



Australian Government
Australian Industrial Registry

8 January 2009

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



Dear Mr McCall

**Lodgment of Financial Statements and Accounts for year ended 31 December 2008 (FR2008/621)
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

The financial year of Motor Traders' Association of New South Wales has recently ended. This is a courtesy letter to remind you of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements.

As you are aware, the RAO Schedule sets out a particular chronological order in which financial documents and statements must be prepared, made available to members and presented to a meeting. All of these events must occur within particular timeframes that are also set out in the Schedule.

Detailed information can be found on our website at
<http://www.airc.gov.au/registered/FR/information.htm>, including:

- Fact sheets – the following fact sheets provide information regarding financial reporting:
 - Sheet 6 – Accounting, Auditing and Reporting Obligations;
 - Sheet 7 – Information Needs of Members;
 - Sheet 8 – Financial Reporting Process and Time Limits;
 - Sheet 9 – Diagrammatic Summary of Financial Reporting Process and Time Limits; and
 - Sheet 10 – Auditors.
- Sample Documents – a sample Committee of Management Statement and Designated Officer's Certificate is available;
- RAO Schedule and RAO Regulations;
- Registrar's Reporting Guidelines – the Guidelines set out requirements that must be met *in addition to* those required by Australian Accounting Standards; and
- Document Checklist and Timeline Planner to assist with meeting timeframes.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to orgs@airc.gov.au. Alternatively, you may wish to send the documents by fax to (02) 9380 6990.

If you need any further information or assistance or if you do not believe that the documents will be lodged within the timeframes specified by the RAO Schedule please contact me on 0429 462 979 or by email at stephen.kellett@airc.gov.au.

Yours sincerely,



Stephen Kellett
Statutory Services Branch



Deal with Someone You Can Trust

43-51 Brisbane Street (Locked Bag 5012) Darlinghurst NSW 2010
Phone: 02 9213 4222 Facsimile: 02 9212 6889
Website: www.mtansw.com.au
ABN: 63 000 008 088

*The Voice of the
Motor Industry*

31st March 2009

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



Dear Sir,

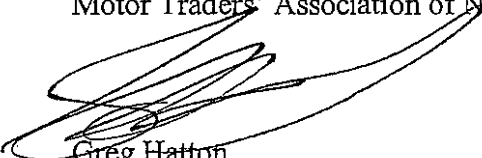
In accordance with the reporting requirements for organisations under the Workplace Relations Act 1996 and guidelines issued through your office please find the following attached.

- A declaration from the Chief Executive Officer of the Association confirming the offices of the Association, the registered address of the Association, details in relation to the register of members of the Association and advice confirming that there will be a requirement for an election for offices during 2010.
- A Certificate from the Chief Executive Officer of the Association confirming details in relation to financial reports of the Association.
- A Statement from the Committee of Management of the Association confirming details in relation to a resolution associated with the financial statements.

Within the financial statements are required documents relevant to Auditor and Committee of Management and Accounting Officers statements.

Should you require any further detail please contact me.

Yours faithfully
Motor Traders' Association of NSW


Greg Hatton
Deputy CEO,
Policy & Employment Relations



Certificate of Secretary or Other Authorised Officer
S268 of Schedule 1 Workplace Relations Act 1996



I James McCall, being the Chief Executive Officer of the Motor Traders' Association of New South Wales certify:

- That the documents lodged herewith are copies of the full report and the concise report, referred to in s268 of the RAO Schedule; and
- The Committee of Management resolved to provide members with a copy of the concise report to be published within the Journal; and
- That the concise report was provided to members on 27th February 2009; and
- That the full report was presented to the Annual General Meeting of the Motor Traders' Association of New South Wales on the 27th March 2009 in accordance with section 266 of the RAO Schedule.

Signed:.....

Date:.....

Committee of Management Statement

On 27th March 2009 the Committee of Management of the Motor Traders' Association of New South Wales passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they come due and payable;
- e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the organisation does not consist of two or more reporting units; and
 - (v) Any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) No orders have been made by the Commission under section 273 of the RAO Schedule.
 - (vii) No recovery of wages activity occurred.

For the Committee of Management: Mr Steve Borg

Signed: 

Dated: 31.03.09

**MOTOR TRADERS ASSOCIATION OF
NEW SOUTH WALES**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

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MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

		Consolidated entity		Parent entity	
	Note	2008 \$	2007 \$	2008 \$	2007 \$
Revenue	4	6,268,626	5,941,823	5,966,991	5,952,523
Expenses	5	<u>(7,031,701)</u>	<u>(6,096,858)</u>	<u>(6,442,503)</u>	<u>(5,913,047)</u>
(Deficit) / surplus before income tax expense		(763,075)	(155,035)	(475,512)	39,476
Income tax expense	2(e), 7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficit) / surplus after income tax expense		<u>(763,075)</u>	<u>(155,035)</u>	<u>(475,512)</u>	<u>39,476</u>

The above Income Statements should to be read in conjunction with the attached notes.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

BALANCE SHEETS
AS AT 31 DECEMBER 2008

	Note	Consolidated entity		Parent entity	
		2008 \$	2007 \$	2008 \$	2007 \$
CURRENT ASSETS					
Cash and cash equivalents	17 (a)	344,388	711,440	316,776	702,295
Trade and other receivables	8	756,376	705,097	718,863	705,322
Inventories	9	<u>146,616</u>	<u>182,050</u>	<u>146,616</u>	<u>155,770</u>
TOTAL CURRENT ASSETS		<u>1,247,380</u>	<u>1,598,587</u>	<u>1,182,255</u>	<u>1,563,387</u>
NON CURRENT ASSETS					
Receivables	8	400,000	406,852	1,031,616	630,772
Available-for-sale financial assets	10	8,877,489	8,793,152	8,877,489	8,793,152
Other financial assets	11	-	-	361	266
investments accounted for using the equity method	12	206,515	44,741	-	-
Property, plant & equipment	13	<u>5,740,456</u>	<u>5,467,316</u>	<u>5,682,487</u>	<u>5,440,835</u>
TOTAL NON CURRENT ASSETS		<u>15,224,460</u>	<u>14,712,061</u>	<u>15,591,953</u>	<u>14,865,025</u>
TOTAL ASSETS		<u>16,471,840</u>	<u>16,310,648</u>	<u>16,774,208</u>	<u>16,428,412</u>
CURRENT LIABILITIES					
Trade and other payables	14	2,626,384	2,148,499	2,517,195	2,139,984
Provisions	15	<u>426,904</u>	<u>384,452</u>	<u>424,545</u>	<u>384,378</u>
TOTAL CURRENT LIABILITIES		<u>3,053,288</u>	<u>2,532,951</u>	<u>2,941,740</u>	<u>2,524,362</u>
NON CURRENT LIABILITY					
Provisions	16	<u>145,153</u>	<u>105,560</u>	<u>145,153</u>	<u>105,560</u>
TOTAL NON CURRENT LIABILITY		<u>145,153</u>	<u>105,560</u>	<u>145,153</u>	<u>105,560</u>
TOTAL LIABILITIES		<u>3,198,441</u>	<u>2,638,511</u>	<u>3,086,893</u>	<u>2,629,922</u>
NET ASSETS		<u>13,273,399</u>	<u>13,672,137</u>	<u>13,687,315</u>	<u>13,798,490</u>
MEMBERS' FUNDS					
Accumulated funds		3,924,068	4,687,143	4,337,984	4,813,496
Reserves		<u>9,349,331</u>	<u>8,984,994</u>	<u>9,349,331</u>	<u>8,984,994</u>
TOTAL MEMBERS' FUNDS		<u>13,273,399</u>	<u>13,672,137</u>	<u>13,687,315</u>	<u>13,798,490</u>

The above Balance Sheets should be read in conjunction with the attached notes.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

STATEMENTS OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Accumulated funds	Revaluation reserves	Total
	\$	\$	\$
CONSOLIDATED ENTITY			
Balance as at 1 January 2007	4,842,178	7,365,069	12,207,247
Changes in members funds			
Deficit attributable to the members of the parent entity	(155,035)	-	(155,035)
Revaluation of investment in MTAA House Unit Trust	-	944,279	944,279
Revaluation of Land and Buildings	-	677,655	677,655
Revaluation of investment in listed entity	-	(2,009)	(2,009)
Balance as at 31 December 2007	4,687,143	8,984,994	13,672,137
Changes in members funds			
Deficit attributable to members of the parent entity	(763,075)	-	(763,075)
Revaluation of investment in MTAA House Unit Trust	-	84,335	84,335
Revaluation of Land and Buildings	-	280,000	280,000
Revaluation of investment in listed entity	-	2	2
Balance as at 31 December 2008	3,924,068	9,349,331	13,273,399
PARENT ENTITY			
Balance as at 1 January 2007	4,774,020	7,365,069	12,139,089
Changes in members funds			
Surplus attributable to the members of the parent entity	39,476	-	39,476
Revaluation of investment in MTAA House Unit Trust	-	944,279	944,279
Revaluation of Land and Buildings	-	677,655	677,655
Revaluation of investment in listed entity	-	(2,009)	(2,009)
Balance as at 31 December 2007	4,813,496	8,984,994	13,798,490
Changes in members funds			
Surplus attributable to the members of the parent entity	(475,512)	-	(475,512)
Revaluation of investment in MTAA House Unit Trust	-	84,335	84,335
Revaluation of Land and Buildings	-	280,000	280,000
Revaluation of investment in listed entity	-	2	2
Balance as at 31 December 2008	4,337,984	9,349,331	13,687,315

The above Statements of Changes in Members Funds should be read in conjunction with the attached notes

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

		Consolidated		Parent Entity	
	Note	2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from subscriptions		3,805,382	3,454,936	3,805,382	3,454,936
Receipts from stationery and merchandise sales		508,648	494,753	508,648	494,753
Interest received		35,493	51,787	52,584	51,347
Dividend received		555,456	541,326	555,456	541,326
Other income received		2,015,389	1,830,260	1,849,382	1,825,823
Payments to suppliers and employees		(7,190,770)	(5,979,749)	(6,717,945)	(5,740,922)
Interest paid		(23,708)	-	(10,095)	-
Net cash provided by/(used in) operating activities	17(h)	(294,110)	303,212	42,412	627,202
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(130,259)	(212,283)	(85,404)	(180,743)
Proceeds on sale of property, plant and equipment		7,317	30,909	7,317	30,909
Net cash flows provided by/(used in) investing activities		(122,942)	(181,374)	(78,087)	(149,834)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		500,000	-	500,000	-
Repayment of borrowings		(500,000)	-	(500,000)	-
Net loans repaid by/(provided to) related entities		50,000	(33,013)	(350,844)	(256,433)
Net cash flows provided by/(used in) financing activities		50,000	(33,013)	(350,844)	(256,433)
Net increase/(decrease) in cash and cash equivalents		(367,052)	178,926	(385,519)	220,996
Cash and cash equivalents as at the beginning of the year		711,440	532,514	702,295	481,299
Cash and cash equivalents at the end of the year	17(a)	344,388	711,440	316,776	702,295

The above Cash Flow Statements should be read in conjunction with the attached notes

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 1: INTRODUCTION

Motor Traders Association of New South Wales ("MTA NSW" or the "Association") is an association incorporated under the Associations Incorporations Act (New South Wales) and registered under the Workplace Relations Act 1996.

Operations and principal activities

The principal activities of the Association is to provide a range of services including legal and industrial advice, technical advice, sale of merchandise, and the holding of special events for its members who are involved in the motor industry.

Currency

The financial report is presented in Australian dollars and rounded to the nearest dollar.

Registered office

The principal place of business of the Association is 43-51 Brisbane Street, Surry Hills, NSW 2010. The Association operates solely within New South Wales, Australia.

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report of MTA NSW that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, the requirements of the Associations Incorporations Act (New South Wales) and the Workplace Relations Act 1996.

The financial report comprises the economic entity of The Motor Traders Association of New South Wales and its subsidiaries, and MTA NSW as an individual entity.

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

Basis of preparation

The financial report has also been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The following are the specific accounting policies applied during the financial year:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Significant judgements and key estimates

The Executive Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates - Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(b) Principles of consolidation

The consolidated entity comprises the financial report of Motor Traders Association of New South Wales and its subsidiaries.

Subsidiaries

Subsidiaries are all those entities over which the MTA NSW has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Motor Traders Association of New South Wales controls another entity. Details of subsidiaries are disclosed in Note 20 to the financial report.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised gains or losses, have been eliminated on consolidation.

Associates

Associates are all entities over which MTA NSW has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recorded at cost. Details of associates are disclosed in Note 12 to the financial report.

MTA NSW's share of losses in an associates' post acquisition profits or losses is recognised in the income statement, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When MTA NSW's share of the losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, MTA NSW does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between MTA NSW and its associates are eliminated to the extent of the interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by MTA NSW.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial assets and financial liabilities

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired primarily for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

Held-to-maturity investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at the amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value, with the exception of equity instruments that do not have an active market and whose fair value cannot be reliably determined, which are measured at cost. Unrealised gains and losses arising from change in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Income tax

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- the tax consequences of recovering/(settling) all assets/(liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable surplus will be available to realise the asset;
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Motor Traders Association of New South Wales, the parent entity, is an employer's association registered under the Workplace Relations Act 1996. The Association therefore qualifies for exemption from Income tax under section 50-15 of the Income Tax Assessments Act 1997.

(i) inventories

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average cost basis.

(g) Property, plant & equipment

Land and buildings are stated at fair value. All other classes of property, plant and equipment are stated at cost. When an asset's carrying amount is increased as a result of a revaluation, the increase is, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in income statement, credited directly to revaluation reserve. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is, except to the extent of any credit balance existing in the revaluation reserve in respect of that asset, recognised in income statement. The revaluation surplus is transferred directly to retained earnings when the asset is derecognised.

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. Leased plant and equipment are amortised on a straight-line basis over their estimated useful lives. The depreciation rates used for each class of depreciable asset are:

Class of plant & equipment	Depreciation Rate
Buildings	1%
Furniture, fittings and equipment	2% to 50%
Motor vehicles	20%

The carrying amount of property, plant and equipment is reviewed annually by the Association's 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 been discounted to their present values in determining the recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits 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.

(j) Cash and cash equivalents

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

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of trade receivables is established where there is objective evidence that the Motor Traders Association of New South Wales will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the original effective interest rate.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 2: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Revenue recognition

Revenues are recognised on an accruals basis, when the amount of revenue can be measured reliably and it is probable that it will be received by the company.

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

Subscription income received prior to the period to which it relates is brought to account as a liability "subscription received in advance".

(m) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the Grant will be received and Motor Traders Association of New South Wales will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and credited to the income statement on a straight-line basis over the expected lives of the related assets.

(n) 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.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 3: NOTICES TO MEMBERS

Notice Required Under the Workplace Relations Act 1996

In accordance with the requirements of section 272 (5) of Schedule 1 of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub-section (1), (2) and (3) of section 272, which reads as follows:

1. "A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 4: REVENUES				
Subscriptions received	3,251,055	3,150,538	3,251,055	3,150,538
Commission received	62,067	47,772	58,861	43,053
Insurance claim	-	317,063	-	317,063
Stationery and merchandise sales	402,231	449,776	402,231	449,776
Interest received	83,510	51,787	100,601	51,347
Training fees received	1,040,460	686,902	1,040,460	686,902
Affiliation fees	72,361	70,600	72,361	70,600
Events revenue	-	1,203	-	1,203
Share of investment accounted for using the equity method	161,774	44,191	-	-
Dividend income	555,456	541,326	555,456	541,326
Grants received	178,748	335,695	178,748	335,695
Profit on disposal of plant and equipment	7,317	-	7,317	-
Rent	103,777	99,117	123,777	109,117
Other revenue	349,870	145,853	176,124	195,903
Total revenue	<u>6,268,626</u>	<u>5,941,823</u>	<u>5,966,991</u>	<u>5,952,523</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 5: EXPENSES				
Cost of goods sold	326,036	211,656	199,936	210,306
Employee related expense	3,590,427	2,979,627	3,448,440	2,848,830
Occupancy & equipment expenses	274,408	280,503	263,825	276,952
Depreciation & amortisation	137,119	105,886	123,752	100,825
Events expenses	116,728	60,766	116,728	60,766
Travel expenses	762,656	652,237	728,410	625,683
MTAA subscriptions & expenses	529,386	529,386	529,386	529,386
Marketing expenses	313,614	226,160	159,091	220,242
Administrative expenses	293,176	235,981	283,572	230,068
Training expenses	83,273	210,106	83,273	210,106
Legal expenses	89,914	166,220	37,634	165,950
Members meetings	24,426	17,749	23,112	17,358
Net loss on disposal of plant and equipment	-	17,105	-	17,105
Borrowing costs	23,708	-	10,095	-
Other expenses	466,830	403,476	435,249	399,470
Total expenses	<u>7,031,701</u>	<u>6,096,858</u>	<u>6,442,503</u>	<u>5,913,047</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 6: ITEMS INCLUDED IN SURPLUS/(DEFICIT)				
Net (profit)/loss on disposal of property, plant and equipment	(7,317)	17,105	(7,317)	17,105
Interest received	83,510	51,787	100,601	51,347
Depreciation of property, plant and equipment	137,119	105,886	123,752	100,825
Borrowing Costs:				
- Interest on Loans	23,708	-	10,095	-
Bad and doubtful debts:				
- Trade debtors	24,284	7,373	24,284	7,373
Auditors' remuneration:				
- audit of the financial report	42,500	40,000	42,500	40,000
- other services	14,991	31,306	13,141	28,306
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTE 7: INCOME TAX EXPENSE

Prima facie tax payable on operating (deficit)/surplus before income tax at 30%	(228,923)	(46,511)	(142,654)	11,843
Less tax effect of:				
- deficit/(surplus) exempt from income tax (see note 2(e))	142,654	(11,843)	142,654	(11,843)
- non-allowable expenses	167	164	-	-
	<u>(86,102)</u>	<u>(58,190)</u>	<u>-</u>	<u>-</u>
Current period deficit not brought to account as deferred tax asset	<u>86,102</u>	<u>58,190</u>	<u>-</u>	<u>-</u>
Income tax expense attributable to operating surplus/(deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The amount of deferred tax assets attributable to revenue losses not brought to account	<u>456,526</u>	<u>321,050</u>	<u>-</u>	<u>-</u>

The potential deferred tax assets arising from unused tax losses will only be recognised where it is probable that future tax profits will be available against which tax losses can be utilised.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
NOTE 8: TRADE AND OTHER RECEIVABLES				
Current				
Trade receivables	378,826	249,160	342,225	249,160
Less: Provision for impairment	<u>(67,608)</u>	<u>(40,000)</u>	<u>(67,608)</u>	<u>(40,000)</u>
	<u>311,218</u>	<u>209,160</u>	<u>274,617</u>	<u>209,160</u>
Amounts due from associates	160,387	210,387	160,387	210,387
Less: Provision for impairment	<u>(110,387)</u>	<u>(110,387)</u>	<u>(110,387)</u>	<u>(110,387)</u>
	<u>50,000</u>	<u>100,000</u>	<u>50,000</u>	<u>100,000</u>
Amounts due from other related parties	<u>-</u>	<u>145,861</u>	<u>-</u>	<u>145,861</u>
Other receivables	143,106	142,199	143,106	142,199
Prepayments	<u>252,052</u>	<u>107,877</u>	<u>251,140</u>	<u>108,102</u>
	<u>395,158</u>	<u>250,076</u>	<u>394,246</u>	<u>250,301</u>
Total current receivables	<u><u>756,376</u></u>	<u><u>705,097</u></u>	<u><u>718,863</u></u>	<u><u>705,322</u></u>
Non current				
Amounts due from subsidiaries	-	-	631,616	223,920
Amounts due from associates	<u>400,000</u>	<u>406,852</u>	<u>400,000</u>	<u>406,852</u>
Total non current receivables	<u><u>400,000</u></u>	<u><u>406,852</u></u>	<u><u>1,031,616</u></u>	<u><u>630,772</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 8: TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables and allowance for doubtful debts

The ageing of trade receivables at 31 December 2008 is as detailed below:

	Consolidated entity			
	2008		2007	
	Gross \$	Allowance \$	Gross \$	Allowance \$
Not passed due	162,412	-	215,489	21,898
Past due 0-30 days	81,847	-	-	-
Past due 31-60 days	33,556	1,811	25,519	10,000
Past 60 days	101,011	65,797	8,102	8,102
	378,826	67,608	249,110	40,000

	Parent			
	2008		2007	
	Gross \$	Allowance \$	Gross \$	Allowance \$
Not passed due	125,811	-	215,489	21,898
Past due 0-30 days	81,847	-	-	-
Past due 31-60 days	33,556	1,811	25,519	10,000
Past 60 days	101,011	65,797	8,102	8,102
	342,225	67,608	249,110	40,000

The movement in the allowance for doubtful debts in respect of trade receivables is detailed below:

	Consolidated entity and parent	
	2008 \$	2007 \$
Opening balance	(40,000)	(40,000)
Additional provisions	(27,608)	-
Reduction due to disposal	-	-
Closing balance	(67,608)	(40,000)

MTA NSW's policy requires customers to pay in accordance with agreed payment terms. Settlement terms are generally 30 days from date of invoice. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet.

Trade receivables have been aged according to their original due date in the above ageing analysis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 8: TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables and allowance for doubtful debts (cont'd)

MTA NSW has used the following basis to assess the allowance loss for trade receivables:

- An individual account by account assessment based on past credit history; and
- Any prior knowledge of debtor insolvency or other credit risk

As at 31 December 2008, trade receivables with a carrying amount of \$162,412 (2007: \$193,641) for the consolidated and \$125,811 (2007: \$193,641) for the parent entity were not past due or doubtful. These trade receivables comprise customers who have a good debt history and are considered recoverable.

Amounts due from associated entities

As at 31 December 2008, amounts due from associated entities relate to loans provided to Apprentices Plus Pty Ltd of \$450,000 (2007: \$506,852) and MTA Finance Pty Ltd of \$60,387 (2007: \$60,387) and MTAIA of \$50,000 (2007: \$50,000). An allowance for the total loan provided to MTA Finance Pty Ltd and MTAIA has been recognised.

	Consolidated entity		Parent entity	
	2008	2007	2008	2007
	\$	\$	\$	\$

NOTE 9: INVENTORIES

Stationery and merchandise – at cost	146,616	182,050	146,616	155,770
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NOTE 10: AVAILABLE FOR SALE FINANCIAL ASSETS

Listed shares – at fair value	4,509	4,507	4,509	4,507
Unlisted units in MTAA House Unit Trust – at fair value	8,759,741	8,675,406	8,759,741	8,675,406
Other unlisted securities at cost	113,239	113,239	113,239	113,239
	8,877,489	8,793,152	8,877,489	8,793,152

Available for sale financial assets includes unlisted units in MTAA House Unit Trust. There is no fixed return or fixed maturity date attached to this investment. The fair value is based on the net asset value of the Unit Trust as at 30 June 2008, which in the Executive Board's opinion is a reliable estimate of the fair value as at 31 December 2008.

NOTE 11: OTHER FINANCIAL ASSETS

Investment in subsidiaries - at cost	-	-	311	216
Investment in associates - at cost	-	-	50	50
	-	-	361	266

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

Consolidated entity		Parent entity	
2008	2007	2008	2007
\$	\$	\$	\$

NOTE 12: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Carrying amounts of investments in associates

MTA has a 50% (2007: 50%) interest in MTA Insurance Agency Trust which provides insurance underwriting services within the motor industry

	500	500	-	-
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MTA has a 50% (2007: 50%) interest in MTA Finance Pty Ltd which provides financial services advice to customers within the motor industry.

	50	50	-	-
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MTA has a 50% (2007: 50%) interest in MTA Apprentices Plus Pty Ltd through its 100% interest in Apprentices Plus (NSW) Pty Ltd

	205,292	44,191	-	-
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MTA has a 25% (2007: Nil) interest in MTA Apprentices Plus Investments Pty Ltd through its 50% interest in MTA Apprentices Plus Pty Ltd

	673	-	-	-
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	<u>206,515</u>	<u>44,741</u>	<u>-</u>	<u>-</u>
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(b) Movement in carrying amount of investment in associates

Balance at the beginning of year	44,741	550	-	-
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Share of profits after income tax	161,774	44,191	-	-
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Balance at the end of the year	<u>206,515</u>	<u>44,741</u>	<u>-</u>	<u>-</u>
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Each of the above associates is incorporated in Australia.

(c) Summarised financial information of associates

	Assets	Liabilities	Revenues	Profits
2008				
MTA Insurance Agency Trust	1,000	-	-	-
MTA Finance Pty Ltd	13,710	13,610	-	-
MTA Apprentices Plus Pty Ltd	3,097,523	2,676,740	10,997,035	323,548
MTA Apprentices Plus Investments Pty Ltd	<u>646,923</u>	<u>644,029</u>	<u>29,015</u>	<u>2,693</u>
2007				
MTA Insurance Agency Trust	1,000	-	-	-
MTA Finance Pty Ltd	13,710	13,610	12,489	321,951
MTA Apprentices Plus Pty Ltd	<u>1,777,159</u>	<u>1,688,777</u>	<u>4,598,553</u>	<u>88,382</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 13: PROPERTY PLANT & EQUIPMENT				
Freehold land and buildings - at valuation				
- independent valuation 2008	5,360,300	-	5,360,300	-
- independent valuation 2007	-	5,120,000	-	5,120,000
	<u>5,360,300</u>	<u>5,120,000</u>	<u>5,360,300</u>	<u>5,120,000</u>
Furniture, fittings, and equipment - at cost	1,123,629	993,370	1,047,234	961,830
Less: Accumulated depreciation	<u>(768,016)</u>	<u>(678,778)</u>	<u>(749,590)</u>	<u>(673,719)</u>
	<u>355,613</u>	<u>314,592</u>	<u>297,644</u>	<u>288,111</u>
Motor vehicles - at cost	35,061	35,061	35,061	35,061
Less: Accumulated depreciation	<u>(10,518)</u>	<u>(2,337)</u>	<u>(10,518)</u>	<u>(2,337)</u>
	<u>24,543</u>	<u>32,724</u>	<u>24,543</u>	<u>32,724</u>
	<u>5,740,456</u>	<u>5,467,316</u>	<u>5,682,487</u>	<u>5,440,835</u>
Movements in carrying amounts				
	Land and Buildings	Furniture, Fittings and Equipment	Motor Vehicles	Total
Consolidated entity				
Balance at the beginning of the year	5,120,000	314,592	32,724	5,467,316
Additions	-	130,259	-	130,259
Depreciation	(39,700)	(89,238)	(8,181)	(137,119)
Revaluation	280,000	-	-	280,000
Balance at the end of the year	<u>5,360,300</u>	<u>355,613</u>	<u>24,543</u>	<u>5,740,456</u>
Parent entity				
Balance at the beginning of the year	5,120,000	288,111	32,724	5,440,835
Additions	-	85,404	-	85,404
Depreciation	(39,700)	(75,871)	(8,181)	(123,752)
Revaluation	280,000	-	-	280,000
Balance at the end of the year	<u>5,360,300</u>	<u>297,644</u>	<u>24,543</u>	<u>5,682,487</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 13: PROPERTY PLANT & EQUIPMENT (CONT'D)

The Association engaged Rushton Valuers, an accredited independent valuer, to determine the fair value of freehold land and buildings. Fair value is the amount for which the asset could be exchanged between a knowledgeable willing buyer and knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the group, and to market based yields for comparable properties. The effective date of revaluation was 31 December 2008.

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 14: TRADE AND OTHER PAYABLES				
<i>Unsecured:</i>				
Trade accounts payable	407,023	272,182	377,348	270,697
Other creditors and accruals	526,982	378,252	443,232	363,327
GST payable	80,862	115,770	85,098	123,665
Subscriptions received in advance	<u>1,611,517</u>	<u>1,382,295</u>	<u>1,611,517</u>	<u>1,382,295</u>
	<u>2,626,384</u>	<u>2,148,499</u>	<u>2,517,195</u>	<u>2,139,984</u>
NOTE 15: PROVISIONS – CURRENT				
Provision for annual leave	273,545	238,777	271,185	238,703
Provision for long service leave	<u>153,359</u>	<u>145,675</u>	<u>153,360</u>	<u>145,675</u>
	<u>426,904</u>	<u>384,452</u>	<u>424,545</u>	<u>384,378</u>
NOTE 16: PROVISIONS – NON CURRENT				
Provision for long service leave	<u>145,153</u>	<u>105,560</u>	<u>145,153</u>	<u>105,560</u>
Aggregate employee benefits	<u>572,057</u>	<u>490,012</u>	<u>569,697</u>	<u>489,938</u>
Average number of employees throughout the year	<u>44</u>	<u>40</u>	<u>44</u>	<u>40</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 17: NOTES TO THE CASH FLOW STATEMENTS				
(a) Reconciliation of cash				
For the purpose of the cash flow statements, cash includes cash on hand and in banks and on deposit. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-				
Cash on hand and at bank	<u>344,388</u>	<u>711,440</u>	<u>316,776</u>	<u>702,295</u>

(b) Reconciliation of net cash provided by operating activities to operating surplus/(deficit)

Operating surplus/(deficit) after income tax	(700,075)	(155,035)	(475,512)	39,476
Depreciation	137,119	105,886	123,752	100,825
(Profit)/loss on sale of property, plant and equipment	(7,317)	17,105	(7,317)	17,105
Change in assets and liabilities:				
(Increase)/decrease in trade receivables	43,802	577,383	80,404	557,316
(Increase)/decrease in other receivables	(300,003)	(13,249)	(144,040)	31,169
(Increase)/decrease in inventories	35,434	(36,821)	9,154	(10,541)
Increase/(decrease) in trade and other payables	248,663	157,946	147,989	151,889
Increase/(decrease) in subscriptions in advance	229,222	(326,170)	229,222	(326,170)
Increase/(decrease) in provisions	<u>82,045</u>	<u>66,268</u>	<u>79,760</u>	<u>66,194</u>
Net cash provided by/(used in) operating activities	<u>(294,110)</u>	<u>393,313</u>	<u>43,412</u>	<u>627,263</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 18: FINANCIAL RISK MANAGEMENT

The Association undertakes transaction in a range of financial instruments including:

- Cash and cash equivalents
- Trade and other receivables
- Investments
- Bank overdraft
- Trade and other payable
- Income received in advance

The Association's activities result in exposure to a number of financial risks, including market risk (interest rate risk), credit risk, operational risk and liquidity risk. The Association's overall risk management programme seeks to mitigate these risks and reduce volatility in financial performance.

(a) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rate. The Association is exposed to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

Consolidated entity	Weighted average effective interest rate		Floating interest rate		Non interest bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$	\$	\$
Financial assets								
Cash and cash equivalents	3.0	6.6	344,388	709,526	1,709	1,914	346,097	711,440
Trade and other receivables	2.8	3.0	450,000	500,000	521,932	504,072	971,932	1,004,072
Available for sale financial assets	-	-	-	-	8,877,489	8,793,152	8,877,489	8,793,152
			<u>794,388</u>	<u>1,209,526</u>	<u>9,401,130</u>	<u>9,299,138</u>	<u>10,195,518</u>	<u>10,508,664</u>
Financial liabilities								
Trade and other payables	-	-	-	-	732,521	766,204	732,521	766,104
Income received in advance	-	-	-	-	1,611,517	1,382,295	1,611,517	1,382,295
			<u>-</u>	<u>-</u>	<u>2,344,038</u>	<u>2,148,499</u>	<u>2,344,038</u>	<u>2,148,499</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 18: FINANCIAL RISK MANAGEMENT (CONT'D)

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence during the year ending 31 December 2008. At 31 December 2008, if interest rates had moved, as illustrated in the table below, with all other variables held constant, pre tax profit would have been affected as follows:

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Judgements of reasonably probable movements:				
Higher / (lower)				
+ 1% (100 basis points)				
Revenues	8,351	5,179	10,060	5,135
Expenses	1,010	-	2,371	-
Net profit	<u>7,341</u>	<u>5,179</u>	<u>7,689</u>	<u>5,135</u>
- 1% (100 basis points)				
Revenues	(8,351)	(5,179)	(10,060)	(5,135)
Expenses	(1,010)	-	(2,371)	-
Net profit	<u>(7,341)</u>	<u>(5,179)</u>	<u>(7,689)</u>	<u>(5,135)</u>

(b) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Association to make a financial loss. The credit risk on financial assets of the Association which have been recognised on the balance sheet, is the carrying amount of any net provision for impairment. The Association is not materially exposed to any individual debtor.

(c) Liquidity risk

Liquidity risk includes the risk that, as a result of operational liquidity requirements:

- The Association will not have sufficient funds to settle a transaction on the due date;
- The Association will be forced to sell financial assets at a value which is less than what they are worth; or
- The Association may be unable to settle or recover a financial asset at all.

To help reduce these risks the Association targets a minimum level of cash and cash equivalents to be maintained and has a readily accessible overdraft facility in place.

(d) Net fair value

The balance sheet carrying amounts of the Association's financial assets and liabilities approximate net fair value where the value is the present value of contractual future cash flows.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 19: COMMITMENTS FOR EXPENDITURE

Capital Commitments

There are no capital expenditure commitments as at 31 December 2008.

Operating lease commitments

Operating lease commitments relates to motor vehicles, the current lease expires in October 2008.

	2008 \$	2007 \$
Payable – minimum lease payments		
Not later than 1 year	284,498	179,931
Later than 1 year and not later than 5 years	197,453	-
Total minimum lease payments	481,951	179,931

NOTE 20: SUBSIDIARIES

Subsidiary	Country of incorporation	Percentage owned	
		2008 %	2007 %
Parent entity:			
Motor Traders Association of New South Wales	Australia		
Controlled Entities:			
MTA Financial and Insurance Brokers Pty Limited	Australia	100	100
MTA Investment Trust	Australia	100	100
Eventian Pty Ltd	Australia	100	100
MTA Vehicle Inspections Pty Ltd	Australia	100	100
Apprentices Plus (NSW) Pty Ltd	Australia	100	100

NOTE 21: RELATED PARTY TRANSACTIONS

During the year the following transactions took place with related parties:-

(i) Wholly owned subsidiaries

During the year Motor Traders Association incurred expenses of \$407,696 (2007: \$223,420) on behalf of MTA Vehicle Inspections Pty Ltd. At 31 December 2008 the amount owing to MTA NSW from MTA Vehicle Inspections Pty Ltd was \$631,616 (2007: \$223,920).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 21: RELATED PARTY TRANSACTIONS (CONT'D)

(ii) Associates	2008	2007
	\$	\$
Receivables from Associates		
MTA Finance Pty Ltd	60,387	60,387
MTA Insurance Agency Trust	50,000	50,000
MTA Apprentices Plus Pty Ltd	<u>450,000</u>	<u>506,852</u>
Total	<u><u>560,387</u></u>	<u><u>617,239</u></u>

The amounts due from MTA Finance Pty Ltd and MTA Insurance Agency were fully provided against as at 31 December 2008 and as at 31 December 2007.

Key Management Personnel

2008

Total Compensation

Short-term employee benefits \$	Post- employment benefits \$	Other long- term benefits \$	Termination benefits \$	Total \$
144,511	104,802	-	-	<u>249,313</u>

2007

Total Compensation

Short-term employee benefits \$	Post- employment benefits \$	Other long- term benefits \$	Termination benefits \$	Total \$
148,401	82,686	-	-	<u>231,087</u>

NOTE 22: EVENTS AFTER BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material nature likely, in the opinion of the Executive Board of MTA NSW, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

NOTE 23: ASSOCIATION DETAILS

MTA NSW is operated by the Board of Management on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and the holding of special events for its members who are involved in the motor industry.

The principal place of business of the Association is 43-51 Brisbane Street, Surry Hills, NSW 2010. The Association operates solely within New South Wales, Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 24: FUNDS HELD IN TRUST				
Tyre dealers	1,710	1,710	1,710	1,952
ERA	2,852	2,852	2,852	2,852
Brake specialists	921	3,300	921	3,300
APRA	<u>1,298</u>	<u>1,298</u>	<u>1,298</u>	<u>1,298</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

CERTIFICATES REFERRING TO THE 2008 FINANCIAL REPORT

1. ACCOUNTING OFFICER'S CERTIFICATE

In accordance with the requirements of the Workplace Relations Act 1996, I, Brian Doyle, being the officer responsible for keeping the accounting records of the Motor Traders Association of New South Wales, certify that:

- (i) as at 31 December 2008 the number of the members of the Association was 4,076
- (ii) 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 2008;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) all loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- (vii) the register of members of the Association was maintained in accordance with the Act.


Brian Doyle

Honorary Treasurer and Principal Accounting Officer
Dated this 20th day of March 2009

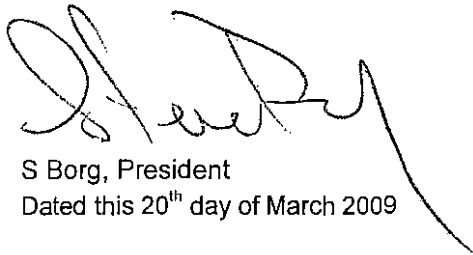
MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

2. EXECUTIVE BOARD'S CERTIFICATE

In accordance with the requirements of the Workplace Relations Act 1996, we, Steve Borg And Ron Clarke being two members of the Executive Board of the Motor Traders Association of New South Wales, do state on behalf of the Executive Board and in accordance with a resolution passed by the Executive 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 2008;
- (ii) in the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2008 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 272(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 2008 and the Auditors Report thereon.

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.



S Borg, President
Dated this 20th day of March 2009



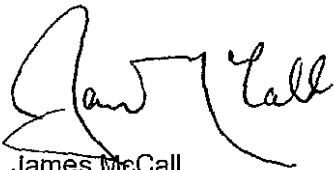
Brian Doyle, Board Member and Treasurer

CERTIFICATES REFERRING TO THE 2008 FINANCIAL REPORT (Continued)

3. OPERATING REPORT

In accordance with the requirements with section 254 of the Workplace Relations Act 1996 I, James McCall, being the officer responsible for management of the Motor Traders Association of New South Wales, hereby state that:

- (i) The Motor Traders Association of New South Wales is operated by the Executive Board on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the motor industry. The Association's core activities and aims have not changed over the last 12 months.
- (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.
- (vii) As at December 2008 the number of members of the Association was 4,076.
- (viii) There has been a significant change to the financial affairs of the Association with a deficit of \$763,075 being declared in the year 2008 (2007: \$155,035).
- (ix) The average number of persons employed by the Association throughout the year 2008 was 44 as against 40 in the previous year.
- (x) The members who were on the Executive Board of Management as at December 2007 were Steve Borg (President), Ron Clarke (Treasurer – resigned during 2008), Brian Doyle (Treasurer – appointed during 2008) Mike Mills-Thorn, Denis Sargent, Neil Oven, Ken Webb, Maurie Pinfold, Les Oakman, Sal Salano, Madeline Tynan and Steve Leonard.
- (xi) In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the Chief Executive Officer.



James McCall

Chief Executive Officer

Dated this 20th day of March 2009



Chartered Accountants
& Business Advisers

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

Report on the Financial Report

We have audited the accompanying financial report of Motor Traders Association of New South Wales, which comprises the balance sheets as at 31 December 2008, the income statements, statements of changes in members funds and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes, certificates and notice to members for Motor Traders Association of New South Wales of the consolidated entity comprising Motor Traders Association of New South Wales (the parent entity) and the entities it controlled at the year end or from time to time during the financial year (the consolidated entity).

Executive Committee's Responsibility for the Financial Report

The Association's Executive Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the requirements of the Association Incorporations Act (New South Wales) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

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Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Motor Traders Association of New South Wales is properly drawn up:

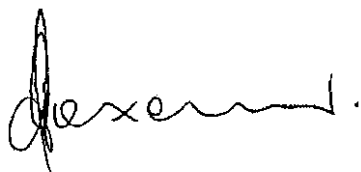
- (a) so as to present fairly the state of affairs of the Association and its controlled entities as at 31 December 2008 and the results for the financial year ended on that date;
- (b) in accordance with the Associations Incorporation Act (New South Wales);
- (c) in accordance with Australian Accounting Standards (including Australian Accounting Interpretations); and
- (d) so as to give a true and fair view of the financial affairs of the Association and its subsidiaries as at 31 December 2008 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 that:

- (e) the Association maintained satisfactory accounting records during the year ended 31 December 2008 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 report for the year ended 31 December 2008, the comparative figures for the prior year have been restated.



PKF



Grant Saxon
Partner
Sydney

20 March 2009



Chartered Accountants
& Business Advisers

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES

ADDITIONAL INFORMATION

The Detailed Statement of Income Statements for the year ended 31 December 2008 have 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 general purpose financial report for the year ended 31 December 2008.

The Detailed Income Statements do not form part of the Income Statements in respect of the year ended 31 December 2008 referred to in our report to the members, and we do not express an audit opinion thereon.

PKF

Grant Saxon
Partner

Sydney: 20 March 2009

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

DETAILED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
REVENUES				
Subscriptions received	3,251,055	3,150,538	3,251,055	3,150,538
Commission received	62,067	47,772	58,861	43,053
Insurance claim	-	317,063	-	317,063
Stationery sales	402,231	449,776	402,231	449,776
Interest received	83,510	51,787	100,601	51,347
Training fees received	1,040,460	686,902	1,040,460	686,902
Affiliation fees	72,361	70,600	72,361	70,600
Events revenue	-	1,203	-	1,203
Share of investment accounted for using the equity method	161,774	44,191	-	-
Dividend Income	555,456	541,326	555,456	541,326
Grants received	178,748	335,695	178,748	335,695
Rent received	103,777	99,117	123,777	109,117
Vehicle inspection income	167,823	-	-	-
Profit on disposal of plant and equipment	7,317	-	7,317	-
Other revenues	182,047	145,853	176,124	195,903
TOTAL REVENUES	<u>6,268,626</u>	<u>5,941,823</u>	<u>5,966,991</u>	<u>5,952,523</u>
EXPENSES				
<i>Cost of sales:</i>				
Cost of stationary sales	199,936	211,656	199,936	210,306
Cost of vehicle inspections	126,100	-	-	-
	<u>326,036</u>	<u>211,656</u>	<u>199,936</u>	<u>210,306</u>
<i>Depreciation & amortisation</i>				
Furniture & fittings	89,238	71,784	75,871	66,723
Motor vehicles	8,181	6,057	8,181	6,057
Buildings	39,700	28,045	39,700	28,045
	<u>137,119</u>	<u>105,886</u>	<u>123,752</u>	<u>100,825</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

DETAILED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
EXPENSES (Continued)				
<i>Employee related expense:</i>				
Wages and salaries	2,676,589	2,231,777	2,558,938	2,128,878
Wages and salaries - temp	15,085	-	15,085	-
Wages and salaries - other	30,514	18,083	24,000	1,007
Superannuation	241,087	198,831	233,050	196,439
Payroll tax	160,808	122,260	155,020	120,080
Workers compensation	17,802	16,406	17,403	16,198
Long service leave	46,578	56,957	46,578	56,957
Annual leave	229,490	193,467	225,301	191,393
Staff amenities	10,665	12,179	10,643	11,721
Staff recruitment	179	703	180	703
Staff training	19,970	24,005	19,970	24,005
Automotive training cont.	56,490	36,414	56,490	36,414
FBT	85,170	84,681	85,782	81,233
	<u>3,590,427</u>	<u>2,995,763</u>	<u>3,448,440</u>	<u>2,865,028</u>
<i>Occupancy & equipment expenses:</i>				
Office expenses	11,817	5,001	11,817	5,001
Cleaning	44,406	37,676	44,406	37,660
Waste disposal	8,499	6,783	8,499	6,783
Electricity	18,401	17,958	18,401	17,958
Rates and Taxes – 43 Brisbane	11,434	10,792	11,434	10,792
Residual/prop fringe benefits	-	2,141	-	2,141
R & M – 43 Brisbane	38,045	36,178	38,045	36,178
Equipment rentals	33,116	42,785	32,632	42,749
Printing and copying	24,007	50,600	18,864	47,797
Office stationary	14,868	9,937	12,252	9,717
Computer consumables	69,815	60,652	67,475	60,176
	<u>274,408</u>	<u>280,503</u>	<u>263,825</u>	<u>276,952</u>
<i>Events expenses:</i>				
Awards	3,500	2,800	3,500	2,800
Other events	113,228	57,966	113,228	57,966
	<u>116,728</u>	<u>60,766</u>	<u>116,728</u>	<u>60,766</u>
MTAA Subscriptions	<u>529,386</u>	<u>529,386</u>	<u>529,386</u>	<u>529,386</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

DETAILED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
EXPENSES (Continued)				
<i>Travel expenses:</i>				
Travel / Airfares	69,234	91,858	66,119	89,268
Travel – Gov. Council	11,447	11,882	11,447	11,882
Travel EB	11,467	21,535	11,467	21,535
Accommodation	70,875	60,398	68,421	59,502
Room Hire	8,849	9,137	8,849	7,287
Meals	42,308	28,602	41,713	28,240
Entertainment – FBT – Tips	3,663	467	801	434
Entertainment – FBT – Rec	11,866	15,061	11,866	14,970
Entertainment – FBT	44,902	38,751	43,068	37,782
Entertainment – Non FBT	14,095	13,647	13,539	13,017
MV – Leasing	271,663	215,918	258,501	203,472
MV – Petrol	133,929	105,609	125,355	100,275
MV – Rego	679	628	679	628
MV – CTP	345	347	345	347
MV – Insurance	19,550	15,718	18,618	14,952
MV – R & M	36,504	11,699	36,341	11,112
MV – Parking and Tolls	11,280	10,980	11,281	10,980
	<u>762,656</u>	<u>652,237</u>	<u>728,410</u>	<u>625,683</u>
<i>Administrative and meetings expenses:</i>				
Bank charges – Line fees	4,577	3,046	4,182	2,728
Bank charges – Merchant fees	10,888	7,818	8,786	7,775
Bank charges – Other	10,837	14,373	10,508	14,310
Couriers	673	711	673	705
Trade shows	475	-	-	-
Meetings	15,128	9,340	13,815	8,949
AGM Costs	3,646	4,503	3,646	4,503
Licences and permits	3,400	-	-	-
Meetings – Executive Board	3,802	2,860	3,802	2,860
Meetings – Govt. Council	1,850	1,046	1,850	1,046
Postage	116,995	65,033	116,800	64,589
Telephone – General	42,387	45,727	40,795	45,676
Telephone – Mobile	36,139	45,109	35,897	44,187
Telephone – Faxstream	15,781	15,760	15,650	14,482
Telephone – Internet	43,626	28,166	42,404	28,166
Website Maintenance	7,398	10,238	7,876	7,450
	<u>317,602</u>	<u>253,730</u>	<u>306,684</u>	<u>247,426</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

DETAILED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
EXPENSES (Continued)				
<i>Marketing expenses:</i>				
General Advertising	168,951	33,720	14,627	28,290
Public Relations	11,395	35,971	11,196	35,483
Conferences and seminars	17,920	14,918	17,920	14,918
Publications and subscriptions	13,271	13,824	13,271	13,824
Member services	100,941	83,459	100,941	83,459
Journal postage	1,136	44,268	1,136	44,268
	<u>313,614</u>	<u>226,160</u>	<u>159,091</u>	<u>220,242</u>
<i>Training expenses</i>				
Training exp – Accred Veh Sales	1,471	905	1,471	905
Training exp – OH&S Cons	13,798	20,797	13,798	20,797
Training exp – Bikes	4,354	5,645	4,354	5,645
Training exp – RTW Co ordinator	-	40	-	40
Training exp – Negotiation & conflict Mgt	-	108	-	108
Training exp – OH & S risk mgt	4,225	113	4,225	113
Training exp – Elec Test and tag	4,126	10,351	4,126	10,351
Training exp – 2 Day veh sales	278	444	278	444
Training exp – Quality customer serv.	4,990	1,434	4,990	1,434
Training exp – Effective business Cost.	20	499	20	499
Training exp – Successful Pros	-	115	-	115
Training exp – Senior first aid	3,324	3,382	3,324	3,382
Training exp – Tele techniques	103	264	103	264
Training exp – Time management	-	71	-	71
Training exp – Auto Admin	-	89	-	89
Training exp – Fire ext	-	280	-	280
Training exp – LPG	7,825	55,488	7,825	55,488
Training exp – Tyres/Air/Cooling	-	2,771	-	2,771
Training exp – Leadership	8,470	4,773	8,470	4,773
Training exp – Suicide	2,030	-	2,030	-
Training exp – Closing the sale	102	7	102	7
Training exp – Avoiding Disc W/Place	-	366	-	366
Training exp – Team Building	2,910	-	2,910	-
Training exp – Comp. Training	-	572	-	572
Training exp – Light Vehicle App	19,240	98,686	19,240	98,686
Training exp – Staff Traineeships	6,007	2,906	6,007	2,906
	<u>83,273</u>	<u>210,106</u>	<u>83,273</u>	<u>210,106</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

DETAILED INCOME STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
EXPENSES (Continued)				
<i>Other Expenses:</i>				
Audit fees				
- audit of the financial report	42,500	40,000	42,500	40,000
- other services	14,991	31,306	14,991	28,306
Council secretary fees	9,432	9,817	9,432	9,817
VETAB Audit fees	2,575	1,870	2,575	1,870
Bad debts & Collection	24,284	7,373	24,284	7,373
Consultancy fees	225,342	112,910	195,042	112,910
FIC Levy	2,924	29,373	2,924	29,373
Industrial Library	15,593	14,691	15,593	14,691
Training General	-	-	-	-
Industrial Training	850	1,963	850	1,963
Industrial Training – OHS	2,983	2,123	2,983	2,123
Insurance	35,803	57,107	36,603	56,309
Shelf Storage Space	41,330	59,200	41,330	59,200
Sponsorship costs	25,995	-	25,995	-
Loss on disposal of fixed assets	-	17,105	-	17,105
CVIAA Subscriptions	4,382	5,447	4,382	5,447
E Journal	6,842	-	6,842	-
Training expenses general	4,509	13,830	4,509	13,830
Other expenses	6,435	270	4,354	-
	<u>466,830</u>	<u>404,445</u>	<u>435,249</u>	<u>400,377</u>
<i>Borrowing costs</i>	<u>23,708</u>	<u>-</u>	<u>10,095</u>	<u>-</u>
<i>Legal costs</i>	<u>89,914</u>	<u>166,220</u>	<u>37,634</u>	<u>165,950</u>
TOTAL EXPENSES	<u>7,031,701</u>	<u>6,096,858</u>	<u>6,442,503</u>	<u>5,913,047</u>
OPERATING SURPLUS/(DEFICIT)	<u>(763,075)</u>	<u>(155,035)</u>	<u>(475,512)</u>	<u>39,476</u>

**MOTOR TRADERS ASSOCIATION OF
NEW SOUTH WALES
ABN 63 000 008 088**

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

**MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088**

DISCUSSIONS AND ANALYSIS OF FINANCIAL STATEMENTS

Information on the Motor Traders Association of New South Wales Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 31 December 2008. 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 subsidiaries. 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 subsidiaries as the full financial report. Further financial information can be obtained from the full financial report, the full financial report is available, free of charge, on request to the entity.

Income Statement

The MTA excluding its subsidiaries, as represented by the Parent Entity column of the Income statement, posted a deficit of \$475,512 (2007: surplus of \$39,476).

Balance Sheet

The consolidated Net Assets of the MTA decreased by \$398,738 over the last 12 months.

The investment in the MTAA House Unit Trust was revalued to market value, leading to an increase in the value of this investment of \$84,335. This investment is now valued at \$8,759,741.

Net Assets for the Consolidated Entity stand at \$13,273,399.

Cash

Net cash for the Consolidated Entity decreased by \$367,052 during the year. As at the end of December 2008 cash on hand was \$344,388.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
 ABN 63 000 008 088

INCOME STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Consolidated entity		Parent entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	4	6,268,626	5,941,823	5,966,991	5,952,523
Expenses	5	<u>(7,031,701)</u>	<u>(6,096,858)</u>	<u>(6,442,503)</u>	<u>(5,913,047)</u>
(Deficit) / surplus before income tax expense		(763,075)	(155,035)	(475,512)	39,476
Income tax expense		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Deficit) / surplus after related income tax expense		<u>(763,075)</u>	<u>(155,035)</u>	<u>(475,512)</u>	<u>39,476</u>

The above Income Statements should be read in conjunction with the attached notes.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

BALANCE SHEETS
AS AT 31 DECEMBER 2008

	Consolidated entity		Parent entity	
	2008 \$	2007 \$	2008 \$	2007 \$
CURRENT ASSETS				
Cash and cash equivalents	344,388	711,440	316,776	702,295
Trade and other receivables	756,376	705,097	718,863	705,322
Inventories	146,616	182,050	146,616	155,770
TOTAL CURRENT ASSETS	<u>1,247,380</u>	<u>1,598,587</u>	<u>1,182,255</u>	<u>1,563,387</u>
NON CURRENT ASSETS				
Receivables	400,000	406,852	1,031,616	630,772
Available-for-sale financial assets	8,877,489	8,793,152	8,877,489	8,793,152
Other financial assets	-	-	361	266
Investments accounted for using the equity method	200,515	44,741	-	-
Property, plant & equipment	5,740,456	5,467,316	5,682,487	5,440,835
TOTAL NON CURRENT ASSETS	<u>15,224,460</u>	<u>14,712,061</u>	<u>15,591,953</u>	<u>14,865,025</u>
TOTAL ASSETS	<u>16,471,840</u>	<u>16,310,648</u>	<u>16,774,208</u>	<u>16,428,412</u>
CURRENT LIABILITIES				
Trade and other payables	2,626,384	2,148,499	2,517,195	2,139,984
Provisions	426,904	384,452	424,545	384,378
TOTAL CURRENT LIABILITIES	<u>3,053,288</u>	<u>2,532,951</u>	<u>2,941,740</u>	<u>2,524,362</u>
NON CURRENT LIABILITY				
Provisions	145,153	105,560	145,153	105,560
TOTAL NON CURRENT LIABILITY	<u>145,153</u>	<u>105,560</u>	<u>145,153</u>	<u>105,560</u>
TOTAL LIABILITIES	<u>3,198,441</u>	<u>2,638,511</u>	<u>3,086,893</u>	<u>2,629,922</u>
NET ASSETS	<u>13,273,399</u>	<u>13,672,137</u>	<u>13,687,315</u>	<u>13,798,490</u>
MEMBERS' FUNDS				
Accumulated funds	3,924,068	4,687,143	4,337,984	4,813,496
Reserves	9,349,331	8,984,994	9,349,331	8,984,994
TOTAL MEMBERS' FUNDS	<u>13,273,399</u>	<u>13,672,137</u>	<u>13,687,315</u>	<u>13,798,490</u>

The above Balance Sheets should be read in conjunction with the attached notes.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

STATEMENTS OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Accumulated funds	Revaluation reserves	Total
	\$	\$	\$
CONSOLIDATED ENTITY			
Balance as at 1 January 2007	4,842,178	7,365,069	12,207,247
Changes in members funds			
Deficit attributable to the members of the parent entity	(155,035)	-	(155,035)
Revaluation of investment in MTAA House Unit Trust	-	944,279	944,279
Revaluation of Land and Buildings	-	677,655	677,655
Revaluation of investment in listed entity	-	(2,009)	(2,009)
Balance as at 31 December 2007	4,687,143	8,984,994	13,672,137
Changes in members funds			
Deficit attributable to members of the parent entity	(763,075)	-	(763,075)
Revaluation of investment in MTAA House Unit Trust	-	84,335	84,335
Revaluation of Land and Buildings	-	280,000	280,000
Revaluation of investment in listed entity	-	2	2
Balance as at 31 December 2008	3,924,068	9,349,331	13,273,399
PARENT ENTITY			
Balance as at 1 January 2007	4,774,020	7,365,069	12,139,089
Changes in members funds			
Surplus attributable to the members of the parent entity	39,476	-	39,476
Revaluation of investment in MTAA House Unit Trust	-	944,279	944,279
Revaluation of Land and Buildings	-	677,655	677,655
Revaluation of investment in listed entity	-	(2,009)	(2,009)
Balance as at 31 December 2007	4,813,496	8,984,994	13,798,490
Changes in members funds			
Surplus attributable to the members of the parent entity	(475,512)	-	(475,512)
Revaluation of investment in MTAA House Unit Trust	-	84,335	84,335
Revaluation of Land and Buildings	-	280,000	280,000
Revaluation of investment in listed entity	-	2	2
Balance as at 31 December 2008	4,337,984	9,349,331	13,687,315

The above Statement of Changes in Members Funds should be read in conjunction with the attached notes.

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from subscriptions	3,805,382	3,454,936	3,805,382	3,454,936
Receipts from stationery and merchandise sales	508,648	494,753	508,648	494,753
Interest received	35,493	51,787	52,584	51,347
Dividend received	555,456	541,326	555,456	541,326
Other income received	2,015,389	1,830,260	1,849,382	1,825,823
Payments to suppliers and employees	(7,190,770)	(5,979,749)	(6,717,945)	(5,740,922)
Interest paid	(23,708)	-	(10,095)	-
Net cash provided by/(used in) operating activities	<u>(294,110)</u>	<u>393,313</u>	<u>43,412</u>	<u>627,263</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	(130,259)	(212,283)	(85,404)	(180,743)
Proceeds on sale of property, plant and equipment	<u>7,317</u>	<u>30,909</u>	<u>7,317</u>	<u>30,909</u>
Net cash flows used in investing activities	<u>(122,942)</u>	<u>(181,374)</u>	<u>(78,087)</u>	<u>(149,834)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings	500,000	-	500,000	-
Repayment of borrowings	(500,000)	-	(500,000)	-
Net loan (provided to)/ repaid by related entities	<u>50,000</u>	<u>(33,013)</u>	<u>(350,844)</u>	<u>(256,433)</u>
Net cash flows provided by/ (used in) financing activities	<u>50,000</u>	<u>(33,013)</u>	<u>(350,844)</u>	<u>(256,433)</u>
Net increase/ (decrease) in cash and cash equivalents	(367,052)	178,926	(385,519)	220,996
Cash and cash equivalents as at the beginning of the year	<u>711,440</u>	<u>532,514</u>	<u>702,295</u>	<u>481,299</u>
Cash and cash equivalents at the end of the year	<u>344,388</u>	<u>711,440</u>	<u>316,776</u>	<u>702,295</u>

The above Cash Flow Statements should be read in conjunction with the attached notes.

**NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

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.

The accounting policies have been consistently applied by the entities in the consolidated entity. The Concise Financial Report has been prepared on a going concern basis.

Currency

The financial report is presented in Australian dollars and rounded to the nearest dollar.

NOTE 2: NOTICE REQUIRED UNDER THE WORKPLACE RELATIONS ACT 1996

In accordance with the requirements of section 272 (5) of Schedule 1B of the Workplace Relations Act 1996, the attention of the members is drawn to the provisions of sub-section (1), (2) and (3) of section 272, which reads as follows: -

- (1) "A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

NOTE 3: EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of Motor Traders' Association of New South Wales, the results of those operations, or the state of affairs of Motor Traders' Association of New South Wales in future years.

	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 4: REVENUE				
Subscriptions received	3,251,055	3,150,538	3,251,055	3,150,538
Commission received	62,067	47,772	58,861	43,053
Insurance claim	-	317,063	-	317,063
Stationery and merchandise sales	402,231	449,776	402,231	449,776
Interest received	99,510	51,787	100,001	51,347
Training fees received	1,040,460	686,902	1,040,460	686,902
Affiliation fees	72,361	70,600	72,361	70,600
Events revenue	-	1,203	-	1,203
Share of investment accounted for using the equity method	161,774	44,191	-	-
Dividend income	555,456	541,326	555,456	541,326
Grants received	178,748	335,695	178,748	335,695
Profit on disposal of plant and equipment	7,317	-	7,317	-
Rent	103,777	99,117	123,777	109,117
Other revenue	349,870	145,853	176,124	195,903
Total revenue	<u>6,268,626</u>	<u>5,941,823</u>	<u>5,966,991</u>	<u>5,952,523</u>

MOTOR TRADERS ASSOCIATION OF NEW SOUTH WALES
ABN 63 000 008 088

NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

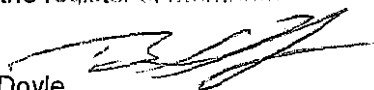
	Consolidated		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
NOTE 5: EXPENSES				
Cost of goods sold	326,036	211,656	199,936	210,306
Employee related expense	3,590,427	2,979,627	3,448,440	2,848,830
Occupancy & equipment expenses	274,408	280,503	263,825	276,952
Depreciation & amortisation	137,119	105,886	123,752	100,825
Events expenses	116,728	60,766	116,728	60,766
Travel expenses	762,656	652,237	728,410	625,683
MTAA subscriptions & expenses	529,386	529,386	529,386	529,386
Marketing expenses	313,614	226,160	159,091	220,242
Administrative expenses	293,176	235,981	283,572	230,068
Training expenses	83,273	210,106	83,273	210,106
Legal expenses	89,914	166,220	37,634	165,950
Members meetings	24,426	17,749	23,112	17,358
Net loss on disposal of plant and equipment	-	17,105	-	17,105
Borrowing costs	23,708	-	10,095	-
Other expenses	466,830	403,476	435,249	399,470
Total expenses	<u>7,031,701</u>	<u>6,096,858</u>	<u>6,442,503</u>	<u>5,913,047</u>

CERTIFICATES REFERRING TO THE 2008 FINANCIAL REPORT

1. ACCOUNTING OFFICER'S CERTIFICATE

In accordance with the requirements of the Workplace Relations Act 1996, I, Brian Doyle, being the officer responsible for keeping the accounting records of the Motor Traders Association of New South Wales, certify that:

- (i) as at 31 December 2008 the number of the members of the Association was 4,076
- (ii) 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 2008;
- (iii) 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;
- (iv) 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;
- (v) 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;
- (vi) all loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- (vii) the register of members of the Association was maintained in accordance with the Act.

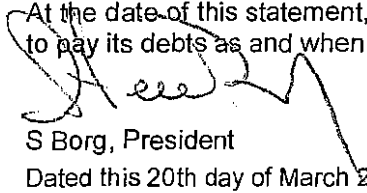

Brian Doyle
Honorary Treasurer and Principal Accounting Officer
Dated this 20th day of March 2009

2. EXECUTIVE BOARD'S CERTIFICATE

In accordance with the requirements of the Workplace Relations Act 1996, we, Steve Borg And Ron Clarke being two members of the Executive Board of the Motor Traders Association of New South Wales, do state on behalf of the Executive Board and in accordance with a resolution passed by the Executive 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 2008;
- (ii) in the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2008 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 272(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 2008 and the Auditors Report thereon.

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.


S Borg, President
Dated this 20th day of March 2009


Brian Doyle, Board Member and Treasurer



Chartered Accountants
& Business Advisers

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

Report on the Concise Financial Report

The accompanying Concise Financial Report of Motor Traders Association of New South Wales and its subsidiaries (the consolidated entity) comprises the Balance Sheets as at 31 December 2008, the Income Statements, Statements of Changes in Equity, Cash Flow Statements for the year then ended, related Notes, and Certificates, derived from the audited Financial Report of Motor Traders Association of New South Wales and subsidiaries for the year ended 31 December 2008, and the Discussion and Analysis. The Concise Financial Report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' responsibility for the concise financial report

The directors are responsible for the preparation and presentation of the Concise Financial Report in accordance with Accounting Standard AASB 1039: *Concise Financial Reports* (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the Concise Financial Report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the Concise Financial Report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the Financial Report of Motor Traders Association of New South Wales and subsidiaries for the year ended 31 December 2008. Our audit report for the year was signed on 20th March 2009 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report for the year is free from material misstatement.

Our procedures in respect of the Concise Financial Report included testing that the information in the Concise Financial Report is derived from, and is consistent with the Financial Report for the year, and examination on a test basis, of evidence supporting the amounts, discussions and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the Concise Financial Report complies with Accounting Standards AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039: *Concise Financial Reports*.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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Auditor's Opinion

In our opinion, the Concise Financial Report including the discussion and analysis of Motor Traders Association of New South Wales and subsidiaries for the year ended 31 December 2008 complies with Accounting Standard AASB 1039: *Concise Financial Reports*.

A handwritten signature in black ink, appearing to be 'PKF' with a horizontal line underneath.

PKF

A handwritten signature in black ink, appearing to be 'Grant Saxon'.

Grant Saxon
Partner

Sydney, 20 March 2009



Australian Government
Australian Industrial Registry

24 April 2009

Mr Greg Hatton
Deputy Chief Executive Officer, Policy & Employment Relations
Motor Traders' Association of New South Wales
Locked Bag 5012
DARLINGHURST NSW 2010



Dear Mr Hatton

**Lodgment of Financial Statements and Accounts – Motor Traders' Association of NSW -
for year ended 31 December 2008 (FR2008/621)**

Thank you for lodging the abovementioned financial statements and accounts which were received on 31 March 2009.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'SK' or similar initials.

Stephen Kellett
Statutory Services Branch

