

# **The Motor Trade Association of SA Inc**

ABN 65 767 492 138

## **Consolidated Financial Report**

**For the year ended**

**31 March 2012**

# MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

## Operating Report

The Board of Management present their report, together with the financial report of The Motor Trade Association of SA Inc. (the Association) and of the Consolidated Entity, being the Association and its controlled entities, for the financial year ended 31 March 2012.

The names of the Members of the Board of Management who held office at any time during or since the end of the year are:

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

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

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

### Principal Activities

The principal activities of the Consolidated Entity during the financial year were to serve the interests of employers and members of the Retail Motor Trade in SA by;

- Providing a political voice for the retail motor industry;
- Providing an industry voice in discussion with all levels of government;
- Providing industrial award advice, advocacy and representation;
- Providing technical information and specialized industry stationery; and
- Training apprentices for the retail motor industry.

No significant changes in the nature of these activities occurred during the year.

### Operational and financial review

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

### Statement of Comprehensive Income

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

## **Statement of Financial Position**

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

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

## **Events since balance date**

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## **Trustee or Director of Superannuation Entity**

Subsection 254(2)(d) of the Fair Work Australia (Registered Organisations) Act 2009 requires "details" (including details of the position held) of any officer or member of the reporting unit who is;

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation."

The Board is not aware of any officer or member of the Consolidated Entity holding a position as trustee or director of a company (that is a trustee of a superannuation entity or exempt public sector superannuation scheme) where the criterion for holding such position is that he or she is an officer or member of an organisation.

## **Members**

Members' rights to resign is set out in Item 13 of the Constitution, in summary a member may resign from membership by written notice addressed and delivered to the offices of the Motor Trade Association.

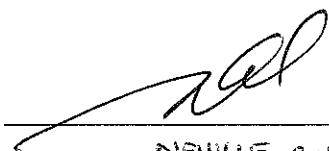
At the end of the financial year there were 1,150 members of the Motor Trade Association of SA Inc, (2011: 1,108).

## **Staffing**

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

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

Board  
Member



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NEVILLE GIBB

Board  
Member



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Marc Cheney

Dated this 22 day of May 2012.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
AND CONSOLIDATED ENTITY**  
ABN 65 767 492 138

**DISCUSSION AND ANALYSIS OF PRINCIPAL FACTORS AFFECTING THE FINANCIAL PERFORMANCE,  
FINANCIAL POSITION AND FINANCIAL AND INVESTING ACTIVITIES**

The financial statements and disclosures in the financial report have been derived from the 2012 Financial Report of the Motor Trade Association of SA Inc. and Consolidated Entity.

A copy of the full financial report and auditor's report will be sent to all members, free of charge.

The following discussion and analysis is provided to assist the understanding of members of the MTA of SA Inc. The discussion and analysis is based on the general purpose financial report of the Association and Consolidated Entity.

**Operational and financial review**

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

**Statement of Comprehensive Income**

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

# MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

## Statement of Comprehensive Income For the year ended 31 March 2012

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

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

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

**Statement of Changes in Equity**

**For the year ended 31 March 2012**

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

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

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

**Statement of Financial Position**

**As at 31 March 2012**

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

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



**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
AND CONSOLIDATED ENTITIES**

ABN 65 767 492 138

**Statements of cash flows**

**For the year ended 31 March 2012**

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

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

## Notes to the consolidated financial statements

### **1. Significant accounting policies**

The Motor Trade Association of SA Inc (the "Association") is an entity domiciled in South Australia. The consolidated financial report of the Association for the year ended 31 March 2012 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

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

#### **(a) Statement of compliance**

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

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

#### **(b) Basis of preparation**

The financial report is presented in Australian dollars.

The financial report is prepared on an accrual basis and the historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association and the Consolidated Entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **(c) Accounting estimates and judgements**

Management discussed with the Board of Management the development, selection and disclosure of the Consolidated Entity's critical accounting policies and estimates and the application of these policies and estimates.

## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (d) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities controlled by the Association. Control exists when the Association has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in all subsidiaries are carried at their cost of acquisition in the Association's financial statements.

##### (ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### (e) Property, plant and equipment

##### (i) Owned assets

Items of property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy I).

Where parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Expenditure on fixed assets of less than \$300 is expensed when incurred.

##### *Subsequent costs*

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied within the item will flow to the Consolidated Entity and the cost of the item can be reliably measured. All other costs are recognised in profit and loss as an expense as incurred.

The Association has a policy of valuing property owned by the Association every three years. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position.

## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (ii) Depreciation

The depreciable amount of all fixed assets are depreciated over the estimated economic life of the asset to the Consolidated Entity commencing from the time the asset is held ready for use. Assets with a written down value of less than \$100 at the end of the year, are depreciated to nil value at the year end.

Leasehold improvements are depreciated over the estimated useful lives of the improvements. Plant and equipment are depreciated from the date of acquisition. The reducing value method is used.

Buildings are depreciated over their expected useful economic life. The straight line method is used.

The depreciation rates used for each class of depreciable asset vary dependent on the assessed economic life of each individual asset, and within each class the depreciation rates used are as follows:

<u>Asset Class</u>	<u>Depreciation Rate</u>	
	<u>2012</u>	<u>2011</u>
Plant & Equipment	9 to 36%	9 to 36%
Furniture & Fittings	11 to 30%	11 to 30%
Motor Vehicles	22.5%	22.5%
Buildings & Improvements	2.5 to 4%	2.5 to 4%

The residual value, if not insignificant, is reassessed annually

#### (f) Expenses

##### *Operating lease payments*

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

##### *Net financing costs*

Net financing costs comprise interest payable on borrowings and dividend income. Interest income is recognised in profit and loss as it accrues, using the effective interest method. Dividend and distribution income is recognised in profit and loss on the date the Consolidated Entity's right to receive payments is established.

#### (g) Investments

The Consolidated Entity's non-current equity investments are classified as being available-for-sale and are carried at fair value. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost as this is considered the best estimate of fair value.

## Notes to the consolidated financial statements (continued)

### (h) Investment Property

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

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

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

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

### (i) Trade and other receivables

Trade and other receivables, to be settled within 30 days, are initially measured at their fair value and subsequently measured at amortised cost using the effective interest rate method less any impairment losses (see accounting policy I).

Bad debts are written off when they are identified.

### (j) Inventories

Inventories consist of printing and stationery, raw and finished products, protective clothing, tool kits and educational resources and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

### (k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances (note 3) and call deposits classified as current investments (note 6). Bank overdrafts that are repayable on demand and deposits at call that form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (I) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy j), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in normal course of business.

#### (i) Calculation of recoverable amount

The recoverable amount of the Consolidated Entity's assets carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non significant receivables are not individually assessed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, value in use means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

#### (ii) Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (m) Income Tax

The Association is exempt from income tax pursuant to section 50 – 15 of the Income Tax Assessment Act 1997.

The MTA – Group Training Scheme Inc, is exempt from income tax pursuant to section 50 -5 of the Income Tax Assessment Act 1997

For the Retail Motor Trading Co. Pty Ltd, a controlled entity, tax effect accounting is applied using the balance sheet method. The income tax expense comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The Retail Motor Trading Co. Pty Ltd had a tax loss of \$209 resulting from activities to the taxation year ended 31 March 2012, (2011: \$Nil).

#### (n) Employee benefits

##### *Defined Contribution plans*

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in profit and loss as incurred.

##### *Long-term service benefits*

The Consolidated Entity's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using rates attached to the Commonwealth Government bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

##### *Wages, salaries, annual leave and non monetary benefits*

A provision is made for annual leave, wages and salaries and employment on costs of Payroll Tax, WorkCover and Superannuation that are expected to be settled within 12 months of the reporting date. Employment on-costs have been calculated on the basis that employees will take accumulated leave prior to retirement.

Vested entitlements are shown as current liabilities, measured at nominal wage rates.

Annual leave is provided for at current rates of pay plus employment costs. The Consolidated Entity's experience is that the majority of Annual Leave is taken as accrued, and future wage increases are not subject to any agreed formula or enterprise agreements.

No provision is made for sick leave, which although cumulative is non-vesting. However, it is vesting for apprentices. The Consolidated Entity's experience is that traditionally, sick leave paid in a year does not exceed the benefit accumulated in a year.

## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (o) Provisions

A provision is recognised in the Statement of Financial Position when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (p) Trade and other payables

Liabilities are initially recognised for amounts to be paid in future for goods and services received by the Consolidated Entity at fair value and subsequently measured at amortised value. Trade accounts payable, are normally settled within 30 days.

#### (q) Interest Rate Risk

The Consolidated Entity has exposure to interest rate risk through its bank deposits. Information about the bank deposits are set out in note 6.

#### (r) Revenue

##### (i) Goods sold and services rendered

Revenue from the sale of goods is recognised in profit and loss when significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at reporting date.

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

Dividend revenue and commissions are recognised when the Consolidated Entity has received a dividend or commission.

##### (ii) Rental income

Rental income from property is recognised in profit and loss on a straight- line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

##### (iii) Government grants

Grants constituting non-reciprocal transfers received from the Government are recognised as income when the Consolidated Entity obtains control of the benefit. A non-reciprocal transfer is one in which the Consolidated Entity receives assets and services or has liabilities extinguished without giving approximately equal value in exchange to the other party or parties to the transfer. Grants in which the Consolidated Entity is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion of the transaction.



## Notes to the consolidated financial statements (continued)

### 1. Significant accounting policies (continued)

#### (s) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## Notes to the consolidated financial statements (continued)

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

## Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>6. Investments</b>				
<b>Current Investments</b>				
Fixed Term Deposit	1,337,542	2,397,862	3,073,372	5,336,237
Deposits at Call	1,337,542	2,397,862	3,073,372	5,336,237
<b>Current Investments</b>				
Publicly Listed Investments	-	30,074	-	30,074
Less: Prov. For Diminution in Value	-	(30,074)	-	(30,074)
<b>Shares in Non-Listed Investments</b>				
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)	1	1	1	1
	1	1	1	1
<b>Non-current Investments</b>				
Units in MTAA Unit Trust	2,037,014	668,000	2,182,515	668,000
<b>Total Non-current Investments</b>	2,037,014	668,000	2,182,515	668,000

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

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

## Notes to the consolidated financial statements (continued)

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

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

The Association has a policy of dividing the initial value of property acquisitions and allocating one third of value to land and two thirds of value to buildings. The buildings component is then depreciated over the Board of Management assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

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

# Notes to the consolidated financial statements (continued)

## 8. Property, plant and equipment

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

## Notes to the consolidated financial statements (continued)

### Property, plant and equipment (continued)

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

The Consolidated Entity has a policy of dividing the initial value of property acquisitions and allocating one third of value to land and two thirds of value to buildings. The buildings component is then depreciated over the Board assessed appropriate economic life of the buildings. This assessment takes into account the style, position and state of repair of the buildings concerned.

81-83 Greenhill Road Wayville was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2012 at a "willing buyer/seller" market value of \$6,750,000.

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

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

## Notes to the consolidated financial statements (continued)

### 9. Trade and other payables

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

### 10. Employee benefits

#### Current

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

#### Non-current

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

Total employee benefits	<u>748,261</u>	<u>622,692</u>	<u>1,311,184</u>	<u>1,137,643</u>
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### 11. Borrowings

#### Current

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

#### Non –Current

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

<sup>(1)</sup> The loan from controlled entity is an interest free loan at call.

## Notes to the consolidated financial statements (continued)

### 12. Contingencies

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

In the event of the winding up of the Motor Trade Association of Australia Limited, the Motor Trade Association of SA has a limited liability of \$100.

During a period of an economic downturn, it is appropriate to provide for a contingent liability which may arise for the return of apprentices and trainees from host employers and not being able to place those apprentices and trainees with alternate host employers. Should this occur and all apprentice and trainees are returned, the cost to the consolidated entity would be \$1,558,000 (2011:\$1,513,000), whilst the cost to the Association for training staff entitlements would be \$276,000 (2010:\$263,000).

In 2010 the MTA Group Training Scheme successfully gained a Federal Government grant of \$1,359,000 for the development of its Royal Park training facilities. Under the terms included in the Deed for the National Training Infrastructure Program, this amount may be recovered within three years of the completion of the project should a disqualifying event as outlined in the Deed occur. To date no such event has occurred.

### 13. Consolidated entities

	<b>Australian Business Number</b>	<b>Ownership interest</b>	
		<b>2011</b>	<b>2010</b>
<b>Parent entity</b>			
The Motor Trade Association of South Australia Inc.	65 767 492 138	100%	100%
<b>Controlled entities</b>			
The MTA – Group Training Scheme Inc.	36 459 968 347	100%	100%
Retail Motor Trading Co. Pty Ltd	ACN 008 166 194	100%	100%



## Notes to the consolidated financial statements (continued)

### 14. Reconciliation of Cash and Cash Equivalents

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

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

### 15. Key management personnel disclosures

The names of the Members of the Association's Board of Management who held office at any time during or since the end of the year are:

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

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

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

The names of the Members of the MTA Group Training Scheme's Board of Management who held office at any time during or since the end of the year are:

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

## Notes to the consolidated financial statements (continued)

No Member of the Board of Management of the Association receives any remuneration (except travel cost reimbursement) other than in their capacity as an employee of the Association.

### Transactions with executive officers

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

The names of the officers of the Consolidated Entry who held office at any time during or since the end of the year are:

John Chapman  
Paul Good

Apart from the details disclosed in this note, no member of the Board of Management has entered into a material contract with the Association or the Consolidated Entity since the end of the previous financial year and there were no material contracts involving director's interests existing at year-end.

### 16. Subsequent events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

## Notes to the consolidated financial statements (continued)

### 17. Information to be provided to members or registrar

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

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

### 18. Association details

The principal place of business of the Association is:

81 Greenhill Road, Wayville, Adelaide, South Australia.

MTA's print and stationery department is located at its 3 Frederick Road, Royal Park, South Australia premises.

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

### 19. Principal activities

The principal activities of the Association during the financial year were:

To protect and promote the interests of members by:-

- Providing a political voice for the retail motor industry;
- Providing an industry voice in discussion with all levels of government;
- Providing industrial award advice, advocacy and representation;
- Providing technical information and specialized industry stationery; and
- Training apprentices for the retail motor industry.

### 20. A Melville Memorial Fund

Funds are held on behalf of the A Melville Memorial Fund and invested with the Association funds as interest earning deposits.

**THE MOTOR TRADE ASSOCIATION  
OF SOUTH AUSTRALIA INC.  
BOARD OF MANAGEMENT STATEMENT**

On 22nd of May 2012 the Board of Management of the Motor Trade Association of SA Inc. passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 March 2012.

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

- (a) the financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements (AASB - RRs) (including Australian interpretations) adopted by the Australian Accounting Standards Board and Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of FWA;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows on the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the Board of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009 ; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or a General Manager duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
  - (vi) No orders have been made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For Board of Management

Title of Office held: Treasurer

Name: Marc Cheney

Signature: *Marc Cheney*

Date: *22nd May* 2012

**THE MOTOR TRADE ASSOCIATION  
OF SOUTH AUSTRALIA INC.**

**STATEMENT BY THE BOARD OF MANAGEMENT**

As required by Section 35 (2) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

- [i] the accounts present fairly the results of the operations of the Association for the financial year and the state of affairs of the Association as at the end of the 2011/2012 financial year;
- [ii] the Board has reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due;
- [iii] that the Association has subsidiaries as detailed in the accounts; and;
- [iv] that the Association is not a trustee of a trust.

Signed pursuant to a resolution of the Board of Directors.



Neville Gibb



Marc Cheney

Dated this                      22nd      day of      May.                      2012

# **THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.**

## **REPORT BY THE BOARD OF MANAGEMENT**

As required by Section 35 (5) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

- [a] No benefit has been received as a result of a contract between an officer, firm or corporate (in which an officer or member of the association, is a member or has a substantial financial interest), and the Association.
- [b] No officer of the Association has received any payment or benefit of a pecuniary value other than as part of a negotiated remuneration package as an employee of the Association.
- [c]
- |  |         |         |
|--|---------|---------|
| Remuneration (including fringe benefits) | 2012    | 2011    |
| received or due and receivable, by       | \$      | \$      |
| officers of the Association.             | 397,057 | 390,100 |

Signed pursuant to a resolution of the Board of Directors.



Neville Gibb



Marc Cheney

Dated this

22nd

day of

May

2012

## **DECLARATION**

### **THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED**

I, JOHN CLIFFORD CHAPMAN of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, Secretary DO SOLEMNLY AND SINCERELY DECLARE as follows:

1. THAT I am the Secretary of The Motor Trade Association of South Australia Incorporated (hereinafter referred to as MTA).
2. THAT the registered office of the MTA is Level 1, 81 Greenhill Road, Wayville, South Australia.
3. That the postal address of the office of the Association is GPO Box 2204, Adelaide in the State of South Australia, and that the telephone number is (08) 8291 2000 and the fax number is (08) 8291 2099.
4. that the documents lodged herewith are copies of the full report referred to in s268 pursuant to 268(c) of the Fair Work (Registered Organisations) Regulations 2009, that the enclosed Financial Report for the 2010/2011 financial year are copies of the documents to be presented to members at the Annual General Meeting held on Tuesday, 17th July 2012 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

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

DECLARED AND SUBSCRIBED

at Wayville, South Australia

this 22<sup>nd</sup> day of May 2012

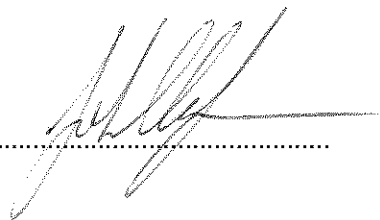
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## **Independent auditor's report to the members of The Motor Trade Association of SA Incorporated**

### **Report on the financial report**

We have audited the accompanying financial report of The Motor Trade Association of SA Incorporated (the Association), which comprises the Statements of Financial Position as at 31 March 2012, and Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the Board of Management Declaration of the Group, comprising the Association and the entities it controlled at the year's end or from time to time during the financial year.

#### *Board of Management's responsibility for the financial report*

The Board of Management of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the Associations Incorporations Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009, and for such internal control as the Board of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act 1985 (as amended), Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards – Reduced Disclosure Requirements, a fair view which is consistent with our understanding of the Association's and the Group's financial position and of their performance.

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





*Auditor's opinion*

In our opinion the financial report of The Motor Trade Association of SA Incorporated is properly drawn up including:

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

*WPMG.*

KPMG

Darren Ball  
*Partner*

Adelaide

22 May 2012