

The Motor Trade Association of SA Inc

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2013

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 2013.

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	Robert Duns	
George Papillo	Tracy Butler	
Jeff Williams	Colin Butcher	
John Jansse	John Rowley	
Brian Weeks	Andrew Forrest	22 May 12 – 31 Mar 13
Peter Roberts	Martin Guppy	19 Feb 13 – 31 Mar 13
Clive Polley	Marc Cheney	01 Apr 12 - 18 July 12
Danny Shane	Theo Kruys	01 Apr 12 – 30 Jan 13
Ron Lewis	George Bolton	01 Apr 12 – 21 Aug 12

All other Members of the Board of Management held the position for the period of 01 April 2012 to 31 March 2013.

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 2013.

Statement of Comprehensive Income

The Associations profit from ordinary activities in the financial year ended 31 March 2013 was \$334,468, (2012: \$305,011) and for the Consolidated Entity \$153,973, (2012: \$1,202,269).

Statement of Financial Position

The financial position of the Association and the Consolidated Entity was improved by the operating profit noted above. Equity increased to \$11,280,905 for the Association and to \$20,621,419 for the Consolidated Entity.

The Association's cash flow from operating activities was \$608,659 and the Consolidated Entity \$1,187,177.

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 of SA Inc.

At the end of the financial year there were 1,160 members of the Motor Trade Association of SA Inc, (2012: 1,150).

Staffing

The Association employed 57 staff at the end of the financial year, (2012: 55). The Consolidated Entity employed 612 staff at year end (2012: 587).

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

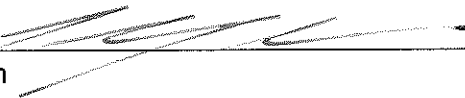
Board
Member

Neville Gibb

A handwritten signature in black ink, appearing to be 'N. Gibb', written over a horizontal line.

Board
Member

John Zulian

A handwritten signature in black ink, appearing to be 'John Zulian', written over a horizontal line.

Dated this 21st day of May 2013.

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 2013 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 Motor Trade Association of South Australia 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 2013, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2012.

Statement of Comprehensive Income

The Associations profit for ordinary activities in the financial year ended 31 March 2013 was \$334,468, (2012: \$305,011) and as a Consolidated Entity \$153,973, (2012: \$1,202,269).

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.
AND CONSOLIDATED ENTITIES
 ABN 76267492138

Statement of Comprehensive Income
For the year ended 31 March 2013

	MTA		Consolidated	
	2013	2012	2013	2012
<i>Note</i>	\$	\$	\$	\$
Membership contributions	1,303,111	1,237,703	1,303,111	1,237,703
Commissions	299,182	339,800	299,182	339,800
Grant income	302,843	-	2,861,481	2,937,026
Member function income	17,278	24,557	17,278	24,557
Rents	1,619,006	1,364,020	1,129,006	889,020
Sales – print & stationery	358,973	353,090	168,621	229,890
Apprentice income	-	-	15,455,214	15,042,829
Other operating income	2(a) 3,547,869	3,435,383	485,998	803,879
Industry support	-	-	22,439	14,217
Revenue from ordinary activities	7,448,262	6,754,553	21,742,330	21,518,921
Administration expenses	690,620	944,817	1,237,603	1,490,812
Advertising	148,199	189,758	289,586	366,152
Advocacy	18,739	20,973	18,739	20,973
Affiliation fees	150,000	160,000	150,000	160,000
Apprentice training costs	-	-	170,868	186,281
Audit fees	28,900	28,000	53,600	51,000
Cost of sales – print & stationery	181,220	159,020	181,220	159,020
Depreciation	458,470	379,237	937,919	818,660
Government grant expenditure	302,843	-	-	-
Insurance	46,809	39,545	123,886	102,053
Legal costs	61,005	81,741	81,486	88,351
Motor vehicle costs	24,236	20,925	94,290	85,462
Motor trade journal	68,450	71,363	68,450	71,363
Officers remuneration	427,417	344,480	427,417	344,480
Officers remuneration - on costs	67,814	52,577	67,814	52,577
Property expenses	524,444	470,253	524,444	470,253
Salaries & wages	3,445,596	3,182,432	14,924,780	14,396,677
Salaries & wages – on costs	481,766	450,448	2,314,991	1,752,834
Telephone	67,696	55,211	110,440	90,709
Travel	54,381	59,980	68,921	72,359
Costs from ordinary activities	7,248,605	6,710,760	21,846,454	20,780,016
Operating surplus/(deficit) from operating activities	199,657	43,793	(104,124)	738,905
Net finance income	2(b) 134,811	261,318	258,097	463,364
Surplus for the period	334,468	305,111	153,973	1,202,269
Other comprehensive income for the period	-	1,369,014	-	1,369,014
Total comprehensive income for the period	334,468	1,674,125	153,973	2,571,283

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

**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 2013

	<i>Note</i>	MTA		Consolidated	
		2013	2012	2013	2012
		\$	\$	\$	\$
Accumulated Surplus:					
Opening accumulated surplus		9,577,423	9,272,412	19,098,432	17,896,163
Surplus for the period		334,468	305,011	153,973	1,202,269
<u>Other comprehensive income</u>					
Revaluation reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity at the end of the year		11,280,905	10,946,437	20,621,419	20,467,446

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

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

ABN 65 767 492 138

Statement of Financial Position

As at 31 March 2013		MTA		Consolidated	
	<i>Note</i>	2013	2012	2013	2012
		\$	\$	\$	\$
Assets					
Cash	3	1,584,522	1,389,188	2,532,048	2,269,519
Trade and other receivables	4	828,278	777,266	2,118,364	2,343,192
Inventories	5	46,947	44,826	56,595	62,485
Investments	6	1,406,336	1,337,542	3,230,566	3,073,372
Total current assets		3,866,083	3,548,822	7,937,573	7,748,568
Trade and other receivables	4	160,000	160,000	-	-
Investments	6	2,037,014	2,037,014	2,182,515	2,182,515
Investment property	7	3,242,590	3,298,285	3,242,590	3,298,285
Property, plant and equipment	8	7,841,334	7,861,888	11,612,079	11,644,438
Total non-current assets		13,280,938	13,357,187	17,037,184	17,125,238
Total assets		17,147,021	16,906,009	24,974,757	24,873,806
Liabilities					
Trade and other payables	9	1,082,891	1,211,311	1,941,621	2,095,176
Employee benefits	10	675,486	637,035	1,303,978	1,199,958
Borrowings	11	3,000,000	3,000,000	-	-
Total current liabilities		4,758,377	4,848,346	3,245,599	3,295,134
Employee benefits	10	107,739	111,226	107,739	111,226
Borrowings	11	1,000,000	1,000,000	1,000,000	1,000,000
Total non-current liabilities		1,107,739	1,111,226	1,107,739	1,111,226
Total liabilities		5,866,116	5,959,572	4,353,338	4,406,360
Net assets		11,280,905	10,946,437	20,621,419	20,467,446
Equity					
Accumulated surplus		9,911,891	9,577,423	19,252,405	19,098,432
Revaluation reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity		11,280,905	10,946,437	20,621,419	20,467,446

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 9 to 28.

**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 2013**

	<i>Note</i>	MTA		Consolidated	
		2013	2012	2013	2012
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		8,149,043	6,979,303	24,084,330	23,511,589
Cash paid to suppliers and employees		(7,637,505)	(6,581,378)	(23,056,589)	(22,065,389)
Cash generated from operations		511,538	397,925	1,027,741	1,446,200
Land tax refund		-	342,272	-	342,272
Distribution from MTAA House		86,040	132,538	91,540	141,538
Interest received		74,674	70,017	131,489	166,961
Interest expense		(63,593)	(17,736)	(63,593)	(17,736)
Net cash from operating activities		608,659	925,016	1,187,177	2,079,235
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		41,295	33,126	139,876	143,646
Acquisition of property, plant and equipment		(423,516)	(2,611,115)	(1,005,991)	(3,337,467)
Acquisition of unit in MTAA House		-	-	-	(145,501)
Acquisition of investments		(1,368,646)	-	(2,575,564)	-
Proceeds from disposal of investments		1,337,542	1,136,819	2,517,031	2,435,466
Acquisition of investment property		-	(3,340,057)	-	(3,340,057)
Net cash from investing activities		(413,325)	(4,781,227)	(924,648)	(4,243,913)
Cash flows from financing activities					
Proceeds from borrowings		-	1,000,000	-	1,000,000
Loans from related parties		-	3,000,000	-	-
Loans to related parties		-	(160,000)	-	-
Net cash from financing activities		-	3,840,000	-	1,000,000
Net increase in cash and cash equivalents		195,334	(16,211)	262,529	(1,164,678)
Cash and cash equivalents at 1 April		1,389,188	1,405,399	2,269,519	3,434,197
Cash and cash equivalents at 31 March	<i>3</i>	1,584,522	1,389,188	2,532,048	2,269,519

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 9 to 28

Notes to the consolidated financial statements

1. Significant accounting policies

The Motor Trade Association of SA Inc. (the "Association") is a not for profit entity and the entity is domiciled in South Australia. The consolidated financial report of the Association for the year ended 31 March 2013 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 21st May 2013.

(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) adopted by the Australian Accounting Standards Board and the Associations Incorporation 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- Reduced Disclosure Requirements 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(c) Going Concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The result for the Association for the year ended 31 March 2013 was a surplus of \$334,468 (2012: \$305,011) and a current asset deficiency of \$892,294 (2012: \$1,299,524). Included in current liabilities is a \$3,000,000 loan due by the Association to The MTA Group Training Scheme Inc, a wholly owned entity, as disclosed in Note 13. Adjusting for this current liability, the Association has a surplus of current assets over current liabilities of \$2,107,706 (2012: \$1,700,476). The Board of Management believe the Association is a going concern due to the expected profitability of the business and the positive net operating cash flows generated from operating activities of \$608,659 (2012: \$925,016) continuing. It is on this basis the financial statements have been prepared on a going concern basis.

(d) 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.

(e) 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(f) 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 m).

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 unless there is an indication of impairment. An impairment loss will be reflected if the valuation represents a devaluation below the value carried in the Statement of Financial Position.

(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 and improvements are depreciated over their expected useful economic life. The straight line method is used.

Motor vehicles are depreciated over their expected useful economic life. Diminishing value method is used.

Furniture and fittings 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:

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

<u>Asset Class</u>	<u>Depreciation Rate</u>	
	<u>2013</u>	<u>2012</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.

(g) 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, interest and distribution 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.

(h) 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.

(i) 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>	
	<u>2013</u>	<u>2012</u>
Buildings & Improvements	2.5 %	2.5 %

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(j) 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 m).

Bad debts are written off when they are identified.

(k) 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.

(l) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash at bank. 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.

(m) Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy k), 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(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.

(n) Income Tax

The Association sought a Private Binding Ruling over its tax exemption status and was advised that it is exempt from income tax pursuant to section 50 – 15 of the Income Tax Assessment Act 1997.

The MTA Group Training Scheme Inc, Controlled Entity, is currently in discussion with the Australian Taxation Office in clarifying its exemption 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 \$3,828 resulting from activities to the taxation year ended 30 June 2013, (2012: Loss \$209).

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(o) Employee benefits

Defined Contribution plans

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

Long-term service benefits

The Consolidated Entity's net obligation in respect of long-term service benefits, other than defined contribution 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 on costs. The Consolidated Entity's experience is that the majority of Annual Leave is taken as accrued, and future wage increases are incorporated into the provision calculation.

No provision is made for sick leave, which although cumulative is non-vesting. However, it is vesting for apprentices in the final year of their apprenticeship. As per their employment contract, the apprentice is only entitled to a portion of sick leave upon completion of their apprenticeship.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(p) 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.

(q) 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 cost. Trade payables, are normally settled within 30 days.

(r) Interest Rate Risk

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

(s) 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 is recognised when declared. Commissions are recognised when the Consolidated Entity has received a 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)

(t) 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	
	2013	2012	2013	2012
2.a. Other operating income	\$	\$	\$	\$
Other services	10,379	29,648	95,294	157,442
Industrial services	390,704	304,165	390,704	304,165
Land tax refund	-	342,272	-	342,272
Related party salaries and on costs	2,696,786	2,389,298	-	-
Related party management fees	450,000	370,000	-	-
	<u>3,547,869</u>	<u>3,435,383</u>	<u>485,998</u>	<u>803,879</u>
2.b. Financial income				
Interest	112,364	146,516	230,150	339,562
MTAA House distribution	86,040	132,538	91,540	141,538
<i>less</i> finance expense	(63,593)	(17,736)	(63,593)	(17,736)
Net Finance Income	<u>134,811</u>	<u>261,318</u>	<u>258,097</u>	<u>463,364</u>
3. Cash				
Cash and cash equivalents	1,584,522	1,389,188	2,532,048	2,269,519
	<u>1,584,522</u>	<u>1,389,188</u>	<u>2,532,048</u>	<u>2,269,519</u>
4. Trade and other receivables				
Current				
Trade and other receivables	307,770	272,075	2,009,226	2,284,534
Prepayments	35,446	21,554	109,138	58,658
Receivables due from controlled entities	485,062	483,637	-	-
	<u>828,278</u>	<u>777,266</u>	<u>2,118,364</u>	<u>2,343,192</u>
Non-current				
Loan due from controlled entity	160,000	160,000	-	-
	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>-</u>
5. Inventories				
Stationery	38,014	32,715	38,014	32,715
Printing	8,933	12,111	18,581	29,770
	<u>46,947</u>	<u>44,826</u>	<u>56,595</u>	<u>62,485</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2013	2012	2013	2012
6. Investments	\$	\$	\$	\$
Current Investments				
Fixed Term Deposit	1,406,336	1,337,542	3,230,566	3,073,372
	<u>1,406,336</u>	<u>1,337,542</u>	<u>3,230,566</u>	<u>3,073,372</u>

Details of Term Deposits held 31 Mar 13

Bank	Maturity	Amount		
<u>Motor Trade Association of SA Inc</u>		\$		
Westpac Banking Corporation	3 Aug 13	1,406,336		
<u>MTA Group Training Scheme Inc</u>		\$		
Westpac Banking Corporation	3 Aug 13	1,240,154		
Westpac Banking Corporation	20 Nov 13	584,076		

Shares in Non-Listed Investments

MTAA Superannuation Fund Pty Limited (ACN 008 650 628)	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Non-current Investments

Units in MTAA House Unit Trust	2,037,014	2,037,014	2,182,515	2,182,515
Total Non-current Investments	<u>2,037,014</u>	<u>2,037,014</u>	<u>2,182,515</u>	<u>2,182,515</u>

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.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2013	2012	2013	2012
7. Investment Property	\$	\$	\$	\$
Balance at 1 April	3,340,057	-	3,340,057	-
Acquisitions	-	3,340,057	-	3,340,057
<i>Less: Accumulated depreciation</i>	(97,467)	(41,772)	(97,467)	(41,772)
Balance at 31 March	<u>3,242,590</u>	<u>3,298,285</u>	<u>3,242,590</u>	<u>3,298,285</u>

46 Fullarton Road consists of four tenancies and is fully leased with varying renewals with two tenants lease due for expiry in May 2014 and the remaining tenants leases due to expire in February 2016 and March 2016.

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 re-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 is \$3,340,057, includes the property purchase price of \$3,150,000 and capitalised transaction costs of \$190,057.

Notes to the consolidated financial statements (continued)

8. Property, plant and equipment

	MTA				Total
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	
Cost					
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	<u>8,082,758</u>	<u>2,278,906</u>	<u>61,972</u>	<u>149,858</u>	<u>10,573,494</u>
Balance at 1 April 2012	8,082,758	2,278,906	61,972	149,858	10,573,494
Acquisitions	-	355,574	1,325	66,617	423,516
Transfers	-	9,254	(9,254)	-	-
Disposals	-	-	-	(67,024)	(67,024)
Balance at 31 March 2013	<u>8,082,758</u>	<u>2,643,734</u>	<u>54,043</u>	<u>149,451</u>	<u>10,929,986</u>
Depreciation and impairment losses					
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	<u>1,500,555</u>	<u>1,129,078</u>	<u>42,721</u>	<u>39,252</u>	<u>2,711,606</u>
Balance at 1 April 2012	1,500,555	1,129,078	42,721	39,252	2,711,606
Depreciation charge for the year	166,084	201,035	5,558	30,098	402,775
Transfers	-	6,804	(6,804)	-	-
Disposals	-	-	-	(25,729)	(25,729)
Balance at 31 March 2013	<u>1,666,639</u>	<u>1,336,917</u>	<u>41,475</u>	<u>43,621</u>	<u>3,088,652</u>
Carrying amounts					
At 1 April 2011	<u>4,625,224</u>	<u>850,707</u>	<u>18,232</u>	<u>127,202</u>	<u>5,621,365</u>
At 31 March 2012	<u>6,582,203</u>	<u>1,149,828</u>	<u>19,251</u>	<u>110,606</u>	<u>7,861,888</u>
At 1 April 2012	6,582,203	1,149,828	19,251	110,606	7,861,888
At 31 March 2013	<u>6,416,119</u>	<u>1,306,817</u>	<u>12,568</u>	<u>105,830</u>	<u>7,841,334</u>

Notes to the consolidated financial statements (continued)

Property, plant and equipment (continued)

	Consolidated				
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Total
Cost					
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
Transfers	-	-	-	-	-
Disposals	-	(133,514)	-	(222,954)	(356,468)
Balance at 31 March 2012	<u>8,082,758</u>	<u>4,290,611</u>	<u>174,937</u>	<u>3,703,856</u>	<u>16,252,162</u>
Balance at 1 April 2012	8,082,758	4,290,611	174,937	3,703,856	16,252,162
Acquisitions	-	651,174	11,928	342,889	1,005,991
Transfers	-	68,292	(9,254)	(59,038)	-
Disposals	-	(217,491)	-	(206,612)	(424,103)
Balance at 31 March 2013	<u>8,082,758</u>	<u>4,792,586</u>	<u>177,611</u>	<u>3,781,095</u>	<u>16,834,050</u>
Depreciation and impairment losses					
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	<u>1,500,555</u>	<u>2,519,499</u>	<u>146,378</u>	<u>441,292</u>	<u>4,607,724</u>
Balance at 1 April 2012	1,500,555	2,519,499	146,378	441,292	4,607,724
Depreciation charge for the year	166,084	427,375	16,017	272,748	882,224
Transfers	-	(888)	(6,804)	7,692	-
Disposals	-	(201,863)	-	(66,114)	(267,977)
Balance at 31 March 2013	<u>1,666,639</u>	<u>2,744,123</u>	<u>155,591</u>	<u>655,618</u>	<u>5,221,971</u>
Carrying amounts					
At 1 April 2011	<u>4,625,224</u>	<u>1,381,794</u>	<u>33,461</u>	<u>3,170,776</u>	<u>9,211,255</u>
At 31 March 2012	<u>6,582,203</u>	<u>1,771,112</u>	<u>28,559</u>	<u>3,262,564</u>	<u>11,644,438</u>
At 1 April 2012	6,582,203	1,771,112	28,559	3,262,564	11,644,438
At 31 March 2013	<u>6,416,119</u>	<u>2,048,463</u>	<u>22,020</u>	<u>3,125,477</u>	<u>11,612,079</u>

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.

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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Trade payables due to controlled entities	82,997	4,817	-	-
Subscriptions in advance	229,523	203,447	229,523	203,447
Other trade payables	770,371	1,003,047	1,712,098	1,891,729
	<u>1,082,891</u>	<u>1,211,311</u>	<u>1,941,621</u>	<u>2,095,176</u>

10. Employee benefits

Current

Office holders liability for annual leave	23,080	16,258	23,080	16,258
Other employees liability for annual leave	250,652	239,218	875,215	799,150
Office holders liability for long-service leave	52,747	63,066	52,747	63,066
Other employees liability for long-service leave	347,479	317,571	347,479	317,571
Liability for rostered days off	1,528	922	5,457	3,913
	<u>675,486</u>	<u>637,035</u>	<u>1,303,978</u>	<u>1,199,958</u>

Non-current

Office holders liability for long-service leave	-	30,473	-	30,473
Other employees liability for long-service leave	107,739	80,753	107,739	80,753
	<u>107,739</u>	<u>111,226</u>	<u>107,739</u>	<u>111,226</u>

Total employee benefits

	<u>783,225</u>	<u>748,261</u>	<u>1,411,717</u>	<u>1,311,184</u>
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11. Borrowings

Current

Receivables due to controlled entities ⁽¹⁾	3,000,000	3,000,000	-	-
	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>

Non -Current

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

⁽¹⁾ At 31 March 2013 the loan from the controlled entity is an interest free loan at call.

Subsequent to the reporting date, the loan agreement between the Motor Trade Association of South Australia Inc. and the MTA Group Training Scheme Inc has been amended. Interest is to be charged at the bank rate plus 1%. The loan is repayable within 90 days upon a written request being made by the lender.

Notes to the consolidated financial statements (continued)

12. Contingencies

<i>Note</i>	MTA		Consolidated	
	2013	2012	2013	2012
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	309,000	276,000	3,324,000	3,193,000

In the event of the winding up of the Motor Trade Association of Australia Limited, the Motor Trade Association of South Australia Inc 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 \$1,656,000 (2012:\$1,558,000), whilst the cost to the Association for training staff entitlements would be \$309,000 (2012:\$276,000).

In December 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.

The MTA Group Training Scheme Inc, Controlled Entity, is currently in discussion with the Australian Taxation Office in clarifying its exemption from income tax pursuant to section 50 -5 of the Income Tax Assessment Act 1997. Due to the nature of the discussions it is not possible to determine if any tax liability exists.

13. Consolidated entities

	Australian Business Number	Ownership interest	
		2013	2012
Parent entity			
The Motor Trade Association of South Australia Inc.	65 767 492 138	100%	100%
Controlled entities			
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. Related entity transactions

The following are the key transactions occurring between the related entities.

The Motor Trade Association of South Australia Inc. and The MTA Group Training Scheme Inc.

<u>Statement of Comprehensive Income</u>	2013	2012
	\$	\$
Management Fees	450,000	370,000
Staff Salaries and on costs	2,696,786	2,389,298
Rental of 3 Frederick Road	490,000	470,000
Printing sales	190,352	123,200
Provision of services for governments grants	302,843	-
	<u>4,129,981</u>	<u>3,352,498</u>

<u>Statement of Financial Position</u>	2013	2012
	\$	\$
Trade and other receivables	485,062	483,637
Trade and other payables	(82,997)	(4,817)
Borrowings	(3,000,000)	(3,000,000)

The Motor Trade Association of South Australia Inc and The Retail Motor Trading Co. Pty Ltd

<u>Statement of Comprehensive Income</u>	2013	2012
	\$	\$
Interest on Borrowings	9,040	9,061
	<u>9,040</u>	<u>9,061</u>

<u>Statement of Financial Position</u>	2013	2012
	\$	\$
Borrowings	160,000	160,000

Notes to the consolidated financial statements (continued)

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	Robert Duns	
George Papillo	Tracy Butler	
Jeff Williams	Colin Butcher	
John Jansse	John Rowley	
Brian Weeks	Andrew Forrest	22 May 12 – 31 Mar 13
Peter Roberts	Martin Guppy	19 Feb 13 – 31 Mar 13
Clive Polley	Marc Cheney	01 Apr 12 - 18 July 12
Danny Shane	Theo Kruys	01 Apr 12 – 30 Jan 13
Ron Lewis	George Bolton	01 Apr 12 – 21 Aug 12

All other Members of the Board of Management held the position for the period of 01 April 2012 to 31 March 2013.

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
Peter Roberts 20 Nov 12- 31 Mar 13	Marc Cheney 01 Apr 12 – 18 July 12

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 office holders

	MTA		Consolidated	
	2013	2012	2013	2012
Remuneration (including fringe benefits) received or due and receivable, by officers of the Consolidated Entity.	495,231	397,057	495,231	397,057

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	01 Apr 2012 – 29 Nov 2012

Notes to the consolidated financial statements (continued)

During the year the following arms length transactions occurred with the Board of Management

	2013	2012
	\$	\$
Mr Roger Paech		
Provision of services for ride on lawn mower	159	892
Mr Clive Polley		
Purchase of diesel training aids for MTA Group Training Scheme training centre	-	6,930

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 Board of Managements' interests existing at year-end.

16. Subsequent events

Other than that already disclosed, 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.

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.

Notes to the consolidated financial statements (continued)

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 amounting to \$3,776 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 21st of May 2013 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 2013.

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) 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;
- (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;
 - (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;
 - (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;
 - (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;
 - (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: President

Name: Neville Gibb

Signature:



Date: 21st May 2013

**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 Management, 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 2012/2013 financial year;
- [ii] the Board of Management 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 Management.



Neville Gibb



John Zulian

Dated this 21st day of May 2013

**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 Management, 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) received or due and receivable, by officers of the Association.	2013 \$ 495,231	2012 \$ 397,057
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Signed pursuant to a resolution of the Board of Management.



Neville Gibb



John Zulian

Dated this 21st day of May 2013

DECLARATION

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

I, NEVILLE GIBB of Level 1, 81 Greenhill Road, Wayville in the State of South Australia, President, DO SOLEMNLY AND SINCERELY DECLARE as follows:

1. THAT I am the President of The Motor Trade Association of South Australia Inc (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 MTA 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 2012/2013 financial year are copies of the documents to be presented to members at the Annual General Meeting held on Tuesday, 17th July 2013 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 21st day of May 2013

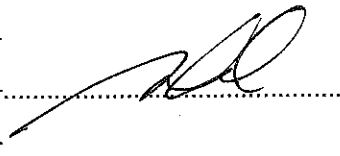
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Independent auditor's report to the members of The Motor Trade Association of SA Inc.

Report on the financial report

We have audited the accompanying financial report of The Motor Trade Association of SA Inc. (the Association), which comprises the statements of financial position as at 31 March 2013, 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's 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 Incorporation 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 Incorporation Act 1985 (as amended), Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards – Reduced Disclosure Requirements, a 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 Inc. is in accordance with the Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009, including:

- (a) presenting fairly the Association's and the Group's financial position as at 31 March 2013 and of their performance for the year ended on that date;
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.


KPMG



Darren Ball
Partner

Adelaide

21 May 2013