

Contents

Chair's Report.....	2
ATA Board Membership.....	5
ATA Management and Staff.....	6
Project Grants.....	7
Retail, Service & Repair Advisory Group.....	8
Retail, Service & Repair Advisory Group Membership.....	10
Manufacturers' Advisory Group.....	11
Manufacturers' Advisory Group Membership.....	12
National Automotive Network.....	13
Financial Statements.....	14

Chair's Report

It gives me great pleasure to present the sixteenth Annual Report of Automotive Training Australia Limited, my fifth and last as Chair.

Firstly, I would like to congratulate the ATA staff, my fellow Directors and members of various advisory groups and project committees on remaining focused on our primary goal of maintaining a highly skilled automotive workforce.

This past financial year continued the pursuit of Government acceptance of the industry's firm commitment to a stand-alone national training body for the automotive industry. Whilst ATA has not been declared an Industry Skills Council in its own right, it was funded by DEST to maintain and continuously improve the Automotive Training Packages for the 2006 calendar year and a further contract was signed in June 2007 giving ATA responsibility, recognition and funding for this role until March 2008. This was facilitated by negotiations between ATA shareholders and DEST. I would like to thank both MTAA and FCAI for their dedication to ensuring ATA is sufficiently resourced to undertake its work on behalf of the industry.

The ATA Board and peak automotive industry organisations remain committed to the establishment of a dedicated national automotive training body and ATA shareholders continue to negotiate with relevant parties to reach a solution which satisfies the training needs of the industry.

The automotive industry is a major sector of the Australian economy with an annual turnover exceeding \$50 billion and employment in excess of 400,000 people and representation by over 60,000 individual businesses. The size and nature of the industry justifies the stance being maintained by ATA shareholders in relation to long term recognition of a dedicated automotive training body within the Government's preferred advisory structure.

The Continuous Improvement of the Retail, Service & Repair Training Package (AUR05) is underpinned by an excellent Standing Committee and RTO Reference Group, which worked tirelessly during 2006 to make many recommendations to DEST for enhancement to the package. With current contractual obligations now finalised, it is hoped that there will be substantial progress made towards endorsement and ultimately implementation of the recommendations. It should be noted that the latest NCVER statistics show that AUR05 is currently ranked as the third most used Training Package nationally, only marginally behind construction, and metals and engineering. With over 30,000 people currently in training under this package, it is imperative that it remains as up-to-date and relevant as possible and this can only be achieved through an effective and efficient consultative process.

The Automotive Manufacturing Training Package completed its full review in October 2006 and it is hoped that full endorsement of the revised package will take place by March 2008. A Continuous

Improvement process is now in place under current contractual arrangements with DEST and I would like to thank participants on the Standing Committee for their dedication to the task to ensure that the outcome meets the needs of the passenger vehicle manufacturers as well as the bus, truck & trailer manufacturers and assemblers.

One very important role for ATA is that of industry engagement. This is facilitated largely through the RS&R Advisory Group and the Manufacturer's Advisory Group. The advice received through these two groups is invaluable I would like to thank the members of both Groups for their hard work and commitment to ATA and I thank the respective Chairs, Peter Bennie and Julie Eastman for their considerable efforts.

The Assessment Services function of ATA also provides an excellent platform for one-on-one engagement with industry, whilst providing much needed RPL/RCC services, especially to those in remote and regional areas who find it difficult to locate a provider.

Shareholders once again remain committed to ATA and I thank FCAI and MTAA in particular for their continued financial support of the organisation. Shareholders are to be further congratulated for the high calibre of their representatives on the ATA Board of Directors. I would like to take this opportunity to thank Peter Sturrock for his high level of involvement and commitment to ATA over the years, and to wish him a long and happy retirement.

The vehicle manufacturer's and importers are to be congratulated on their continued support of the FCAI Component Donation Program which provides millions of dollars worth of vehicles and components to training institutions nationally each year. The program continues to be professionally managed by Lyndon Gregory, ensuring that our automotive apprentices and trainees have access to the most up to date training aids.

The ATA Annual Conference and Awards Dinner was held at the Telstra Dome in December and was the best attended event in ATA's history. Well done to the ATA team who put in an enormous amount of work to ensure an enjoyable and successful day. Congratulations to all of the 2006 Award Winners, in particular, Frank Burgess, who was the recipient of the ATA Chairman's Award, for his many years of service to training in the automotive industry.

I also wish to formally thank the staff of ATA, who have remained motivated and dedicated to the task despite the retirement of John Braddy in December 2006. In particular, thanks and recognition of the ATA Board go to Donna Ewing who has stepped up to the task of running the day to day activities of ATA following John's departure. Donna has always been a tower of strength in the background at ATA, and has taken this opportunity to show us all that she has the capacity to go far beyond her current role.

It is with regret that I recently announced that I was stepping down from the ATA Board of Directors, after almost six years as a Board member. I have enjoyed the experience immensely but the demands of my "day job" have made this decision unavoidable. I would like to take this opportunity to thank my fellow Board members who have worked tirelessly to bring ATA through the turbulence and challenges of the last few years. The role of Chair has been made immeasurably easier by their support, understanding and good humour.

Alan Holley

Chair

ATA Board Membership

at 30 June 2007

ALAN HOLLEY CHAIR	Plant Manager, Powertrain Operations, Ford Motor Company of Australia Limited representing the Federal Chamber of Automotive Industries
ANNE DONNELLAN DEPUTY CHAIR	Assistant National Secretary, TSA Division, Australian Manufacturing Workers' Union representing the Australian Council of Trade Unions
PETER BENNIE	Executive Director, Lube Mobile representing the Motor Trades Association of Australia
PETER FITZPATRICK	Executive Director, Motor Trade Association of WA, representing the Motor Trades Association of Australia
JOHN HOWES	Managing Director, Uneeda Body Works representing the Motor Trades Association of Australia
IAN JONES	National Secretary, Vehicle Division, Australian Manufacturing Workers' Union representing the Australian Council of Trade Unions
PETER SMITHARD	Human Resources Manager, Volvo Commercial Vehicles Aust. Pty Ltd representing the Truck Industry Council
ALIX SACHINIDIS (Alternate Ian Jones)	National Industrial Officer Australian Manufacturing Workers' Union representing the Australian Council of Trade Unions

ATA Management and Staff

at 30 June 2007

CAROLYN BROTHERTON Administrative Assistant – Assessment Services

DONNA EWING Business Manager

LYNDON GREGORY Project Manager – Component Distribution Program

MICHAEL LITTLECHILD Project Manager – Manufacturing Services

SHANNYN SCOTNEY Receptionist/Administrative Assistant

LORRAINE SMITH Project Manager (RS&R) / Training Manager

MONICA WILLIAMS Administrative Assistant – Resources

Project Grants

During 2006-2007 ATA received funding for the following projects:

TITLE	SOURCE OF FUNDING	COMPLETION DATE
Component Distribution Project	State/Territory TAFE	Ongoing
Continuous Improvement of Two Training Packages (AUR05 and AUM00)	DEST	Completed December 06
Support Services for the Review of the Automotive Manufacturing Training Package (Stage 2)	DEST	Completed October 06
The Maintenance, Improvement and Implementation of the Automotive Industry Manufacturing and Automotive Industry Retail, Service & Repair Training Packages	DEST	Commenced June 07, to be completed March 08

Retail, Service & Repair Advisory Group

The RS&R Advisory group met on three occasions during the financial year, twice in 2006 under the Chairmanship of Anders Mykkeltvedt and once in March 2007 which was my first meeting as the newly elected Chair of the Group.

As well as MTAA endorsed membership from the states and territories, the Group welcomed the contribution of FCAI nominee Mark Giuliano from Ford Australia. The automotive aftermarket sector was also ably represented by Stuart Charity from the Australian Automotive Aftermarket Association. In order for the RS&R Training Package to fully reflect the needs of the industry and due to its very size, it is imperative that the RS&R Advisory Group retains the considerable breadth of industry experience represented around the table.

The Group also acknowledges the contribution to the discussions provided by the Defence Departments' Wayne Allen, who has enthusiastically attended meetings as an observer to the Group and provides valuable assistance and information.

Again, the Group acknowledges the ability of Lorraine Smith from ATA who has continued to keep the Group focused, especially in light of John Braddy's recent retirement. Lorraine can always be relied upon to enhance the Group with her excellent knowledge of the RS&R Training Package and the sector in general, as well as ably administer the Group's activities.

The contribution of members and the time taken to attend meetings is a reflection of their dedication to the industry. In a situation where state and territory Automotive ITABs in Tasmania and South Australia have vanished and with others receiving less funding, local representation on the Group is vital. Although representation at meetings was somewhat disappointing at times, the dedication of the mainstay members is reflected in the quality of the RS&R Training Package, which has the third greatest participation rate among the 70-plus Industry Training Packages endorsed by the National Training Quality Council on behalf of the Federal Government.

I would like to take this opportunity to thank the immediate past Chair, Anders Mykkeltvedt for his remarkable contribution to RS&R Advisory Group. As Chair for over five years, the significance of the time spent attending meetings in Melbourne cannot be overestimated. As a small business owner, Anders dedication to the efficient operation of the Group has been simply outstanding and he leaves incredibly large shoes to fill. Thank you Anders for volunteering your time over many years.

The RS&R Advisory Group must continue to advise the ATA Board of the specific needs of the sector and there is little doubt that the Training Package AUR05 has become a testament to the contributions of the Group to ensure training in the retail automotive industry reflects the needs of this ever changing dynamic industry. It is for this reason that the Group is currently undergoing a restructuring process, driven by MTAA and FCAI, to preserve a highly representative and knowledgeable Group able to provide the best possible advice to ensure automotive training in the future is in line with industry requirements. I look forward to Chairing the Group in 2008.

Peter Bennie

Chair

Retail, Service & Repair Advisory Group

Retail, Service & Repair Advisory Group Membership at 30 June 2007

PETER BENNIE (CHAIR)

Executive Director
Lube Mobile

ALIX SACHINIDIS

National Industrial Officer,
AMWU - National Vehicle Division

COLIN CLARK

Proprietor, Traction Tyre Service

JOE SHNEIDER

Managing Director, Fluidrive

DOUG McDONALD

Chair ATA (WA)

GRAEME BEVIS

Executive Director, MTA (NT)

ANNE DONNELLAN

Assistant National Secretary, TSA Division,
Australian Manufacturing Workers' Union

DEBORAH JOYCE

Executive Officer, ATB (NSW)

STUART CHARITY

Executive Director
Australian Automotive Aftermarket Assoc.

MARK GIULIANO

Service Engineering Manager
Ford Motor Company of Australia

COLIN McLACHLAN

Regional Service Manager
Hyundai Motor Company Australia

Observers

DAVE HICKS

Executive Officer, ATA (WA)

ROBERT WALDRON

Executive Officer, ATB (ACT)

KEVIN REDFERN

Director Training & Industrial Relations, VACC

GREG WALSH

Executive Officer, ATV

BARRY CRAMOND

Executive Officer, TEATAC (NT) Inc

TROY KNOX

Executive Officer, QASA

WAYNE ALLAN

National Technical Training Manager
Department of Defence
Army Logistics Training Centre

Manufacturers' Advisory Group

The globalisation of the automotive industry, whilst strategically exciting, poses unquestionable challenges for the local manufacturing industry. The need to achieve 'world's best practice' can no longer be rhetoric. The pace of change and rapid advances in technology allow minimal lead time to ensure workforces are capable in the latest technologies and methodologies and that new ways of working are embedded in organisations. It is critical that employees are able to efficiently gain experience and training in the latest technology, systems and processes, in the most cost effective manner possible, to enable the local industry to remain a key player.

Within this context industry stakeholders are responsible for reviewing the automotive training package to ensure it reflects the needs of the industry thus enabling companies to optimise the use of education and training programs to target their particular needs. Both rigour and flexibility in training processes and arrangements are vital to enable the industry to respond within this highly competitive environment.

We reiterate the ongoing need for strong representation to Government on the training and education requirements of the industry, including the need for a dedicated national automotive training body and specific automotive manufacturing training package.

At the end of 2006 the Automotive Training Package was completed and submitted to the appropriate body within the Department of Education, Science and Technology (DEST). Disappointingly the package is yet to be endorsed. Recent meetings with the new DEST representative provided a commitment to ensuring the package is progressed. We expect endorsement sometime in Qtr 1, 2008. The delay has caused particular concern for the Manufacturing area around the Certificate IV/Diploma in Automotive Development. This qualification targets employees in the research and development area, a critical growth sector for the automotive industry.

The Continuous Improvement Standing Committee has been established and the companies are keen to optimise this process to ensure the training package remains current and ever ready to meet industry needs.

We welcomed new representatives to MAG in 2007, Kim Wallace replacing Angela Robertson and Tali Shabat replacing Lucy Liu. Thank you to all MAG members and the staff at ATA for their continued support and dedication to this industry forum.

Julie Eastman
Chair
Manufacturers' Advisory Group

Manufacturers' Advisory Group Membership at 30 June 2007

JULIE EASTMAN (CHAIR)

Learning and Development Manager
Ford Motor Company Australia Limited

KIM WALLACE (DEPUTY CHAIR)

Manager Organisation & Employee Development HR
GM Holden Ltd

LUCY LIU

Manager Organisational Capability - HR
Toyota Motor Corporation Australia Limited

PHIL HANDSTOCK

Workforce Development & Training
Mitsubishi Motors Australia Limited

DAVE SMITH

Assistant Federal Secretary, National Vehicle Division
Australian Manufacturing Workers' Union

ANNE DONNELLAN

Assistant National Secretary, TSA Division
Australian Manufacturing Workers' Union – National Vehicle Division

MICHAEL GRAY

Industry Skills Development Group
Department of Education, Science & Training

National Automotive Network at 30 June 2007

BARRY CRAMOND

Executive Officer
Transport, Engineering & Automotive Training
Advisory Council (NT) Inc
PO Box 38426
WINNELLIE NT 0821
Ph: (08) 8941 8840 Fax: (08) 8941 8850

DAVE HICKS

Executive Officer
Automotive Training Australia (WA) Inc
Suite 5, 5 Hasler Road
OSBORNE PARK WA 6017
Ph: (08) 9244 8111 Fax: (08) 9244 8877

DEBORAH JOYCE

Executive Officer
Automotive Training Board (NSW)
Level 1/299 Elizabeth Street
SYDNEY NSW 2000
Ph: (02) 8251 0032 Fax: (02) 8251 0097

TROY KNOX

Executive Officer
Queensland Automotive Skills Alliance
PO Box 3359
SOUTH BRISBANE QLD 4101
Ph: (07) 3237 8780 Fax: (07) 3255 1149

BOB WALDRON

Executive Officer
Automotive Training Board (ACT) Inc
PO Box 580
DICKSON ACT 2602
Ph: (02) 6241 2923 Fax: (02) 6297 6986

GREG WALSH

Executive Officer
Automotive Training Victoria
PO Box 7428 St Kilda Road
MELBOURNE VIC 3004
Ph: (03) 9866 1294 Fax (03) 9866 1295

**Automotive Training Australia Ltd
ACN 051 694 725**

Financial Statements

For the Year Ended 30 June 2007

Automotive Training Australia Ltd

ACN 051 694 725
And Controlled Entity

For the Year Ended 30 June 2007

CONTENTS

	<u>Page</u>
Financial Statements	
Directors' Report	16
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	21
Income Statement	22
Balance Sheet	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
Directors' Declaration	38
Independent Audit Report	39

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Report

30 June 2007

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2007.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Alan Holley (Chairperson – director since 2001)	(resigned 10/9/07)
Anne Donnellan (Deputy Chairperson – director since 2000)	
Ian Jones (director since 1994) / Alix Sachindis (alternate director Since 2003)	
Robert Allen (director since 2000)	(resigned 27/10/06)
Peter Smithard (director since 2001)	
Peter Bennie (director since 2001)	
John Howes (director since 2002)	
Peter Fitzpatrick	(appointed 08/12/06)
Jennifer Saunders	(appointed 31/08/07)
Kim Wallace	(appointed 31/08/07)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The company continued to satisfy the major objectives of the Board and its contractual obligations where appropriate with DEST.

The Component Distribution Project continues to grow, with more than \$4 million of components and vehicles distributed nationally to eligible Institutes during the year. The Program has now grown to include some endorsed private providers including MTA-Q, MTA-SA and MITA in WA, in recognition of the excellent automotive training being undertaken by these groups. As always, the objective of the scheme is to provide the most up to date equipment possible for young automotive recruits to train and the FCAI owned scheme continues to liaise with the manufacturers and importers to make this happen via their donations. The Program was further enhanced this year with a new, user friendly computer database.

ATA held its seventh national conference and awards dinner at the Telstra Dome in Melbourne. This fabulous event attracted more than 100 delegates to make it the most successful yet. The Annual Training Awards Dinner has certainly grown to become a highlight of the automotive training calendar.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Report

30 June 2007

Principal Activities (Continued)

Whilst ATA continues to remain outside the DEST funded Industry Skills Council structure, project funding for the Interim Continuous Improvement of Two Training Packages was provided for the 2006 calendar year. This supplied much needed funding for the maintenance of the Retail, Service & Repair (AUR05) and Manufacturing (AUM00) Training Packages and allowed comprehensive consultation with key stakeholders and consumers of the packages regarding requirements in the future. In an industry so influenced by technological change, continuous improvement of the training packages is absolutely critical. This contract was finalised in December 2006.

During June 2007 a further contract was agreed to with DEST for the Maintenance, Improvement and Implementation of the Automotive Industry Manufacturing and Automotive Industry Retail, Service & Repair Training Packages until March 2008. This has allowed ATA to maintain its consultative infrastructure for AUR05 via the Continuous Improvement Standing Committee (CISC) and RTO Reference Group and to establish a CISC for AUM00. The value of the assistance and advice provided by the many members of these groups should not be underestimated.

ATA provided support services to the Review of the Automotive Manufacturing Training Package (AUM00) and was funded for these services by DEST. Whilst the review had a scheduled completion date of June 2006, it was finally completed in October 2006. The reviewed package is yet to be formally endorsed but is currently undergoing the very lengthy endorsement process.

The quest for financial self sustainability continues with a good return for ATA from the assessment services arm of the business. New markets have opened up in relation to automotive air-conditioning licensing requirements and as the ATA brand becomes more well known, so too do the services on offer. In particular, ATA has been concentrating on the provision of assessment services to remote and regional areas of Australia, where people struggle to find a provider.

Whilst strategies for income generation remain a top priority, ATA will continue to tender for project funding opportunities in areas which can meet the Board's objectives.

ATA continued to provide consultancy services on a fee for service basis to manufacturers and importers, in particular to Ford with the provision of Australian Apprenticeship support services and to Honda with a mapping of their training to AUR05.

Other activities involved continued fee for service industry engagement, the conduct of training package seminars, creation of stream qualification handbooks and record books and increased activity in assessment services.

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

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Report

30 June 2007

Operating Results

The consolidated profit of the Group after providing for income tax amounted to \$44,901.

Dividends paid or declared

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made. As the company is limited by guarantee, the payment of dividends is not permitted under the Memorandum of Association.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 6.

Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial year.

After balance day events

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

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Report

30 June 2007

Director Information

a Information on Directors

Alan Holley	Plant Manager – Power Train, Ford Motor Company of Australia Limited representing the Federal Chamber of Automotive Industries (FCAI) <i>Special Responsibilities: Chairperson</i>
Anne Donnellan	Assistant National Secretary TSA Division, Australian Manufacturing Workers' Union (AMWU), representing the Australian Council of Trade Unions (ACTU) <i>Special Responsibilities: Deputy Chairperson</i>
Ian Jones	National Secretary, Vehicle Division, Australian Manufacturing Workers' Union (AMWU), representing the Australian Council of Trade Unions (ACTU)
Robert Allen	Managing Director, The Allen Group, representing the Motor Trades Association of Australia (MTAA)
Peter Smithard	Human Resources Manager, Volvo Commercial Vehicles Aust. Pty Ltd, representing the Truck Industry Council (TIC)
Peter Bennie	Executive Director, Lube Mobile, representing the Motor Trades association of Australia (MTAA)
John Howes	Managing Director, Uneeda Body Works, representing the Motor Trades Association of Australia (MTAA)
Peter Fitzpatrick	Executive Director, Motor Trade Association of WA, representing the Motor Trades association of Australia (MTAA)
Jenny Saunders	Corporate Manager – Organisational Development, Toyota Motor Corporation Australia Ltd, representing the Federal Chamber of Automotive Industries (FCAI)
Kim Wallace	Manager Organisation & Employee Development, GM Holden Ltd, representing the Federal Chamber of Automotive Industries (FCAI)

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Report

30 June 2007

b Meetings of Directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Alan Holley	5	5
Anne Donnellan	5	4
Ian Jones / Alix Sachinidis	5	3
Robert Allen	2	0
Peter Smithard	5	3
Peter Bennie	5	5
John Howes	5	5
Peter Fitzpatrick	3	2

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Proceedings on Behalf of Company

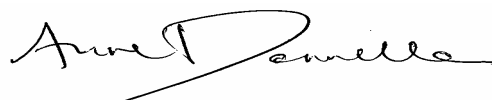
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:



.....
John Howes



.....
Anne Donnellan

Dated this 30th day of October 2007

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WEBB AUDIT PTY LTD

A handwritten signature in dark ink, appearing to read 'H D Paton', is written over a light grey rectangular background.

H D PATON
Director

Dated: Melbourne 30th October 2007

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Income Statement

For the Year Ended 30 June 2007

		Consolidated		Parent	
	Note	2007	2006	2007	2006
		\$	\$	\$	\$
Sales revenue	2	891,571	853,680	873,141	737,227
Other income	2	12,534	13,067	12,534	13,067
Occupancy expenses		(33,930)	(38,610)	(33,930)	(38,610)
Administrative expenses		(136,959)	(206,118)	(146,307)	(161,270)
Employee benefits expense		(408,607)	(353,791)	(408,607)	(353,791)
Project expenses		(279,708)	(165,588)	(279,708)	(210,436)
Profit before income tax		44,901	102,640	17,123	(13,813)
Profit attributable to members of the company		44,901	102,640	17,123	(13,813)

The accompanying notes form part of the financial statements

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Balance Sheet

30 June 2007

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	4	517,565	435,823	517,557	435,815
Trade and other receivables	5	442,562	240,075	432,556	213,878
Total current assets		960,127	675,898	950,113	649,693
Non-current assets					
Financial assets	6	-	-	8	8
Property, plant and equipment	8	45,206	40,779	45,206	40,779
Total non-current assets		45,206	40,779	45,214	40,787
TOTAL ASSETS		1,005,333	716,677	995,327	690,480
LIABILITIES					
Current liabilities					
Trade and other payables	9	418,992	164,203	616,303	317,545
Short-term provisions	10	22,397	16,130	22,397	16,130
Total current liabilities		441,389	180,333	638,700	333,675
Non-current liabilities					
Other long-term provisions	10	3,600	20,901	3,600	20,901
Total non-current liabilities		3,600	20,901	3,600	20,901
TOTAL LIABILITIES		444,989	201,234	642,300	354,576
NET ASSETS		560,344	515,443	353,027	335,904
EQUITY					
Retained earnings	11	560,344	515,443	353,027	335,904
TOTAL EQUITY		560,344	515,443	353,027	335,904

The accompanying notes form part of the financial statements

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Statement of Changes in Equity

For the Year Ended 30 June 2007

Consolidated Group

	Retained Earnings	Total
	\$	\$
2006		
Equity as at beginning of period	412,803	412,803
Profit attributable to members of the company	102,640	102,640
Equity as at 30 June 2006	515,443	515,443
2007		
Profit attributable to members of the company	44,901	44,901
Equity as at 30 June 2007	560,344	560,344

Parent

2006		
Equity as at beginning of period	349,717	349,717
Profit / (loss) attributable to members of the company	(13,813)	(13,813)
Equity as at 30 June 2006	335,904	335,904
2007		
Profit attributable to members of the company	17,123	17,123
Equity as at 30 June 2007	353,027	353,027

The accompanying notes form part of the financial statements

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Statement of Cash Flows

For the Year Ended 30 June 2007

		Consolidated		Parent	
	Note	2007	2006	2007	2006
		\$	\$	\$	\$
Cash from operating activities:					
Receipts from customers		516,001	707,301	459,989	680,965
Payments to suppliers and employees		(566,498)	(764,608)	(510,534)	(738,272)
Operating Grants received		158,426	111,426	158,474	111,426
Interest received		12,534	13,067	12,534	13,067
<hr/>					
Net cash provided by (used in) operating activities	12(a)	120,463	67,186	120,463	67,186
<hr/>					
Cash flows from investing activities:					
Acquisition of property, plant and equipment		(38,721)	(8,250)	(38,721)	(8,250)
<hr/>					
Net cash provided by (used in) investing activities		(38,721)	(8,250)	(38,721)	(8,250)
<hr/>					
Net increase (decreases) in cash held		81,742	58,936	81,742	58,936
Cash and cash equivalents at beginning of year		435,823	376,887	435,815	376,879
<hr/>					
Cash at end of financial year	4	517,565	435,823	517,557	435,815

The accompanying notes form part of the financial statements

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Automotive Training Australia Ltd, a company limited by guarantee, as an individual parent entity and Automotive Training Australia Ltd and the controlled entity as an economic entity. Automotive Training Australia Ltd is incorporated and domiciled in Australia. Automotive Training Asia-Pacific Pty Ltd is a wholly owned subsidiary of Automotive Training Australia Ltd.

The financial report of Automotive Training Australia Ltd and the controlled entity and Automotive Training Australia Ltd as an individual parent entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Principals of Consolidation

A controlled entity is an entity Automotive Training Australia Ltd has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

(b) Income Tax

The income of the entity is considered to be tax exempt under section 50-5 of the Income Tax Assessment Act 1997. Therefore, no provision for taxation is required.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (continued)

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Office Equipment	9-40%
Leasehold improvements	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (continued)

(f) Financial Instruments

Recognition

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

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

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(h) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

(j) Goods and Services Tax (GST)

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

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

(k) Leases

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

(l) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The revenues of the company are highly dependent upon contributions from government and industry associations.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

2 Revenue

	Note	Consolidated		Parent	
		2007	2006	2007	2006
		\$	\$	\$	\$
Operating activities					
- grant revenue		158,474	111,426	158,474	111,426
- MTAA contribution		100,000	100,000	100,000	100,000
- FCAI contribution		135,000	135,000	135,000	135,000
- assessment services income		129,902	206,786	129,902	90,333
- interest received	2(a)	12,534	13,067	12,534	13,067
- other income		368,195	300,468	349,765	300,468
Total Revenue		904,105	866,747	885,675	750,294

(a) Interest revenue from:

bank		12,534	13,067	12,534	13,067
Total interest revenue		12,534	13,067	12,534	13,067

3 Profit from Ordinary Activities

Profit from ordinary activities has been determined after:

(a) Expenses:

Depreciation of non-current assets

- Leasehold improvements		-	5,729	-	5,729
- Office equipment		13,099	9,454	13,099	9,454
		13,099	15,183	13,099	15,183

Bad and Doubtful Debts

- bad debts written off		60,366	38,580	48,371	38,580
- movement in provision for doubtful debts		(60,726)	(238,881)	(39,383)	(131,334)
		(360)	(200,301)	8,988	(92,754)

Remuneration of the auditor of the parent entity for:

- Auditing or reviewing the financial report		7,500	7,500	7,500	7,500
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Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
4 Cash and Cash Equivalents				
Cash on hand	310	200	302	192
Cash at bank	517,255	435,623	517,255	435,623
	<u>517,565</u>	<u>435,823</u>	<u>517,557</u>	<u>435,815</u>

5 Trade and Other Receivables

CURRENT

Trade receivables	443,141	286,833	429,175	235,333
Provision for impairment of receivables	(19,705)	(80,431)	(15,745)	(55,128)
	<u>423,436</u>	<u>206,402</u>	<u>413,430</u>	<u>180,205</u>
Other receivables	19,126	33,673	19,126	33,673
	<u>442,562</u>	<u>240,075</u>	<u>432,556</u>	<u>213,878</u>

6 Financial Assets

(a) Available-for-sale Financials Assets Comprise

Unlisted investments, at cost

shares in controlled entities	-	-	8	8
Total available-for-sale financial assets	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

7 Controlled Entities

a Detailed table

Name	Country of incorporation	Percentage Owned 2007	Percentage Owned 2006
Parent Entity:			
Automotive Training Australia Ltd	Australia		
Subsidiaries of parent entity:			
Automotive Training Asia-Pacific Pty Ltd	Australia	100	100

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

8 Property Plant and Equipment

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Office equipment				
At cost	194,124	176,101	194,124	176,101
Less accumulated depreciation	(148,918)	(148,691)	(148,918)	(148,691)
Total office equipment	45,206	27,410	45,206	27,410
Leasehold improvements				
At cost	-	48,320	-	48,320
Less accumulated depreciation	-	(34,951)	-	(34,951)
Total leasehold improvements	-	13,369	-	13,369
Total property, plant and equipment	45,206	40,779	45,206	40,779

(a) Movements in Carrying Amounts

	Office	Leasehold	Total
	Equipment	Improvements	
	\$	\$	\$
Balance at the beginning of year	27,410	13,369	40,779
Additions	38,721	-	38,721
Depreciation expense	(12,835)	(264)	(13,099)
Disposals	(8,090)	(13,105)	(21,195)
Carrying amount at the end of year	45,206	-	45,206

9 Trade and Other Payables

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Trade payables	38,641	36,898	38,641	36,898
Unexpended grant monies	329,205	90,434	329,205	90,434
Sundry creditors and accruals	51,146	36,871	51,998	38,514
Amount payable to:				
- wholly-owned subsidiaries	-	-	196,459	151,699
	418,992	164,203	616,303	317,545

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

10 Provisions

	Employee entitlements \$
Opening balance at 1 July 2006	37,031
Additional provisions raised during the year	35,413
Amounts used	(46,447)
Balance at 30 June 2007	25,997

Analysis of Total Provisions

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Current	22,397	16,130	22,397	16,130
Non-current	3,600	20,901	3,600	20,901
	25,997	37,03	25,997	37,031

11 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards any outstanding obligations of the company. At 30 June 2007 the number of members was 8 (2006: 8).

12 Cash Flow Information	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit / (loss) after Income Tax				
Net income / (loss) for the year	44,901	102,640	17,123	(13,813)
Cash flows excluded from profit attributable to operating activities				
Non-cash flows in profit				
Depreciation	13,099	15,183	13,099	15,183
Loss on sale of assets	21,195	278	21,195	278
changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in trade and term receivables	(202,487)	(34,953)	(218,678)	(61,289)
Increase/(decrease) in trade payables and accruals	254,789	(12,749)	298,758	130,040
Increase/(decrease) in provisions	(11,034)	(3,213)	(11,034)	(3,213)
	120,463	67,18	120,46	67,186

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

13 Financial Instruments

Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The Group does not have any derivative financial instruments at 30 June 2007.

(i) Treasury Risk Management

A finance committee consisting of senior executives of the Group meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

Foreign currency risk

The group is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The economic entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Price risk

The Group is not exposed to any material commodity price risk.

Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

13 Financial Instruments (Continued)

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	3.10%	2.75%	517,565	435,823	-	-	517,565	435,823
Receivables	-	-	-	-	442,562	240,075	442,562	240,075
Total Financial Assets			517,565	435,823	442,562	240,075	960,127	675,898
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	418,992	164,205	418,992	164,205
Total Financial Liabilities	-	-	-	-	418,992	164,205	418,992	164,205

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2007

13 Financial Instruments continued

c Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Fair value are materially in line with carrying values.

14 Capital and Leasing Commitments

	Consolidated		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Operating Lease Commitments				
Non-cancelable operating leases contracted for but not capitalised in the accounts:				
Payable				
- not later than one year	34,948	33,930	34,948	33,930
- later than one year and not later than five years	35,996	34,948	35,996	34,948
	<u>70,944</u>	<u>68,878</u>	<u>70,944</u>	<u>68,878</u>

15 Economic Dependence

The revenue of the business is highly dependent upon the contributions from government and industry associations.

16 Company Details

The registered office of the company is:
Automotive Training Australia Ltd
Building EC12, La Trobe University
Ernest Jones Drive
Macleod VIC 3085

Automotive Training Australia Ltd

ACN 051 694 725

And Controlled Entity

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the company and economic entity.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
John Howes



.....
Anne Donnellan

Dated this 30th day of October 2007

Automotive Training Australia Ltd

ACN 051 694 725

Independent Audit Report to the members of Automotive Training Australia Ltd

Report on the Financial Report

We have audited the accompanying financial report of Automotive Training Australia Ltd (the company) and Automotive Training Australia Ltd and Controlled Entity (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year,

Directors' Responsibility for the Financial Report

The directors of the company 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 *Corporations Act 2001*. This responsibility includes designing, implementing 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.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Automotive Training Australia Ltd and is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

WEBB AUDIT PTY LTD



H D PATON
Director

Melbourne: 30th October 2007