



FAIR WORK
AUSTRALIA

27 August 2012

Mr Neville Gibb
President
The Motor Trade Association of South Australia Incorporated
GPO Box 2204
ADELAIDE SA 5000

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

Dear Mr Gibb,

Re: The Motor Trade Association of South Australia Incorporated Financial Report for the year ended 31 March 2012 – FR2012/210 Fair Work (Registered Organisations) Act 2009 (the Act)

I acknowledge receipt of the financial report for year ended 31 March 2012 for the Motor Trade Association of South Australia (MTASA). The financial report was lodged with Fair Work Australia (FWA) on 30 July 2012.

The documents have been filed. The following comments are provided to assist you in future years, a copy of these comments should be provided to your auditor. No further action is required with respect to the lodged documents:

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*. Accordingly I would recommend that you revise the legislative references in the Certificate of President.

References to Schedule 1B

The Declaration of Association contains references to the Registration & Accountability of Organisations Schedule and Schedule 1B of the *Workplace Relations Act 1996*. For any actions prior to 1 July 2009 such references should be to Schedule 1 of the *Workplace Relations Act 1996*. For any actions on or after 1 July 2009 such references should be to the *Fair Work (Registered Organisations) Act 2009*. Accordingly I would recommend that you also revise the legislative references in the Declaration of Association and Certificate of President.

Regards,

Sam Lynch
Organisations, Research & Advice
Fair Work Australia



Motor Trade Association
of South Australia Inc.



The General Manager
Fair Work Australia
GPO BOX 1994
Melbourne VIC 3001

Dear Sir or Madam,

RE: NOTIFICATION OF CHANGES

Please find enclosed notification of recent changes to the MTA Board of Management, AGM Records and Certificate of President.

If you require further information then please let me know and I will be happy to help.

Yours sincerely

Neville Gibb
President

26 July 2012

Postal address:

GPO BOX 2204
Adelaide SA 5000

Web: www.mta-sa.asn.au

Email: mta@mta-sa.asn.au

MTA House

Level 1, 81 Greenhill Rd
Wayville SA 5000

Ph: 08 8291 2000

Fax: 08 8291 2099

**MTA Training &
Employment Centre**

3 Frederick Rd

Royal Park SA 5014

Ph: 08 8241 0522

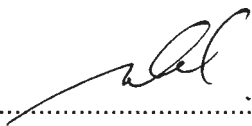
Fax: 08 8241 0388

Certificate of President

s268 of Schedule 1 *Workplace Relations Act 1996*

I NEVILLE GIBB being the President 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 Friday 1 June; and
- that the full report was presented to a general meeting of members of the reporting unit on 18th July 2012; in accordance with section 266 of the RAO Schedule.

Signature: 

Date: 19/7/2012



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, NEVILLE GIBB of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, President, DO SOLEMNLY AND SINCERELY DECLARE as follows :

1. THAT I am the President 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 "Consolidated Financial Report" contains "Board of Management Statement", "Statement of Comprehensive Income" (for the year ending 31st March 2012) and "Statement of Financial Position" (as at 31st March 2012) 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 18th day of July 2012 and that I was present at this Annual General Meeting.

THAT of the 130 persons who were recorded in the attendance register, 31 recorded as nominated representatives for voting purposes and were members of MTA and Life Members; there were 14 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 18th day of July 2012.

AND I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Registration & Accountability of Organisations Schedule (Schedule 1B of the Fair Work (Registered Organisations) Act 2009), conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

At Wayville , South Australia

this 26th day of July 2012

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AGM MINUTES

Schedule A

**MINUTES OF THE 86th ANNUAL GENERAL MEETING OF THE
MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
HELD AT THE ARKABA HOTEL, 150 GLEN OSMOND ROAD, FULLARTON
ON WEDNESDAY 18th JULY 2012**

ATTENDANCE

130 members, associates, business partners of the MTA and guests attended the Annual General Meeting, 31 were members, 6 were Life Members of the Association and 14 proxies were noted.

1. NOTICE OF MEETING AND RECORDING OF APOLOGIES

The Secretary, Mr John Chapman welcomed members and guests to the 86th Annual General Meeting of the Association and declared the meeting open at 7.30pm.

He extended a special welcome to Life Members and representatives from SGIC Business Insurance. A special thank you was extended to MTA staff from both Greenhill Road and the Group Training Scheme for their assistance in setting up this AGM. He also welcomed Richard Dudley, CEO of AMIF to the meeting.

Mr Chapman then introduced the President, Mr Neville Gibb. The President said there were 97 apologies in total received; 51 of these were members, 14 proxies were recorded.

2. TO ADOPT THE MINUTES OF THE 85th AGM HELD 19th July 2011

Moved Ron Lewis (Glynde Auto Spares), Seconded Colin Butcher (Eastern Eyre Machinery)
THAT THE MINUTES OF THE 85th ANNUAL GENERAL MEETING BE ADOPTED

CARRIED....

The President then asked that the minutes of the Extraordinary Meeting held on 19th July 2011 be adopted.

TO ADOPT THE MINUTES OF THE EXTRAORDINARY MEETING HELD ON 19TH JULY 2011.

Moved Clive Polley (Independent Components), Seconded Colin Heavyside (Life Member)
THAT THE MINUTES OF THE EXTRAORDINARY MEETING BE ADOPTED

CARRIED....

3. TO RECEIVE THE FINANCIAL STATEMENT OF THE YEAR ENDED 31ST MARCH 2012

Mr Cheney went over the Treasurer's report and referred to the consolidation of MTA and MTA GTS. He was pleased to report that the Association continued to operate profitably.

Moved Marc Cheney (Porsche Centre Adelaide), Seconded Theo Kruys (Autolai)
THAT THE FINANCIAL REPORT FOR THE YEAR ENDED 31ST MARCH 2012 BE RECEIVED

CARRIED....

4. BOARD OF MANAGEMENT REPORT

The President delivered the 2011/12 Annual Report and then moved that the report of the Board of Management for the 2011/12 Year be received.

Moved Neville Gibb (Gibb & Sons Pty Ltd), Seconded Roger Paech (Peach Motors)

**THAT THE REPORT OF THE BOARD OF MANAGEMENT FOR THE 2011/12 YEAR BE RECEIVED
CARRIED....**

5. TO APPOINT AN AUDITOR OR AUDITORS, AND TO FIX HIS/HER REMUNERATION

The President gave thanks to the KPMG Audit Partner, Darren Ball, for their work during the year and sought a mover to the motion:

Moved Brian Weeks (Western Auto Repairs), Seconded George Bolton (Geo Bolton & Associates Pty Ltd)

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

CARRIED....

6. TO DECLARE THE RESULTS OF THE ELECTION OF OFFICERS

The Chief Executive Officer thanked all the Board members for their commitment over the previous year and read out the results of the election provided by the Australian Electoral Commission. List attached.

**7. THE CONSIDERATION OF ANY CANDIDATE FOR LIFE MEMBERSHIP
RECOMMENDED BY THE BOARD.**

The President addressed the members and reported that he had great pleasure in putting forward two nominations for Life membership of the MTA which had been unanimously endorsed by the Executive Committee and the Full Board of Management of the MTA.

The first nomination was Colin Clark (deceased) and he gave the following reasons as to why the Board of Management unanimously endorsed this nomination;

Colin was a former President who had passed away in October 2011 while still holding the position of Past President.

He joined the MTA as a member in 1988 and joined the board in 1996 representing the tyre dealer group.

He was national president of the Australian Tyre Dealers and Retreaders Association between 1998 and 2001.

In 2005, he became Vice President and in 2008 he took over as President.

Colin oversaw the development of the Harold Shipp Workshop in 2010 which was the biggest capital works project ever undertaken by the MTA.

Colin was committed to member services and during his presidency with many new services being introduced. He was also committed to quality of service.

Colin was committed to restoring member activity and during his Presidency he established President's forum to allow members to attend a night time meeting to hear the latest news from the MTA and have the opportunity to meet the President over drink.

He also encouraged the reinvigoration of Divisional and Country zone meetings.

The President then announced that the second nomination was Michael Claridge, and gave the following reasons as to why the Board of Management unanimously endorsed this nomination;

Mike was instrumental in taking the organisation from a period of financial uncertainty and losses, to one which was underpinned soundly in terms of it's finances and it's future direction.

He oversaw the purchase of the MTA's largest single asset, 81-83 Greenhill Road Wayville and carefully guided the Association's growth from assets of \$5.3 million in March 1994 to \$14.3 million in March 2008.

His commitment had also ensured that the MTA's Group Training Scheme had continued to grow to the level in which it was now the largest of its type in the State.

Mike was an active participant representing our new car dealers nationally in the Australian Automobile Dealers Association in Canberra.

He served on the AADA Board nationally from 1996 to 2006 and during that decade held the positions of Vice President for a total of four and a half years and was also Acting President for three months after the passing of the late Brian Curmi.

The President moved that the late Colin Clark and Michael Claridge be awarded life membership of the Motor Trade Association of South Australia.

Moved Neville Gibb (Gibb & Sons Pty Ltd), Seconded Danny Shane (South Coast Auto Repairs)
THAT THE LATE COLIN CLARK AND MICHAEL CLARIDGE BE AWARDED LIFE MEMBERSHIP OF THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA.

CARRIED....

8. TO CONSIDER ANY BUSINESS SUBMITTED BY THE BOARD

The President advised that there was no other business submitted by the Board.

9. THE CONSIDERATION OF ANY BUSINESS NOTICE OF WHICH HAS BEEN GIVEN IN ACCORDANCE WITH RULE 34.

The President advised that there was no business submitted for consideration in accordance with Rule 34.

10. TO CONSIDER ANY OTHER BUSINESS (under Rule 32)

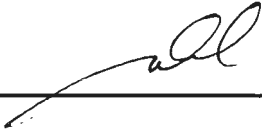
There was no other business

11. CLOSURE

Mr Chapman then closed the formal part of the evening at 8.15pm.

Confirmed this day of 2013.

President

A handwritten signature in black ink, appearing to be 'all', written over a horizontal line.A small, handwritten mark or signature in the bottom right corner of the page.



The Motor Trade Association of SA Inc

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2012

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

The 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 2012.

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:

| | | |
|----------------|---------------|----------------------|
| Neville Gibb | Roger Paech | |
| Frank Agostino | Dale John | |
| John Zulian | John Rowley | |
| Marc Cheney | Peter Roberts | |
| George Papillo | Robert Duns | |
| Clive Polley | Tracy Butler | |
| Danny Shane | Ron Lewis | 9 Aug 11 – 31 Mar 12 |
| Brian Weeks | John Janesse | 9 Aug 11 – 31 Mar 12 |
| Jeff Williams | Arch Boonen | 1 Apr 11 – 21 Feb 12 |
| Colin Butcher | Colin Clark | 1 Apr 11 – 5 Oct 11 |
| George Bolton | Harold Shipp | 1 Apr 11 – 9 Aug 11 |
| Theo Kruys | | |

Mr. Frank Agostino retired from the Board of Management on 19 July 2011 and was reappointed to the Board of Management 15 Nov 2011 to present on the passing of Mr Colin Clark.

All other Members of the Board of Management held the position for the period of 1 April 2011 to 31 March 2012.

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; and
- 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 2012.

Statement of Comprehensive Income

The Associations surplus from ordinary activities in the financial year ended 31 March 2012 was the Association \$305,011, (2011: \$105,359) and for the Consolidated Entity \$1,202,269, (2011: \$425,280).

Statement of Financial Position

The financial position of the Association and the Consolidated Entity was improved by the operating surplus noted above and land and building purchases. Equity increased to \$10,946,437 for the Association and to \$20,467,446 for the Consolidated Entity.

The Association's cash flow from operations was \$1,001,515 and the Consolidated Entity \$2,251,836.

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 Fair Work Australia (Registered Organisations) Act 2009 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.

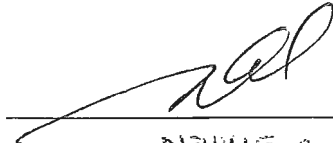
At the end of the financial year there were 1,150 members of the Motor Trade Association of SA Inc, (2011: 1,108).

Staffing

The Association employed 55 staff at the end of the financial year, (2011: 50). The Consolidated Entity employed 587 staff at year end (2011: 569).

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

Board
Member


NEVILLE GIBB

Board
Member


Marc Cheney

Dated this 22 day of May 2012.

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 2012 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 2012, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2011.

Statement of Comprehensive Income

The Associations surplus from ordinary activities in the financial year ended 31 March 2012 was \$305,011, (2011: \$105,359) and as a Consolidated Entity \$1,202,269, (2011: \$425,280).

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 2012

| | Note | MTA | | Consolidated | |
|--|------|------------------|------------------|-------------------|-------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Membership contributions | | 1,237,703 | 1,194,258 | 1,237,703 | 1,194,258 |
| Commissions | | 339,800 | 261,337 | 339,800 | 261,337 |
| Grant income | | - | - | 2,937,026 | 2,232,985 |
| Member function income | | 24,557 | 33,644 | 24,557 | 33,644 |
| Rents | | 1,069,759 | 822,084 | 594,759 | 362,084 |
| Sales – print & stationery | | 353,090 | 374,809 | 229,890 | 266,011 |
| Apprentice income | | - | - | 15,042,829 | 14,407,165 |
| Other operating income | 2(a) | 1,046,085 | 521,462 | 803,879 | 250,672 |
| Industry support | | - | - | 14,217 | 28,283 |
| Revenue from ordinary activities | | 4,070,994 | 3,207,594 | 21,224,660 | 19,036,439 |
| Administration expenses | | 1,120,809 | 770,200 | 1,666,804 | 1,208,731 |
| Advertising | | 189,758 | 113,457 | 366,152 | 253,772 |
| Advocacy | | 20,973 | 36,656 | 20,973 | 36,656 |
| Affiliation fees | | 160,000 | 159,700 | 160,000 | 159,700 |
| Apprentice training costs | | - | - | 186,281 | 178,121 |
| Audit fees | | 28,000 | 27,500 | 51,000 | 50,600 |
| Cost of sales – print & stationery | | 159,020 | 197,302 | 159,020 | 197,302 |
| Depreciation | | 379,237 | 302,631 | 818,660 | 682,352 |
| Insurance | | 39,545 | 35,905 | 102,053 | 80,789 |
| Legal costs | | 81,741 | 67,804 | 88,351 | 82,131 |
| Motor vehicle costs | | 20,925 | 12,962 | 85,462 | 103,012 |
| Motor trade journal | | 71,363 | 51,094 | 71,363 | 51,094 |
| Officers Remuneration | | 344,480 | 333,115 | 344,480 | 333,115 |
| Officers Remuneration - on costs | | 52,577 | 56,985 | 52,577 | 56,985 |
| Salaries & wages | | 973,896 | 898,926 | 14,396,677 | 13,853,298 |
| Salaries & wages – on costs | | 269,786 | 256,797 | 1,752,834 | 1,716,935 |
| Telephone | | 55,211 | 50,390 | 90,709 | 84,564 |
| Travel | | 59,980 | 66,418 | 72,359 | 81,287 |
| Costs from ordinary activities | | 4,027,301 | 3,437,842 | 20,485,755 | 19,210,444 |
| Operating surplus/(deficit) from operating activities | | 43,693 | (230,248) | 738,905 | (174,005) |
| Net finance income | 2(b) | 261,318 | 335,607 | 463,364 | 599,285 |
| Surplus for the period | | 305,011 | 105,359 | 1,202,269 | 425,280 |
| Other comprehensive income for the period | | 1,369,014 | - | 1,369,014 | - |
| Total comprehensive income for the period | | 1,674,025 | 105,359 | 2,571,283 | 425,280 |

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

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 2012

| | <i>Note</i> | MTA | | Consolidated | |
|--|-------------|-------------------|------------------|-------------------|-------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Accumulated Member Funds | | | | | |
| Accumulated Surplus: | | | | | |
| Opening balance | | 9,272,412 | 9,167,053 | 17,896,163 | 17,470,883 |
| Surplus for the period | | 305,011 | 105,359 | 1,202,269 | 425,280 |
| <u>Other Comprehensive income for the period</u> | | | | | |
| Revaluation Reserve | | 1,369,014 | - | 1,369,014 | - |
| Total Equity at the end of the year | | 10,946,437 | 9,272,412 | 20,467,446 | 17,896,163 |

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Statement of Financial Position

As at 31 March 2012

| | | MTA | | Consolidated | |
|--------------------------------------|-------------|-------------------|-------------------|-------------------|-------------------|
| | <i>Note</i> | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Assets | | | | | |
| Cash | 3 | 1,389,188 | 1,405,399 | 2,269,519 | 3,434,197 |
| Trade and other receivables | 4 | 777,266 | 692,071 | 2,343,192 | 2,346,952 |
| Inventories | 5 | 44,826 | 37,506 | 62,485 | 44,874 |
| Investments | 6 | 1,337,542 | 2,397,862 | 3,073,372 | 5,336,237 |
| Total current assets | | 3,548,822 | 4,532,838 | 7,748,568 | 11,162,260 |
| Trade and other receivables | 4 | 160,000 | - | - | - |
| Investments | 6 | 2,037,014 | 668,000 | 2,182,515 | 668,000 |
| Investment Property | 7 | 3,298,285 | - | 3,298,285 | - |
| Property, plant and equipment | 8 | 7,861,888 | 5,621,365 | 11,644,438 | 9,211,255 |
| Total non-current assets | | 13,357,187 | 6,289,365 | 17,125,238 | 9,879,255 |
| Total assets | | 16,906,009 | 10,822,203 | 24,873,806 | 21,041,515 |
| Liabilities | | | | | |
| Trade and other payables | 9 | 1,211,311 | 927,099 | 2,095,176 | 2,007,709 |
| Employee benefits | 10 | 637,035 | 546,514 | 1,199,958 | 1,061,465 |
| Borrowings | 11 | 3,000,000 | - | - | - |
| Total current liabilities | | 4,848,346 | 1,473,613 | 3,295,134 | 3,069,174 |
| Employee benefits | 10 | 111,226 | 76,178 | 111,226 | 76,178 |
| Borrowings | 11 | 1,000,000 | - | 1,000,000 | - |
| Total non-current liabilities | | 1,111,226 | 76,178 | 1,111,226 | 76,178 |
| Total liabilities | | 5,959,572 | 1,549,791 | 4,406,360 | 3,145,352 |
| Net assets | | 10,946,437 | 9,272,412 | 20,467,446 | 17,896,163 |
| Equity | | | | | |
| Accumulated surplus | | 9,577,423 | 9,272,412 | 19,098,432 | 17,896,163 |
| Revaluation Reserve | | 1,369,014 | - | 1,369,014 | - |
| Total equity | | 10,946,437 | 9,272,412 | 20,467,446 | 17,896,163 |

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

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 2012

| | <i>Note</i> | MTA | | Consolidated | |
|---|-------------|--------------------|------------------|--------------------|--------------------|
| | | 2012 | 2011 | 2012 | 2011 |
| | | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | | |
| Cash receipts from customers | | 3,661,263 | 3,096,583 | 21,079,911 | 18,941,966 |
| Cash paid to suppliers and employees | | (3,263,338) | (3,163,022) | (19,633,711) | (18,569,558) |
| Cash generated from operations | | 397,925 | (66,439) | 1,446,200 | 372,408 |
| Land Tax refund | | 342,272 | - | 342,272 | - |
| Distribution from MTAA House | | 132,538 | 137,397 | 141,538 | 137,397 |
| Interest received | | 146,516 | 198,210 | 339,562 | 461,888 |
| Interest expense | | (17,736) | - | (17,736) | - |
| Net cash from operating activities | | 1,001,515 | 269,168 | 2,251,836 | 971,693 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | | 33,126 | 31,194 | 143,646 | 142,918 |
| Acquisition of unit in Unit Trust | | - | - | (145,501) | - |
| Acquisition of property, plant and equipment | | (2,611,115) | (379,505) | (3,337,467) | (1,517,366) |
| Acquisition of investment property | | (3,340,057) | - | (3,340,057) | - |
| Net cash from investing activities | | (5,918,046) | (348,311) | (6,679,379) | (1,374,448) |
| Cash flows from financing activities | | | | | |
| Proceeds from Borrowings | | 1,000,000 | - | 1,000,000 | - |
| Loans from controlled entity | | 3,000,000 | - | - | - |
| Loans to controlled entity | | (160,000) | - | - | - |
| Net cash from financing activities | | 3,840,000 | - | 1,000,000 | - |
| Net increase in cash and cash equivalents | | (1,076,531) | (79,143) | (3,427,543) | (402,755) |
| Cash and cash equivalents at 1 April | | 3,803,261 | 3,882,404 | 8,770,434 | 9,173,189 |
| Cash and cash equivalents at 31 March | <i>14</i> | 2,726,730 | 3,803,261 | 5,342,891 | 8,770,434 |

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

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 2012 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 22nd May 2012.

(a) Statement of compliance

The Association and the Consolidated Entity early adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-02 Amendments to Australian Standards arising from Reduced Disclosure Requirements for the financial year beginning 1 April 2010 to prepare Tier 2 general purpose financial statements.

The consolidated financial report of the Consolidated Entity and the financial report of the Association are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RR's) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009.

(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 the Association and 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 (continued)

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 I).

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 every three years. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position.

Notes to the consolidated financial statements (continued)

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>2012</u> | <u>2011</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 equity investments are classified as being available-for-sale and are carried at fair value. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost as this is considered the best estimate of fair value.

Notes to the consolidated financial statements (continued)

(h) **Investment Property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property is measured at cost on initial and subsequent recognition.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

| <u>Asset Class</u> | <u>Depreciation Rate</u> |
|--------------------------|--------------------------|
| | 2012 |
| Buildings & Improvements | 2.5 % |

(i) **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 I).

Bad debts are written off when they are identified.

(j) **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.

(k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances (note 3) and call deposits classified as current investments (note 6). 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(I) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy j), 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 (continued)

1. Significant accounting policies (continued)

(m) 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, 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 tax loss of \$209 resulting from activities to the taxation year ended 31 March 2012, (2011: \$Nil).

(n) 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 leave, 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.

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.

No provision is made for sick leave, which although cumulative is non-vesting. However, it is vesting 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(o) 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.

(p) 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.

(q) 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 6.

(r) 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 (continued)

1. Significant accounting policies (continued)

(s) 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.

Notes to the consolidated financial statements (continued)

| | MTA | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| 2.a. Other income | \$ | \$ | \$ | \$ |
| Other services | 29,648 | 28,969 | 157,442 | 148,179 |
| Industrial services | 304,165 | 102,493 | 304,165 | 102,493 |
| Land Tax Refund | 342,272 | - | 342,272 | - |
| Inter group management fees | 370,000 | 390,000 | - | - |
| | <u>1,046,085</u> | <u>521,462</u> | <u>803,879</u> | <u>250,672</u> |
| 2.b. Financial income | | | | |
| Interest | 146,516 | 198,210 | 339,562 | 461,888 |
| MTAA House Distribution | 132,538 | 137,397 | 141,538 | 137,397 |
| Less Finance Expense | (17,736) | - | (17,736) | - |
| Net Finance Income | <u>261,318</u> | <u>335,607</u> | <u>463,364</u> | <u>599,285</u> |
| 3. Cash | | | | |
| Cash | 1,389,188 | 1,405,399 | 2,269,519 | 3,434,197 |
| | <u>1,389,188</u> | <u>1,405,399</u> | <u>2,269,519</u> | <u>3,434,197</u> |
| 4. Trade and other receivables | | | | |
| Current | | | | |
| Trade and other receivables | 272,075 | 244,722 | 2,284,534 | 2,217,433 |
| Prepayments | 21,554 | 69,528 | 58,658 | 129,519 |
| Receivables due from controlled entities | 483,637 | 377,821 | - | - |
| | <u>777,266</u> | <u>692,071</u> | <u>2,343,192</u> | <u>2,346,952</u> |
| Non-current | | | | |
| Loan due from controlled entity | 160,000 | - | - | - |
| | <u>160,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 5. Inventories | | | | |
| Stationery | 32,715 | 24,745 | 32,715 | 24,745 |
| Printing | 12,111 | 12,761 | 29,770 | 20,129 |
| | <u>44,826</u> | <u>37,506</u> | <u>62,485</u> | <u>44,874</u> |

Notes to the consolidated financial statements (continued)

| | MTA | | Consolidated | |
|---|-----------|-----------|--------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| 6. Investments | \$ | \$ | \$ | \$ |
| Current Investments | | | | |
| Fixed Term Deposit | 1,337,542 | 2,397,862 | 3,073,372 | 5,336,237 |
| Deposits at Call | 1,337,542 | 2,397,862 | 3,073,372 | 5,336,237 |
| Current Investments | | | | |
| Publicly Listed Investments | - | 30,074 | - | 30,074 |
| Less: Prov. For Diminution in Value | - | (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 |
| Non-current Investments | | | | |
| Units in MTAA Unit Trust | 2,037,014 | 668,000 | 2,182,515 | 668,000 |
| Total Non-current Investments | 2,037,014 | 668,000 | 2,182,515 | 668,000 |

The Motor Trade Association of South Australia holds 14 units, 12.17% (twelve point one seven percent) of the issued units in the MTAA House Unit Trust. The Retail Motor Trading Co. Pty Ltd holds 1 unit, 0.87% (zero point eight seven percent) of the issued units in the MTAA House Unit Trust. A key input in to the valuation of these unit holdings is the market value of the major asset of the Trust, being MTAA House situated on Brisbane Avenue, Canberra.

One unit was purchased during the year at a value of \$145,501 per unit. All units have been revalued at the current purchase price to reflect the change in market value. In accordance with AASB 139 Financial Instruments: Recognition and Measurement, the revaluation increment has been recognised in equity.

Notes to the consolidated financial statements (continued)

| | MTA | | Consolidated | |
|-------------------------------|------------------|----------|------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| 7. Investment Property | \$ | \$ | \$ | \$ |
| Balance at 1 April | - | - | - | - |
| Acquisitions | 3,340,057 | - | 3,340,057 | - |
| Less: Depreciation | (41,772) | - | (41,772) | - |
| Balance at 31 March | <u>3,298,285</u> | <u>-</u> | <u>3,298,285</u> | <u>-</u> |

During the year the Consolidated Entity acquired 46 Fullarton Road, which consists of four tenancies and is fully leased with varying renewals with two tenants leases scheduled to expire in November 2012 and January 2013 and the remaining tenants leases due to expire in May 2014.

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 of Management assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

46 Fullarton Road Norwood was valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$3,150,000. The cost of the investment property of \$3,340,057, includes the property purchase price of \$3,150,000 and capitalised transactions costs of \$190,057.

Notes to the consolidated financial statements (continued)

8. Property, plant and equipment

| | MTA | | | | Total |
|---|--------------------|---------------------|-----------------------|----------------|-------------------|
| | Land and buildings | Plant and equipment | Fixtures and fittings | Other | |
| Cost | | | | | |
| Balance at 1 April 2010 | 5,985,918 | 1,555,489 | 54,644 | 87,890 | 7,683,941 |
| Acquisitions | - | 262,188 | 318 | 116,999 | 379,505 |
| Disposals | - | - | - | (52,686) | (52,686) |
| Balance at 31 March 2011 | <u>5,985,918</u> | <u>1,817,677</u> | <u>54,962</u> | <u>152,203</u> | <u>8,010,760</u> |
| Balance at 1 April 2011 | 5,985,918 | 1,817,677 | 54,962 | 152,203 | 8,010,760 |
| Acquisitions | 2,096,840 | 461,229 | 7,010 | 46,036 | 2,611,115 |
| Disposals | - | - | - | (48,381) | (48,381) |
| Balance at 31 March 2012 | <u>8,082,758</u> | <u>2,278,906</u> | <u>61,972</u> | <u>149,858</u> | <u>10,573,494</u> |
| Depreciation and impairment losses | | | | | |
| Balance at 1 April 2010 | 1,229,574 | 823,111 | 30,678 | 24,893 | 2,108,256 |
| Depreciation charge for the year | 131,120 | 143,859 | 6,052 | 21,600 | 302,631 |
| Disposals | - | - | - | (21,492) | (21,492) |
| Balance at 31 March 2011 | <u>1,360,694</u> | <u>966,970</u> | <u>36,730</u> | <u>25,001</u> | <u>2,389,395</u> |
| Balance at 1 April 2011 | 1,360,694 | 966,970 | 36,730 | 25,001 | 2,389,395 |
| Depreciation charge for the year | 139,861 | 162,108 | 5,991 | 29,505 | 337,465 |
| Disposals | - | - | - | (15,254) | (15,254) |
| Balance at 31 March 2012 | <u>1,500,555</u> | <u>1,129,078</u> | <u>42,721</u> | <u>39,252</u> | <u>2,711,606</u> |
| Carrying amounts | | | | | |
| At 1 April 2010 | 4,756,344 | 732,378 | 23,966 | 62,997 | 5,575,685 |
| At 31 March 2011 | <u>4,625,224</u> | <u>850,707</u> | <u>18,232</u> | <u>127,202</u> | <u>5,621,365</u> |
| At 1 April 2011 | 4,625,224 | 850,707 | 18,232 | 127,202 | 5,621,365 |
| At 31 March 2012 | <u>6,582,203</u> | <u>1,149,828</u> | <u>19,251</u> | <u>110,606</u> | <u>7,861,888</u> |

Notes to the consolidated financial statements (continued)

Property, plant and equipment (continued)

| | Consolidated | | | | |
|---|-----------------------|------------------------|-----------------------------|-----------|------------|
| | Land and buildings | Plant and equipment | Fixtures and fittings | Other | Total |
| Cost | | | | | |
| Balance at 1 April 2010 | 5,985,918 | 3,264,582 | 135,786 | 2,764,964 | 12,151,250 |
| Acquisitions | - | 509,675 | 22,473 | 969,390 | 1,501,538 |
| Disposals | - | (136,683) | - | (244,942) | (381,625) |
| Balance at 31 March 2011 | 5,985,918 | 3,637,574 | 158,259 | 3,489,412 | 13,271,163 |
| Balance at 1 April 2011 | 5,985,918 | 3,637,574 | 158,259 | 3,489,412 | 13,271,163 |
| Acquisitions | 2,096,840 | 786,551 | 16,678 | 437,398 | 3,337,467 |
| Disposals | - | (133,514) | - | (222,954) | (356,468) |
| Balance at 31 March 2012 | 8,082,758 | 4,290,611 | 174,937 | 3,703,856 | 16,252,162 |
| Depreciation and impairment losses | | | | | |
| Balance at 1 April 2010 | 1,229,574 | 2,061,282 | 100,008 | 241,227 | 3,632,091 |
| Depreciation charge for the year | 131,120 | 324,345 | 24,790 | 202,097 | 682,352 |
| Disposals | - | (129,847) | - | (124,688) | (254,535) |
| Balance at 31 March 2011 | 1,360,694 | 2,255,780 | 124,798 | 318,636 | 4,059,908 |
| Balance at 1 April 2011 | 1,360,694 | 2,255,780 | 124,798 | 318,636 | 4,059,908 |
| Depreciation charge for the year | 139,861 | 367,383 | 21,580 | 248,064 | 776,888 |
| Disposals | - | (103,664) | - | (125,408) | (229,072) |
| Balance at 31 March 2012 | 1,500,555 | 2,519,499 | 146,378 | 441,292 | 4,607,724 |
| Carrying amounts | | | | | |
| At 1 April 2010 | 4,756,344 | 1,203,300 | 35,778 | 2,523,737 | 8,519,159 |
| At 31 March 2011 | 4,625,224 | 1,381,794 | 33,461 | 3,170,776 | 9,211,255 |
| At 1 April 2011 | 4,625,224 | 1,381,794 | 33,461 | 3,170,776 | 9,211,255 |
| At 31 March 2012 | 6,582,203 | 1,771,112 | 28,559 | 3,262,564 | 11,644,438 |

The Consolidated Entity 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. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$6,750,000.

3 Frederick Road Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$6,100,000.

3 Schenker Drive Royal Park was purchased in December 2011 for \$1,975,000.

Notes to the consolidated financial statements (continued)

9. Trade and other payables

| | MTA | | Consolidated | |
|---|------------------|----------------|------------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Trade payables due to controlled entities | 4,817 | 2,835 | - | - |
| Subscriptions in advance | 203,447 | 216,377 | 203,447 | 216,377 |
| Unearned – Income | - | 23,183 | - | 23,183 |
| Other trade payables | 1,003,047 | 684,704 | 1,891,729 | 1,768,149 |
| | <u>1,211,311</u> | <u>927,099</u> | <u>2,095,176</u> | <u>2,007,709</u> |

10. Employee benefits

Current

| | | | | |
|--|----------------|----------------|------------------|------------------|
| Office Holders liability for annual leave | 16,258 | 20,696 | 16,258 | 20,696 |
| Other employees liability for annual leave | 239,218 | 204,361 | 799,150 | 717,827 |
| Office holders liability for long-service leave | 63,066 | 59,627 | 63,066 | 59,627 |
| Other employees liability for long-service leave | 317,571 | 261,240 | 317,571 | 261,240 |
| Liability for rostered days off | 922 | 590 | 3,913 | 2,075 |
| | <u>637,035</u> | <u>546,514</u> | <u>1,199,958</u> | <u>1,061,465</u> |

Non-current

| | | | | |
|--|----------------|---------------|----------------|---------------|
| Office Holders liability for long-service leave | 30,473 | 23,947 | 30,473 | 23,947 |
| Other Employees liability for long-service leave | 80,753 | 52,231 | 80,753 | 52,231 |
| | <u>111,226</u> | <u>76,178</u> | <u>111,226</u> | <u>76,178</u> |

| | | | | |
|-------------------------|----------------|----------------|------------------|------------------|
| Total employee benefits | <u>748,261</u> | <u>622,692</u> | <u>1,311,184</u> | <u>1,137,643</u> |
|-------------------------|----------------|----------------|------------------|------------------|

11. Borrowings

Current

| | | | | |
|--|------------------|----------|----------|----------|
| Loan from controlled entity ⁽¹⁾ | 3,000,000 | - | - | - |
| | <u>3,000,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Non –Current

| | | | | |
|---|------------------|----------|------------------|----------|
| Westpac mortgage on 3 Schenker Drive Royal Park | 1,000,000 | - | 1,000,000 | - |
| | <u>1,000,000</u> | <u>-</u> | <u>1,000,000</u> | <u>-</u> |
| | <u>4,000,000</u> | <u>-</u> | <u>1,000,000</u> | <u>-</u> |

⁽¹⁾ The loan from controlled entity is an interest free loan at call.

Notes to the consolidated financial statements (continued)

12. Contingencies

| <i>Note</i> | MTA | | Consolidated | |
|---|---------|---------|--------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| | \$ | \$ | \$ | \$ |
| Estimates of the maximum amount of contingent liabilities that may become payable | 276,000 | 263,000 | 3,193,000 | 3,135,000 |

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 \$1,558,000 (2011:\$1,513,000), whilst the cost to the Association for training staff entitlements would be \$276,000 (2010:\$263,000).

In 2010 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. To date no such event has occurred.

13. Consolidated entities

| | Australian Business Number | Ownership interest | |
|---|----------------------------|--------------------|------|
| | | 2011 | 2010 |
| 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 and Cash Equivalents

For the purpose of the Statements of Cash Flows, cash and cash equivalents include cash balances (note 3) and call deposits classified as current investments (note 6). Cash and cash equivalents at the end of the financial year is reconciled to the Statement of Financial Position as follows;

| | <i>Note</i> | MTA | | Consolidated | |
|---------------------------|-------------|------------------|------------------|---------------------|------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | \$ | \$ | \$ | \$ |
| Cash and Cash Equivalents | 3 | 1,389,188 | 1,405,399 | 2,269,519 | 3,434,197 |
| Fixed term deposit | 6 | 1,337,542 | 2,397,862 | 3,073,372 | 5,336,237 |
| | | <u>2,726,730</u> | <u>3,803,261</u> | <u>5,342,891</u> | <u>8,770,434</u> |

15. 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:

| | | |
|----------------|---------------|-----------------------|
| Neville Gibb | Roger Paech | |
| Frank Agostino | Dale John | |
| John Zulian | John Rowley | |
| Marc Cheney | Peter Roberts | |
| George Papillo | Robert Duns | |
| Clive Polley | Tracy Butler | |
| Danny Shane | Ron Lewis | 09 Aug 11 – 31 Mar 12 |
| Brian Weeks | John Janesse | 09 Aug 11 – 31 Mar 12 |
| Jeff Williams | Arch Boonen | 1 Apr 11 – 21 Feb 12 |
| Colin Butcher | Colin Clark | 01 Apr 11 – 5 Oct 11 |
| George Bolton | Harold Shipp | 1 Apr 11 – 9 Aug 11 |
| Theo Kruids | | |

Mr. Frank Agostino retired from the Board of Management on 19 July 2011 and was reappointed to the Board of Management 15 Nov 2011 to present on the passing of Mr Colin Clark.

All other Members of the Board of Management held the position for the period of 01 April 2011 to 31 March 2012.

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:

| | | |
|----------------|----------------|----------------------|
| Neville Gibb | George Papillo | |
| Frank Agostino | Clive Polley | |
| John Zulian | Danny Shane | |
| Marc Cheney | Colin Clark | 01 Apr 11 – 5 Oct 11 |

Notes to the consolidated financial statements (continued)

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

| | MTA | | Consolidated | |
|--|---------|---------|--------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| Remuneration (including fringe benefits) received or due and receivable, by officers of the Consolidated Entity. | 397,057 | 390,100 | 397,057 | 390,100 |

The names of the officers of the Consolidated Entity 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.

16. 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.

Notes to the consolidated financial statements (continued)

17. Information to be provided to members or registrar

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of Section 272 Fair Work (Registered Organisations) Act 2009, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).
- (4) The General Manager may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the General Manager must provide to a member information received because of an application made at the request of the member.
- (5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section and setting out those subsections.
- (6) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of:
 - (a) the member making the application for information; or
 - (b) the member at whose request the application was made.

18. 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, South Australia premises.

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

19. 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; and
- Training apprentices for the retail motor industry.

20. 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 2012 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 2012.

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 – Reduced Disclosure Requirements (AASB - RRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board and Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of FWA;
- (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; and;
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009 ; 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 General Manager duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - (vi) No orders have been made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For Board of Management

Title of Office held: Treasurer

Name: Marc Cheney

Signature: *Marc Cheney*

Date: *22nd May* 2012

**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 2011/2012 financial year;
- [ii] the Board has reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due;
- [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.



Neville Gibb



Marc Cheney

Dated this 22nd day of May, 2012

**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) | 2012 | 2011 |
| received or due and receivable, by | \$ | \$ |
| officers of the Association. | 397,057 | 390,100 |

Signed pursuant to a resolution of the Board of Directors.



Neville Gibb



Marc Cheney

Dated this 22nd day of May 2012

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 the documents lodged herewith are copies of the full report referred to in s268 pursuant to 268(c) of the Fair Work (Registered Organisations) Regulations 2009, that the enclosed Financial Report for the 2011/2012 financial year are copies of the documents to be presented to members at the Annual General Meeting held on Wednesday, 18th July 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

I MAKE THIS DECLARATION in accordance with subsection 233(1) of the Fair Work (Registered Organisations) Regulations 2009, conscientiously believing the information contained in this declaration to be true in every particular.

DECLARED AND SUBSCRIBED

}

at Wayville, South Australia

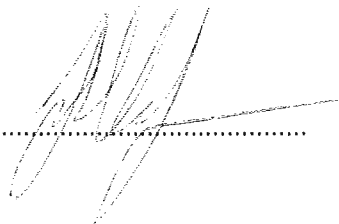
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this 22nd day of May 2012

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

Report on the financial report

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 2012, and Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the Board of Management Declaration 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.

Board of Management's 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 – Reduced Disclosure Requirements, the Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009, and for such internal control as the Board of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

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 Association'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 Associations Incorporations Act 1985 (as amended), Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards – Reduced Disclosure Requirements, a fair 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 including:

- (a) presenting fairly the Association's and the Group's financial position as at 31 March 2012 and of their performance for the year ended on that date;
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements; and
- (c) in accordance with the Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009.

WBMG.

KPMG

Darren Ball
Partner

Adelaide

22 May 2012

