



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street,
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7817
Fax: (03) 9655 0410

Mr Perce Makin
President
Victorian Automobile Chamber of Commerce
VACC House, 464 St Kilda Road
MELBOURNE VIC 3004

Dear Mr Makin,

Re: Financial report for year ended 30 June 2007 - FR2007/430
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial report of the Victorian Automobile Chamber of Commerce for the year ended 30 June 2007. The documents were lodged in the Industrial Registry on 10 December 2007.

The documents have been filed and no further action is requested.

I observe, however, under note 4(b) of the 'Notes of the Financial Statements' that the item 'Donations' totals \$50,287. Section 237 of the RAO Schedule requires that an organisation must, within 90 days after the end of each financial year, lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year. If any single donation exceeds \$1,000 then the Organisation is required to lodge the relevant particulars set out in subsection 237(6) for each such donation. I attach a form for this purpose should it be required by the organisation. On the other hand, no action is required if any single donation did not exceed \$1,000.

I should also point out that because legislative timelines need to be observed by organisations in relation to the preparation, auditing, provision to its members, presentation and eventual lodgement of the financial documents in the Industrial Registry, the inclusion in your covering letter of the actual date in November 2008 as to when the members were advised of the availability of the financial reports should have been stated.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer'.

Robert Pfeiffer
Statutory Services Branch, Melbourne

20 March 2008

FR2007/430

OFFICE OF THE PRESIDENT

VICTORIAN AUTOMOBILE
CHAMBER OF COMMERCE
ABN 63 009 478 209

VACC House
464 St Kilda Road
Melbourne 3004

Phone: 03 9829 1111
Fax: 03 9866 6017

4 December 2007

The Registrar
Australian Industrial Relations Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

I certify that the attached Financial Report of the Victorian Automobile Chamber of Commerce, provided in accordance with Section 253 of Schedule 1 of the Workplace Relations Act 1996, for the year ended 30 June 2007, was presented to the Annual General Meeting of members held on Wednesday, 28 November 2007. Members were advised in the November 2007 issue of Update that the VACC 2007 Annual Report could be viewed on the VACC website.

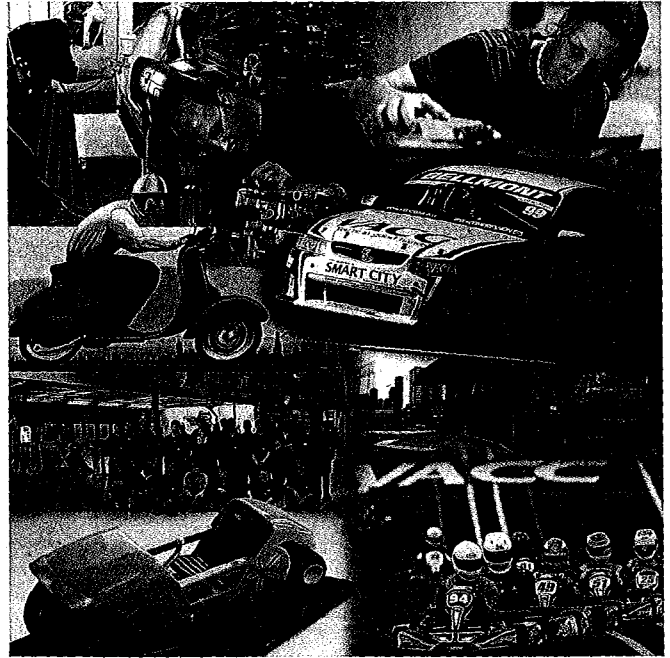
Yours sincerely



PERCE G MAKIN

Attach

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007



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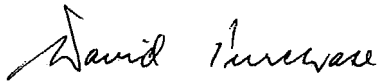
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**NOTICE OF MEETING
2007 ANNUAL GENERAL MEETING
VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE**

The Eighty-Ninth Annual General Meeting of the Victorian Automobile Chamber of Commerce (VACC) ABN 63 009 478 209 will be held at VACC House, 464 St Kilda Road, Melbourne on Wednesday, 28 November 2007, at 1.00pm.

BUSINESS OF MEETING

1. Confirm the Minutes of the previous Annual General Meeting held on 29 November 2006.
2. Consider any business arising out of the Minutes of the previous Meeting.
3. Receive the President's Report and the Annual Report.
4. Receive, consider and adopt the Financial Statements for the year ended 30 June 2007 and the Auditor's Report thereon, prepared in accordance with the requirements of the Workplace Relations Act 1996.
5. Appoint an Auditor.
6. Consider, and if necessary, take action with reference to any business or motion of which due notice has been given, or which three-fourths of the members present or represented at such meeting, consent thereto, not being inconsistent with the Constitution and Rules of the Victorian Automobile Chamber of Commerce.



David A. Purchase OAM
EXECUTIVE DIRECTOR
Dated 8 October 2007

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
 INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2007



	Notes	2007 \$	2006 \$
Revenues from Operating Activities	4	45,817,485	30,917,105
Borrowing Costs	4	(436)	(3,311)
Other expenses from Operating Activities	4	(29,888,143)	(29,264,270)
Net Result from Operating Activities		15,928,906	1,649,524
Transfer to Special Capital Fund Reserve	15	-	(2,767,081)
Operating Result for the Year	14	<u>15,928,906</u>	<u>(1,117,557)</u>

The above Income Statement is to be read in conjunction with the accompanying notes.

**VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
BALANCE SHEET
AS AT 30 JUNE 2007**

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash Assets	16	660,210	834,160
Receivables	5	4,913,782	4,807,251
Inventories		186,455	242,504
Prepayments		438,867	288,113
TOTAL CURRENT ASSETS		6,199,314	6,172,028
INVESTMENTS - SPECIAL CAPITAL FUND	6	117,748,260	104,468,574
 NON-CURRENT ASSETS			
Investments	7	2,054,319	914,016
Property	8	36,303,550	28,440,000
Plant and Equipment	9	1,329,534	1,244,998
Intangible	10	200,000	400,000
TOTAL NON-CURRENT ASSETS		39,887,403	30,999,014
TOTAL ASSETS		163,834,977	141,639,616
 CURRENT LIABILITIES			
Payables	11	1,974,201	2,249,686
Income in Advance		3,228,434	3,487,775
Interest-Bearing Liabilities	12	16,182	8,691
Provisions	13	1,415,881	1,302,212
TOTAL CURRENT LIABILITIES		6,634,698	7,048,364
 NON-CURRENT LIABILITIES			
Interest-Bearing Liabilities	12	-	16,182
Provisions	13	332,641	341,371
TOTAL NON-CURRENT LIABILITIES		332,641	357,553
TOTAL LIABILITIES		6,967,339	7,405,917
NET ASSETS		156,867,638	134,233,699
 MEMBERS' FUNDS			
Revenue Accumulation	14	115,643,200	99,714,294
Reserves	15	41,224,438	34,519,405
TOTAL MEMBERS' FUNDS		156,867,638	134,233,699

The above Balance Sheet should be read in conjunction with the accompanying notes.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2007

	Asset Revaluation Reserve	Special Capital Fund Reserve	Retained Earnings	Total
BALANCE AT 1 JULY 2005	16,710,697	7,974,481	100,831,851	125,517,029
Increase in Special Capital Fund	-	6,983,410	-	6,983,410
Transfer from Operating Result for the Year	-	2,767,081	-	2,767,081
Revaluation of Investment in MTAA Unit Trust	83,736	-	-	83,736
Result for the Year	-	-	(1,117,557)	(1,117,557)
BALANCE AT 30 JUNE 2006	16,794,433	17,724,972	99,714,294	134,233,699
BALANCE AT 1 JULY 2006	16,794,433	17,724,972	99,714,294	134,233,699
Increase in Special Capital Fund	-	5,314,730	-	5,314,730
Revaluation of Investment in MTAA Unit Trust	52,803	-	-	52,803
Revaluation of Investment in carsales.com.au	1,337,500	-	-	1,337,500
Result for the Year	-	-	15,928,906	15,928,906
BALANCE AT 30 JUNE 2007	18,184,736	23,039,702	115,643,200	156,867,638

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

**VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members and Customers		25,682,846	21,990,461
Payments to Suppliers and Employees		(30,382,922)	(25,958,974)
Interest Received		59,860	52,174
Goods and Services Tax Refund Received/(paid)		(1,009,357)	(963,451)
Net cash flows (used in) Operating Activities		<u>(5,649,573)</u>	<u>(4,879,790)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution from Special Capital Fund		4,284,926	4,991,165
Dividends received		74,445	61,480
Purchase of Property		(13,550)	(40,000)
Purchase of Plant and Equipment		(569,392)	(458,660)
Proceeds from Sales of Plant and Equipment		120,821	81,196
Proceeds from Other Investments		1,587,500	100,000
Net Cash Flows from Investing Activities		<u>5,484,750</u>	<u>4,735,181</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Finance Lease Principal		(8,691)	(95,673)
Interest Costs		(436)	(3,311)
Net Cash Flows (used in) Financing Activities		<u>(9,127)</u>	<u>(98,984)</u>
Net (Decrease) in Cash held		(173,950)	(243,593)
Add Opening Cash Brought Forward		<u>834,160</u>	<u>1,077,753</u>
CLOSING CASH CARRIED FORWARD	16	<u><u>660,210</u></u>	<u><u>834,160</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
RECONCILIATION OF RESULT WITH NET CASH FLOWS USED IN OPERATING ACTIVITIES			
Operating Result for the Year		15,928,906	(1,117,557)
NON CASH FLOWS IN OPERATING RESULT:			
(Revaluation)/Devaluation of Property		(7,850,000)	900,000
Profit on Sale of Other Investments		(1,337,500)	-
Write down for impairment of Intangible		200,000	-
Stock Write Off		32,707	13,166
Bad Debt		2,362	15,412
Depreciation & Amortisation of Plant & Equipment		334,486	407,163
Loss and Disposal of Plant and Equipment		29,549	33,931
Realised Movement in Investments Net of Management Fees		(12,284,951)	(7,785,820)
Dividends Received		(74,445)	(61,480)
Transfer to Special Capital Fund Reserve		-	2,767,081
Interest Costs		436	3,311
CHANGES IN ASSETS AND LIABILITIES:			
(Increase) in Receivables		(106,531)	(2,459,151)
Decrease in Inventories		56,049	1,099
(Increase)/Decrease in Prepayments		(150,754)	201,466
(Decrease)/Increase in Payables		(275,485)	496,033
(Decrease)/Increase in Income in Advance		(259,341)	1,415,593
Increase in Provisions		104,939	289,963
NET CASH FLOWS USED IN OPERATING ACTIVITIES		<u>(5,649,573)</u>	<u>(4,879,790)</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. INFORMATION TO BE PROVIDED TO MEMBERS OF REGISTRAR

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

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

2. CORPORATE INFORMATION

The Financial Report of the Victorian Automobile Chamber of Commerce (VACC) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 12 September 2007. VACC is an association, incorporated in Australia in accordance with the Workplace Relations Act 1996.

The nature of the operations and principal activities of the VACC are described in Note 25.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Workplace Relations Act 1996 and Australian Accounting Standards Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Standards Board. The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes on assets as described in the accounting policies.

(B) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRSs).

(C) Accounting Judgements, Estimates & Assumptions

In the process of applying VACC accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Employee provision – Long Service Leave:

VACC has provided for those employees who have exceeded 5 years of service as at the reporting date.

The fair value of unlisted investments is determined using valuation techniques, including reference to recent 'arm's length' market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Management has determined the most relevant techniques for its unlisted investments.

The impairment testing of VACC's intangible asset has been assessed based on management's best estimates of future cash flows expected to be achieved from the related joint venture.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(D) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to VACC and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of the delivery of the goods to the customer.

(ii) Rendering of Services

Membership subscriptions are payable annually or in instalments, in advance of the membership period. Only those receipts attributable to the current year are recognised as revenue. Fees and subscriptions receipts relating to periods beyond the current financial year are shown in the Balance Sheet as income in advance under the heading Current Liabilities.

(iii) Interest

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

(iv) Dividends

Revenue is recognised when VACC's right to receive payment is established.

(v) Rental Income

Rental income from investment properties is accounted for when VACC's right to receive the payment is established.

(vi) Government Grants

Government grants received that relate to specific assets or expenses are deferred and recognised as income in the same period as the asset is consumed or when the associated expenses are incurred.

All revenue is stated net-of-the amount of goods and services tax (GST).

(E) Cash Assets

Cash assets in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less, held at call with financial institutions.

(F) Trade and Other Receivables

Trade receivables, which generally have 30-90 days terms, are recognised and carried at the original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that VACC will not be able to collect the debts. Bad debts are written off when identified.

(G) Inventories

Inventories are valued at the lower of cost and net realisable value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(H) Taxes

(i) Income Taxes

Section 23(f) of the Income Tax Assessment Act 1936 exempts VACC from Income Tax.

(ii) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- i. When the GST incurred on a purchase of goods and service is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii. Receivables and Payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(I) Plant and Equipment

Plant and equipment is stated at cost, less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line or diminishing value basis over the estimated useful life commencing from the time the asset is held ready for use.

Depreciation rates for each class of assets are:

Plant and equipment – 7.50% diminishing value and 3-5 years straight-line

Furniture and fittings – 5 years

Motor vehicles – 22.50% diminishing value

Leased equipment – 4 years

Depreciation is calculated on a diminishing value method for motor vehicles.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit, in which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Income Statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) Plant and Equipment (continued)

(ii) Derecognition and Disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognised.

(J) Investment Properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn for use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by VACC as an owner-occupied property becomes an investment property, VACC accounts for such property in accordance with the policy stated under plant and equipment up to date of change in use. For a transfer from plant and equipment to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income Statement. When VACC completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the Income Statement.

(K) Financial Instruments

Financial Assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transactions costs. VACC determines the classification of its financial assets at initial recognition and, when allowed and appropriate, re-evaluates this designation at each balance sheet date.

(i) Loans & Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the Income Statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(K) Financial Instruments (continued)

(ii) Available-for-Sale

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the preceding categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the Income Statement.

Interest, dividends and other distributions from available-for-sale investments are recognised in profit or loss when the entity's right to receive payment is established.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent 'arm's length' market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where these valuation techniques cannot be used to determine a reliable valuation, the investment is carried at cost.

(iii) Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- VACC retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the rights to receive cash flows from the asset have expired;
- VACC has transferred its rights to receive cash flows from the asset and either, (a) has transferred substantially all the risks and rewards of the asset, or, (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When VACC has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of VACC's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that VACC could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of VACC's continuing involvement is the amount of the transferred asset that VACC may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value. The extent of VACC's continuing involvement is limited to the lower of the fair value of the transferred asset and the exercise price option.

Financial Liabilities

Financial liabilities include trade payables, other creditors and loans from third parties.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) Impairment of Financial Assets

VACC assess at each Balance Sheet date whether a financial asset or group of financial assets are impaired.

(i) Financial Assets Carried At Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value, because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow, discounted at the current market rate of return for a similar financial asset.

(ii) Available-for-sale Investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the income statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(M) Intangible Assets

Intangible assets with an indefinite life are not amortised but are tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Intangible assets are carried at cost less accumulated impairment losses. Impairment losses are recognised in the Income Statement in the year they arise.

(N) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to VACC prior to the end of the financial year in which they are unpaid and arise when VACC becomes obliged to make future payments in respect of the purchase of these goods and services.

(O) Provisions

Provisions are recognised when VACC has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When VACC expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

(P) Employee Leave Benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date. They are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits at measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(Q) Special Capital Fund

The Special Capital Fund is administered by an Investment Committee. The Investment Committee uses various Specialist Fund Managers in the administration of a range of investments, valued by the Managers at net market value. The Special Capital Fund's investment has been recorded in the Financial Statements at redemption price.

The components of the Special Capital Fund are readily tradeable, however the nature of the Fund is such that it is not expected to be ordinarily consumed or converted into cash within twelve months of the reporting date, although components of the Fund may be so consumed or converted. Accordingly, the Special Capital Fund is considered neither a current nor a non-current asset.

The change in the value of the Special Capital Fund during the year, including the aggregate difference between the price realised on disposal of Special Capital Fund components and their redemption price at reporting date have been recorded in the Balance Sheet (Refer Note 15).

Interest, dividends and distributions received from the Special Capital Fund during the year have been recorded in the Income Statement (Refer Note 4).

(R) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Finance 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 VACC 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 depreciated on a straight line basis over their estimated useful lives where it is likely that the company 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.

(ii) Operating Leases

Lease payments for 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.

Lease incentives received under operating leases are recognised as a liability and are recognised in the Income Statement as an integral part of the total lease expense.

(S) Interest in a Jointly Controlled Operation

VACC has an interest in a Joint Venture that is a jointly controlled operation. A Joint Venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the ventures rather than establishment of a separate entity. VACC recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operation in the Income Statement.

(T) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
4. OPERATING RESULT		
The operating result has been determined after:		
(a) Revenues from Operating Activities		
Income from Special Capital Fund:		
Interest	1,125,005	921,380
Dividends	824,694	895,243
Other Distributions	10,448,352	6,034,008
	12,398,051	7,850,631
Revaluation of VACC House	7,850,000	-
Member Subscriptions	3,180,734	3,145,815
Events Activity	2,606,044	2,499,775
Stationery Sales	702,501	778,457
Rental Income	4,572,930	4,863,826
Bank Interest Income	59,860	52,174
Dividend Income	74,445	61,480
Advertising	258,621	239,780
Recovery of Apprentice Wages	9,015,822	7,978,561
Commissions Received	662,686	698,866
Employment, Education and Training Income	882,179	1,028,503
Profit on Sale of Investment	1,337,500	-
Other Income	2,216,112	1,719,237
Total Revenues from Operating Activities	45,817,485	30,917,105

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
4. OPERATING RESULT (CONT'D)		
(b) Expenditure from Operating Activities:		
Auditor's Remuneration in respect of:		
Audit Services	35,000	49,000
Other Services	22,400	11,215
Aggregate Auditor's Remuneration	57,400	60,215
Legal Fees Paid/(Reimbursed)	148,521	(71,563)
Subscriptions	872,314	786,069
Investment Management Fees	232,690	219,282
Amount Paid as Remuneration to Holders of Office	492,254	461,458
Amount Paid as Remuneration to Employees of the Organisation	13,090,960	12,192,773
Amount Paid in Respect of Superannuation	1,663,174	1,453,678
Administrative Expenses	943,507	872,849
Provision for Annual Leave	49,747	141,820
Provision for Long Service Leave	55,192	125,564
Devaluation of Brooklands Car Park	-	900,000
Donations	50,287	22,715
Board of Management and Executive Board Expenses	236,964	231,554
Depreciation of Furniture and Fittings	45,277	45,739
Depreciation of Plant and Equipment	57,539	82,645
Depreciation of Motor Vehicles	220,535	185,613
Amortisation of Leased Plant and Equipment	11,135	93,166
Bad Debts	2,362	15,412
Stock Write Off	32,707	13,166
Operating Lease Rentals	302,490	200,348
Loss on Disposal of Plant & Equipment	29,549	33,931
Write down for impairment of Intangible	200,000	-
Advertising Expenses	1,001,054	931,680
Cost of Inventory Purchases	315,585	453,898
Divisions and Membership Expenses	678,302	718,978
Employment, Education & Training Expenses	746,933	878,052
Government & Public Affairs Expenses	114,711	114,833
Industrial Relations Expenses	850,718	487,443
Events Activity	2,647,849	2,801,329
Property Expenses	1,300,960	1,308,469
Telephone Expenses	136,356	120,222
VACC Brand Advertising Campaign	976,360	778,472
VACC/TACC House Refurbishment Expenses	369,741	484,688
Other Operating Expenses	1,954,875	2,119,772
Total Operating Expenses Other than Borrowing Costs	29,888,143	29,264,270
Finance charges on Leased Plant & Equipment	436	3,311
Total Borrowing Costs	436	3,311
Total Operating Expenses	29,888,579	29,267,581

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
5. RECEIVABLES:			
Current:			
Trade and other Receivables		4,928,782	4,822,251
Provision for Doubtful Debts		(15,000)	(15,000)
		4,913,782	4,807,251
6. INVESTMENTS - SPECIAL CAPITAL FUND COMPRISES:			
Equity Funds		65,062,456	57,650,533
Units in Property Trust		19,989,320	18,295,850
Fixed Interest		4,202,567	12,824,570
Absolute Return Funds		13,140,214	8,014,529
Discounted Security and Liquidity Fund		15,353,703	7,683,092
		117,748,260	104,468,574
7. INVESTMENTS:			
Investments at cost:			
AADA Dealer Services P/L ¹		2,950	2,950
carsales.com.au Limited ²		-	500,000
Investments at fair value:			
carsales.com.au Limited ² (Cost \$250,000)		1,587,500	-
Units in MTAA House Unit Trust ³ (Cost \$130,861)		463,869	411,066
		2,054,319	914,016
¹	The operating activity of the company is to develop commercial opportunities for the provision of services to those in the automotive industry. VACC holds a 29.5% ownership interest in AADA Dealer Services Pty. Ltd.		
²	The operating activity of the company is internet automotive classified advertising and sales and maintenance of software and websites to support the automotive industry. VACC holds 0.006% (2006:0.012%) ownership interest in carsales.com.au Limited.		
³	The operating activity of the trust is to own and manage MTAA House. VACC holds a 2.6% ownership interest in MTAA House Unit Trust.		
8. PROPERTY:			
Non Current:			
Property – VACC House, 464 St Kilda Road, Melbourne – at fair value (Cost \$9,970,771)		34,850,000	27,000,000
Property – TACC House, 200 New Town Road, New Town, Tasmania		53,550	40,000
Property – 23 Queens Road Car Park, Melbourne - at fair value (Cost \$1,815,000)		1,400,000	1,400,000
		36,303,550	28,440,000

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
9. PLANT AND EQUIPMENT			
(a) Plant and Equipment			
Furniture and Fittings – Cost		543,693	505,205
Accumulated Depreciation		(470,016)	(464,311)
Net Book Value	9(b)	<u>73,677</u>	<u>40,894</u>
Plant and Equipment – Cost		1,855,987	3,457,094
Accumulated Depreciation		(1,527,299)	(3,119,498)
Net Book Value	9(b)	<u>328,688</u>	<u>337,596</u>
Motor Vehicles - Cost		1,471,713	1,513,658
Accumulated Depreciation		(551,967)	(665,708)
Net Book Value	9(b)	<u>919,746</u>	<u>847,950</u>
Equipment Under Finance Lease Contracts - Cost		44,539	44,539
Accumulated Amortisation		(37,116)	(25,981)
Written Down Value	9(b)	<u>7,423</u>	<u>18,558</u>
Total Net Book Value		<u>1,329,534</u>	<u>1,244,998</u>
(b) Reconciliations			
Furniture and Fittings:			
Carrying Amount at Beginning of the Year		40,894	79,874
Additions		78,060	6,832
Disposals		-	(73)
Depreciation Expense		(45,277)	(45,739)
Carrying Amount at End of the Year		<u>73,677</u>	<u>40,894</u>
Plant and Equipment:			
Carrying Amount at Beginning of the Year		337,596	375,311
Additions		51,745	49,182
Disposals		(3,114)	(4,252)
Depreciation Expense		(57,539)	(82,645)
Carrying Amount at End of the Year		<u>328,688</u>	<u>337,596</u>
Motor Vehicles:			
Carrying Amount at Beginning of the Year		847,950	742,720
Additions		439,587	402,643
Disposals		(147,256)	(111,800)
Depreciation Expense		(220,535)	(185,613)
Carrying Amount at End of the Year		<u>919,746</u>	<u>847,950</u>
Equipment Under Finance Lease Contracts:			
Carrying Amount at Beginning of the Year		18,558	111,724
Additions		-	-
Disposals		-	-
Amortisation Expense		(11,135)	(93,166)
Carrying Amount at End of the Year		<u>7,423</u>	<u>18,558</u>

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
10. INTANGIBLE			
Rights for participation in Joint Venture	17	200,000	400,000
11. PAYABLES			
Trade and Other Creditors		1,974,201	2,249,686
12. INTEREST-BEARING LIABILITIES			
Current:			
Lease Liability		16,182	8,691
Non-Current:			
Lease Liability		-	16,182
Total Interest Bearing Liabilities	18	16,182	24,873
All leases are unsecured leases			
13. PROVISIONS			
Current:			
Provision for Annual Leave		1,017,981	968,234
Provision for Long Service Leave		397,900	333,978
		1,415,881	1,302,212
Non-Current:			
Provision for Long Service Leave		332,641	341,371
Aggregate Employee Entitlement Liability		1,748,522	1,643,583
14. REVENUE ACCUMULATION			
Opening Balance		99,714,294	100,831,851
Result for the year		15,928,906	(1,117,557)
Closing Balance		115,643,200	99,714,294
15. RESERVES			
Special Capital Fund Reserve:			
Opening Balance		17,724,972	7,974,481
Result for the Year		5,314,730	6,983,410
Transfer from Operating Result for the Year		-	2,767,081
Closing Balance		23,039,702	17,724,972
Asset Revaluation Reserve:			
Opening Balance		16,794,433	16,710,697
Revaluation – Units in MTAA House Unit Trust		52,803	83,736
Revaluation of Investment in carsales.com.au Limited		1,337,500	-
Closing Balance		18,184,736	16,794,433
Total Reserves		41,224,438	34,519,405

The Special Capital Fund Reserve is used to record increments and decrements of the Special Capital Fund.
The Asset Revaluation Reserve is used to record increments and decrements in the value of non-current assets.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
16. RECONCILIATION OF CASH			
Cash assets		660,210	834,160
17. INTEREST IN JOINT VENTURE OPERATION			
VACC has a 50% interest in the output of a joint venture operation called National Freight Conference & Expo, so as to offer the freight logistics industry a quality forum to display and discuss technological advances in the freight and logistics transport segment. The Expo is held every 2 years.			
Trade Show/Congress Revenue		-	114,335
Trade Show/Congress Expenses		-	(10,165)
Impairment against Initial Investment		-	(100,000)
Surplus		-	4,170
18. EXPENDITURE COMMITMENTS			
Lease expenditure commitments			
Operating Leases (non-cancellable):			
Minimum Lease Payments:			
▶ not later than one year		215,113	252,699
▶ later than one year and not later than five years		291,274	308,066
▶ later than five years		-	-
▶ aggregate lease expenditure contracted for at balance date		506,387	560,765
Aggregate expenditure commitments comprise:			
Amounts not provided for:			
▶ rental commitments		506,387	560,765
Aggregate lease expenditure contracted for at balance date		506,387	560,765
Operating leases have an average lease term of 1.77 (2006: 2.19) years. Items subject to operating leases are the TACC office and various office equipment.			
Finance lease contracts capitalised and included in plant and equipment:			
▶ not later than one year		16,389	9,127
▶ later than one year and not later than five years		-	16,389
▶ later than five years		-	-
Total minimum lease payments		16,389	25,516
Less future finance charges		(207)	(643)
Lease Liability		16,182	24,873
▶ Current		16,182	8,691
▶ Non-Current:		-	16,182
Total Lease Liability	12	16,182	24,873

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
18. EXPENDITURE COMMITMENTS (CONT'D)			
Expenditure Commitments:			
Estimated expenditure contracted for at balance date, but not provided for, payable not later than one year:			
Acquisition of TACC House		360,000	411,276
VACC House Refurbishment		-	103,575
Total Commitments		360,000	514,851

19. FINANCIAL INSTRUMENTS

(A) Terms, Conditions and Accounting Policies

Receivables arise from the sale of a range of products and services made on credit, due in 30 days. The total receivable at reporting date is shown net of a provision for amounts estimated to be uncollectible. Interest is not charged on outstanding amounts.

Details of the terms, conditions and accounting policy associated with Special Capital Fund Investments are set out in Note 3(Q). Investment Managers' mandates permit the use of derivatives to cover investment and foreign currency exposure. The use of derivatives is not to exceed the underlying physical investment.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to VACC. Trade accounts payable are normally settled on 30-day terms and no interest is incurred on those accounts.

Included in borrowings are amounts due under finance leases accounted for in accordance with AAS17. As at reporting date, the outstanding finance lease contracts had an average term of 1.77 years (2006: 1.75 years) and an average implicit discount rate of 2.0% (2006: 2.1%).

(B) Interest Rate Risk

As at reporting date, VACC's exposure to interest rate risk related to finance leases (refer Note (A) above) and cash and deposits whose weighted average effective interest rate is 2.104% (2006: 2.104%). As at reporting date, there were no unrecognised derivatives.

(C) Net Fair Values

The following methods and assumptions are used in determining the net fair values of financial assets and liabilities. The net fair values of financial instruments, all of which are recognised in the financial statements, approximate the amounts at which they are carried in the Balance Sheet and in the Notes to the Financial Statements. In relation to an asset, the fair value is calculated after deducting costs expected to be incurred were the asset to be exchanged, and, in relation to a liability, the fair value is calculated after adding costs expected to be incurred were the liability to be settled.

(D) Credit Risk Exposures

VACC's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. Exposure is limited by VACC trading with a large number of customers.

20. RELATED PARTY DISCLOSURES

The Members of the Victorian Automobile Chamber of Commerce Executive Board during the financial year were:

A. D. Blake	A. La Rosa
F. Bortolotto (elected 16 April 2007)	P. G. Makin
O. C. Brown OAM (term of office expired 15 April 2007)	T. L. Sanchez (elected 16 April 2007)
J. J. Buskes	P. R. Savige (elected 16 April 2007)
G. G. Hill	R. N. Stuckey (term of office expired 15 April 2007)

There were no transactions with Executive Board members except on commercial terms and conditions.

21. REMUNERATION OF DIRECTORS

	2007	2006
	\$	\$
Amounts paid or payable or otherwise made available to directors	-	-
Number of directors whose income from the Chamber or any related party falls within the following bands:	No.	No.
\$ 0 – \$9,999	10	7

22. REMUNERATION OF AUDITORS

	2007	2006
	\$	\$
Amounts received or due and receivable by Pitcher Partners for:		
Audit Services	35,000	-
Other Services	4,000	-
	<u>39,000</u>	<u>-</u>
Amounts received or due and receivable by Ernst & Young for:		
Audit Services	-	49,000
Other Services	18,400	11,215
	<u>18,400</u>	<u>60,215</u>

23. SEGMENT INFORMATION

VACC operates predominantly in one industry segment as the peak Employer Organisation for the retail automotive industry in Victoria and Tasmania.

24. SUBSEQUENT EVENT

There has not been any other matter, or circumstances, not dealt with within the financial report that has significantly affected or may significantly effect the operations VACC, the results of those operations or state of affairs of VACC in subsequent financial years.

25. ORGANISATION INFORMATION

Victorian Automobile Chamber of Commerce (VACC) is:

- ▶ Domiciled in Australia
- ▶ Incorporated under the Workplace Relations Act 1996
- ▶ Registered address and principal place of business is VACC House, 464 St Kilda Road, Melbourne, Vic 3004
- ▶ Principal activity is that of an Employer Organisation
- ▶ Number of employees as at 30 June 2007 was 110
- ▶ Number of apprentices as at 30 June 2007 was 413

BOARD RESPONSIBILITIES

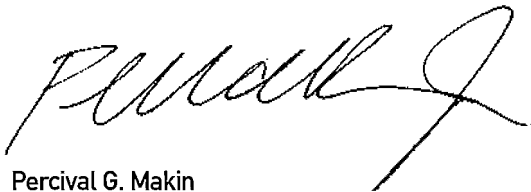
The Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The Board ensures that Management's objectives and activities are aligned with the expectations and risks identified by the Board and has a number of mechanisms in place to ensure this is achieved.

These mechanisms include the following:

- ▶ Development and approval of initiatives and strategies designed to ensure the continued growth and success of the Victorian Automobile Chamber of Commerce;
- ▶ Approval of operating plans and budgets prepared by Management and Board monitoring of progress against budget; and,
- ▶ Establishment and monitoring of key performance indicators (both financial and non-financial) for all significant business processes.

On behalf of the Board,



Percival G. Makin
PRESIDENT



Graeme G. Hill
SENIOR VICE PRESIDENT

12 September 2007
Melbourne

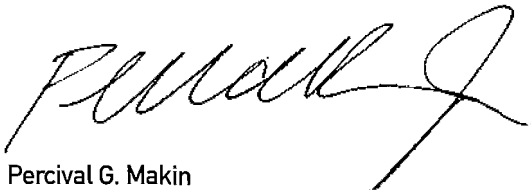
EXECUTIVE BOARD'S STATEMENT

On 12 September 2007 the Executive Board of the Victorian Automobile Chamber of Commerce passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the organisation for the financial year ended 30 June 2007:

The Executive Board 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 organisation for the financial year to which they relate;
- (d) There are reasonable grounds to believe that the organisation will be able to pay its debts as and when they become due and payable;
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - (i) Meetings of the Executive Board were held in accordance with the Rules of the Organisation; and,
 - (ii) The financial affairs of the organisation have been managed in accordance with the Rules of the Organisation; and,
 - (iii) The financial records of the organisation have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and,
 - (iv) The information sought in any request of a member of the organisation or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member or Registrar; and,
 - (v) No orders have been made by the Commission under Section 273 of the RAO Schedule during the period.

On behalf of the Board,



Percival G. Makin
PRESIDENT



Graeme G. Hill
SENIOR VICE PRESIDENT

12 September 2007
Melbourne

I, Percival G. Makin, being the designated officer responsible for preparing this Report for the financial year ended 30 June 2007 of the Victorian Automobile Chamber of Commerce, report as follows:

Principal Activities:

The Victorian Automobile Chamber of Commerce ("VACC") is an employer organisation, which provides various services to members operating in the retail automotive industry:

1. Representing members in industrial matters and disputes, equal opportunity matters and presenting submissions to industrial and other tribunals.
2. Representing the retail automotive industry in discussions and consultations with Federal and State Governments.
3. Promoting retail automotive businesses in Victoria and Tasmania.
4. Arranging and promoting the adoption of uniform and equitable forms of contracts, hiring agreements and other documents used in retail automotive businesses.
5. Providing assistance, advice and information in the areas of specialist technical services, industrial relations, human resource management, and OH&S and workers' compensation management.
6. Conducting training seminars in equal opportunity, occupational health and safety, WorkCover, workplace agreements, etc.
7. Operating a group training scheme for apprentices and trainees.
8. Operating the VACC College of Automotive Business Management, offering certificate, diploma and short courses in automotive business management.
9. Development of Codes of Practice.
10. Collecting and circulation of statistics and other information relating to the retail automotive trade.
11. Publishing periodicals.

Review of Principal Activities

The result from operating activities for the year ended 30 June 2007 was a surplus of \$15,928,906 (2006: deficit of \$1,117,557).

Revenues from operating activities were \$45,817,485 (2006: \$30,917,105) and expenses from operating activities were \$29,888,579 (2006: \$29,267,581).

In 2006, a transfer of \$2,767,081 from Income to the Special Capital Fund Reserve was made.

Significant Changes

There were no significant changes in the state of affairs of the Association during the financial year.

Manner of Resignation:

Members may resign from the Association in accordance with Rule 16, which reads as follows:

- (1) Any member may resign his membership in accordance with this rule, and, from the date of such resignation, such member shall cease to be a member, but shall nevertheless remain liable for and pay to the Association all moneys which at the time he ceases to be a member may be due by him to the Association, and at once return all badges, certificates, and/or other property of the Association held by him.
Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation from the Association took effect, may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.
- (2) The notice of resignation shall be in writing addressed to the Executive Director and shall be delivered to him by:
 - (a) Leaving it with him personally; or,
 - (b) Leaving it in an envelope addressed to him at the registered office of the Association; or,
 - (c) Posting it in an envelope addressed to him at the registered office of the Association.
- (3) The notice of resignation takes effect:
 - (A) Where the member ceases to be eligible to become a member of the Association;
 - (i) On the day on which the notice is received by the Association; or,
 - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,Whichever is later; or,
 - (B) In any other case:
 - (i) At the end of 2 weeks after the notice is received by the Association; or,
 - (ii) On the day specified in the notice,Whichever is later
- (4) A notice delivered to the Executive Director shall be taken to have been received by the Association when it was delivered.
- (5) A notice of resignation that has been received by the Association is not invalid because it was not addressed to and delivered to the Executive Director.
- (6) A resignation from membership of the Association is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.



Officers or Members holding the position of a trustee of a superannuation entity are as follows:

David Purchase OAM, the Executive Director of VACC, is a Director of CARE Super Pty Ltd, the Trustee for the Clerical and Related Employees Industry Superannuation Fund.

Anthony Blake, an Executive Board member of VACC, is a Director of the Motor Trades Association of Australia Superannuation Fund Pty Ltd, the Trustee of the MTAA Superannuation Fund.

Number of Members

The number of persons at 30 June 2007 who were recorded on the Register of Members of the Association was 5,100.

Number of Employees

The number of employees of the Association at 30 June 2007 was 110 full time employees and 413 apprentices.

Members of Committee of Management

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

Don Armstrong AM

Mark Awramenko

Tony Barlow

Fury Bortolotto

Craig Bromley

Owen Brown OAM

Steve Bennett (elected 26 February 2007)

Garry Byrne (term of office expired 25 February 2007)

Morry Corvasce

Andrew Crammond (elected 26 February 2007)

Colin Doherty

Andrew Enkelman (elected 26 February 2007)

John Forza

Doug Grey (term of office expired 25 February 2007)

Ian Goding

Steve Hall (deceased 20 October 2006)

Graeme Hill

John Howes

Rodney Howell

Chris Hummer (elected 26 February 2007)

Richard Kaucic

Aslam Kazi

Max Kirwan OAM

Bill La Rocca

Tony La Rosa

David Mackay

Perce Makin

Sam Manenti

David Nutter

John Bacon

Anthony Blake

Des Brown

John Buskes

John Byrne

Alan Costello

Stephen O'Hare (elected 26 February 2007)

Gary McKendry

Graeme McIlwaine

Trevor Oliver

Laurie Parrot

Gerry Raleigh

Sandy Richards

Tony Sanchez

Peter Savige

Leigh Smith (elected 26 February 2007)

Neil Smith (term of office expired 25 February 2007)

Warren Smith

Joe Shneider

Russell Stuckey

Bruce Thompson

Ian Thomas (resigned 31 August 2006)

Gary Treloar (elected 26 February 2007)

Greg Wallace

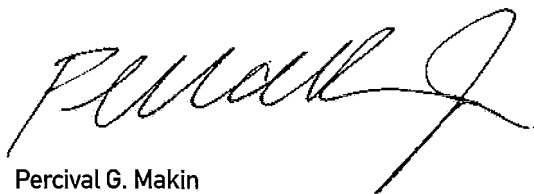
Colin Waugh

Jeff Watts

Robin Weatherald

Tony Wylie

On behalf of the Board,



Percival G. Makin
PRESIDENT

12 September 2007
Melbourne

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE

We have audited the accompanying financial report of Victorian Automobile Chamber of Commerce ("VACC"), which comprises the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Members' Funds and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of VACC are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Workplace Relations Act 1996*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 3, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 in 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements and the *Workplace Relations Act 1996*.

VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE
INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
VICTORIAN AUTOMOBILE CHAMBER OF COMMERCE

Auditor's Opinion

In our opinion,

(a) the financial report of VACC is in accordance with the *Workplace Relations Act 1996*, including:

- (i) giving a true and fair view of VACC's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Workplace Relations Act 1996*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 3.



B Britten

14 September 2007



PITCHER PARTNERS

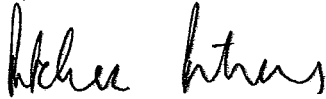
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Victorian Automobile Chamber of Commerce

In relation to the independent audit for the year ended 30 June 2007, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Workplace Relations Act 1996*.
- (ii) No contraventions of any applicable code of professional conduct.



PITCHER PARTNERS



B Britten
Partner

Melbourne 14 September 2007