



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 9332 0666
Fax: (02) 9380 6990

Mr Greg Hatton
Director, Industrial Relations and Training
Motor Traders' Association of New South Wales
Locked Bag 5012
DARLINGHURST NSW 2010

Dear Mr Hatton

Re: Financial Statements for the Year ending 31 December 2000 (FR2001/147)

Thank you for your letter and the summarised accounts relating to the above documents which were lodged in the Industrial Registry on 6 April 2001.

All documents lodged relating to the above statements have now been filed and no further action is required.

Yours sincerely

Stephen Kellett
Statutory Services Branch

6 April 2001



MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

Established 1910

43-51 Brisbane Street, Sydney 2000 - Locked Bag 5012, Darlinghurst 2010 - Phone: (02) 9213 4222 - Fax: (02) 9212 6889

Jim Gibbons BA, MBA
Executive Director

6th April, 2001

MTA REPRESENTS:

Air Conditioning Specialists

Auction Houses

*Australian Automobile
Dealers Association*

Auto Dismantlers

Auto Electrical Specialists

*Automotive & Marine
Trimmers*

*Automotive Mechanical
Repairers*

*Automatic Transmission
& Rebuilders*

Body Repair Specialists

Brake Repair Specialists

*Carburettor & Tune-up
Specialists*

Caravan Dealers

*Commercial Body
Rebuilders, Manufacturers
& Repairers*

Engineers

*Engine Reconditioners
Association of NSW*

Exhaust System Specialists

Farm Machinery Dealers

Finance Houses

General Trades

*Hire Car & Chauffeured
Limousine Operators*

Licensed Used Car Dealers

*Motor Boat & Marine
Dealers*

Motor Bus Operators

*Motor Cycle Industry
Association*

Petrol & Oil Sellers

Parts & Accessories Outlets

Radiator Repair Specialists

Rental Vehicle Operators

Rustproofing Specialists

Service Stations

*Steering & Suspension
Specialists*

Tow Truck Operators

Tyre Dealers & Retreaders

Mr S. Kellett
Statutory Services Branch
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir,

Thank you for raising the deficiency within the statutory detail which this organisation provided to your office as required.

Please find enclosed an Executive Director's Certificate which contains the information to be submitted and will replace the previous certificate dated 30 March, 2001.

I apologise for any inconvenience.

Yours Faithfully
Motor Traders' Association of NSW

Greg Hatton
Director, Industrial Relations and Training.





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Radiator Repair Specialists

Rental Vehicle Operators

Rustproofing Specialists

Service Stations

Steering & Suspension Specialists

Tow Truck Operators

Tyre Dealers & Retreaders

Deputy Industrial Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
East Sydney NSW 2001

EXECUTIVE DIRECTOR'S CERTIFICATE

In accordance with section 280 Part ix, Division II - Accounts and Audit, of the Workplace Relations Act, 1996, I certify that the enclosed copy of the Honorary Treasurer's Report which incorporates the Auditor's Report and Financial Statements for the year ended 31st December, 2000, were presented to the Annual General Meeting of the Motor Traders' Association held on 23rd March, 2001.

I also confirm that the MTA Committee of Management resolved to supply a copy of a summary to members in the February Edition of the MTA Journal (copy of which is attached to this certificate).

James Gibbons
EXECUTIVE DIRECTOR



Before me:

A Justice of the Peace

6th April
2001



**THE MOTOR TRADERS' ASSOCIATION
OF NEW SOUTH WALES**

**SUMMARISED FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2000**





INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

INCOME	2000 \$	1999 \$
Subscriptions received	2,999,238	2,997,575
Commission received	330,075	393,059
Interest received	38,588	33,435
Administration and service fees received	9,528	45,237
Stationery sales	600,375	675,115
Affiliation fees	36,394	75,309
Journal advertising fees	117,148	94,298
Rent and parking	191,840	222,253
Profit on disposal of non-current assets	20,702	-
Training fees received	189,291	126,214
Sundry Income	369	-
GROSS INCOME	4,533,548	4,662,495
EXPENSES		
Advertising and promotion	120,899	501,738
Amortisation	122,066	113,626
Auditors remuneration – auditing the accounts	23,000	23,000
Auditors remuneration – other services	12,575	1,420
Bad and doubtful debts	17,441	16,649
Bank charges	37,157	31,728
Cleaning and office maintenance	30,677	29,795
Computer costs	37,191	21,829
Conferences	1,649	3,855
Consultants' fees	67,752	175,759
Depreciation:		
Furniture, fixtures, fittings and equipment	27,556	34,917
Motor vehicles	24,573	31,630
Electricity	13,189	11,008
Fringe benefits tax	38,797	38,084
General expenses (incl. staff amenities etc)	8,523	9,935
Industrial, legal, library service	93,419	114,350
Insurance	48,266	62,884
Interest paid	22,457	24,229
Journals	169,143	172,240
Legal expenses	28,604	13,971
MTAA subscriptions and expenses	417,698	419,774
Meeting expenses (incl. Country districts)	29,474	50,340
Motor vehicle expenses	123,344	100,530
NAITB contributions	36,780	18,390
Payroll tax	83,702	83,051
Postage and courier	61,632	58,599
Printing and stationery	39,233	17,576
Property expenses:		
43-51 Brisbane Street, Sydney	32,173	63,466
53-57 Brisbane Street, Sydney	65,979	49,954



**INCOME & EXPENDITURE ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000 \$	1999 \$
Provision for holiday pay	(2,737)	46,000
Provision for long service leave	14,822	4,211
Publications and subscriptions	8,923	17,812
Public relations and promotional expenses	572	516
Remuneration to holders of office	157,028	155,287
Remuneration to employees	1,525,213	1,553,212
Rental of equipment	14,221	5,135
Repairs and maintenance	14,938	6,538
Section expenses	-	18,833
Staff recruiting	8,109	15,321
Staff superannuation	105,852	115,029
Staff training	11,176	10,965
Stationery – cost of goods sold	253,387	298,511
Telephone	166,893	124,104
Travelling and accommodation	109,484	87,433
TOTAL EXPENSES	4,222,830	4,753,234
OPERATING SURPLUS/(DEFICIT) BEFORE ABNORMAL ITEMS	310,718	(90,739)
ABNORMAL ITEMS:		
Legal and Accounting Costs relating to Internal Disputes	-	(50,328)
OPERATING SURPLUS/(DEFICIT) AFTER ABNORMAL ITEMS	310,718	(141,067)
Accumulated surplus brought forward from the previous financial year	5,591,531	5,732,598
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR	5,902,249	5,591,531

The accompanying notes form part of these financial statements



BALANCE SHEET AS AT 31 DECEMBER 2000

	2000 \$	1999 \$
CURRENT ASSETS		
Cash	7,497	9,526
Receivables	222,531	145,020
Prepayments	146,413	137,095
Stock of publications	197,607	115,845
TOTAL CURRENT ASSETS	574,048	407,486
NON CURRENT ASSETS		
Investments	3,309,475	3,309,475
Property, plant & equipment	6,581,346	6,475,457
TOTAL NON CURRENT ASSETS	9,890,821	9,784,932
TOTAL ASSETS	10,464,869	10,192,418
CURRENT LIABILITIES		
Bank overdraft	25,799	-
Accounts payable	585,542	371,572
Provisions	389,041	382,707
Lease liability	150,235	118,456
Subscriptions received in advance	274,535	676,741
TOTAL CURRENT LIABILITIES	1,425,152	1,549,476
NON CURRENT LIABILITIES		
Borrowings	88,615	88,615
Provisions	26,455	20,704
Lease liability	244,048	163,742
TOTAL NON CURRENT LIABILITIES	359,118	273,061
TOTAL LIABILITIES	1,784,270	1,822,537
NET ASSETS	8,680,599	8,369,881
MEMBERS' FUNDS		
Accumulated surplus	5,902,249	5,591,531
Reserves	2,778,350	2,778,350
TOTAL MEMBERS' FUNDS	8,680,599	8,369,881

The accompanying notes form part of these financial statements



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2000

	2000 \$	1999 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	2,597,032	2,572,004
Commissions received	379,372	419,494
Administration & service fees received	9,528	45,237
Receipts from sales of stationery	469,982	644,926
Affiliation fees received	36,394	75,309
Receipts from sales of publications journals & advertising	117,148	94,298
Rent & parking revenue received	191,840	222,253
Training fees received	189,292	126,214
Other income received	3,952	-
Interest received	38,588	33,435
Payments to suppliers and employees	(3,891,200)	(4,436,813)
Interest paid on finance leases	(22,457)	(24,229)
Net cash provided by/(used in) operating activities	119,471	(227,872)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(43,651)	-
Proceeds on sale of property, plant & equipment	49,706	-
Net cash provided by investing activities	6,055	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(400,000)
Proceeds from borrowings	-	300,000
Repayment of borrowings/lease liabilities	(153,354)	(79,806)
Net cash used in financing activities	(153,354)	(179,806)
Net decrease in cash held	(27,828)	(407,678)
Cash at the beginning of the financial year	9,526	417,204
Cash at the end of the financial year	(18,302)	9,526

NON-CASH INVESTING ACTIVITIES

During the year the Association acquired plant and equipment with an aggregate value of \$265,438 by means of finance lease. These acquisitions are not reflected in the statement of cash flows.

The accompanying notes form part of these financial statements



NOTES TO AND FORMING PART OF THE SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute a general purpose financial report of The Motor Traders Association of New South Wales that have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements, the requirements of the Associations Incorporations Act (New South Wales) and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements.

(a) Income tax

No income tax liability has been incurred, as the Association is exempt from income tax.

(b) Inventories

Inventories consist of publications and are measured at the lower of weighted average cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any.

(c) Property, plant & equipment

Freehold land and buildings are brought to account at cost or at independent or the Governing Council's valuation.

The depreciable amount of all plant and equipment are depreciated on a diminishing value basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable asset are:

Class of plant & equipment	Depreciation Rate
Furniture, fixtures, fittings and equipment	20% to 30%
Motor vehicles	22.5%
Leased plant and equipment	33.3%
Leased motor vehicles	25% to 33.3%

The carrying amount of property, plant and equipment is reviewed annually by the Associations officers to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.



NOTES TO AND FORMING PART OF THE SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Employee entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

(g) Accounts receivable

Accounts receivable (excluding subscriptions) to be settled within 30 days are carried at amounts due. A provision is made for any doubtful debts based on a review of the recoverability of the outstanding amount at balance date. Bad debts are written off when they are identified.

(h) Investments

Non-current investments are stated at market value. The carrying amount of investments is reviewed annually. Increases in investments carried at market value are accounted for every three years, the last increase due to market value was as at 30 June 2000. Any decrement to the market value is immediately brought to account.

(i) Accounts payable

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

(j) Revenue Recognition

Revenue from subscriptions is recognised on a proportional cash basis.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(k) Comparative figures

Where required by Accounting Standards and the Workplace Relations Act 1996 and where the format of the financial report has been changed to suit the needs of the members, comparative figures have been adjusted to conform to these changes in presentation for the current year.

(l) Fringe benefits tax

The fringe benefits tax expense disclosed in the Income & Expenditure Account represents the amount of fringe benefits tax paid in relation to motor vehicle and entertainment expenses incurred by employees which is not recoverable by the Association through means of salary sacrifice.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 2: NOTICE REQUIRED UNDER THE WORKPLACE RELATIONS ACT 1996

In accordance with the requirements of the Workplace Relations Act 1996, the attention to the members is drawn to the provisions of sub-section (1), (2) and (3) of section 274, which reads as follows: -

1. A member of an organisation, or a registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
2. An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
3. A registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.



CERTIFICATES REFERRING TO THE 2000 FINANCIAL REPORT

1. ACCOUNTING OFFICER'S CERTIFICATE

I, LEO DELISSEN, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that as at 31 December 2000 the number of the members of the Association was 5,013.

- (i) the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December 2000;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- (iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- (iv) with regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) all loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- (vi) the register of members of the Association was maintained in accordance with the Act.

(Signed) L Delissen
Honorary Treasurer
and Principal Accounting Officer

Dated this day of February 2001

2. EXECUTIVE BOARD'S CERTIFICATE

We, MICHAEL TYNAN and LES OAKMAN being two members of the Board of Management of the Motor Traders' Association of New South Wales, do state on behalf of the Board and in accordance with a resolution passed by the Board that:

- (i) in the opinion of the Executive Board, the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December 2000;
- (ii) in the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2000 in accordance with the rules of the Association;
- (iii) to the knowledge of any member of the Executive Board, there have been, during the financial year to which the accounts relate, no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under sub-section 274(2) of the Workplace Relations Act 1996) or copies of those records or other documents, or copies of the rules of the Association have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996 the Regulations thereto or the rules of the Association; and
- (iv) in relation to the report prepared in accordance with Section 276 of the Act and the accounts and statements prepared in accordance with sub-section 273(1) of the Act to which that report relates, the Association has complied with sub-section 279(1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31 December 2000 and the Auditors Report thereon.
- (v) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

(Signed) M Tynan (Signed) L Oakman
President Board Member

Dated this day of February 2001

A Member Firm of PKF International

PKF

Chartered Accountants
& Business Advisers

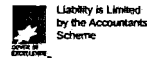
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Sydney NSW 2000

DX 10173
Sydney Stock Exchange

Tel: 61 2 9251 4100
Fax: 61 2 9240 9821

www.pkf.com.au

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**



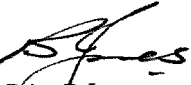
Scope

We have audited the summarised financial report of Motor Traders' Association of New South Wales ("the Association") for the year ended 31 December 2000, consisting of the income and expenditure account, balance sheet, statement of cash flows, accompanying notes and the attached certificates in accordance with Australian Auditing Standards. The summarised financial report is derived from the Association's general purpose financial report which is available to the members.

Audit opinion

In our opinion, the information reported in the summarised financial report of Motor Traders' Association of New South Wales is consistent with the general purpose financial report from which it is derived and upon which we expressed an unqualified audit opinion. For better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the general purpose financial report.


PKF
Chartered Accountants


Brian R James
Partner

SYDNEY: 16 February, 2001



AUSTRALIAN INDUSTRIAL REGISTRY

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Mr James Gibbons
Executive Director
Motor Traders' Association of New South Wales
Locked Bag 5012
DARLINGHURST NSW 2010

Dear Mr Gibbons

Re: Financial Statements for the Year ending 31 December 2000 (FR2001/147)

Receipt is acknowledged of the above financial statements which were lodged in the Industrial Registry on 2 April 2001.

However, before the documents can be filed, I draw your attention to the fact that the Executive Director's certificate does not indicate whether the members were provided with a copy of the financial statements and accounts before their presentation to the Annual General Meeting on 23 March 2001 and if so, when. This information is necessary to enable the Registry to be satisfied that the legislative requirements have been met.

I note that the documents include a copy of a report of the auditor relating to summarised financial statements. In the event that a summary was published for members in the MTA journal as occurred last year, I draw your attention to the provisions of section 279(2) of the *Workplace Relations Act 1996*. If this is the case, the organisation will need to lodge the following documents :

- a copy of the summary supplied to members; and
- a statement from the Executive Director to the effect that the committee of management resolved to supply a summary to members;

Thank you for attending to this matter. If you have any queries regarding the above, please do not hesitate to contact me on 8374 6615.

Yours sincerely

Stephen Kellett
Statutory Services Branch

3 April 2001

Honorary Treasurer's Report

Presented by the Honorary Treasurer Leo Delissen to the 2001 Annual General Meeting
of the Motor Traders' Association of New South Wales on Friday 23 March 2001

Members:

Annual Financial Statements

MTA's financial year concluded on 31 December 2000 and the Association recorded an operating surplus of \$310,718 that represented a turnaround of \$451,785 upon the preceding year. There were no abnormal items of expenditure or income. This is a very satisfactory result.

Total income for the year, at \$4,533,548 was \$128,947 below that of 1999 reflecting a reduced overriding commission payment from the Fortis Group, affiliation fees and stationery sales. These shortfalls caused your Board to direct careful control over expenditures to offset reduced income.

The increase in training income reflects the fact that the Training Manager position being filled during the year. Similarly, Journal advertising revenue benefited from the employment of a new communications consultant from July 2000 who worked hard to revitalise the Journal and place it on a more commercial footing.

In the light of a trending reduction in income, early action was taken to curb expenditures so that the Board's requirement for a surplus result could be achieved.

A significant cost increase during the year was the upgrading of MTA's computer facilities to facilitate improved communications facilities as was recommended in the Report on MTA's management by consultants Arthur Andersen in 1999.

Legal costs were also significant and this was related principally to the costs of disputation with the NRMA and NRMA Insurance. There were also significant costs associated with Constitutional changes stemming from the Andersen Report.

Acknowledgements

Your Executive Board worked well through a Finance Sub-committee to monitor the financial performance of the Association during the year and to oversight the development of a management budgeting process that is being implemented for the first time in 2001. This has been made possible by the transfer of the accounting system from what was really a semi-automated process to MYOB software.

The Finance Sub-committee comprised Messrs Tynan, Gill, Hallinan and King in addition to myself. I want to record special thanks to Keith Gill who was particularly enthusiastic. He retires from the Board at the conclusion of this AGM and he should take the Association's thanks for a job well done with him.

The development of the new computer software has allowed detailed budgetary targets and responsibilities to be assigned on a departmental basis and this will enhance the quality of the Association's financial management in accord with the recommendations of the Andersen Report. As these processes are refined I believe the benefits of this work will accrue to MTA for many years to come.

I want to thank Accountant Colin O'Neill and his staff for a job very well done. Colin overcame some very difficult circumstances at the beginning of the year and worked assiduously to improve our systems. I also thank the Executive Director and his staff for their continuing assistance and support in implementing the Board's requirements.

Leo Delissen
Honorary Treasurer



**THE MOTOR TRADERS' ASSOCIATION
OF NEW SOUTH WALES**

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FOR THE YEAR ENDED
31 DECEMBER 2000**



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Section expenses	-	18,833
Staff recruiting	8,109	15,321
Staff superannuation	105,852	115,029
Staff training	11,176	10,965
Stationery – cost of goods sold	253,387	298,511
Telephone	166,893	124,104
Travelling and accommodation	109,484	87,433
TOTAL EXPENSES	<u>4,222,830</u>	<u>4,753,234</u>
OPERATING SURPLUS/(DEFICIT) BEFORE ABNORMAL ITEMS	310,718	(90,739)
ABNORMAL ITEMS:		
Legal and Accounting Costs relating to Internal Disputes	-	(50,328)
OPERATING SURPLUS/(DEFICIT) AFTER ABNORMAL ITEMS	310,718	(141,067)
Accumulated surplus brought forward from the previous financial year	5,591,531	5,732,598
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR	<u>5,902,249</u>	<u>5,591,531</u>



**BALANCE SHEET
AS AT 31 DECEMBER 2000**

	2000 \$	1999 \$
CURRENT ASSETS		
Cash	7,497	9,526
Receivables	222,531	145,020
Prepayments	146,413	137,095
Stock of publications	197,607	115,845
TOTAL CURRENT ASSETS	574,048	407,486
NON CURRENT ASSETS		
Investments	3,309,475	3,309,475
Property, plant & equipment	6,581,346	6,475,457
TOTAL NON CURRENT ASSETS	9,890,821	9,784,932
TOTAL ASSETS	10,464,869	10,192,418
CURRENT LIABILITIES		
Bank overdraft	25,799	-
Accounts payable	585,542	371,572
Provisions	389,041	382,707
Lease liability	150,235	118,456
Subscriptions received in advance	274,535	676,741
TOTAL CURRENT LIABILITIES	1,425,152	1,549,476
NON CURRENT LIABILITIES		
Borrowings	88,615	88,615
Provisions	26,455	20,704
Lease liability	244,048	163,742
TOTAL NON CURRENT LIABILITIES	359,118	273,061
TOTAL LIABILITIES	1,784,270	1,822,537
NET ASSETS	8,680,599	8,369,881
MEMBERS' FUNDS		
Accumulated surplus	5,902,249	5,591,531
Reserves	2,778,350	2,778,350
TOTAL MEMBERS' FUNDS	8,680,599	8,369,881

The accompanying notes form part of these financial statements



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000 \$	1999 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members	2,597,032	2,572,004
Commissions received	379,372	419,494
Administration & service fees received	9,528	45,237
Receipts from sales of stationery	469,982	644,926
Affiliation fees received	36,394	75,309
Receipts from sales of publications journals & advertising	117,148	94,298
Rent & parking revenue received	191,840	222,253
Training fees received	189,292	126,214
Other income received	3,952	-
Interest received	38,588	33,435
Payments to suppliers and employees	(3,891,200)	(4,436,813)
Interest paid on finance leases	(22,457)	(24,229)
Net cash provided by/(used in) operating activities	119,471	(227,872)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(43,651)	-
Proceeds on sale of property, plant & equipment	49,706	-
Net cash provided by investing activities	6,055	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(400,000)
Proceeds from borrowings	-	300,000
Repayment of borrowings/lease liabilities	(153,354)	(79,806)
Net cash used in financing activities	(153,354)	(179,806)
Net decrease in cash held	(27,828)	(407,678)
Cash at the beginning of the financial year	9,526	417,204
Cash at the end of the financial year	(18,302)	9,526

NON-CASH INVESTING ACTIVITIES

During the year the Association acquired plant and equipment with an aggregate value of \$265,438 by means of finance lease. These acquisitions are not reflected in the statement of cash flows.



NOTES TO AND FORMING PART OF THE SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements constitute a general purpose financial report of The Motor Traders Association of New South Wales that have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements, the requirements of the Associations Incorporations Act (New South Wales) and the Workplace Relations Act 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial statements.

(a) Income tax

No income tax liability has been incurred, as the Association is exempt from income tax.

(b) Inventories

Inventories consist of publications and are measured at the lower of weighted average cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any.

(c) Property, plant & equipment

Freehold land and buildings are brought to account at cost or at independent or the Governing Council's valuation.

The depreciable amount of all plant and equipment are depreciated on a diminishing value basis over the useful lives of the assets to the Association commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable asset are:

Class of plant & equipment	Depreciation Rate
Furniture, fixtures, fittings and equipment	20% to 30%
Motor vehicles	22.5%
Leased plant and equipment	33.3%
Leased motor vehicles	25% to 33.3%

The carrying amount of property, plant and equipment is reviewed annually by the Associations officers to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal¹. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

(d) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised on a straight-line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.



NOTES TO AND FORMING PART OF THE SUMMARISED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Employee entitlements

Provision is made for the Association's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

(g) Accounts receivable

Accounts receivable (excluding subscriptions) to be settled within 30 days are carried at amounts due. A provision is made for any doubtful debts based on a review of the recoverability of the outstanding amount at balance date. Bad debts are written off when they are identified.

(h) Investments

Non-current investments are stated at market value. The carrying amount of investments is reviewed annually. Increases in investments carried at market value are accounted for every three years, the last increase due to market value was as at 30 June 2000. Any decrement to the market value is immediately brought to account.

(i) Accounts payable

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

(j) Revenue Recognition

Revenue from subscriptions is recognised on a proportional cash basis.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(k) Comparative figures

Where required by Accounting Standards and the Workplace Relations Act 1996 and where the format of the financial report has been changed to suit the needs of the members, comparative figures have been adjusted to conform to these changes in presentation for the current year.

(l) Fringe benefits tax

The fringe benefits tax expense disclosed in the Income & Expenditure Account represents the amount of fringe benefits tax paid in relation to motor vehicle and entertainment expenses incurred by employees which is not recoverable by the Association through means of salary sacrifice.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

NOTE 2: NOTICE REQUIRED UNDER THE WORKPLACE RELATIONS ACT 1996

In accordance with the requirements of the Workplace Relations Act 1996, the attention to the members is drawn to the provisions of sub-section (1), (2) and (3) of section 274, which reads as follows: -

1. A member of an organisation, or a registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
2. An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
3. A registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.



CERTIFICATES REFERRING TO THE 2000 FINANCIAL REPORT

1. ACCOUNTING OFFICER'S CERTIFICATE

I, LEO DELISSEN, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that as at 31 December 2000 the number of the members of the Association was 5,013.

- (i) the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December 2000;
- (ii) a record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- (iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- (iv) with regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) all loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- (vi) the register of members of the Association was maintained in accordance with the Act.

(Signed) L Delissen
Honorary Treasurer
and Principal Accounting Officer

Dated this 16th day of February 2001

2. EXECUTIVE BOARD'S CERTIFICATE

We, MICHAEL TYNAN and LES OAKMAN being two members of the Board of Management of the Motor Traders' Association of New South Wales, do state on behalf of the Board and in accordance with a resolution passed by the Board that:

- (i) in the opinion of the Executive Board, the attached accounts show a true and fair view of the financial affairs of the Association as at 31 December 2000;
- (ii) in the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2000 in accordance with the rules of the Association;
- (iii) to the knowledge of any member of the Executive Board, there have been, during the financial year to which the accounts relate, no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under sub-section 274(2) of the Workplace Relations Act 1996) or copies of those records or other documents, or copies of the rules of the Association have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996 the Regulations thereto or the rules of the Association; and
- (iv) in relation to the report prepared in accordance with Section 276 of the Act and the accounts and statements prepared in accordance with sub-section 273(1) of the Act to which that report relates, the Association has complied with sub-section 279(1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31 December 2000 and the Auditors Report thereon.
- (v) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

(Signed) M Tynan (Signed) L Oakman
President Board Member

Dated this 16th day of February 2001

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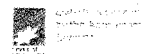
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**

Scope

We have audited the summarised financial report of Motor Traders' Association of New South Wales ("the Association") for the year ended 31 December 2000, consisting of the income and expenditure account, balance sheet, statement of cash flows, accompanying notes and the attached certificates in accordance with Australian Auditing Standards. The summarised financial report is derived from the Association's general purpose financial report which is available to the members.

Audit opinion

In our opinion, the information reported in the summarised financial report of Motor Traders' Association of New South Wales is consistent with the general purpose financial report from which it is derived and upon which we expressed an unqualified audit opinion. For better understanding of the scope of our audit, this report should be read in conjunction with our audit report on the general purpose financial report.


PKF
Chartered Accountants


Brian R James
Partner

SYDNEY: 16 February, 2001



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& Business Advisers

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**

Scope

We have audited the general purpose financial report of Motor Traders' Association of New South Wales ("the Association") for the year ended 31 December 2000, consisting of the income and expenditure account, balance sheet, statement of cash flows, accompanying notes and certificates. The Association's board members are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Association's financial position and the results of its operations.

Audit opinion

In our opinion, the financial statements of Motor Traders' Association of New South Wales are properly drawn up:

- (a) so as to present fairly the state of affairs of the Association at 31 December 2000 and the results of the Association for the financial year ended on that date;
- (b) in accordance with the Associations Incorporation Act;
- (c) in accordance with Australian Accounting Standards and other mandatory professional reporting requirements; and
- (d) so as to give a true and fair view of the financial affairs of the Association as at 31 December 2000 and the income and expenditure, and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.

In addition we report the following:

- (e) the Association maintained satisfactory accounting records during the year ended 31 December 2000 detailing the sources and nature of income (including income from members) and the purpose and nature of expenditure of the Association;
- (f) we received all the information and explanations we required for the purposes of our audit; and
- (g) where additional disclosures have been made in the financial statements for the year ended 31 December 2000, the comparative figures for the prior year have been restated.

PKF
PKF

Chartered Accountants


Brian R James
Partner

SYDNEY: 16 February, 2001