



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410

Mr John Chapman
Secretary
The Motor Trade Association of South Australia
Level 1, 81 Greenhill Road
WAYVILLE SA 5034

Email: mta@mta-sa.asn.au

Dear Mr Chapman,

Re: Financial documents - year ended 31 March 2007 - FR2007/458
s253 Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

The financial report for MTASA was lodged in the Registry on 25 July 2007.

The documents have been filed.

Electoral Action

The accounts disclose the following expenditure item:

Electoral action \$11,359

If this involved a loan, grant or donation (for example a donation to a political party) please provide the relevant details on the enclosed form in accordance with s237 of the RAO Schedule and return the form to the Registry at your earliest convenience.

The following information may assist you in future financial years - no further action is required regarding the following issues for year ended 31 March 2007.

Auditor's Opinion

Section s257 of the RAO Schedule requires the Auditor's Report to express an opinion as to whether the General Purpose Financial Report is presented fairly in accordance with:

- the Australian Accounting Standards, and
- any other requirements imposed by the RAO Schedule.

The Audit opinion did not fully comply with this requirement.

The Audit Report relevantly stated:

In our opinion, the financial statements of The Motor Trade Association of SA Incorporated are properly drawn up:

.....

- (c) *in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia;*
- (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 2007; and*
- (e) *the income and expenditure and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.*

It is clear that paragraphs (d) and (e) are, in fact, one paragraph that has been erroneously separated into two paragraphs and as a result new paragraph (e) lacks meaning. I have referred to the Audit opinion expressed by KPMG in previous financial reports for MTASA and this confirms that the wording for this paragraph should be:

- (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 2007 and the income and expenditure and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.*

The auditor should return to this wording in future years.

Please draw this to the attention of your auditor.

Operating Report – Office holders

The Operating Report did not specify the period each Member of the Board of Management held office during the year - see s159 RAO Schedule and RAO Reg159(c).

In future years the Operating Report could set out this information as follows:

The following persons were Members of the Board of Management for the following periods during the financial year:

*John Smith 1 April 2007 to 31 March 2008
Bob Jones 1 April 2007 to 9 Sep 2006
Bill West 1 Jan 2008 to 31 March 2008 etc*

Operating Report – Superannuation trustees

The Operating Report is also required to state whether any officer or member is a trustee of a superannuation entity - see s254 of the RAO Schedule.

In the event that no officer or member of the organisation is such a trustee or director please make this clear by including a paragraph along the following lines:

Trustee or Director of Superannuation Entity

No officer or member of the organisation is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or*
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;*

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

I apologise for the delay in finalising this matter.

If you have any queries please contact me at andrew.schultz@air.gov.au.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

5 November 2007

MOTOR TRADE ASSOCIATION OF SA INC



23rd July 2007

Attention: Industrial Registrar

Australian Industrial Registry
GPO Box 1994
MELBOURNE 3001

Dear Sir/Madam,

Please find attached duly completed Certificates relating to the presentation of the MTA of SA Inc Financial Report 2006/07 and two changes to the Board of Management.

do checked

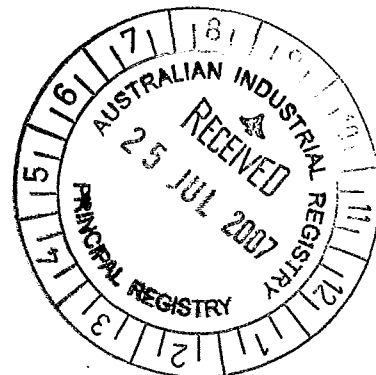
Should you have any queries please do not hesitate to contact me on 08 8291 2000.

Thank you for your assistance.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Chapman', written over a horizontal line.

John Chapman
Executive Director



Certificate of Secretary

s268 of Schedule 1 *Workplace Relations Act 1996*

I JOHN CLIFFORD CHAPMAN being the Secretary of the Motor Trade Association of South Australia Incorporated certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 19th June 2007; and
- that the full report was presented to a general meeting of members of the reporting unit on 17th July 2007; in accordance with section 266 of the RAO Schedule.

Signature



Date:.....19/7/07.....





The Motor Trade Association of SA Inc.

ABN 65 767 492 738

Consolidated Financial Report

For the year end

31st March 2007



MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

Your Board of Management present their report together with the financial report of The Motor Trade Association of SA Inc. (the Association) and of the Consolidated Entity, being the Association and its controlled entities, for the financial year ended 31 March 2007.

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:

Frank Agostino	Colin Butcher
Peter Roberts	Arch Boonen
Colin Clark	George Bolton
Michael Claridge	Theo Kruys
Arthur Walker	Harold Shipp
Neville Gibb	Roger Paech
Marc Cheney	Dale John
Brian Weeks	Mathew East
John Zulian	Eve vander Woude
Clive Polley	Danny Shane
Peter Cox	Peter Barrows

Principal Activities

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.

Operational and financial review

Changes made to the constitution of The MTA Group Training Scheme Inc (MTA - GTS) on 23 November 2005, resulted in the Association (as the sole member) being deemed to have control over MTA - GTS, accordingly the two entities are required to be consolidated. The financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2007, the comparative figures for the Consolidated Entity includes MTA-GTS for four months.

Income Statement

The Associations profit for ordinary activities in the financial year ended 31 March 2007 was MTA \$76,629. (2006 \$142,014) and for the Consolidated Entity \$766,376 (2006 \$4,436,954).

Balance Sheet

The financial position of the Association and its Consolidated Entity was improved by the operating profit noted above. Equity increased to \$8,557,279 for the Association and to \$13,554,571 for the Consolidated Entity.

The Association's cash flow from operations was \$662,554 and the Consolidated Entity \$1,357,919 This was largely the result of the increase in distribution from the investment in MTAA House and interest received on deposits.

Events since balance date

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

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 1,000 members of the Motor Trade Association of SA Inc, (2006: 1,138).

Staffing

The Association employed 44 staff at the end of the financial year, (2006: 18). The Consolidated Entity employed 580 staff at year end (2006: 580). It should also be noted that from 1 July 2006, the MTA-GTS staff of 27 transferred to MTA.

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

Board Member  _____

Board Member  _____

Dated this 22nd day of May 2007.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITY

ABN 65 767 492 138

**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 2007 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.

Operational and financial review

Changes made to the constitution of The MTA Group Training Scheme Inc (MTA - GTS) on 23 November 2005, resulted in the Association (as the sole member) being deemed to have control over MTA – GTS. Accordingly, the results of the two entities are required to be consolidated. The financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2007, however, the comparative Consolidated result for 2006 has MTA and MTA-GTS consolidated for four months only.

Income Statement

The Associations profit for ordinary activities in the financial year ended 31 March 2007 was MTA \$76,629 (2006 \$142,014) and as a Consolidated Entity \$766,376 (2006 \$4,436,954).

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

Income Statement

For the year ended 31 March 2007

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
		\$	\$	\$	\$
Membership contributions		1,110,341	1,071,952	1,110,341	1,071,952
Commissions		284,851	501,732	284,851	501,732
Grant income		72,839	25,237	1,508,804	522,547
Member function income		9,352	4,728	9,352	4,728
Rents		983,050	808,280	587,902	681,392
Sales – print & stationery		290,381	329,882	290,381	325,595
Apprentice income		-	-	14,002,719	4,459,287
Other operating income	<i>3(a)</i>	223,796	182,065	388,593	201,914
Industry support		-	-	29,539	4,395
Gain on consolidation of MTA Group Training Scheme Inc.		-	-	-	4,299,554
Revenue from ordinary activities		2,974,610	2,923,876	18,212,482	12,073,096
Administration expenses		777,766	710,657	1,821,841	900,027
Advertising		155,674	110,211	189,454	124,019
Affiliation fees		173,621	160,020	173,621	160,020
Apprentice training costs		-	-	151,953	98,252
Audit fees	<i>4</i>	15,000	28,750	38,605	39,670
Cost of sales – print & stationery		138,697	173,007	138,697	173,007
Depreciation		301,855	309,109	704,863	441,591
Electoral action		11,359	25,215	11,359	25,215
Grant expenditure		12,931	7,442	12,931	7,442
Insurance		38,241	37,746	43,113	36,322
Legal costs		13,778	14,429	24,589	15,437
Motor vehicle costs		15,567	55,638	92,000	83,182
Motor trade journal		52,593	19,519	52,593	19,519
Salaries & wages		1,027,217	819,382	12,502,823	4,663,670
Salaries & wages – on costs		294,837	352,089	1,749,316	923,882
Telephone		43,727	46,219	69,533	57,131
Travel		64,378	62,221	73,789	64,746
Loss on disposal of Plant & Equipment		57,433	2,149	81,261	6,370
Costs from ordinary activities		3,194,674	2,933,803	17,932,342	7,839,502
Operating profit/(loss) before financing costs		(220,064)	(9,927)	280,140	4,233,594
Financial income	<i>3(b)</i>	296,693	151,941	486,236	203,360
Profit for the period		76,629	142,014	766,376	4,436,954

The income statement should be read in conjunction with the notes to the financial statements set out on pages 8 to 25.

Note: The consolidated figures include MTA-GTS for 12 months in 2007 and 4 months for 2006.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES
ABN 65 767 492 138

Statement of Changes in Equity

For the year ended 31 March 2007

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
		\$	\$	\$	\$
Accumulated Member Funds					
Accumulated Surplus:					
Opening balance		8,480,650	8,338,636	12,788,195	8,351,241
Net Surplus for the Year		76,629	142,014	766,376	4,436,954
Total Equity at the end of the year		8,557,279	8,480,650	13,554,571	12,788,195

Note: The consolidated figures include MTA-GTS for 12 months in 2007 and 4 months for 2006.

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 8 to 25.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

Balance sheet

As at 31 March 2007

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
Assets		\$	\$	\$	\$
Cash	5	761,521	1,160	2,569,415	1,660
Trade and other receivables	6	334,993	277,778	2,032,970	1,796,182
Inventories	7	44,086	46,208	53,731	65,322
Investments	8	2,184,349	2,345,137	4,058,630	5,655,192
Total current assets		3,324,949	2,670,283	8,714,746	7,518,356
Receivables	6	50,000	50,000	50,000	50,000
Investments	8	668,001	668,001	668,001	668,001
Property, plant and equipment	9	5,965,009	6,261,321	6,979,160	7,378,559
Total non-current assets		6,683,010	6,979,322	7,697,161	8,096,560
Total assets		10,007,959	9,649,605	16,411,907	15,614,916
Liabilities					
Trade and other payables	10	915,717	843,428	1,953,621	1,968,740
Employee benefits	11	525,258	311,422	861,786	810,129
Total current liabilities		1,440,975	1,154,850	2,815,407	2,778,869
Employee benefits	11	9,705	7,480	41,929	41,227
Deferred government grants		-	6,625	-	6,625
Total non-current liabilities		9,705	14,105	41,929	47,852
Total liabilities		1,450,680	1,168,955	2,857,336	2,826,721
Net assets		8,557,279	8,480,650	13,554,571	12,788,195
Equity					
Accumulated surpluses		8,557,279	8,480,650	13,554,571	12,788,195
Total equity		8,557,279	8,480,650	13,554,571	12,788,195

Note: The consolidated figures include MTA-GTS for 12 months in 2007 and 4 months for 2006.

The balance sheet should be read in conjunction with the notes to the financial statements set out on pages 8 to 25.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

**Statements of cash flows
For the year ended 31 March 2007**

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		2,917,395	3,021,852	17,975,695	6,511,033
Cash paid to suppliers and employees		(2,551,534)	(2,697,323)	(17,104,012)	(5,985,586)
Cash generated from operations		365,861	324,529	871,683	525,447
Distribution from MTAA House		156,002	30,435	156,002	30,435
Interest received		140,691	121,506	330,234	172,925
Net cash from operating activities	<i>15</i>	662,554	476,470	1,357,919	728,807
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		7,433	27,410	318,036	36,370
Acquisition of property, plant and equipment		70,414	(178,735)	(704,762)	(440,387)
Net cash from investing activities		(62,981)	(151,325)	(386,726)	(404,017)
Cash flows from financing activities					
Cash acquired on gain of control		-	-	-	3,298,305
Net cash from financing activities		-	-	-	3,298,305
Net increase in cash and cash equivalents		599,573	325,145	971,193	3,623,095
Cash and cash equivalents at 1 April		2,346,297	2,021,152	5,656,852	2,033,757
Cash and cash equivalents at 31 March	<i>15</i>	2,945,870	2,346,297	6,628,045	5,656,852

Note: The consolidated figures include MTA-GTS for 12 months in 2007 and 4 months for 2006.

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 8 to 28.

Notes to the consolidated financial statements

Significant accounting policies

The Motor Trade Association of SA Inc (the "Association") is an entity domiciled in South Australia. The consolidated financial report of the Association for the year ended 31 March 2007 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity") and the Association's interest in controlled entities.

The financial report was authorised for issue by the directors on 22nd May 2007.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board ("AASB"), the requirements of the Associations Incorporations Act – South Australia and the provisions of the Workplace Relations Act 1996, and the requirements of the law.

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on an accrual basis and the historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes made to the constitution of The MTA Group Training Scheme Inc (MTA - GTS) on 23 November 2005, resulted in the Association (as the sole member) being deemed to have control over MTA – GTS. Accordingly, the results of the two entities are required to be consolidated. The financial statements for the Association and the Consolidated Entity are for the twelve ended 31 March 2007, and the comparative figures for the Consolidated Entity in 2006 are for 4 months.

Investments in all subsidiaries are carried at their cost of acquisition in the Association's financial statements.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy j).

Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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

Subsequent costs

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied within the item will flow to the Consolidated Entity and the cost of the item can be reliably measured. All other costs are recognised in the income statement as an expense as incurred.

The association has a policy of valuing property owned by the Association on a tri-annual basis and reflect that valuation in the Balance Sheet only if it represents a devaluation of at least 20% below the value carried in the Balance Sheet.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(ii) Depreciation

The depreciable amount of all fixed assets are depreciated over the estimated economic life of the asset to the Consolidated Entity 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. 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 36%
Furniture & Fittings	11 to 30%
Motor Vehicles	22.5%
Buildings & Improvements	2.5 to 4%

The residual value, if not insignificant, is reassessed annually

(e) Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Net financing costs

Net financing costs comprise interest payable on borrowings and dividend income. Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend and distribution income is recognised in the income statement on the date the Consolidated Entity's right to receive payments is established.

(f) Investments

The Consolidated Entity's non-current investments are stated at cost, less impairment losses (see accounting policy j).

(g) Trade and other receivables

Trade and other receivables, to be settled within 30 days are stated at their cost less impairment losses (see accounting policy j).

Bad debts are written off when they are identified.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(h) Inventories

Inventories consist of printing and stationery raw and finished products, protective clothing, tool kits and educational resources and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and Deposits at call that form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(j) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy h), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in normal course of business.

(i) Calculation of recoverable amount

The recoverable amount of the Consolidated Entity's assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non significant receivables are not individually assessed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, value in use means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

(ii) Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(k) Income Tax

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

The MTA – Group Training Scheme Inc, Controlled Entity, is exempt from income tax pursuant to paragraph 50 -5 of the Income Tax Assessment Act 1997.

For the Retail Motor Trading Co. Pty Ltd, a controlled entity, tax effect accounting is applied using the balance sheet method. The income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The controlled entity had a nil income tax expense resulting from activities to the taxation year ended 30 June 2006, (previous year \$Nil).

(l) Employee benefits

Defined Contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the income statement as incurred.

Long-term service benefits

The Consolidated Entity's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using rates attached to the Commonwealth Government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Wages, salaries, annual leave and non monetary benefits

A provision is made for Annual, Sick Leave and wages and salaries and employment on costs of Payroll Tax, WorkCover and Superannuation that are expected to be settled within 12 months of the reporting date. 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.

No provision is made for Sick Leave, which although cumulative is non-vesting. Except for vested benefits for apprentices. The Consolidated Entity'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 Consolidated Entity's 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.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(m) Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(n) Trade and other payables

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

(o) Interest Rate Risk

The Consolidated Entity has exposure to interest rate risk through its bank borrowing facilities. Information about the borrowings is set out in notes 15 and 16. The Consolidated Entity also has an exposure to interest rate risk through its cash investments.

(p) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in the income statement when significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at balance sheet date.

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 Consolidated Entity has received a dividend.

(ii) Rental income

Rental income from property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(iii) Government grants

Grants constituting non-reciprocal transfers received from the Government are recognised as income when the Consolidated Entity obtains control of the benefit. A non-reciprocal transfer is one in which the Consolidated Entity receives assets and services or has liabilities extinguished without giving approximately equal value in exchange to the other party or parties to the transfer. Grants in which the Consolidated Entity is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion of the transaction

(q) Segment reporting

A segment is a distinguishable component of the Consolidated Entity that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), the Consolidated Entity defines the geographical segment for its operations as being South Australia.

Notes to the consolidated financial statements

Significant accounting policies (continued)

(r) Goods and services tax

Revenue, 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 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.

Cash flows are included in the statement of cash flows 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.

1. Accounting estimates and judgements

Management discussed with the Board of Management the development, selection and disclosure of the Consolidated Entity's critical accounting policies and estimates and the application of these policies and estimates.

2. Segment reporting

Segment information is presented in respect of the Consolidated Entity's business and geographical segments. The primary format, business segments, is based on the Consolidated Entity's management and internal reporting structure. The Consolidated Entity operates in one geographical segment.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Consolidated Entity comprises the following main business segments:

Name	Activity
The Motor Trade Association of South Australia Inc.	Membership services
The MTA – Group Training Scheme Inc.	Apprentice Training

Notes to the consolidated financial statements (Continued)

2. Segment reporting
Business segments (continued)

	Membership Services		Apprentice Training		Eliminations		Consolidated	
	2007	2006	2007	2006	2007	2006	2007	2006
Revenue from external customers:	\$	\$	\$	\$	\$	\$	\$	\$
Membership Contributions	1,110,341	1,071,952	-	-	-	-	1,110,341	1,071,952
Commissions	284,851	501,732	-	-	-	-	284,851	501,732
Apprentice Hire Fees	-	-	14,002,719	4,459,287	-	-	14,002,719	4,459,287
Sales – Print and Stationery	290,381	325,595	-	-	-	-	290,381	325,595
Rentals	587,902	680,938	-	455	-	-	587,902	681,393
Government Grants	72,839	25,237	1,435,965	497,310	-	-	1,508,804	522,547
Investments income	296,693	151,941	189,543	51,419	-	-	486,236	203,360
Other Income	100,709	145,176	326,775	205,267	-	-	427,484	350,443
Total revenue from external customers	2,743,716	2,902,571	15,955,002	5,213,738	-	-	18,698,718	8,116,309
Inter-segment revenue	527,587	171,097	-	1,042	(527,587)	(172,139)	-	-
Total revenue	3,271,303	3,073,668	15,955,002	5,214,780	(527,587)	(172,139)	18,698,718	8,116,309
Segment result	76,629	142,014	690,199	(4,614)	-	-	766,376	137,400
Gain on consolidation	-	-	-	-	-	-	-	4,299,554
Profit for the period	76,629	142,014	690,199	(4,614)	-	-	766,376	4,436,954
Segment assets	10,007,959	9,649,605	6,436,301	6,007,315	(44,012)	(54,255)	16,400,248	15,602,665
Investment in associates:								
Retail Motor Trading (cash asset)	-	-	-	-	-	-	11,659	12,251
Total assets	10,007,959	9,649,605	6,436,301	6,007,315	(44,012)	(54,255)	16,411,907	15,614,916

*All segments are continuing operations

Note: The consolidated figures include MTA-GTS for 12 months in 2007 and 4 months for 2006.

Notes to the consolidated financial statements (Continued)

3. Other operating income

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
		\$	\$	\$	\$
3.a. Other income					
Training materials re charged		-	-	52,718	35,837
Other services		31,605	14,617	273,123	38,097
Industrial services		62,752	49,354	62,752	49,354
Inter group management fees		129,439	118,094	-	78,626
		<u>223,796</u>	<u>182,065</u>	<u>388,593</u>	<u>201,914</u>

3.b. Financial income

Interest		140,691	121,506	330,234	172,925
MTAA House Distribution		156,002	30,435	156,002	30,435
		<u>296,693</u>	<u>151,941</u>	<u>486,236</u>	<u>203,360</u>

4. Auditors' remuneration

Audit services

Auditors of the Association

Audit and review of financial reports		15,000	28,750	38,605	38,770
Other regulatory audit services		-	-	-	900
		<u>15,000</u>	<u>28,750</u>	<u>38,605</u>	<u>39,670</u>

Other services

Auditors of the Association

		-	2,042	-	2,042
		<u>-</u>	<u>2,042</u>	<u>-</u>	<u>2,042</u>

5. Cash

Cash on hand and at Bank		761,521	1,160	2,569,415	1,660
		<u>761,521</u>	<u>1,160</u>	<u>2,569,415</u>	<u>1,660</u>

6. Trade and other receivables

Current

Trade receivables		231,183	67,704	1,162,980	1,078,275
Other receivables (includes Govt. Funding)		-	43,654	790,073	546,376
Prepayments		60,048	113,890	79,917	171,531
Receivables due from controlled entities		43,762	52,530	-	-
		<u>334,993</u>	<u>277,778</u>	<u>2,032,970</u>	<u>1,796,182</u>

Non-current

Security Deposit	<i>13</i>	50,000	50,000	50,000	50,000
		<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Trade receivables are shown net of impairment losses amounting to \$Nil (2005: \$Nil)

7. Inventories

Stationery		32,994	32,371	32,994	32,371
Printing		11,092	13,837	11,092	13,837
Tools, safety equipment and training stocks		-	-	9,645	19,114
		<u>44,086</u>	<u>46,208</u>	<u>53,731</u>	<u>65,322</u>

Notes to the consolidated financial statements (Continued)

8. Investments

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
Current investments		\$	\$	\$	\$
Deposits at call		2,184,349	2,345,137	4,058,630	5,655,192
Non-current investments					
Publicly Listed Investments		30,074	30,074	30,074	30,074
Less: Prov. 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
		1	1	1	1
Units in MTAA House Unit Trust		668,000	668,000	668,000	668,000
Total Non-current investments		668,001	668,001	668,001	668,001

The market value of Publicly Listed Investments as at 31 March, 2007 was \$Nil, (2006 \$Nil) a provision for write down of recoverable value of shares of \$30,074 (2006 \$30,074).

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 31 March 1997, by the Board on the basis of the entitlement to net assets of the Trust per accounts dated 30 June 1996, which included a revaluation of the building by McCann & Associates. This carrying value forms the basis for the deemed cost adopted at 1 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 Canberra Pty Ltd in June 2006 at a "willing buyer/seller" market value of \$20,000,000. On the basis of MTA's entitlement to net assets of the Trust per accounts dated 30 June 2006, (which included this revaluation of the building), MTA's net asset entitlement would be \$2,164,700.

Notes to the consolidated financial statements (Continued)

9. Property, plant and equipment

<i>Note</i>	MTA				Total
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Cost					
Balance at 1 April 2005	5,985,918	1,403,678	131,233	124,233	7,645,062
Acquisitions	-	-	-	(91,094)	(91,094)
Disposals	-	129,820	270	48,645	178,735
Transfers between assets	-	6,500	-	(6,500)	-
Balance at 31 March 2006	<u>5,985,918</u>	<u>1,539,998</u>	<u>131,503</u>	<u>75,284</u>	<u>7,732,703</u>
Balance at 1 April 2006	5,985,918	1,539,998	131,503	75,284	7,732,703
Disposals	-	(358,881)	(111,035)	(26,640)	(496,556)
Acquisitions	-	37,003	8,600	24,811	70,414
Transfers between assets	-	-	-	-	-
Balance at 31 March 2007	<u>5,985,918</u>	<u>1,218,120</u>	<u>29,068</u>	<u>73,455</u>	<u>7,306,561</u>
Depreciation and impairment losses					
Balance at 1 April 2005	573,974	481,455	99,534	68,845	1,223,808
Depreciation charge for the year	131,120	163,490	6,175	8,324	309,109
Disposals	-	-	-	(61,535)	(61,535)
Balance at 31 March 2006	<u>705,094</u>	<u>644,945</u>	<u>105,709</u>	<u>15,634</u>	<u>1,471,382</u>
Balance at 1 April 2006	705,094	644,945	105,709	15,634	1,471,382
Depreciation charge for the year	131,120	150,742	6,313	13,680	301,855
Disposals	-	(312,205)	(101,582)	(17,898)	(431,685)
Balance at 31 March 2007	<u>836,214</u>	<u>483,482</u>	<u>10,440</u>	<u>11,416</u>	<u>1,341,552</u>
Carrying amounts					
At 1 April 2005	<u>5,411,944</u>	<u>922,223</u>	<u>31,699</u>	<u>55,388</u>	<u>6,421,254</u>
At 31 March 2006	<u>5,280,824</u>	<u>895,053</u>	<u>25,794</u>	<u>59,650</u>	<u>6,261,321</u>
At 1 April 2006	<u>5,280,824</u>	<u>895,053</u>	<u>25,794</u>	<u>59,650</u>	<u>6,261,321</u>
At 31 March 2007	<u>5,149,704</u>	<u>734,638</u>	<u>18,628</u>	<u>62,039</u>	<u>5,965,009</u>

Notes to the consolidated financial statements (Continued)

Significant accounting policies (continued)

Property, plant and equipment (continued)

	<i>Note</i>	Consolidated				Total
		Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Cost						
Balance at 1 April 2005		5,985,918	1,403,678	131,233	124,233	7,645,062
Acquisitions through gain of control			1,379,368	19,943	417,619	1,816,930
Acquisitions		-	(38,124)	(6,796)	(102,426)	(147,346)
Disposals		-	378,717	2,883	58,787	440,387
Transfers between assets			6,500	-	(6,500)	-
Balance at 31 March 2006		5,985,918	3,130,139	147,263	491,713	9,755,033
Balance at 1 April 2006		5,985,918	3,130,139	147,263	491,713	9,755,033
Acquisitions through gain of control		-	-	-	-	-
Disposals		-	(831,007)	(111,765)	(94,215)	(1,036,987)
Acquisitions		-	473,559	60,302	170,901	704,762
Transfers between assets		-	(16,930)	-	16,930	-
Balance at 31 March 2007		5,985,918	2,755,861	95,800	585,229	9,422,808
Depreciation and impairment losses						
Balance at 1 April 2005		573,974	1,180,675	115,288	175,521	2,045,458
Depreciation charge for the year		131,120	265,076	11,364	34,031	441,591
Disposals		-	(34,436)	(6,796)	(69,343)	(110,575)
Balance at 31 March 2006		705,094	1,411,315	119,856	140,209	2,376,474
Balance at 1 April 2006		705,094	1,411,315	119,856	140,209	2,376,474
Depreciation charge for the year		131,120	485,035	13,098	75,610	704,863
Transfer between assets		-	1,252	-	(1,252)	-
Disposals		-	(510,195)	(102,454)	(25,040)	(637,689)
Balance at 31 March 2007		836,214	1,387,407	30,500	189,527	2,443,648
Carrying amounts						
At 1 April 2005		5,411,944	922,223	31,699	55,388	6,421,254
At 31 March 2006		5,280,824	1,718,824	27,407	351,504	7,378,559
At 1 April 2006		5,280,824	1,718,824	27,407	351,504	7,378,559
At 31 March 2007		5,149,704	1,368,454	65,300	395,702	6,979,160

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.

Notes to the consolidated financial statements (Continued)

10. Trade and other payables

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
		\$	\$	\$	\$
Trade payables due to controlled entities		250	1,726	-	-
Subscriptions in advance		357,483	248,365	357,483	248,365
Amounts held on behalf of divisions		-	118,862	-	118,862
Unearned – Income		94,468	46,981	94,468	46,981
Other trade payables		463,516	427,494	1,501,670	1,554,532
		<u>915,717</u>	<u>843,428</u>	<u>1,953,621</u>	<u>1,968,740</u>

11. Employee benefits

Current

Liability for annual leave		147,505	84,535	506,491	446,752
Liability for long-service leave		377,753	226,888	345,529	353,143
Liability for Rostered Days Off & Sick Leave		-	-	9,766	10,234
		<u>525,258</u>	<u>311,423</u>	<u>861,786</u>	<u>810,129</u>

Non-current

Liability for long-service leave		9,705	7,480	41,929	41,227
Total employee benefits		<u>534,963</u>	<u>318,903</u>	<u>903,715</u>	<u>851,356</u>

12. Capital and other commitments

(i) Operating lease commitments

Being for rent of motor vehicle payable					
not later than 1 year		14,959	12,420	14,959	12,420
later than 1 year but not later than 5 years		1,668	11,021	1,668	11,021
later than 5 years		-	-	-	-
		<u>16,627</u>	<u>23,441</u>	<u>16,1627</u>	<u>23,441</u>

(ii) Superannuation commitments

The Consolidated Entity contributes to employee superannuation funds managed by external fund managers, which are defined contribution 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 Consolidated Entity is under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

(iii) Other commitments

No commitments of a material nature existed at year end.

Notes to the consolidated financial statements (Continued)

13. Contingencies

<i>Note</i>	MTA		Consolidated	
	2007	2006	2007	2006
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	50,000	50,000	50,000	50,000

This item represents a potential liability which may arise over the next six months 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.

14. Consolidated entities

<i>Note</i>	Australian Business Number	Ownership interest	
		2007	2006
Parent entity			
The Motor Trade Association of South Australia Inc.	65 767 492 138	100%	100%
Controlled entities			
The MTA – Group Training Scheme Inc.	36 459 968 347	100%	100%
Retail Motor Trading Co. Pty Ltd	ACN 008 166 194	100%	100%

Notes to the consolidated financial statements (Continued)

15. Reconciliation of cash flows from operating activities

	<i>Note</i>	MTA 2007	2006	Consolidated	
		2007	2006	2007	2006
Cash and cash equivalents					
Cash on hand		761,521	1,160	2,569,415	1,660
Deposits at call		2,184,349	2,345,137	4,058,630	5,655,192
Total cash & cash equivalents		2,945,870	2,346,297	6,628,045	5,656,852
Cash flows from operating activities					
Profit for the period		76,629	142,014	766,376	4,436,954
<i>Adjustments for:</i>					
Gain on consolidation of MTA – GTS		-	-	-	(4,299,554)
Depreciation		301,855	309,109	704,863	441,591
Loss on sale of property, plant and equipment		57,433	2,149	81,261	6,370
Operating profit before changes in working capital and provisions		435,917	453,272	1,552,500	585,361
(Increase)/decrease in trade and other receivables		(57,210)	(31,457)	(236,787)	(1,549,861)
(Increase)/decrease in inventories		2,122	7,148	11,591	(11,966)
(Decrease)/increase in trade and other payables		65,664	33,372	(21,744)	1,158,685
(Increase)/decrease in unearned income		-	6,625	-	6,625
Increase in provisions and employee benefits		216,061	7,510	52,359	539,963
Cash generated from the operations		662,554	476,470	1,357,919	728,807

Financing Facilities

A Bank Overdraft Facility of \$20,000 (2006 - \$20,000), was available to the Consolidated Entity at 31st March 2007. At that date, no amount of this facility was in use (2006 - \$Nil).

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

Cash balances of \$50,000 (2006: \$50,000) held in solicitors trust account are not available for use by the economic entity at the reporting date refer note 13.

Notes to the consolidated financial statements (Continued)

16. Financial Instruments

a. Interest Rate Risk

The Consolidated Entity'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	
	2007	2006	2007	2006	2007	2006	2007	2006
FINANCIAL ASSETS	%	%	\$	\$	\$	\$	\$	\$
Cash	-	-	2,569,415	1,660	-	-	-	-
Receivables	-	-	1,953,053	1,674,651	-	-	-	-
Investments	-	-	668,001	668,001	-	-	-	-
Short Term Deposits	5.36	5.05	4,058,630	5,655,192	-	-	-	-
TOTAL FINANCIAL ASSETS			9,249,100	7,999,504	-	-	-	-
FINANCIAL LIABILITIES								
Bank overdraft & Loans	-	-	-	-	-	-	-	-
Accounts Payable	-	-	1,953,651	1,968,740	-	-	-	-
Employee benefits	-	-	903,715	851,356	-	-	-	-
TOTAL FINANCIAL LIABILITIES			2,857,336	2,820,096	-	-	-	-

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

c. Net Fair Values

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.

Notes to the consolidated financial statements (Continued)

17. Key management personnel disclosures

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

Frank Agostino	Colin Butcher
Peter Roberts	Arch Boonen
Colin Clark	George Bolton
Michael Claridge	Theo Kruys
Arthur Walker	Harold Shipp
Neville Gibb	Peter Barrows
Roger Paech	Dale John
Marc Cheney	Mathew East
Brian Weeks	Eve vander Woude
John Zulian	Danny Shane
Clive Polley	
Peter Cox	

The names of the Members of the MTA Group Training Scheme's Board of Management who held office at any time during or since the end of the year are:

Arthur Walker	Colin Clark
John Chapman	Dennis Boldock

No Member of the Board of Management of the Association receives any remuneration (except travel cost reimbursement) other than in their capacity as an employee of the Association.

Transactions with executive officers

	<i>Note</i>	MTA		Consolidated	
		2007	2006	2007	2006
Remuneration (including fringe benefits) received or due and receivable, by officers of the Consolidated Entity.		336,964	300,596	516,088	344,516

The names of the officers of the Consolidated Entry who held office at any time during or since the end of the year are:

John Chapman
Dennis Boldock
Paul Good
Michael Scarman

Apart from the details disclosed in this note, no member of the Board of Management has entered into a material contract with the Association or the Consolidated Entity since the end of the previous financial year and there were no material contracts involving director's interests existing at year-end.

Notes to the consolidated financial statements (Continued)

18. Subsequent events

There have been no significant events to report.

19. 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:

- a. 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.
- b. 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.
- c. A reporting unit must comply with an application made under subsection (1).

20. 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.

The MTA – Group Training Scheme Inc is located at 3 Frederick Road, Royal Park.

21. 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.
- Training apprentices for the retail motor industry.

22. A Melville Memorial Fund

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

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

On 22nd of May 2007 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 31 March 2007.

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:
 - (ii) meetings of the Board of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) 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
 - (iv) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (v) 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
 - (vi) 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
 - (vii) 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: Treasurer

Name: Michael Claridge

Signature:



Date: 22 May 2007

**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 2006/2007 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 subsidiaries as detailed in the accounts; and
- [iv] that the association is not a trustee of a trust.

Signed pursuant to a resolution of the Board of Directors.

Frank Agostino

Michael Claridge

Dated this

22nd

day of

May

2007

**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)	2007	2006
received or due and receivable, by	\$	\$
officers of the association.	336,964	516,088

Signed pursuant to a resolution of the Board of Directors.

Frank Agostino

Michael Claridge

Dated this

22nd

day of

May

2007

DECLARATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, JOHN CLIFFORD CHAPMAN 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 of Organisations Regulations, that the enclosed Financial Report for the 2006/2007 financial year are copies of the documents provided to members and presented to the Annual General Meeting held on Tuesday 17th July 2007 in accordance with section 266 of the RAO Schedule.

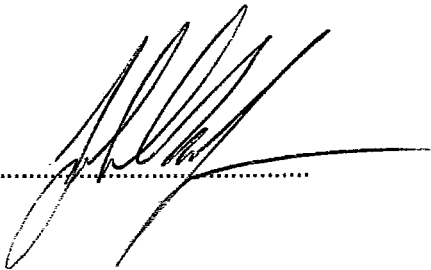
I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Registration & Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996), conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

at Wayville, South Australia

this 22nd day of May 2007

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}





**Independent audit report to the members of the
The Motor Trade Association of SA Incorporated**

Scope

We have audited the financial report of The Motor Trade Association of SA Incorporated (“the Association”) for the financial year ended 31 March 2007, consisting of the income statement, statement of changes in equity, balance sheet, statement of cash flows, accompanying notes 1 to 22, and the statement by the Board of Management. The Association’s 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 entities. 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 the 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 SA Incorporated are properly drawn up:

- a) so as to present fairly the Association’s and consolidated entity’s financial position as at 31 March 2007 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;
- 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 2007; and
- e) 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:

- f) the Association maintained satisfactory accounting records during the year ended 31 March 2007 detailing the sources and nature of income (including income from members) and the purpose and nature of expenditure of the Association; and
- g) we received all the information and explanations we required for the purpose of our audits.

KPMG

Gary Savage
Partner

Adelaide

22 May 2007



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition St, Melbourne Vic 3000
GPO Box 1994, Melbourne, VIC 3001
Tel: (03) 8661 7990 Fax: (03) 9655 0410

Mr John Chapman
Secretary
The Motor Trade Association of South Australia
Level 1, 81 Greenhill Road
WAYVILLE SA 5034

Email: mta@mta-sa.asn.au

Dear Mr Chapman,

Re: Financial documents - year ended 31 March 2007 - FR2007/458
s253 Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received your letter of 11 February 2008 relating to MTASA's financial report for year ending 31 March 2007. The letter was received on 15 February 2008 and concerned the following two issues:

- the organisation's expenditure of \$11,359 on 'electoral action', and
- the wording of the Auditor's Report

Electoral Action

Your letter made the following comments with respect to the organisation's expenditure on electoral action:

...the funds expended in this area related to payments for services provided to the MTA as part of our industry association activities. None of these payments are regarded as loans, grants and donations.

To ensure that this approach is clear to readers of the accounts it is suggested that the Notes to the Accounts in future financial years include, where relevant, a note to this effect.

The letter has been filed.

If you have any queries please contact me at andrew.schultz@air.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz', written over a horizontal line.

Andrew Schultz
Statutory Services Branch

19 February 2008



MOTOR TRADE ASSOCIATION OF SA INC

Mr Andrew Shultz
Statutory Services Branch
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Shultz,

Thank you for your letter dated 5th November 2007 relating to the Financial Documents Year ended 31st March 2007 – FR 2007/458 for the Motor Trade Association of South Australia.

You have raised a query in relation to our account line for electoral action. I advise that the funds expended in this area related to payments for services provided to the MTA as part of our industry association activities. None of these payments are regarded as loans, grants and donations.

In relation to your comments on our Auditor's Report, I advise that I have provided a copy of our comments to our auditors, KPMG, in preparation for the audit for 2007/08.

Yours sincerely

John Chapman
Executive Director



11th February 2008