



FAIR WORK
AUSTRALIA

11 November 2010

Mr John Chapman
Secretary
Motor Trade Association of South Australia
GPO Box 2204
Adelaide SA 5001

Dear Mr Chapman

Thank you for your letter in response to our letter dated 4 October 2010 referring to the filing of the Financial Report for the year ended 31 March 2010. We agree with your comments regarding the full report being provided to members at least 21 days before being presented to your annual general meeting of members.

Yours faithfully,

Sokwei Ho
Tribunal Services and Organisations

Ben Waugh
Fair Work Australia
Tribunal Services and Organisations
GPO Box 1994
Melbourne VIC 3001



Dear Mr Waugh,

Thank you for your letter dated 4 October, which refers to our Financial Report Lodgement (FR2010/2513). We appreciate your points of guidance with regards to updating the legislative references in our documentation and note that we did submit the Financial Report 7 days late. We apologise for this oversight and have amended our processes to ensure that this will not happen again.

In your letter you noted under Timing, *Certificate of Secretary*, that we had not complied with Section 265(5)(a) by not ensuring that the full report was made available to our members 21 days prior to our AGM, this however, is incorrect.

I would like to confirm the following, as noted in the Certificate of Secretary presented to you dated 23 September 2010;

- All members were sent copies of the full report on 11th June 2010, this equates to 39 days prior to holding the meeting, not below the 21 days as stated in your letter.
- The full Financial Report was presented to the members at our AGM on the 20th July. This was also recorded in the AGM minutes which were provided in the initial documentation sent on the 10th August.

My Executive Assistant, Tracy Simpson, would be very happy to discuss this further with you to ensure that all future documentation will be compliant with the Act. Tracy can be contacted on (08) 8291 2010 or by email: tsimpson@mta-sa.asn.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Chapman".

John Chapman
Executive Director

3 October 2010



FAIR WORK
AUSTRALIA

4 October 2010

Mr John Clifford Chapman
Secretary
Motor Trade Association of South Australia
GPO Box 2204
ADELAIDE SA 5001

By email: mta@mta-sa.asn.au

Dear Mr Chapman,

**Re: Motor Trade Association of South Australia
Financial Report for the year ended 31 March 2010 FR2010/2513
Fair Work (Registered Organisations) Act 2009 (the Act)**

I acknowledge receipt of the above financial reports for the Motor Trade Association of South Australia for the year ended 31 March 2010. The documents were lodged by Fair Work Australia (FWA) on 18 August 2010.

The financial report has been filed and no further action is required, however, I have a number of points that I would like to raise to assist you in preparing your financial documents in future.

A. Updating legislative references

The Fair Work (Registered Organisations) Act 2009 commenced on 1 July 2009, hence, all references to the *Workplace Relations Act 1996*, *RAO Schedule* and *Schedule 1 or 1B* are replaced by the *Fair Work (Registered Organisations) Act 2009*. Further, all references to a *Registrar* are replaced by *the General Manager*, and any references to *the Commission* are replaced by *Fair Work Australia*. Reference to the old legislation appears in many places throughout the report submitted. Please ensure to update your entire report, including the Board of Management Statement, auditor's report, and notes to the financial statements (including the reproduction of s272, appearing on page 28 of this report).

B. Timing

Certificate of Secretary

Firstly, please ensure that when submitting financial reports in subsequent years, in line with your reporting obligations under the Act, you include the certificate of secretary.

Secondly, in terms of the information provided by your certificate of secretary, there are a number of deficiencies that must be addressed in future years. I note that your rules do not contain a rule of the sort referred to under s.266(3) of the Act, and as such you are required to present the full report to a general meeting of members. Section 265 requires that you make copies of the full report freely available to members. Given that your organisation is subject to a general meeting of members, the full report must be made available prior to 21 days before the holding of the meeting (s.265(5)(a)). I note that in the lodged report this notice period has not been complied with, and hence your organisation has breached a civil penalty provision under the Act. I draw

11 Exhibition Street Telephone: (03) 8661 7777
Melbourne VIC 3000 International: (613) 8661 7777
GPO Box 1994 Facsimile: (03) 9655 0401
Melbourne VIC 3001 Email: melbourne@fwa.gov.au

your attention to the civil penalty provisions [see s.305(2)(zd)] which allow the Federal Court to impose a pecuniary penalty upon a person or organisation where the requirements of s.268 have not been met. You should also be aware of the provisions of Part 1 of Chapter 9 of the Act which set out general duties of officers and employees of organisations and their branches in relation to financial management.

Lodgement

The full financial report is required to be lodged within 14 days of either the General Meeting or the Committee of Management Meeting, whichever applies. This report was lodged late.

C. General purpose financial report

Travel, accommodation and conference

The balance sheet includes an expense for 'Travel and Accommodation'. Should any part of that figure be made up of fees or allowances paid to persons in respect of their attendance as a reporting unit representative at conferences or other meetings (item 11(i)) then you are required to separately disclose that figure in the future.

Officers holders and other employees

While the incorporation of the advice in relation to splitting the 'salaries & wages' for officers and other employees has been noted, there is a further issue pertaining to splitting. The reporting guidelines require that '*employee benefits*' be separated in the notes into benefits pertaining to office holders and benefits pertaining to other employees (item 14 – Liabilities (c) and (d)). Note 10 of the 2010 report, appearing on page 20, does not split this items. Please ensure this is separated in future with separate totals for each group of employees.

If you have any queries regarding this letter I may be contacted on (03) 8661 7988 or by email at ben.waugh@fwa.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'B. Waugh', with a stylized flourish at the end.

Ben Waugh
Tribunal Services and Organisations
Law Graduate
Fair Work Australia



MOTOR TRADE ASSOCIATION OF SA INC

Ben Waugh
Fair Work Australia
Tribunal Services and Organisations
GPO Box 1994
Melbourne VIC 3001

Dear Ben,

Ref: FR2010/2513

As per our correspondence, please find enclosed a signed certificate of secretary for your records. If you wish further information, please do not hesitate to contact to me.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Tracy Simpson'. The signature is stylized with a large, sweeping initial 'T' and 'S'.

Tracy Simpson
Executive Assistant

23 September 2010

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 11th June 2010; and
- that the full report was presented to a general meeting of members of the reporting unit on 20th July 2010; in accordance with section 266 of the RAO Schedule.

Signature



Date:.....

23/9/10



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

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

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

DECLARATION OF AN ASSOCIATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, JOHN CLIFFORD CHAPMAN of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, Secretary DO SOLEMNLY AND SINCERELY DECLARE as follows :

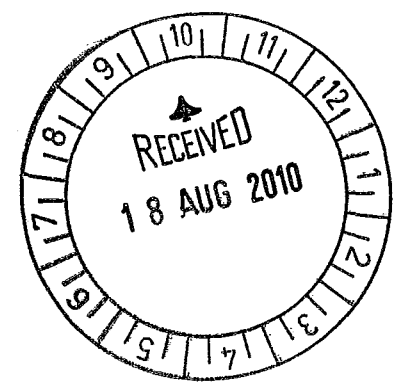
1. THAT I am the Secretary of the Motor Trade Association of South Australia Incorporated (hereinafter referred to as MTA).
2. THAT the registered office of the MTA is Level 1, 81 Greenhill Road, South Australia, phone number (08) 8291 2000 and fax number (08) 8291 2099.
3. THAT the attached document titled "Annual Report" contains "Board of Management Certificate", "Statement of Income and Expenditure (for the year ending 31st March 2010 and "Balance Sheet (as at 31st March 2010) is a true and correct record of what it purports to be.
4. THAT the attached documents marked "Schedule A" are true and correct copies of the Minutes of the Annual General Meeting held on the 20th day of July 2010 and that I was present at this Annual General Meeting.

THAT of the 86 persons who were recorded in the attendance register, 37 recorded as nominated representatives for voting purposes and were members of MTA; there were 13 duly appointed representatives by proxy. THAT all persons were, at that time, financial members of MTA and the attached document marked "Schedule B" is a true and correct copy of the Attendance Register for the Annual General Meeting held on the 20th day of July 2010.

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 10th day of August 2010

}
}
}.....
}
}





The Motor Trade Association of SA Inc

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2010

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 2010.

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:

Colin Clark
Frank Agostino
Peter Roberts
Neville Gibb
Marc Cheney
Brian Weeks
John Zulian
Clive Polley
Colin Butcher
Arch Boonen

George Bolton
Theo Krays
Harold Shipp
Roger Paech
Dale John
Danny Shane
George Papillo
Brenton Abbott
John Rowley
Robert Duns

17 Nov 09 – 31 Mar 10

All other Members of the Board of Management held the position for the period of 01 April 2009 to 31 March 2010.

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 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.

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

Operational and financial review

The financial statements and comparative figures for the Association and the Consolidated Entity are for the twelve months ended 31 March 2010.

Statement of Comprehensive Income

The Associations profit from ordinary activities in the financial year ended 31 March 2010 was the Association \$199,980, (2008: \$174,268) and for the Consolidated Entity \$2,059,802, (2009: \$1,053,262).

Statement of Financial Position

The financial position of the Association and the Consolidated Entity was improved by the operating profit noted above. Equity increased to \$9,167,053 for the Association and to \$17,470,883 for the Consolidated Entity.

The Association's cash flow from operations was \$388,692 and the Consolidated Entity \$2,465,020.

Events since balance date

No other 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.

Trustee or Director of Superannuation Entity

Subsection 254(2)(d) of the RAO schedule requires "details (including details of the position held) of any officer or member of the reporting unit who 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; and

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."

The Board is not aware of any officer or member of the Consolidated Entity holding a position as trustee or director of a company (that is a trustee of a superannuation entity or exempt public sector superannuation scheme) where the criterion for holding such position is that he or she is an officer or member of an organisation.

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.

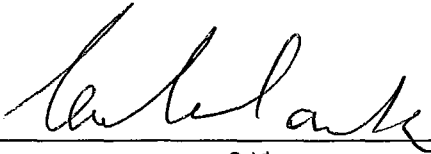
At the end of the financial year there were 1,065 members of the Motor Trade Association of SA Inc, (2009: 996).

Staffing

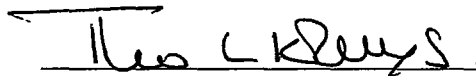
The Association employed 46 staff at the end of the financial year, (2009: 45). The Consolidated Entity employed 534 staff at year end (2009: 551).

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

Board
Member


COLIN CLARK

Board
Member


THEO KRAYS

Dated this 25th day of May 2010.

**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 2010 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

The financial statements from the Association and the Consolidated Entity are for the twelve months ended 31 March 2010, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2009.

Income Statement

The Associations profit for ordinary activities in the financial year ended 31 March 2010 was the Association \$199,980, (2009: \$174,268) and as a Consolidated Entity \$2,059,802, (2009: \$1,053,262).

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

ABN 65 767 492 138

**Statement of Comprehensive Income
For the year ended 31 March 2010**

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
		\$	\$	\$	\$
Membership contributions		1,146,401	1,140,376	1,146,401	1,140,376
Commissions		333,359	246,060	333,359	246,060
Grant income		199,000	97,778	3,377,282	1,993,973
Member function income		40,351	26,091	40,351	26,091
Rents		766,172	674,451	325,677	252,951
Sales – print & stationery		282,238	257,627	282,238	257,627
Apprentice income		-	-	13,804,939	14,457,952
Other operating income	2(a)	454,999	476,185	282,073	428,810
Industry support		-	-	-	24,676
Revenue from ordinary activities		3,222,520	2,918,568	19,592,320	18,828,516
Administration expenses		793,030	720,727	1,219,786	1,331,587
Advertising		139,882	129,919	264,346	223,131
Advocacy		40,107	11,691	40,107	11,691
Affiliation fees		156,386	165,117	156,386	165,117
Apprentice training costs		-	-	138,480	247,762
Audit fees	3	26,000	24,000	61,197	42,150
Cost of sales – print & stationery		138,155	122,144	138,155	122,144
Depreciation		267,264	262,907	533,623	574,997
Insurance		32,582	29,348	66,903	62,690
Legal costs		73,901	41,189	96,573	41,189
Motor vehicle costs		15,638	14,276	104,592	105,598
Motor trade journal		52,608	48,776	52,608	48,776
Officers Remuneration		323,749	306,495	323,749	306,495
Officers Remuneration – on costs		54,901	52,311	54,901	52,311
Salaries & wages		831,889	792,289	12,949,115	13,244,015
Salaries & wages – on costs		255,181	300,166	1,668,929	1,757,465
Telephone		41,269	41,209	66,485	62,333
Travel		57,680	43,004	72,601	51,422
Costs from ordinary activities		3,300,222	3,105,568	18,008,535	18,450,873
Operating profit/(loss) from operating activities		(77,702)	(187,000)	1,583,785	377,643
Net finance income	2(b)	277,682	361,268	476,017	675,619
Profit for the period		199,980	174,268	2,059,802	1,053,262
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		199,980	174,268	2,059,802	1,053,262

The income statement should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

**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 2010

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
		\$	\$	\$	\$
Accumulated Member Funds					
Accumulated Surplus:					
Opening balance		8,967,073	8,792,805	15,411,081	14,357,819
Net Surplus for the Year		199,980	174,268	2,059,802	1,053,262
Total Equity at the end of the year		9,167,053	8,967,073	17,470,883	15,411,081

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Statement of Financial Position

As at 31 March 2010

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
Assets		\$	\$	\$	\$
Cash	4	1,621,940	1,585,412	4,642,004	4,029,172
Trade and other receivables	5	581,060	616,460	2,217,595	2,322,458
Inventories	6	33,361	38,678	37,697	44,247
Investments	7	2,260,464	2,171,593	4,531,185	5,405,052
Total current assets		4,496,825	4,412,143	11,428,481	11,800,929
Investments	7	668,000	668,000	668,000	668,000
Property, plant and equipment	8	5,575,685	5,579,656	8,519,159	6,326,727
Total non-current assets		6,243,685	6,247,656	9,187,159	6,994,727
Total assets		10,740,510	10,659,799	20,615,640	18,795,656
Liabilities					
Trade and other payables	9	886,455	1,071,251	2,039,043	2,392,615
Employee benefits	10	641,726	584,394	1,060,438	954,879
Total current liabilities		1,528,181	1,655,645	3,099,481	3,347,494
Employee benefits	10	45,276	37,081	45,276	37,081
Total non-current liabilities		45,276	37,081	45,276	37,081
Total liabilities		1,573,457	1,692,726	3,144,757	3,384,575
Net assets		9,167,053	8,967,073	17,470,883	15,411,081
Equity					
Accumulated surpluses		9,167,053	8,967,073	17,470,883	15,411,081
Total equity		9,167,053	8,967,073	17,470,883	15,411,081

The balance sheet should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

**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 2010

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		2,201,467	2,922,227	18,640,729	18,535,766
Cash paid to suppliers and employees		(2,090,457)	(2,685,152)	(16,651,726)	(17,510,830)
Cash generated from operations		111,010	237,075	1,989,003	1,024,936
Distribution from MTAA House		151,400	152,429	151,400	152,429
Interest received		126,282	208,839	324,617	523,190
Net cash from operating activities	<i>14</i>	388,692	598,343	2,465,020	1,700,555
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		16,773	29,217	52,338	93,761
Acquisition of property, plant and equipment		(280,066)	(108,675)	(2,778,393)	(375,279)
Net cash from investing activities		(263,293)	(79,458)	(2,726,055)	(281,518)
Cash flows from financing activities					
Net cash from financing activities		0	0	0	0
Net increase in cash and cash equivalents		125,399	518,885	(261,035)	1,419,037
Cash and cash equivalents at 1 April		3,757,005	3,238,120	9,434,224	8,015,187
Cash and cash equivalents at 31 March	<i>14</i>	3,882,404	3,757,005	9,173,189	9,434,224

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

Notes to the consolidated financial statements

1. 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 2010 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 25th May 2010.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian 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.

(c) 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.

Notes to the consolidated financial statements

1. Significant accounting policies (continued)

(d) 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.

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.

(e) 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 k).

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 profit and loss 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 only if it represents a devaluation below the value carried in the Statement of Financial Position.

Notes to the consolidated financial statements

1. 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>	
	<u>2010</u>	<u>2009</u>
Plant & Equipment	9 to 36%	9 to 36%
Furniture & Fittings	11 to 30%	11 to 30%
Motor Vehicles	22.5%	22.5%
Buildings & Improvements	2.5 to 4%	2.5 to 4%

The residual value, if not insignificant, is reassessed annually

(f) Expenses

Operating lease payments

Payments made under operating leases are recognised in profit and loss 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 profit and loss as it accrues, using the effective interest method. Dividend and distribution income is recognised in profit and loss on the date the Consolidated Entity's right to receive payments is established.

(g) Investments

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

(h) Trade and other receivables

Trade and other receivables, to be settled within 30 days are initially measured at their fair value and subsequently measured at amortised cost using the effective interest rate method less any impairment losses (see accounting policy k).

Bad debts are written off when they are identified.

Notes to the consolidated financial statements

1. Significant accounting policies (continued)

(i) 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances (note 4) and call deposits classified as current investments (note 7). 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.

(k) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy i), are reviewed at each reporting 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 profit and loss.

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

1. Significant accounting policies (continued)

(l) Income Tax

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

The MTA – Group Training Scheme Inc, Controlled Entity, is exempt from income tax pursuant to section 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 Retail Motor Trading Co. Pty Ltd had a nil income tax expense resulting from activities to the taxation year ended 30 June 2010, (2009: \$Nil).

(m) Employee benefits

Defined Contribution plans

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in profit and loss 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

1. Significant accounting policies (continued)

(n) Provisions

A provision is recognised in the Statement of Financial Position 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.

(o) Trade and other payables

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

(p) Interest Rate Risk

The Consolidated Entity has exposure to interest rate risk through its bank deposits. Information about the bank deposits are set out in note 7 and 15.

(q) Revenue

(i) Goods sold and services rendered

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

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

Dividend revenue and commissions are recognised when the Consolidated Entity has received a dividend or commission.

(ii) Rental income

Rental income from property is recognised in profit and loss 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.

Notes to the consolidated financial statements

1. 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.

(s) Presentation of financial statements

The Consolidated Entity applies revised AASB101 *Presentation of Financial Statements (2007)*, which became effective as of 1 January 2009. As a result the Consolidated Entity presents in the consolidated statement changes in equity all owner changes in equity, whereas all non owner changes in equity are presented in the consolidated income of comprehensive income.

Comparative information has been re-presented so that also is in conformity with the revised standard. The change in accounting policy only impacts presentation aspects.

(t) New Standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption as 30 June 2010, but have not been applied in preparing this financial report.

- AASB 2009-5 *Further amendment to Australian Accounting Standards arising from the Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Consolidated Entity 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.*
- AASB 2009-8 *Amendments to Australian Accounting Standards – Group Cash settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments of AI 8 Scope of AASB 2 and AI 11 AASB 2 – Group and Treasury Share Transactions will be withdrawn from the application date. The amendments, which become mandatory for the Consolidated Entity 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.*

Notes to the consolidated financial statements (Continued)

<i>Note</i>	MTA		Consolidated	
	2010	2009	2010	2009
2.a. Other income	\$	\$	\$	\$
Other services	27,462	40,605	214,536	328,270
Industrial services	67,537	100,540	67,537	100,540
Inter group management fees	360,000	335,040	-	-
	<u>454,999</u>	<u>476,185</u>	<u>282,073</u>	<u>428,810</u>
2.b. Financial income				
Interest	126,282	208,839	324,617	523,190
MTAA House Distribution	151,400	152,429	151,400	152,429
	<u>277,682</u>	<u>361,268</u>	<u>476,017</u>	<u>675,619</u>
3. Auditors' remuneration				
Audit services				
Auditors of the Association				
Audit and review of financial reports	26,000	24,000	46,000	42,150
Other Services	-	-	15,197	-
	<u>26,000</u>	<u>24,000</u>	<u>61,197</u>	<u>42,150</u>
4. Cash				
Cash	1,621,940	1,585,412	4,642,004	4,029,172
	<u>1,621,940</u>	<u>1,585,412</u>	<u>4,642,004</u>	<u>4,029,172</u>
5. Trade and other receivables				
Current				
Trade and other receivables	141,368	435,372	2,132,642	2,139,214
Prepayments	3,844	120,336	84,953	183,244
Receivables due from controlled entities	435,848	60,752	-	-
	<u>581,060</u>	<u>616,460</u>	<u>2,217,595</u>	<u>2,322,458</u>
6. Inventories				
Stationery	25,106	28,466	25,106	28,466
Printing	8,255	10,212	12,591	15,781
	<u>33,361</u>	<u>38,678</u>	<u>37,697</u>	<u>44,247</u>

Notes to the consolidated financial statements (Continued)

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
7. Investments		\$	\$	\$	\$
Current Investments					
Fixed Term Deposits		2,260,464	2,171,593	4,531,185	5,405,052
Current Fixed Term Deposits		<u>2,260,464</u>	<u>2,171,593</u>	<u>4,531,185</u>	<u>5,405,052</u>
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
		<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Units in MTAA Unit Trust		668,000	668,000	668,000	668,000
Total Non-current Investments		<u>668,000</u>	<u>668,000</u>	<u>668,000</u>	<u>668,000</u>

The market value of Publicly Listed Investments as at 31 March 2010 was \$Nil, (2009: \$Nil).

The Association holds 12.17% (twelve point one 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 2008 at a "willing buyer/seller" market value of \$22,250,000 (2009 \$23,000,000). On the basis of MTA's entitlement to net assets of the Trust per accounts dated 30 June 2009, (which included this revaluation of the building), MTA's net asset entitlement would be \$2,290,646 (2009 \$ 2,558,720).

Notes to the consolidated financial statements (Continued)

8. Property, plant and equipment

	<i>Note</i>	MTA				Total
		Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Cost						
Balance at 1 April 2008		5,985,918	1,280,215	29,068	73,455	7,368,656
Acquisitions		-	34,076	21,907	52,692	108,675
Disposals		-	-	-	(48,645)	(48,645)
Balance at 31 March 2009		<u>5,985,918</u>	<u>1,314,291</u>	<u>50,975</u>	<u>77,502</u>	<u>7,428,686</u>
Balance at 1 April 2009		5,985,918	1,314,291	50,975	77,502	7,428,686
Acquisitions		-	241,198	3,669	35,199	280,066
Disposals		-	-	-	(24,811)	(24,811)
Balance at 31 March 2010		<u>5,985,918</u>	<u>1,555,489</u>	<u>54,644</u>	<u>87,890</u>	<u>7,683,941</u>
Depreciation and impairment losses						
Balance at 1 April 2008		967,334	604,076	13,785	20,356	1,605,551
Depreciation charge for the year		131,120	111,367	4,179	16,241	262,907
Disposals		-	-	-	(19,428)	(19,428)
Balance at 31 March 2009		<u>1,098,454</u>	<u>715,443</u>	<u>17,964</u>	<u>17,169</u>	<u>1,849,030</u>
Balance at 1 April 2009		1,098,454	715,443	17,964	17,169	1,849,030
Depreciation charge for the year		131,120	107,668	12,714	15,762	267,264
Disposals		-	-	-	(8,038)	(8,038)
Balance at 31 March 2010		<u>1,229,574</u>	<u>823,111</u>	<u>30,678</u>	<u>24,893</u>	<u>2,108,256</u>
Carrying amounts						
At 1 April 2008		<u>5,018,584</u>	<u>676,139</u>	<u>15,283</u>	<u>53,099</u>	<u>5,763,105</u>
At 31 March 2009		<u>4,887,464</u>	<u>598,848</u>	<u>33,011</u>	<u>60,333</u>	<u>5,579,656</u>
At 1 April 2009		4,887,464	598,848	33,011	60,333	5,579,656
At 31 March 2010		<u>4,756,344</u>	<u>732,378</u>	<u>23,966</u>	<u>62,997</u>	<u>5,575,685</u>

Notes to the consolidated financial statements (Continued)

8. Property, plant and equipment (continued)

Consolidated

Cost	Note					Total
		Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Balance at 1 April 2008		5,985,918	2,854,007	105,505	569,150	9,514,580
Acquisitions		-	171,794	25,380	178,105	375,279
Disposals		-	(130,236)	(399)	(156,175)	(286,810)
Balance at 31 March 2009		5,985,918	2,895,565	130,486	591,080	9,603,049
Balance at 1 April 2009		5,985,918	2,895,565	130,486	591,080	9,603,049
Acquisitions		-	491,533	5,300	2,281,560	2,778,393
Disposals		-	(122,516)	-	(107,676)	(230,192)
Balance at 31 March 2010		5,985,918	3,264,582	135,786	2,764,964	12,151,250
Depreciation and impairment losses						
Balance at 1 April 2008		967,334	1,680,282	49,073	197,685	2,894,374
Depreciation charge for the year		131,120	331,170	22,727	89,980	574,997
Disposals		-	(116,099)	(399)	(76,551)	(193,049)
Balance at 31 March 2009		1,098,454	1,895,353	71,401	211,114	3,276,322
Balance at 1 April 2009		1,098,454	1,895,353	71,401	211,114	3,276,322
Depreciation charge for the year		131,120	287,939	28,607	85,957	533,623
Disposals		-	(122,010)	-	(55,844)	(177,854)
Balance at 31 March 2010		1,229,574	2,061,282	100,008	241,227	3,632,091
Carrying amounts						
At 1 April 2008		5,018,584	1,173,725	56,432	395,702	6,979,161
At 31 March 2009		4,887,464	1,000,212	59,085	379,966	6,326,727
At 1 April 2009		4,887,464	1,000,212	59,085	379,966	6,326,727
At 31 March 2010		4,756,344	1,203,300	35,778	2,523,737	8,519,159

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.

81-83 Greenhill Road Wayville was re-valued by Mr. N Lombardi AAPI of Colliers International Consultancy and Valuation Pty Ltd in March 2009 at a "willing buyer/seller" market value of \$6,750,000.

3 Frederick Road Royal Park was re-valued by Ms. A Marsland AAPI of Colliers International Consultancy and Valuation Pty Ltd in March 2009 at a "willing buyer/seller" market value of \$5,100,000.

Notes to the consolidated financial statements (Continued)

9. Trade and other payables

<i>Note</i>	MTA		Consolidated	
	2010	2009	2010	2009
	\$	\$	\$	\$
Subscriptions in advance	182,772	315,624	182,772	315,624
Unearned – Income	22,070	102,002	22,070	102,002
Other trade payables	681,613	653,625	1,834,201	1,974,989
	<u>886,455</u>	<u>1,071,251</u>	<u>2,039,043</u>	<u>2,392,615</u>

10. Employee benefits

Current

Liability for annual leave	212,348	202,548	628,476	570,998
Liability for long-service leave	429,000	380,729	429,000	380,729
Liability for Rostered Days Off & Sick Leave	378	1,117	2,962	3,152
	<u>641,726</u>	<u>584,394</u>	<u>1,060,438</u>	<u>954,879</u>

Non-current

Liability for long-service leave	45,276	37,081	45,276	37,081
	<u>45,276</u>	<u>37,081</u>	<u>45,276</u>	<u>37,081</u>

Total employee benefits	<u>687,002</u>	<u>621,475</u>	<u>1,105,714</u>	<u>991,960</u>
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11. Capital and other commitments

(i) Operating Lease Commitments

Being for rent of motor vehicle payable not later than one year	-	-	-	-
Later than one year but not less than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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.

(ii) Superannuation commitments

No commitments of a material nature existed at year end

(iii) Other commitments

No commitments of a material nature existed at year end

Notes to the consolidated financial statements (Continued)

12. Contingencies

<i>Note</i>	MTA		Consolidated	
	2010	2009	2010	2009
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	272,100	236,000	3,022,100	1,699,000

In the event of the winding up of the Motor Trade Association of Australia Limited, the Motor Trade Association of SA has a limited liability of \$100.

During a period of an economic downturn, it is appropriate to provide for a contingent liability which may arise for the return of apprentices and trainees from host employers and not being able to place those apprentices and trainees with alternate host employers. Should this occur and all apprentice and trainees are returned, the cost to the consolidated entity would be \$1,391,000 (2009:\$1,463,000), whilst the cost to the Association for training staff entitlements would be \$272,000 (2009:\$236,000).

The MTA Group Training Scheme successfully gained a Federal Government grant of \$1,359,000 for the development of its Royal Park training facilities. Under the terms included in the Deed for the National Training Infrastructure Program, this amount may be recovered within three years of the completion of the project should a disqualifying event as outlined in the Deed occur.

13. Consolidated entities

<i>Note</i>	Australian Business Number	Ownership interest	
		2010	2009
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)

14. Reconciliation of cash flows from operating activities

	<i>Note</i>	MTA		Consolidated	
		2010	2009	2010	2009
		\$	\$	\$	\$
Cash and cash equivalents					
Cash at Bank	4	1,621,940	1,585,412	4,642,004	4,029,172
Current Investments	7	2,260,464	2,171,593	4,531,185	5,405,052
Total cash & cash equivalents		3,882,404	3,757,005	9,173,189	9,434,224
Cash flows from operating activities					
Profit for the period		199,980	174,268	2,059,802	1,053,262
<i>Adjustments for:</i>					
Depreciation		267,264	262,907	533,623	574,997
Operating profit before changes in working capital and provisions		467,244	437,175	2,593,425	1,628,259
(Increase)/decrease in trade and other receivables		35,400	3,659	104,863	(292,750)
Decrease in inventories		5,317	3,311	6,550	9,059
(Decrease)/increase in trade and other payables		(184,796)	118,893	(353,572)	328,967
Increase in provisions and employee benefits		65,527	35,305	113,754	27,020
Cash generated from the operations		388,692	598,343	2,465,020	1,700,555

Financing Facilities

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

Notes to the consolidated financial statements (Continued)

15. Financial Risk Management Objectives and Policies

The Consolidated Entity activities expose it primarily to the financial risks in credit, liquidity and market risk.

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments.

The Consolidated Entity's financial assets consist mainly of cash and short term bank secured investments, available for sale assets, trade and other receivables and investments in a Unit Trust. The Consolidated Entity's financial liabilities comprise trade and other payables. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the Consolidated Entity to a high level of risk.

The Board of Management has established an investment policy designed to establish controls and monitor these risks. The Consolidated Entity's Audit Committee oversees how management monitors compliance with these policies.

a. Credit Risk

Exposure to credit risk

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum credit risk exposure at the reporting date was:

	MTA		Consolidated	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash and Cash Equivalents	1,621,940	1,585,412	4,642,004	4,029,172
Trade and other receivables	581,060	616,460	2,217,595	2,322,458
Inventories	33,361	38,678	37,697	44,247
Short Term Bank Secured Investments	2,260,464	2,171,593	4,531,185	5,405,052
Investment in Unit Trust	668,000	668,000	668,000	668,000
	<u>5,164,825</u>	<u>5,080,143</u>	<u>12,096,481</u>	<u>12,468,929</u>

The Ageing of the Consolidated trade and other receivables at the reporting date was

	MTA				Consolidated			
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Net Value	Carrying Value	Provision	Net Value	Net Value
Current	608,715	(37,891)	570,824	609,189	2,154,330	(37,891)	2,116,439	2,096,362
Past Due 0-30 days	10,236		10,236	3,723	77,020		77,020	211,160
Past Due 31-60 days				1,414	21,743		21,743	3,305
Past Due 61- 90 days				425	2,393		2,393	2,345
More than 91 days				1,709				9,286
	<u>618,951</u>	<u>(37,891)</u>	<u>581,060</u>	<u>616,460</u>	<u>2,255,486</u>	<u>(37,891)</u>	<u>2,217,595</u>	<u>2,322,458</u>

Notes to the consolidated financial statements (Continued)

Based on historical default rates, the Association and Consolidated Entity believes that no impairment allowance is necessary in respect of trade receivables. There is no concentration of credit risk, geographical or customer. Management has established a credit policy under which new customers are analysed individually for credit worthiness before being offered Standard credit terms

b. Market Risk

(i) Exposure to interest rate risk

At the reporting date the interest profile of the Consolidated Entity's interest bearing financial instruments was:

	MTA		Consolidated	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash and Cash Equivalents - Variable	1,621,940	1,585,412	4,642,004	4,029,172
Short Term Bank Secured Investments – Fixed	2,260,464	2,171,593	4,531,185	5,405,052
	<u>3,882,404</u>	<u>3,757,005</u>	<u>9,173,189</u>	<u>9,434,224</u>

The Association and the Consolidated Entity do not hold any interest bearing financial liabilities.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2009.

	MTA			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2010				
Cash and Cash Equivalents	15,948	(15,948)	15,948	(15,948)
	<u>15,948</u>	<u>(15,948)</u>	<u>15,948</u>	<u>(15,948)</u>
31 March 2009				
Cash and Cash Equivalents	14,132	(14,132)	14,132	(14,132)
	<u>14,132</u>	<u>(14,132)</u>	<u>14,132</u>	<u>(14,132)</u>
	CONSOLIDATED			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2010				
Cash and Cash Equivalents	46,031	(46,031)	46,031	(46,031)
	<u>46,031</u>	<u>(46,031)</u>	<u>46,031</u>	<u>(46,031)</u>
31 March 2009				
Cash and Cash Equivalents	35,440	(35,440)	35,440	(35,440)
	<u>35,440</u>	<u>(35,440)</u>	<u>35,440</u>	<u>(35,440)</u>

Notes to the consolidated financial statements (Continued)

(ii) Equity price risk

At the reporting date the equity profile of the Consolidated Entity was

	MTA		Consolidated	
	2010	2009	2010	2009
	\$	\$	\$	\$
Investment in Unit Trust	668,000	668,000	668,000	668,000
	668,000	668,000	668,000	668,000

Price risk sensitivity analysis for Investments in unit trust

All of the Consolidating entity's Investments in Unit Trust are units within the MTAA Unit Trust. A five percent increase in the trust unit price at the reporting date would have increased equity by \$33,400 (2009: \$33,400). An equal change in the opposite direction would have decreased equity by \$33,400 (2009: \$33,400).

c. Liquidity Risk

Liquidity Risk is the risk that the Consolidated Entity does not have sufficient resources to meet its obligations when they become due and payable, or will have to do so at excessive cost. The Consolidated Entity's policy is designed to ensure that there are sufficient funds to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements

	MTA			Consolidated		
	Carrying Amount	Contractual cash flows	6 months or less	Carrying Amount	Contractual cash flows	6 months or less
	\$	\$	\$	\$	\$	\$
31 March 2010						
Accounts payable	886,455	886,455	886,455	2,039,043	2,039,043	2,039,043
	886,455	886,455	886,455	2,039,043	2,039,043	2,039,043
31 March 2009						
Accounts payable	1,071,251	1,071,251	1,071,251	2,392,615	2,392,615	2,392,615
	1,071,251	1,071,251	1,071,251	2,392,615	2,392,615	2,392,615

Notes to the consolidated financial statements (Continued)

d. Fair Values

Fair Values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows:

31 March 2010	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,621,940	1,621,940	4,642,004	4,642,004
Trade and other receivables	581,060	581,060	2,217,595	2,217,595
Short Term Bank Secured Investments	2,260,464	2,260,464	4,531,185	4,531,185
Investment in Unit Trust	668,000	2,290,646	668,000	2,290,646
Payables	(886,455)	(886,455)	(2,039,043)	(2,039,043)
	<u>4,245,009</u>	<u>5,867,655</u>	<u>10,019,741</u>	<u>11,642,387</u>

31 March 2009	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,585,412	1,585,412	4,029,172	4,029,172
Trade and other receivables	616,460	616,460	2,322,458	2,322,458
Short Term Bank Secured Investments	2,171,593	2,171,593	5,405,052	5,405,052
Investment in Unit Trust	668,000	2,558,720	668,000	2,558,720
Payables	(1,071,251)	(1,071,251)	(2,392,615)	(2,392,615)
	<u>3,970,214</u>	<u>5,860,934</u>	<u>10,032,067</u>	<u>11,922,787</u>

Net Fair Values

Methods and assumptions used in determining net fair value.

For Financial assets and Financial 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 Consolidated Entity intends to hold these assets to maturity.

Notes to the consolidated financial statements (Continued)

16. 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:

Colin Clark	George Bolton	
Frank Agostino	Theo Kruys	
Peter Roberts	Harold Shipp	
Neville Gibb	Roger Paech	
Marc Cheney	Dale John	
Brian Weeks	Danny Shane	
John Zulian	George Papillo	
Clive Polley	Brenton Abbott	
Colin Butcher	John Rowley	
Arch Boonen	Robert Duns	17 Nov 09 – 31 Mar 10

All other Members of the Board of Management held the position for the period of 01 April 2009 to 31 March 2010.

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:

Colin Clark	John Zullian
Frank Agostino	Theo Kruys
Neville Gibb	Danny Shane
Clive Polley	

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

	Note	MTA		Consolidated	
		2010	2009	2010	2009
Remuneration (including fringe benefits) received or due and receivable, by officers of the Consolidated Entity.		323,749	306,495	323,749	306,495

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
Paul Good

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)

17. Subsequent events

No other 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.

18. 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).

19. 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.

20. 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.

21. 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 25th of May 2010 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 2010.


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: Treasurer

Name: Theo Krays

Signature: 

Date: 25 May 2010

**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:-

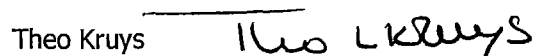
- [i] the accounts present fairly the results of the operations of the association for the financial year and the state of affairs of the association as at the end of the 2009/2010 financial year; and
- [ii] the Board has reasonable grounds to believe that the association will be able to pay its debts 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.

Colin Clark



Theo Krays



Dated this

25th

day of

May.

2010

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

REPORT BY THE BOARD OF MANAGEMENT

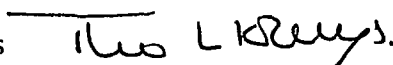
As required by Section 35 (5) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

- [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)	2010	2009
	received or due and receivable, by	\$	\$
	officers of the association.	323,749	306,495

Signed pursuant to a resolution of the Board of Directors.

Colin Clark 

Theo Krays 

Dated this 25th day of May 2010

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 2009/2010 financial year are copies of the documents to be presented to members at the Annual General Meeting held on Tuesday, 20th July 2010 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 25th day of May 2010

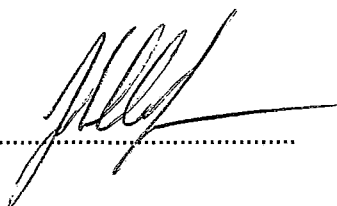
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Independent auditor's report to the members of The Motor Trade Association of SA Incorporated

We have audited the accompanying financial report of The Motor Trade Association of SA Incorporated (the Association), which comprises the Statements of Financial Position as at 31 March 2010, and Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 21 and the Board of Management declaration set out on pages 5 to 31 of the Group, comprising the Association and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Board of Management of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Association Incorporations Act 1985, as amended*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Association Incorporations Act 1985, as amended* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Association's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's opinion

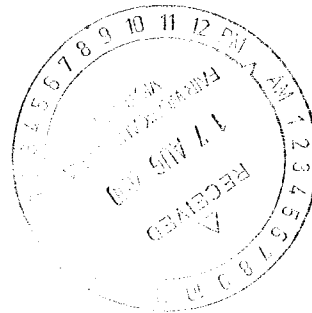
In our opinion, the financial report of the Motor Trade Association of SA Incorporated is properly drawn up in accordance with:

- (i) giving a true and fair view of the Association's and the Group's financial position as at 31 March 2010 and of their performance for the year ended on that date;
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) in accordance with Schedule 1B of the Workplace Relations Act 1996 and with the Associations Incorporations Act 1985, as amended.

KPMG.

KPMG

Darren Ball
Partner



Fellow of the Institute of Chartered Accountants In Australia
Registered Company Auditor Registration Number: 334716

Adelaide

25th May 2010