



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Bernard Meadley
Chief Executive Officer
Motor Traders' Association of NSW
Locked Bag 5012
DARLINGHURST NSW 2010

Dear Mr Meadley

Lodgement of Financial Statements for year ending 31 December 2001(FR2002/118)

I am writing to you in reference to the abovementioned financial documents, which were lodged in the Registry on 5 April 2002, our letter to you of 13 May 2002 and your reply of 20 May 2002.

Thank you for your quick response. The additional information provided has answered the concerns raised in our letter, and the documents have now been filed.

Yours sincerely,

Robin Godfrey
Assistant Manager, NSW Registry

24 May 2002



Facsimile

MOTOR TRADERS ASSOCIATION OF NSW

43-51 BRISBANE STREET, DARLINGHURST, 2010.

LOCKED BAG 5012, DARLINGHURST, 2010.

PH: (02) 9213 4222.

FAX: (02) 9212 6889.

➤ **To:** Robin Godfrey, Asst manager, NSW Registry

➤ **Fax No:** 9380 6990

➤ **From:** Greg Hatton

➤ **Subject:** (FR2002/118)
Lodgement of Financial Statements-Year ended 31-12-01

➤ **Date:** 20 May 2002

➤ **No of pages**
(including this page):

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I write on behalf of MTA Chief Executive Officer, Bernard Meadley.

Please find following information in relation to auditors report as requested in your correspondence of 13 May, 2002. Also enclosed is copy of correspondence from our auditor to MTA (for your information only that refers to discussion with yourself.

I also note, for future reference, the requirements in relation to section 279(2) as set out in your correspondence.

Thank you for you assistance in this matter. I apologise for any inconvenience caused.

Kind regards



Greg Hatton

A Member Firm of PKF International

PKF

Chartered Accountants
& Business Advisers

Level 20, 1 York Street
Sydney NSW 2000

DX 10173
Sydney Stock Exchange

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

www.pkf.com.au

Likely to be listed by the Accounting
Schemes approved under the
Professional Statute Act 1994 (NSW)

FACSIMILE

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Attention: Bernard Meadley **Date:** 17 May, 2002
Company: Motor Traders Association of NSW ("MTA")
Fax Number: 9211 0231 **Total Pages:** 6
From: Grant Saxon

Dear Bernard,

Thank you for your fax dated 16 May 2002. Upon initial review of the contents of the letter from the Australian Industrial Registry ("AIR"), we were also unsure why they were raising these issues, as PKF has fulfilled all of the auditor related requirements under the Workplace Relations Act, 1996 ("the Act").

In order to resolve the issues raised by the AIR, we called Mr. Robin Godfrey of the AIR to discuss these issues, and respond to them as follows:

Auditor's Report

We issued an audit report on the general-purpose financial report of MTA on 19 March 2002. In this report, all requirements of section 276(4) of the Act were addressed. A copy of this audit report is attached for your reference.

Upon discussion with Mr. Godfrey, it appears that the concise financial report (and hence the concise audit report), has been lodged with the AIR and not the general-purpose financial report.

We recommend that the general-purpose financial report be lodged with the AIR, as soon as possible.

1:04 PM 20/05/2002 FAX NO. 9211 0231

A New South Wales Partnership

Supply of Summary to Members

We believe that Mr. Godfrey's comments are valid. It is our understanding that a summary of the financial statements was included in the February edition of the MTA journal. This did not include an audit opinion, as there were some audit issues with respect to trade debtors and revenues that were outstanding at the time of the production of the February journal.

We recommend that if summarised financial statements are printed in the MTA journal, the audit report with respect to the summarised financial statements should also be printed.

Accounting Officer's Certificate.

The requirements of Workplace Relations Regulation 109 (1)(a) have been met in relation to the Accounting Officers Certificate. A copy of the Accounting Officers Certificate in relation to the general-purpose financial report is attached for your reference.

When the general-purpose financial report is lodged with the AIR, they will be satisfied that all requirements of this regulation have been met.

Committee of Management Certificate

The requirements of Workplace Relations Regulation 109 (1)(b) have been met in relation to part (i) of the Committee of Management Certificate. A copy of this certificate (called the Executive Board's Certificate) in relation to the general-purpose financial report is attached for your reference.

However, in relation to part (iv) of the Committee of Management Certificate, upon discussion with Mr. Godfrey it appears that the date noted is in fact incorrect. As illogical as it may seem, the requirement is to say that the Association has complied with the Act in the previous financial year, i.e. the year ending 31 December 2000.

Mr. Godfrey explained that at least 90% of entities that lodge financial statements with the AIR do not comply with this requirement, however non-compliance with this alone does not warrant the AIR to follow it up. In any case, now that we are aware of this, we will ensure it is complied with in the future.

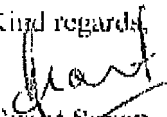
Summary

It appears that the reason the AIR has issued you with a letter was due to the fact that the concise financial report was lodged with the AIR, and not the general-purpose financial report.

We recommend that the general-purpose financial report be lodged with the AIR, as soon as possible. Further, we recommend that the AIR's comments in relation to summarised financial statements be adopted in the future.

If you have any further questions in relation to this, please do not hesitate to contact either Todd Andrews or myself.

Kind regards,


Grant Saxon
Partner

P.S. I tried to call you today to discuss this. Hope it all makes sense.



A Member Firm of PKF International

PKF

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& Business Advisers

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Professional Standards Act 1994 (NSW)

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

Scope

We have audited the financial report of Motor Traders' Association of New South Wales ("the Association") and its controlled entities for the year ended 31 December 2001, consisting of the statement of financial performance, statement of financial position, statement of cash flows, notes to and forming part of the statements and certificates. The financial report includes the consolidated financial statements of the consolidated entity comprising the Association and the entities it controlled at the year's end or from time to time during the financial year. The Association's board members are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial 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 and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of Motor Traders' Association of New South Wales and its controlled entities is properly drawn up:


- (a) so as to present fairly the state of affairs of the Association and its controlled entities as at 31 December 2001 and the results for the financial year ended on that date;
- (b) in accordance with the Association's 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 and its controlled entities as at 31 December 2001 and the income and expenditure, and any surplus or deficit for the year in accordance with the Workplace Relations Act 1996.

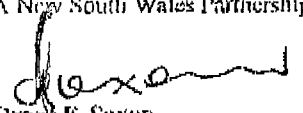
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES (Continued)

Audit opinion (continued)

In addition we report the following:

- (c) the Association maintained satisfactory accounting records during the year ended 31 December 2001 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 2001, the comparative figures for the prior year have been restated.


PKP
Chartered Accountants
A New South Wales Partnership

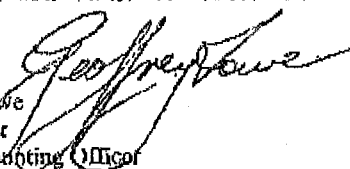

Grant F. Saxon
Partner

SYDNEY: 19 March, 2002

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**CERTIFICATES REFERRING TO THE 2001 FINANCIAL REPORT****1. ACCOUNTING OFFICER'S CERTIFICATE**

I, GEOFF LOWE, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that as at 31 December 2001 the number of the members of the Association was 4,624.

- (i) the attached accounts show a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2001;
- (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 or 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.

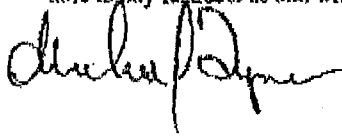

(Signed) Geoff Lowe
Honorary Treasurer
and Principal Accounting Officer


Dated this 19th day of March 2002

2. EXECUTIVE BOARD'S CERTIFICATE

We, MICHAEL TYNAN and COLIN HALLINAN 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 financial report shows a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2001;
- (ii) in the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2001 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 2001 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
President


(Signed) C Hallinan
Board Member

Dated this 19th day of March 2002



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Bernard Meadley
Chief Executive Officer
Motor Traders' Association of New South Wales
Locked Bag 5012
DARLINGHURST NSW 2010

Dear Mr Meadley

Re: Lodgement of Financial Statements for year ended 31 December 2001 (FR2002/118)

Receipt is acknowledged of the above financial statements, which were lodged in the Registry on 5 April 2002.

A review of these documents indicates that further information is required before these documents may be filed.

Auditor's Report

The Auditor's report does not meet the all of the requirements of section 276(4) of the *Workplace Relations Act 1996* ("the Act"). This section requires that:

An Auditor shall, in a report under this section in relation to a financial year, state:

- (a) *whether in the auditor's opinion:*
 - (i) *there were kept by the organisation in relation to the year satisfactory accounting records, including:*
 - (A) *records of the sources and the nature of the income of the organisation (including income from members); and*
 - (B) *records of the nature and purposes of the expenditure of the organisation; and*
 - (ii) *the accounts and statements prepared under section 273 in relation to the year were properly drawn up so as to give a true and fair view of:*
 - (A) *the financial affairs of the organisation as at the end of the year; and*
 - (B) *the income and expenditure, and any surplus or deficit, of the organisation for the year; and*
- (b) *whether all the information and explanations that, under section (2), officers or employees of the organisation were required to provide were provided;*

and, in addition, the auditor shall state in the report particulars of any deficiency, failure of shortcoming in relation to a matter referred to in paragraph (a) or (b).

Please refer to the Audit report dated 16 February 2001 for the previous financial year if further guidance is required. I would be grateful if you could arrange for the auditor to make the required statements to discharge the requirements of the Act.

In addition, you may care to note the following matters that will be of assistance in the preparation of future returns.

Supply of a Summary to Members

I note that you state in your letter dated 5 April 2002 that a summary of the financial statements was supplied to members in the February 2002 edition of the MTA Journal. Under section 279(2) of the Act a summary may only be supplied having first met the following requirements:

2) If, under the rules of the organisation, the committee of management of the organisation resolves to provide to the members of the organisation a summary of the report, accounts and statements, the organisation may comply with subsection (1) by providing free of charge to its members a copy of the summary if:

(a) the organisation lodges a copy of the summary in the Industrial Registry;

(b) the auditor certifies that the summary is, in the auditor's opinion, a fair and accurate summary of the report, accounts and statements;

(c) the summary contains a statement to the effect that the organisation will provide a copy of the report, accounts and statements free of charge to any member who requests; and

(d) where particulars of a deficiency, failure or shortcoming in relation to a matter referred to in subsection 276(4) are set out in the report-the summary contains the particulars.

Accounting Officer's Certificate

Under Workplace Relations Regulation 109(1)(a), the accounting officers certificate is required to state that, in the opinion of the accounting officer:

(i) the accounts show a true and fair view of the financial affairs of the organisation as at the end of the financial year.

Committee of Management Certificate

Under the Workplace Relations Regulation 109(1)(b), the committee of management certificate is required to state that:

(i) in the opinion of the committee of management, the accounts show a true and fair view of the financial affairs of the organisation as at the end of the financial year to which the accounts relate.

Furthermore, paragraph (iv) of this certificate makes reference to compliance with the requirements of the Act in "relation to the financial accounts in respect of the year ending 31 December 2001". However, Regulation 109(1)(b)(iv) requires that this paragraph should make reference to the financial accounts for the preceding year, namely the year ended 31 December 2000. To make future compliance simpler, you may care to structure this statement to state that the organisation has complied with the requirements of the Act "in relation to the preceding year".

I look forward to your earliest response to our request. Should you have any enquires, please do not hesitate to contact me on (02) 8374 6509.

Yours sincerely,



Robin Godfrey
Assistant Manager, NSW Registry



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

5th April, 2002

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



CHIEF EXECUTIVE OFFICER'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, 2001, were presented to the Annual General Meeting of the Motor Traders' Association held on 26th March, 2002.

I also confirm that the MTA Committee of Management resolved to supply a copy of a summary to members in the February, 2002 edition of the MTA Journal (a copy of which is attached to this certificate).

Bernard Meadley
CHIEF EXECUTIVE OFFICER

Before me:

A Justice of the Peace

AGM

2002

HONORARY

TREASURER'S REPORT

To the 2002 MTA Annual General Meeting

by Geoff Lowe, Treasurer, Motor Traders' Association of New South Wales
to the Annual General Meeting of the Association on Tuesday 26 March 2002

Members,

Statement of Financial Performance

The Association experienced a net deficit of \$292,751 for the year. Excluding depreciation, amortisation and the write-off of property, plant and equipment, a surplus of \$24,907 was experienced.

Statement of Financial Position

The net assets of the Association have increased this year by \$329,763. The investment in the MTAA House Unit Trust was revalued to market value, leading to an increase in the value of this investment of \$622,514.

Property, Plant & Equipment increased throughout the year by 1,031,066. This was predominantly due to the refurbishment of the building at 43-51 Brisbane Street. Once the refurbishment was completed, a complete overhaul of the property, plant and equipment was undertaken. This led to a net write-off of property, plant & equipment of \$138,802, which was taken up in the statement of financial performance.

The refurbishment of the building at 43-51 Brisbane Street, was funded by bank borrowings, which has led to an increase in interest bearing liabilities of \$959,680.

Subscriptions in advance increased by \$791,114 this year, as the subscription renewals were sent out earlier than in the previous year.

Statement of Cash Flows

The Association experienced net operating cash inflows of \$497,719 this year.

There were net investing cash outflows of \$1,176,850 due to the refurbishment of the building at 43-51 Brisbane Street. Net financing cash inflows of \$896,605 were experienced due to the bank borrowings received to fund the refurbishment of the building at 43-51 Brisbane Street.

I wish to take this opportunity to thank all those who assisted me in various ways during the year. I make particular mention of Colin O'Neill, James McCall and Jim Gibbons all of whom I worked most closely with during the year. A year which at times, was very challenging.

Looking ahead into 2002 the association has many new opportunities and plans which have been or will be spoken of by others. There are a number of financial impacts flowing from these. While many are aimed at generating funds for the MTA there will need to be consideration of major capital works and therefore expense in the part of MTA's property occupied by the Beyond Group. We will report to you as the year progresses on these matters.

Geoff Lowe
Honorary Treasurer



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

CONCISE FINANCIAL REPORT

**FOR THE YEAR ENDED
31 DECEMBER 2001**

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

DISCUSSION & ANALYSIS

Statement of Financial Performance

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MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	Economic Entity	
		2001 \$	2000 \$
Sales	3	588,185	600,375
Cost of Sales		<u>(266,469)</u>	<u>(215,030)</u>
Gross Profit		321,716	385,345
Other revenues from ordinary activities	3	4,448,644	3,933,173
Borrowing costs expense		(53,334)	(22,457)
Employee benefits expense		(2,117,415)	(1,912,553)
Occupancy expenses		(151,148)	(142,018)
Depreciation expenses		(178,856)	(52,129)
Write-off of property, plant & equipment	4	(138,802)	-
Other expenses from ordinary activities		<u>(2,423,556)</u>	<u>(1,878,643)</u>
Surplus/(deficit) from ordinary activities before income tax expense		(292,751)	310,718
Income tax expense relating to ordinary activities		-	-
Surplus/(deficit) from ordinary activities after related income tax expense		<u>(292,751)</u>	<u>310,718</u>
Total changes in members funds		<u>(292,751)</u>	<u>310,718</u>

The above Statement of Financial Performance is to be read in conjunction with the attached notes.

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2001

	Economic Entity	
	2001	2000
	\$	\$
CURRENT ASSETS		
Cash assets	199,172	7,497
Receivables	654,987	368,944
Inventories	183,682	197,607
TOTAL CURRENT ASSETS	1,037,841	574,048
NON CURRENT ASSETS		
Other financial assets	3,920,864	3,309,475
Property, plant & equipment	7,612,412	6,581,346
TOTAL NON CURRENT ASSETS	11,533,276	9,890,821
TOTAL ASSETS	12,571,117	10,464,869
CURRENT LIABILITIES		
Payables	563,654	585,542
Provisions	371,380	389,041
Interest bearing liabilities	1,135,714	176,034
Other liabilities	1,065,649	274,535
TOTAL CURRENT LIABILITIES	3,136,397	1,425,152
NON CURRENT LIABILITIES		
Payables	88,615	88,615
Provisions	23,274	26,455
Interest bearing liabilities	312,469	244,048
TOTAL NON CURRENT LIABILITIES	424,358	359,118
TOTAL LIABILITIES	3,560,755	1,784,270
NET ASSETS	9,010,362	8,680,599
MEMBERS' FUNDS		
Accumulated funds	5,609,498	5,902,249
Reserves	3,400,864	2,778,350
TOTAL MEMBERS' FUNDS	9,010,362	8,680,599

The above Statement of Financial Position is to be read in conjunction with the attached notes.

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2001

	Economic Entity	
	2001	2000
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from subscriptions	3,684,757	2,597,032
Receipts from stationery sales	588,185	469,982
Interest received	28,468	38,588
Other income received	1,326,263	927,526
Payments to suppliers and employees	(5,076,620)	(3,891,200)
Interest paid	(53,334)	(22,457)
Net cash provided by/(used in) operating activities	497,719	119,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant & equipment	(1,229,406)	(43,651)
Proceeds on sale of property, plant & equipment	52,556	49,706
Net cash provided by investing activities	(1,176,850)	6,055
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,000,000	-
Repayment of lease liabilities	(103,395)	(153,354)
Net cash used in financing activities	896,605	(153,354)
Net increase/(decrease) in cash held	217,474	(27,828)
Cash at the beginning of the financial year	(18,302)	9,526
Cash at the end of the financial year	199,172	(18,302)

The above Statement of Cash Flows is to be read in conjunction with the attached notes.

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full financial report of Motor Traders Association of New South Wales and its controlled entities. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Motor Traders Association of New South Wales and its controlled entities as the full financial report.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those of the previous financial year.

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.

NOTE 3: REVENUES FROM ORDINARY ACTIVITIES

	Economic Entity	
	2001	2000
	\$	\$
Subscriptions received	3,001,075	2,999,238
Commission received	194,760	330,075
Stationery and merchandise sales	588,185	600,375
Interest received	28,468	38,588
Training fees received	239,069	189,291
MTA journal revenues	238,039	117,148
Affiliation fees	91,279	36,394
Rent	232,163	191,840
Profit on disposal of non-current assets	56,875	20,702
Sponsorship income	141,335	-
Other revenues	225,581	9,897
TOTAL REVENUES	5,036,829	4,533,548

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

Economic Entity	
2001	2000
\$	\$

NOTE 4: SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

Surplus/(deficit) from ordinary activities includes the following significant expense items are relevant in explaining the financial performance

- Write-off of property, plant and equipment

138,802

-

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

CERTIFICATES REFERRING TO THE 2001 FINANCIAL REPORT

1. ACCOUNTING OFFICER'S CERTIFICATE

I, GEOFF LOWE, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that as at 31 December 2001 the number of the members of the Association was 4,624, and that:

- (i) the concise financial report has been derived from the and is consistent with the full financial report of Motor Traders Association of New South Wales;
- (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) Geoff Lowe
Honorary Treasurer
and Principal Accounting Officer

Dated this 19th day of March, 2002

2. EXECUTIVE BOARD'S CERTIFICATE

We, MICHAEL TYNAN and COLIN HALLINAN 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 in the opinion of the Executive Board:

- (i) the concise financial report has been derived from the and is consistent with the full financial report of Motor Traders Association of New South Wales;
- (ii) meetings of the Board were held during the year ended 31 December 2001 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 2001 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
President

(Signed) C Hallinan
Board Member

Dated this 19th day of March, 2002

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

Scope

We have audited the concise financial report of Motor Traders' Association of New South Wales and its controlled entities for the financial year ended 31 December 2001, comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, the Notes to and Forming Part of the Concise Financial Report and Certificates, in order to express an opinion to the members of Motor Traders' Association of New South Wales. The board of Motor Traders' Association of New South Wales is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Motor Traders' Association of New South Wales for the year ended 31 December 2001. Our audit report on the full financial report was signed on 19 March 2002 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report including testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussions and analysis, and other disclosures which were not directly derived from the full financial report.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the information reported in the concise 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.



PKF

Chartered Accountants



Grant F. Saxon
Partner

SYDNEY: 19 March, 2002



Chartered Accountants
& Business Advisers

Level 20, 1 York Street
Sydney NSW 2000

DX 10173
Sydney Stock Exchange

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

www.pkf.com.au

Liability is Limited by the Accountants
Scheme, approved under the
Professional Standards Act 1994 (NSW)

MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES

ADDITIONAL INFORMATION

The Detailed Statement of Financial Performance for the year ended 31 December 2001 has been prepared from accounting and other records of the Association and has been subject to the tests and other auditing procedures applied in our examination of the financial statements for the year ended 31 December 2001.

The Detailed Statement of Financial Performance does not form part of the Statement of Financial Position and Statement of Financial Performance in respect of the year ended 31 December 2001 referred to in our report to the members, and we do not express an audit opinion thereon.



PKF
Chartered Accountants

SYDNEY: 19 March, 2002

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Economic Entity	
	2001	2000
	\$	\$
REVENUES		
Subscriptions received	3,001,075	2,999,238
Commission received	194,760	330,075
Stationery and merchandise sales	581,591	600,375
Merchandise sales	6,594	-
Interest received	28,468	38,588
Training fees received	239,069	189,291
Journal advertising fees	129,283	117,148
Yearbook income	108,755	-
Affiliation fees	91,279	36,394
Rent and parking	232,163	191,840
Profit on disposal of non-current assets	56,875	20,702
Sponsorship income	141,335	-
Media advertising	50,000	-
Race day	38,441	-
Golf income	11,320	-
Awards night	70,705	-
Regional dinner	1,495	-
Other revenues	53,621	9,897
	<hr/>	<hr/>
TOTAL REVENUES	5,036,829	4,533,548
 EXPENSES		
Advertising and promotion	176,367	120,899
Amortisation	144,530	122,066
Auditors remuneration – auditing the accounts	23,000	23,000
Auditors remuneration – other services	7,690	12,575
Assessment Fees	8,045	-
Bad and doubtful debts	2,082	17,441
Bank charges	50,755	37,157
Cleaning and office maintenance	25,703	30,677
Computer costs	19,051	37,191
Conferences	10,077	1,649
Consultants' fees	151,754	67,752
Depreciation:		
Furniture, fittings and equipment	18,983	27,556
Motor vehicles	1,533	24,573
Buildings	13,810	-
Elections	325	-
Electricity	15,720	13,189
Fringe benefits tax	38,381	38,797
Staff Amenities	7,193	8,523
Industrial, legal, library service	91,232	93,419
Insurance	54,542	48,266
Interest paid	53,273	22,457
Journals	242,640	169,143
Legal expenses	24,488	28,604
MTAA subscriptions and expenses	417,698	417,698

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2001**

	2001	2000
	\$	\$
Meeting expenses (incl. Country districts)	53,987	29,474
Motor vehicle expenses	115,790	123,344
NAITB contributions	30,650	36,780
Payroll tax	93,805	83,702
Postage and courier	63,259	61,632
Printing and stationery	34,010	39,233
Property expenses:		
43-51 Brisbane Street, Sydney	31,098	32,173
53-57 Brisbane Street, Sydney	78,628	65,979
Provision for holiday pay	13,753	(2,737)
Provision for long service leave	(34,595)	14,822
Publications and subscriptions	8,825	8,923
Public relations and promotional expenses	37,720	572
Remuneration to holders of office	153,231	157,028
Remuneration to employees	1,734,209	1,525,213
Rental of equipment	56,647	14,221
Repairs and maintenance	12,092	14,938
Section expenses	1,391	-
Staff recruiting	124,295	8,109
Staff superannuation	7,858	105,852
Staff training	280,805	11,176
Stationery – cost of goods sold		253,387
Merchandise – cost of goods sold	5,796	-
MTEAC	(4,932)	-
Telephone	150,103	166,893
Travelling and accommodation	207,508	109,484
Women's Forum	13,582	-
Yearbook	71,130	-
Sponsorship expenses	11,599	-
Media advertising expenses	80,000	-
Race day expenses	33,385	-
Awards night expenses	112,221	-
Golf expenses	12,765	-
Regional Dinner expenses	1,294	-
Write-off of property, plant and equipment	138,802	-
TOTAL EXPENSES	<u>5,329,580</u>	<u>4,222,830</u>
OPERATING SURPLUS/(DEFICIT)	<u>(292,751)</u>	<u>310,718</u>
Accumulated funds brought forward from the previous financial year	<u>5,902,249</u>	<u>5,591,531</u>
ACCUMULATED FUNDS AT THE END OF THE FINANCIAL YEAR	<u>5,609,498</u>	<u>5,902,249</u>



DRAFT MTA ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

The draft MTA accounts for the year ended 31 December 2001 have now been prepared and will be presented to the Association's Annual General Meeting to be held on Tuesday 26 March 2002 (see formal notice of meeting elsewhere in this Journal).

The accounts, in concise form are printed in this Journal to enable members time to examine them.

Members who have any questions which they would like to raise in the course of the AGM are asked to fax those questions to MTA's Executive Director (fax 02 9212 6889) by no later than Tuesday 19 March 2002 so that any necessary research to answer the questions can be carried out.

Members who would like a copy of the full accounts may obtain it by making the appropriate request of Kate Gorman at MTA (telephone 02 9213 4202).

DISCUSSION & ANALYSIS

Statement of Financial Performance

The Association experienced a net deficit of \$292,751 for the year. Excluding depreciation, amortisation and the write-off of property, plant and equipment, a surplus of \$24,907 was experienced.

Statement of Financial Position

The net assets of the Association have increased this year by \$329,763.

The investment in the MTAA House Unit Trust was revalued to market value, leading to an increase in the value of this investment of \$622,514.

Property, Plant & Equipment increased throughout the year by \$1,031,066. This was predominantly due to the refurbishment of the building at 43-51 Brisbane Street. Once the refurbishment was completed, a complete overhaul of the property, plant and equipment was undertaken. This led to a net write-off of property, plant & equipment of \$138,802, which was taken up in the statement of financial performance.

To refurbishment of the building at 43-51 Brisbane Street, was funded by bank borrowings, which has led to an increase in interest bearing liabilities of \$959,680.

Subscriptions in advance increased by \$791,114 this year, as the subscription renewals were sent out earlier than in the previous year.

Statement of Cash Flows

The Association experienced net operating cash inflows of \$497,719 this year.

There were net investing cash outflows of \$1,176,850 due to the refurbishment of the building at 43-51 Brisbane Street.

Net financing cash inflows of \$896,605 were experienced due to the bank borrowings received to fund the refurbishment of the building at 43-51 Brisbane Street.



**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	Economic Entity	
		2001	2000
		\$	\$
Sales	3	588,185	600,375
Cost of Sales		<u>(266,469)</u>	<u>(215,030)</u>
Gross Profit		321,716	385,345
Other revenues from ordinary activities	3	4,448,644	3,933,173
Borrowing costs expense		(53,334)	(22,457)
Employee benefits expense		(2,117,415)	(1,912,553)
Occupancy expenses		(151,148)	(142,018)
Depreciation expenses		(178,856)	(52,129)
Write-off of property, plant & equipment	4	(138,802)	-
Other expenses from ordinary activities		<u>(2,423,556)</u>	<u>(1,878,643)</u>
Surplus/(deficit) from ordinary activities before income tax expense		(292,751)	310,718
Income tax expense relating to ordinary activities		<u>-</u>	<u>-</u>
Surplus/(deficit) from ordinary activities after related income tax expense		<u>(292,751)</u>	<u>310,718</u>
Total changes in members funds		<u><u>(292,751)</u></u>	<u><u>310,718</u></u>

The above Statement of Financial Performance is to be read in conjunction with the attached notes.



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2001**

	Note	Economic Entity	
		2001	2000
		\$	\$
CURRENT ASSETS			
Cash assets		199,172	7,497
Receivables		654,987	368,944
Inventories		183,682	197,607
TOTAL CURRENT ASSETS		<u>1,037,841</u>	<u>574,048</u>
NON CURRENT ASSETS			
Other financial assets		3,920,864	3,309,475
Property, plant & equipment		7,612,412	6,581,346
TOTAL NON CURRENT ASSETS		<u>11,533,276</u>	<u>9,890,821</u>
TOTAL ASSETS		<u>12,571,117</u>	<u>10,464,869</u>
CURRENT LIABILITIES			
Payables		563,654	585,542
Provisions		371,380	389,041
Interest bearing liabilities		1,135,714	176,034
Other liabilities		1,065,649	274,535
TOTAL CURRENT LIABILITIES		<u>3,136,397</u>	<u>1,425,152</u>
NON CURRENT LIABILITIES			
Payables		88,615	88,615
Provisions		23,274	26,455
Interest bearing liabilities		312,469	244,048
TOTAL NON CURRENT LIABILITIES		<u>424,358</u>	<u>359,118</u>
TOTAL LIABILITIES		<u>3,560,755</u>	<u>1,784,270</u>
NET ASSETS		<u>9,010,362</u>	<u>8,680,599</u>
MEMBERS' FUNDS			
Accumulated funds		5,609,498	5,902,249
Reserves		3,400,864	2,778,350
TOTAL MEMBERS' FUNDS		<u>9,010,362</u>	<u>8,680,599</u>

The above Statement of Financial Position is to be read
in conjunction with the attached notes.



**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	Economic Entity	
		2001	2000
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from subscriptions		3,684,757	2,597,032
Receipts from stationery sales		588,185	469,982
Interest received		28,468	38,588
Other income received		1,326,263	927,526
Payments to suppliers and employees		(5,076,620)	(3,891,200)
Interest paid		(53,334)	(22,457)
Net cash provided by/(used in) operating activities		497,719	119,471
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment		(1,229,406)	(43,651)
Proceeds on sale of property, plant & equipment	52,556	49,706	
Net cash provided by investing activities		(1,176,850)	6,055
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,000,000	-
Repayment of lease liabilities		(103,395)	(153,354)
Net cash used in financing activities		896,605	(153,354)
Net increase/(decrease) in cash held		217,474	(27,828)
Cash at the beginning of the financial year		(18,302)	9,526
Cash at the end of the financial year		199,172	(18,302)

The above Statement of Cash Flows is to be read in conjunction with the attached notes.



NOTES TO THE CONCISE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full financial report of Motor Traders Association of New South Wales and its controlled entities. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Motor Traders Association of New South Wales and its controlled entities as the full financial report.

The accounting policies have been consistently applied by the entities in the economic entity and are consistent with those of the previous financial year.

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.

NOTE 3: REVENUES FROM ORDINARY ACTIVITIES

	Economic Entity		
	Note	2001	2000
		\$	\$
Subscriptions received		3,001,075	2,999,238
Commission received		194,760	330,075
Stationery and merchandise sales		588,185	600,375
Interest received		28,468	38,588
Training fees received		239,069	189,291
MTA journal revenues		238,039	117,148
Affiliation fees		91,279	36,394
Rent		232,163	191,840
Profit on disposal of non-current assets		56,875	20,702
Sponsorship income		141,335	-
Other revenues		225,581	9,897
TOTAL REVENUES		5,036,829	4,533,548



**NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Economic Entity	
Note	2001	2000
	\$	\$
NOTE 4: SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		
Surplus/(deficit) from ordinary activities includes the following significant expense items are relevant in explaining the financial performance		
- Write-off of property, plant and equipment	138,802	-



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual General Meeting of the Motor Traders' Association of New South Wales will be held on Tuesday, 26 March 2002 commencing at 9:30 am.

The meeting will be held in the Harbour Restaurant, Sydney Opera House, Circular Quay East, Sydney (enter from the northern end of the western boardwalk).

No notice of motion in relation to any special business to be considered by the Annual General Meeting has been received by the Executive Director in accordance with Rule 22 (2) of the MTA Constitution and Rules.

Jim Gibbons
Executive Director

SPECIAL NOTE

Members attending the Annual General Meeting are invited to attend a meeting of the MTA Governing Council which will be held immediately thereafter. Members are also invited to attend a luncheon at the conclusion of proceedings.

It is essential that members wishing to attend the meetings and/or luncheon indicate their intentions so that the appropriate accommodation and catering arrangements can be made.

Please return the details below to fax 02 9212 6889 no later than March 15, 2002:

Name: _____ Contact phone No: _____

Function

	No Attending
Annual General Meeting	[]
Governing Council Meeting	[]
Luncheon	[]

- 9.00am: Members arrive (northern end of western boardwalk) coffee on arrival
9.30am: Annual General Meeting
11.00am: Morning Tea
11.30am: Governing Council Meeting
1.00pm: Lunch