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST MARCH 2005

ABN 65 767 492 138

	Note	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
REVENUE FROM ORDINARY ACTIVITIES					
Operating Activities	2				
Membership Contributions & Entrance Fees		1,031,199	1,036,037	1,034,241	1,042,300
Commissions		480,034	299,966	480,034	299,966
Grant Income		-	33,800	-	33,800
Motor Industry Member Functions		3,216	4,333	3,216	4,333
Rents		798,635	687,944	798,635	687,944
Sales - Printing & Stationery	1n	288,608	341,266	288,608	341,266
Sundry Income		164,845	218,026	164,845	218,026
		<u>2,766,537</u>	<u>2,621,372</u>	<u>2,769,579</u>	<u>2,627,635</u>
Non-operating Activities					
Interest Earned		93,023	112,910	93,023	112,956
Proceeds on disposal of plant & equipment		1,010	-	1,010	-
		<u>94,033</u>	<u>112,910</u>	<u>94,033</u>	<u>112,956</u>
<hr/>					
TOTAL ORDINARY ACTIVITIES REVENUE		2,860,570	2,734,282	2,863,612	2,740,591
Less:					
ORDINARY ACTIVITIES EXPENSES		2,708,033	2,607,234	2,708,672	2,617,799
NET PROFIT FROM ORDINARY ACTIVITIES	12	152,537	127,048	154,940	122,792
<hr/>					
TOTAL CHANGES IN EQUITY OF THE ASSOCIATION		152,537	127,048	154,940	122,792

The accompanying notes form part of this financial report as set out on pages 8 to 27.

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31st MARCH 2005

ABN 65 767 492 138	Note	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
ORDINARY ACTIVITIES EXPENSES					
Administration Expenses		292,783	315,437	293,222	324,877
Advertising & Promotion		117,790	174,738	132,444	174,738
Affiliation Fees		141,202	133,394	141,202	133,394
Annual Leave Provision		67,295	63,718	67,295	63,718
Audit Fees	2	13,650	13,500	13,650	13,500
Conferences & Seminars		5,830	2,260	5,830	2,260
Cost of Sales – Printing & Stationery	1n	142,933	176,982	142,933	176,982
Depreciation	2	288,800	240,284	288,800	240,284
Donations		470	350	470	350
Electoral Action		22,990	-	22,990	-
Insurance – Other		25,765	40,253	25,765	40,253
Insurance – Workcover		4,839	6,910	4,839	6,910
Interest Expenses		303	1,014	303	1,014
Lease Expense		13,589	10,475	13,589	10,475
Legal Expenses		23,587	19,394	23,787	19,394
Long Service Leave – Provision		28,304	29,156	28,304	29,156
Membership Services		35,187	17,743	20,533	17,743
Motor Trade Journal		23,251	18,568	23,251	18,568
Motor Vehicle Expenses		30,696	21,413	30,696	21,413
Payroll Tax		28,843	29,189	28,843	29,189
Property Expenses		333,681	262,183	333,681	262,183
Salaries – Officials		165,415	155,682	165,415	155,682
Salaries – Others		647,117	630,342	647,117	630,342
Superannuation		129,341	147,572	129,341	147,572
Telephone, & Facsimile		53,376	42,020	53,376	43,145
Travel & Accommodation		67,066	52,183	67,066	52,183
Write Down of recoverable value of shares		-	2,474	-	2,474
Written Down Value, on disposal of plant & equipment	8	3,930	-	3,930	-
TOTAL ORDINARY ACTIVITIES EXPENSES		2,708,033	2,607,234	2,708,672	2,617,799

The accompanying notes form part of this financial report as set out on pages 8 to 27.

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
STATEMENT OF FINANCIAL POSITION
AS AT THE YEAR ENDED 31ST MARCH 2005

ABN 65 767 492 138

	Note	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
CURRENT ASSETS					
Cash assets		1,160	760	1,160	760
Receivables	3	150,487	255,700	150,487	255,700
Investments	4	2,019,992	2,067,868	2,032,597	2,081,112
Inventories	5	53,356	51,558	53,356	51,558
Prepayments	6	85,834	69,611	85,834	69,611
TOTAL CURRENT ASSETS		2,310,829	2,445,497	2,323,434	2,458,741
NON-CURRENT ASSETS					
Receivables	14	50,000	-	50,000	-
Publicly Listed Investments	7	-	-	-	-
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	6,421,254	6,182,229	6,421,254	6,182,229
TOTAL NON-CURRENT ASSETS		7,139,255	6,850,230	7,139,255	6,850,230
TOTAL ASSETS		9,450,084	9,295,727	9,462,689	9,308,971
CURRENT LIABILITIES					
Amounts Held on Behalf of Divisions		103,399	177,910	103,399	177,910
Subscriptions in Advance		259,716	367,759	259,716	370,801
Payables	9	446,940	284,707	446,940	284,707
Interest bearing liabilities	10	-	6,730	-	6,730
Provisions	11	268,660	240,501	268,660	240,501
TOTAL CURRENT LIABILITIES		1,078,715	1,077,607	1,078,715	1,080,649
NON-CURRENT LIABILITIES					
Provisions	11	42,733	42,021	42,733	42,021
TOTAL NON-CURRENT LIABILITIES		42,733	42,021	42,733	42,021
TOTAL LIABILITIES		1,121,448	1,119,628	1,121,448	1,122,670
NET ASSETS		8,328,636	8,176,099	8,341,241	8,186,301
ACCUMULATED MEMBER FUNDS					
Accumulated Surplus	12	7,657,581	7,505,044	7,670,186	7,515,246
Reserves	12	671,055	671,055	671,055	671,055
TOTAL MEMBER FUNDS	12	8,328,636	8,176,099	8,341,241	8,186,301

The accompanying notes form part of this financial report as set out on pages 8 to 27.

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2005

ABN 65 767 492 138

	Note	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
CASH FLOWS FROM OPERATING ACTIVITIES					
Customer Receipts		3,177,908	3,086,300	3,180,950	3,095,031
Payments to suppliers and employees		(2,780,629)	(2,677,262)	(2,784,310)	(2,695,310)
Interest received		93,023	112,910	93,023	112,956
Interest paid		(303)	(1,014)	(303)	(1,014)
Net cash provided by operating activities	18b	489,999	520,934	489,360	511,663
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment purchases		-	-	-	-
Proceeds on sale of investments		-	-	-	-
Fixed asset purchases		(531,755)	(446,019)	(531,755)	(446,019)
Proceeds on sale of fixed assets		1,010	-	1,010	-
Net cash (used) by/provided in investing activities		(530,745)	(446,019)	(530,745)	(446,019)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(6,730)	(8,906)	(6,730)	(8,906)
Net cash used in financing activities		(6,730)	(8,906)	(6,730)	(8,906)
Net (decrease)/increase in cash held		(47,476)	66,009	(48,115)	56,738
Cash at the beginning of the financial year		2,068,628	2,002,619	2,081,872	2,025,134
Cash at the end of the financial year	18a	2,021,152	2,068,628	2,033,757	2,081,872

The accompanying notes form part of this financial report as set out on pages 8 to 27.

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 2004, (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 directors 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%

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 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
Profit from ordinary activities has been determined after:				
a. Expenses:				
Depreciation of plant and equipment	157,680	109,394	157,680	109,394
Depreciation of property	131,120	130,890	131,120	130,890
Total Depreciation	288,800	240,284	288,800	240,284
Remuneration of auditor				
— audit or review services	13,650	13,500	13,650	13,500
— other services	-	-	-	-
Total remuneration	13,650	13,500	13,650	13,500
Rental expense on operating leases				
— minimum lease payments	13,589	10,475	13,589	10,475
Total	13,589	10,475	13,589	10,475

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 3: RECEIVABLES	\$	\$	\$	\$
Accounts Receivable	141,573	120,214	141,573	120,214
Less: Provision for Doubtful Debts	(10,000)	(10,000)	(10,000)	(10,000)
Receipts Outstanding – Over-Riding Commission	16,304	31,635	16,304	31,635
Other Debtors	2,610	113,851	2,610	113,851
	<u>150,487</u>	<u>255,700</u>	<u>150,487</u>	<u>255,700</u>

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 4: INVESTMENTS	\$	\$	\$	\$
CURRENT				
Deposits at Call	2,019,992	2,067,868	2,032,597	2,081,112
	<u>2,019,992</u>	<u>2,067,868</u>	<u>2,032,597</u>	<u>2,081,112</u>

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 5: INVENTORIES	\$	\$	\$	\$
CURRENT				
Stationery	35,663	39,119	35,663	39,119
Printing	17,693	12,439	17,693	12,439
	<u>53,356</u>	<u>51,558</u>	<u>53,356</u>	<u>51,558</u>

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 6: OTHER ASSETS	\$	\$	\$	\$
Prepayments	85,834	69,611	85,834	69,611
	<u>85,834</u>	<u>69,611</u>	<u>85,834</u>	<u>69,611</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

	Note	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
NOTE 7: INVESTMENTS					
Publicly Listed Investments	7(a)	30,074	30,074	30,074	30,074
Less Provision. for Diminution in value		(30,074)	(30,074)	(30,074)	(30,074)
		-	-	-	-
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	668,001	668,001	668,001

7(a) The Market Value of Publicly Listed Investments as at 31st March, 2005 was \$Nil, (2004 \$Nil) a provision for write down of recoverable value of shares of \$30,074 (2004 \$30,074).

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 2004 at a "willing buyer/seller" market value of \$18,100,000. On the basis of MTA's entitlement to net assets of the Trust per accounts dated 30th June 2004, (which included this revaluation of the building), MTA's net asset entitlement would be \$1,593,555. This represents an increase over booked value of \$925,555.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
NOTE 8:				
PROPERTY, PLANT AND EQUIPMENT				
Furniture & Fittings – at cost	131,233	168,266	131,233	168,266
Less: accumulated depreciation	(99,534)	(142,016)	(99,534)	(142,016)
	<u>31,699</u>	<u>26,250</u>	<u>31,699</u>	<u>26,250</u>
Plant & Equipment – at cost	1,403,678	711,903	1,403,678	711,903
Less: accumulated depreciation	(481,455)	(527,258)	(481,455)	(527,258)
	<u>922,223</u>	<u>184,645</u>	<u>922,223</u>	<u>184,645</u>
Motor Vehicles – at cost	117,733	157,733	117,733	157,733
Less: accumulated depreciation	(68,845)	(87,922)	(68,845)	(87,922)
	<u>48,888</u>	<u>69,811</u>	<u>48,888</u>	<u>69,811</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	1,547,460	1,547,460	1,547,460
Less: accumulated depreciation	(429,768)	(367,870)	(429,768)	(367,870)
	<u>1,117,692</u>	<u>1,179,590</u>	<u>1,117,692</u>	<u>1,179,590</u>
81 & 83 Greenhill Road, Wayville	2,768,861	2,768,861	2,768,861	2,768,861
Less: accumulated depreciation	(144,206)	(74,984)	(144,206)	(74,984)
	<u>2,624,655</u>	<u>2,693,877</u>	<u>2,624,655</u>	<u>2,693,877</u>
Total Buildings	<u>3,873,347</u>	<u>3,873,467</u>	<u>3,873,347</u>	<u>3,873,467</u>
Work in Progress	6,500	358,459	6,500	358,459
Total Property, Plant & Equipment	<u>6,421,254</u>	<u>6,182,229</u>	<u>6,421,254</u>	<u>6,182,229</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:

	Furniture & Fittings \$	Plant & Equipment \$	Motor Vehicles \$	Work in Progress \$
Balance at the beginning of year	26,250	184,645	69,811	358,459
Additions	12,175	513,080	-	6,500
Depreciation expense	(6,726)	(130,031)	(20,923)	-
Transfers between assets	-	358,459	-	(358,459)
Write-offs/ disposals at WDV	-	(3,930)	-	-
Carrying amount at the end of year	31,699	922,223	48,888	6,500

	Buildings Royal Park \$	Buildings Wayville \$	Land Royal Park \$	Land Wayville \$	Total \$
Balance at the beginning of year	1,179,590	2,693,877	286,667	1,382,930	6,182,229
Additions	-	-	-	-	531,755
Depreciation expense	(61,898)	(69,222)	-	-	(288,800)
Transfers between assets	-	-	-	-	-
Write-offs/ disposals at WDV	-	-	-	-	(3,930)
Carrying amount at the end of year	1,117,692	2,624,655	286,667	1,382,930	6,421,254

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, 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

*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 2005

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 9: PAYABLES	\$	\$	\$	\$
Current				
Trade creditors	158,690	103,878	158,690	103,878
Accruals	242,548	137,314	242,548	137,314
Unearned - Income	45,702	43,515	45,702	43,515
	<u>446,940</u>	<u>284,707</u>	<u>446,940</u>	<u>284,707</u>

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 10: INTEREST BEARING LIABILITIES	\$	\$	\$	\$
Current				
Hire Purchase Contract	-	6,730	-	6,730
	<u>-</u>	<u>6,730</u>	<u>-</u>	<u>6,730</u>

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 11: PROVISIONS	\$	\$	\$	\$
Current				
Provision for Annual Leave	94,943	85,313	94,943	85,313
Provision for Long Service Leave	173,717	155,188	173,717	155,188
	<u>268,660</u>	<u>240,501</u>	<u>268,660</u>	<u>240,501</u>
Non-Current				
Provision for Long Service Leave	42,733	42,021	42,733	42,021
	<u>42,733</u>	<u>42,021</u>	<u>42,733</u>	<u>42,021</u>
Number of employees at year end	18	19	18	19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

Note	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 12: ACCUMULATED MEMBER FUNDS				
12(a)				
Accumulated Surplus:				
Balance – Beginning of Year	7,505,044	7,377,996	7,515,246	7,392,454
Surplus/(Deficit) for the Year	152,537	127,048	154,940	122,792
Balance - End of Year	7,657,581	7,505,044	7,670,186	7,515,246
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	8,328,636	8,176,099	8,341,241	8,186,301

NOTE 13: CAPITAL AND LEASING COMMITMENTS	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
a. Operating Lease Commitments				
Being for rent of motor vehicle				
Payable:				
— not later than 1 year	17,883	12,039	17,883	12,039
— later than 1 year but not later than 5 years	44,397	24,077	44,397	24,077
— later than 5 years	-	-	-	-
	62,280	36,116	62,280	36,116

2005 Motor vehicles leased on non-cancellable operating leases from G E Automotive Financial Services and Toyota Financial Services.

2004 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	6,765	322,000	6,765	322,000
	6,765	322,000	6,765	322,000

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.

	MTA of SA 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
NOTE 14: CONTINGENT LIABILITIES	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable:	50,000	50,000	50,000	50,000

2005

This item represents a potential liability which may arise over the next three years 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. Repayment is anticipated in November 2007.

NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events to report other than changes which will occur pursuant to the adoption of International Financial Reporting Standards as discussed below in note 26.

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 2005	MTA of SA 2004	Consolidated 2005	Consolidated 2004
	\$	\$	\$	\$
Premises Rental	360,760	231,500	360,760	231,500
Management, accounting and administrative support	114,400	165,007	114,400	165,007
	475,160	396,507	475,160	396,507
Officers & Directors Remuneration				
Remuneration (including fringe benefits) received or due and receivable, by officers and directors of the association.	244,426	227,276	244,426	227,276

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

Note 17

INDUSTRY SEGMENTS	Motor Trade Membership		Roadside Membership		Investments		Property		Printing & Stationery Services		Other		Eliminations		Total	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Operating Revenue	\$000		\$000		\$000		\$000		\$000		\$000				\$000	\$000
Sales to customers outside the group	1,517	1,340	3	6	93	113	799	688	289	341	163	252	-	-	2,864	2,740
Intersegment sales															-	-
Unallocated Revenue															-	-
Total revenue															<u>2,864</u>	<u>2,740</u>
Segment result	(558)	(466)	2	(4)	93	111	435	281	22	49	163	252	-	-	155	123
Unallocated expenses															-	-
Group operating profit (before equity accounting)															<u>155</u>	<u>2,898</u>
Segment assets	1,231	893	13	13	2,688	2,736	5,412	5,543	119	124	-	-	-	-	9,463	9,309
Unallocated assets															-	-
Total assets															<u>9,463</u>	<u>9,309</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

NOTE 18: CASH FLOW INFORMATION	MTA of SA 2005 \$	MTA of SA 2004 \$	Consolidated 2005 \$	Consolidated 2004 \$
a. Reconciliation of Cash				
Cash on hand	1,160	760	1,160	760
Deposits at Call – Investments Current	2,019,992	2,067,868	2,032,597	2,081,112
	<u>2,021,152</u>	<u>2,068,628</u>	<u>2,033,757</u>	<u>2,081,872</u>
b. Reconciliation of net cash provided by operating activities to profit from ordinary activities				
Profit from ordinary activities after income tax	152,537	127,048	154,940	122,792
Non-cash flows in profit from ordinary activities:				
Depreciation	288,800	240,284	288,800	240,284
Net loss/ (Gain) on disposal of plant, equipment and investments	2,920	-	2,920	-
Recoverable Amount Decrement on Listed Investments	-	2,474	-	2,474
Changes in assets and liabilities:				
Decrease/ (Increase) in receivables	55,213	103,295	55,213	105,717
Decrease/ (Increase) in stock	(1,798)	(4,557)	(1,798)	(4,557)
Decrease/ (Increase) in other assets	(16,223)	(25,834)	(16,223)	(25,834)
Increase/ (Decrease) in creditors and borrowings	(20,321)	55,079	(20,321)	48,673
Increase/ (Decrease) in provisions	28,871	23,145	28,871	22,114
Net cash provided/ (used) by Operating Activities	<u>489,999</u>	<u>520,934</u>	<u>489,360</u>	<u>511,663</u>

c. Financing Facilities

A Bank Overdraft Facility of \$20,000 (2004 - \$20,000) was available to the Association at 31st March 2005. As at that date, no amount of this facility was in use (2004 - \$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 finished during the year with Orix Australia Corporation Ltd.

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

e. Cash balances of \$50,000 (2004: \$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	
	2005	2004	2005	2004	2005	2004	2005	2004
FINANCIAL ASSETS	%	%	\$	\$	\$	\$	\$	\$
Cash	-	-	1,160	760	-	-	-	-
Receivables	-	-	200,487	255,700	-	-	-	-
Investments	-	-	668,001	668,001	-	-	-	-
Short Term Deposits	4.96	4.59	2,019,992	2,067,868	-	-	-	-
TOTAL FINANCIAL ASSETS			2,889,640	2,992,329	-	-	-	-
FINANCIAL LIABILITIES								
Bank overdraft & Loans	-	7.00	-	6,730	-	-	-	-
Accounts Payable	-	-	446,940	284,707	-	-	-	-
TOTAL FINANCIAL LIABILITIES			446,940	291,437	-	-	-	-

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	
	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$
MTA of SA Inc. Controlled entity						
Retail Motor Trading Co. Pty Ltd (ACN 008 166 194)	100%	100%	-	-	2,403	(4,256)

Roadusers' Club transferred its roadside assistance business to Australia Wide Assistance in October 2004. The company has not traded since that time. The controlled entity continues to hold cash balances as bank deposits.

NOTE 21: Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of the sub-sections (1), (2) and (3) of Section 272 of RAO Schedule to the Workplace Relations Act 1996, which reads as follows:

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

NOTE 22: ASSOCIATION DETAILS

The principal place of business of the association is:

81 Greenhill Road, Wayville, Adelaide, South Australia.

MTA's print and stationery department is located at its 3 Frederick Road, Royal Park premises.

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.

NOTE 26: INTERNATIONAL FINANCIAL REPORTING STANDARDS

For reporting periods beginning on or after 1 January 2005, the consolidated entity must comply with Australian equivalents to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting period ended on 31 March 2005.

Implementation project

The Board has established a project to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the financial year commencing 1 March 2005. The consolidated entity's implementation project consists of the activities described below.

An assessment of the impacts of conversion to IFRS reporting on existing accounting and reporting policies and procedures, systems and processes, business structures and staff.

The development of plans for implementing the changes required to existing accounting policies and procedures and systems and processes in order to transition to IFRS.

The implementation of identified changes to accounting and business procedures, processes and systems and operational training for staff. It will enable the Association to generate the required disclosures of AASB 1 as it progresses through its transition to AIFRS.

The Association has commenced assessment stage of the project, with a high level review of the likely impact having been undertaken. The Association expects to complete the remaining aspects of the conversion project by 31 March 2006.

Impact of transition to AIFRS

The differences between Australian GAAP and AIFRS identified to date as potentially having a significant effect on the Associations' financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Association has not completed its project to assess the impact of adoption of AIFRS and has not quantified the effects of all the differences discussed below.

Any assessments made in respect of the transition to AIFRS may require adjustment before inclusion in the first complete annual/half year financial report prepared in accordance with AIFRS due to new or revised standards or interpretations, changes in the operations of the business, or additional guidance on the application of AIFRS in a particular industry or to a particular transaction.

AIFRS Standards which might have a significant impact

AASB 116 Property Plant and Equipment

AASB 119 Employee Benefits

AASB 136 Impairment of Assets

AASB 140 Investment Property

THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.
BOARD OF MANAGEMENT STATEMENT

On 18th of May 2005 the Board of Management of the Motor Trade Association of SA Inc. passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st March 2005.

The Board 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 on 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 Board of Management were held in accordance with the rules of the organisation including the rules of the 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 the 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) No orders have been made by the Commission under section 273 of the RAO Schedules during the period.

For Board of Management

Title of Office held:

Signature: 

Date:

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 2004/2005 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 19th day of May 2005

**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:-

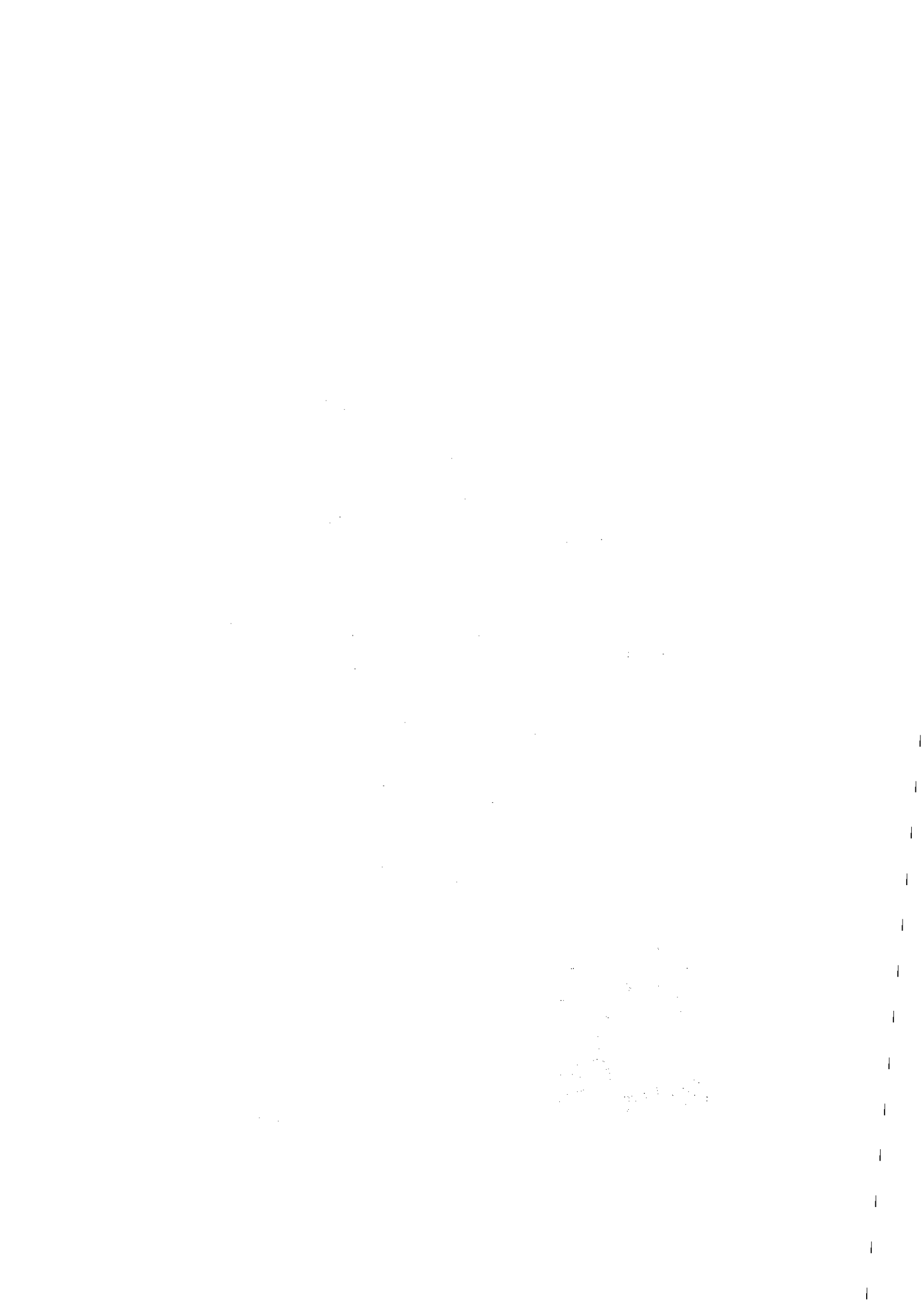
- [a] No benefit has been received as a result of a contract between an officer, firm or corporate (in which an officer or member of the association, is a member or has a substantial financial interest), and the association.
- [b] No officer of the association has received any payment or benefit of a pecuniary value other than as part of a negotiated remuneration package as an employee of the association.
- [c] Remuneration (including fringe benefits) received or due and receivable, by officers of the association.
- | | 2005 | 2004 |
|--|---------|---------|
| | \$ | \$ |
| | 244,426 | 228,143 |

Signed pursuant to a resolution of the Board of Directors.


Peter Roberts


Michael Claridge

Dated this 19th day of May 2005



ALL MEMBERS AND PARTNERS ARE INVITED.....

to the

MTA-SA's 79th ANNUAL GENERAL MEETING
at 7pm

followed by a

COCKTAIL FUNCTION
at 7.30pm

to be held on

FRIDAY 15th JULY 2005

at the

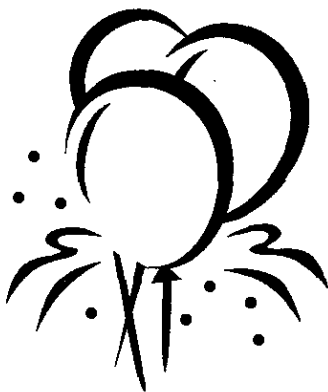
ADELAIDE CONVENTION CENTRE
Riverbank Rooms 1,2 & 3

Entertainment this year will be provided by

BRUNO LUCIA

and

JC JAZZ



....your invitation will be in the mail soon!



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
Secretary
Motor Trade Association of South Australia
GPO Box 2204
ADELAIDE SA 5001

Dear Mr Horne

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 March 2005 - FR2005/442**

I have received the financial reports of your organisation for year ended 31 March 2005. The documents were lodged in the Industrial Registry on 21 July 2005.

The documents have been filed.

The following matter concerning the financial reporting requirement of the RAO Schedule requires further attention.

Secretary's Certificate

Financial reports lodged in the Industrial Registry are required to be accompanied by a certificate signed by the secretary or other prescribed designated officer, please refer to subsection 268(c) of the RAO Schedule and regulation 162 of the Workplace Relations Registration and Accountability or Organisations Regulations (the RAO Regulations). The certificate should state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266 of the RAO Schedule. Could you please lodge the secretary certificate as soon as possible.

Please do not hesitate to contact me on (03) 8661 7988 if you wish to discuss this letter.

Yours sincerely

Lynette Markovski
Statutory Services Branch

17 August 2005

FR 2005/442



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

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, Wayville, South Australia.
3. That the postal address of the office of the Association is GPO Box 2204, Adelaide in the State of South Australia, and that the telephone number is (08) 8291 2000 and the fax number is (08) 8291 2099.
4. THAT pursuant to 268(c) of the Registration and Accountability of Organisations Regulations and Regulation 162 of the Workplace Relations Registration and Accountability or Organisations Regulations, that the enclosed Financial Report for the 2004/2005 financial year are copies of the documents provided to members and presented to the Annual General Meeting held on Friday 15th July 2005 in accordance with section 266 of the RAO Schedule.

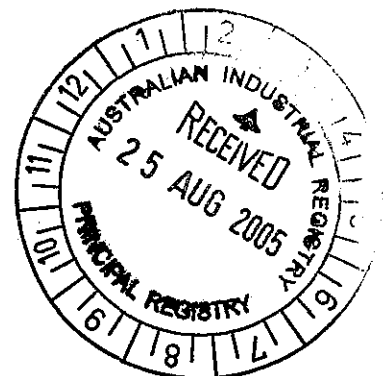
I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Registration & Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996), conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

at Wayville, South Australia

this 23rd day of August 2005

}
}
}.....
}
}





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
Secretary
The Motor Trade Association of South Australia
GPO Box 2204
ADELAIDE SA 5001

Dear Mr Horne,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 March 2005 - FR2005/442**

I have received your secretary's certificate dated 23 August 2005 covering the financial reports for the year ended 31 March 2005 of The Motor Trade Association of South Australia. The document was lodged in the Industrial Registry on 25 August 2005.

The secretary's certificate has been filed together with the financial reports lodged on 21 August 2005.

Yours sincerely,

Lynette Markovski
Statutory Services Branch

29 August 2005