

The Motor Trade Association of SA Inc.

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2014

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

I, Neville Gibb being the President of The Motor Trade Association of South Australia Inc., on behalf of the Association of the reporting unit present the operating report, for the financial year ended 31 March 2014.

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	John Jansse	
Frank Agostino	Dale John	
John Zulian	Robert Duns	
Clive Polley	Tracy Butler	
Peter Roberts	Brenton Stein	24 Aug 13 - current
Ron Lewis	Paul Page	24 Dec 13 - current
Danny Shane	Kym Webber	16 July 13 - current
Brian Weeks	Phillip Turner	19 Nov 13 - current
Jeff Williams	John Rowley	01 Apr 13 - 21 May 13
Colin Butcher	Roger Paech	01 Apr 13 - 16 July 13
Andrew Forrest	George Papillo	01 Apr 13 - 08 Aug 13
Martin Guppy	Hilar Puvi	16 Aug 13- 17-Oct 13

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 2014.

Statement of profit or loss and other comprehensive income

The Associations deficit from ordinary activities in the financial year ended 31 March 2014 was (\$668,220), (2013: surplus of \$334,468) and for the Consolidated Entity surplus of \$245,653, (2013: \$153,973). The Association's deficit includes interest expense of \$737,925 paid to its controlled entity. Adjusting for this expense the Association reported a surplus of \$69,705.

Statement of Financial Position

Equity decreased to \$10,612,685 for the Association and increased to \$20,867,072 for the Consolidated Entity.

The Association's cash flow from operating activities was \$318,157 and the Consolidated Entity \$1,018,267.

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.

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 1,142 members of the Motor Trade Association of SA Inc, (2013: 1,160).

Staffing

The Association employed 52 staff at the end of the financial year, (2013: 57). The Consolidated Entity employed 548 staff at year end (2013: 612).

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.

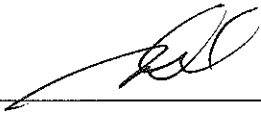
Director of a Company or Member of a Board

Name	Company Name	Principal Activities	Position
Neville Gibb	Gibb & Sons Pty Ltd	Automotive Sales	Director
Neville Gibb	Denpass Pty Ltd	Property	Director
Neville Gibb	Motor Trade Association of Australia Inc	Association	Director
Neville Gibb	MTAA House Pty Ltd	Property	Director
Neville Gibb	Australian Motor Industry Federation	Association	Director
Frank Agostino	Agostino Family Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Petroleum Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Group Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Resources Pty Ltd	Retail/Property	Director
Frank Agostino	Agostino Properties Pty Ltd	Retail/Property	Director
Frank Agostino	AM/PM Always Pty Ltd	Retail/Property	Director
Frank Agostino	Frank Agostino Nominees Pty Ltd	Retail/Property	Director
Frank Agostino	Glendambo Partners Pty Ltd	Retail/Property	Director
Frank Agostino	Harrow Road St Peters Pty Ltd	Retail/Property	Director
Frank Agostino	Hannah Georgia Pty Ltd	Property	Director
Frank Agostino	Justmar Nominees Pty Ltd	Retail/Property	Director
Frank Agostino	Talunga Properties Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Holdings Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Properties Pty Ltd	Retail/Property	Director
Frank Agostino	Weeroona Resources Pty Ltd	Retail/Property	Director
Frank Agostino	Willaston Property Investments Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Motors (City) Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Group Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Partners Pty Ltd	Retail/Property	Director
Frank Agostino	Yorke Investments Pty Ltd	Retail/Property	Director
Frank Agostino	492 Salisbury Highway Pty Ltd	Retail/Property	Director
Frank Agostino	77 Payneham Road Pty Ltd	Retail/Property	Director
Frank Agostino	111 Angas Street Pty Ltd	Retail/Property	Director
Frank Agostino	271 Pulteney Street Pty Ltd	Retail/Property	Director
Frank Agostino	603 Salisbury Highway Pty Ltd	Retail/Property	Director
Frank Agostino	65 Mount Barker Road Pty Ltd	Retail/Property	Director
Frank Agostino	Tatiara Olive Processors Pty Ltd	Olive Oil Production	Director
Frank Agostino	Australian Olive Association	Olive Oil Production	Director
Frank Agostino	Longridge Partners Pty Ltd	Farming	Director
John Zulian	I-Car Australia	Training	Director
John Zulian	Lass Investments Pty Ltd	Collision Repair	Director
John Zulian	Amlass Investments Pty Ltd	Retail	Director
John Zulian	Amzul Pty Ltd	Property	Director
Jeff Williams	Glenelg Crash Repairs Pty Ltd	Collision Repair	Director
Jeff Williams	Australian Motor Industry Federation	Association	Director
Brian Weeks	Western Auto Repairs Pty Ltd	Automotive Repair	Director
Peter Roberts	Peter Roberts Motors Pty Ltd	Automotive Sales	Director
Peter Roberts	Mt Gambier Trucks Pty Ltd	Automotive Sales	Director
Peter Roberts	P&K (STC) Pty Ltd	Property	Director
Peter Roberts	POR Nominees Pty Ltd	Property	Director
Peter Roberts	Roberts Nefyn Pty Ltd	Property	Director
Peter Roberts	John Terra Pty Ltd	Property	Director
Peter Roberts	Petbar Investments Pty Ltd	Property	Director
Clive Polley	KMN Nominees Pty Ltd	Automotive Sales	Director
Clive Polley	Independent Components Wholesale Pty Ltd	Automotive Sales	Director

Clive Polley	Van Works Pty Ltd	Automotive Sales	Director
Clive Polley	Freightliner Trucks Pty Ltd	Automotive Sales	Director
Clive Polley	Green Tanks Pty Ltd	Manufacturing	Director
Ron Lewis	Ballugan Pty Ltd	Property	Director
Ron Lewis	Beechmont Pty Ltd	Property	Director
Ron Lewis	Bulls Transport Pty Ltd	Transport	Director
Ron Lewis	Glynburn Contractors Pty Ltd	Transport	Director
Ron Lewis	Glynde Enterprises Pty Ltd	Automotive Sales	Director
Ron Lewis	JA Lewis Salvage (Salisbury) Pty Ltd	Automotive Sales	Director
Ron Lewis	JA Lewis Tourist Activities Pty Ltd	Tourism	Director
Ron Lewis	JA Lewis Tours Pty Ltd	Tourism	Director
Ron Lewis	JA Lewis Transport Industries Pty Ltd	Transport	Director
Ron Lewis	Lewis Bros Holdings Pty Ltd	Property	Director
Ron Lewis	MACS Travel Club Pty Ltd	Tourism	Director
Ron Lewis	TASC Pty Ltd	Automotive Sales	Director
Kym Webber	Wakerie Crash Pty Ltd	Collision Repair	Director
Kym Webber	District Council Loxton Waikerie	Local Government	Elected Member
Kym Webber	Regional Development Australia	Association	Board Member
Dale John	Ucal Pty Ltd	Automotive Sales	Director
Dale John	Motor Trade Association of Australia	Association	Board Member
Robert Duns	Duns Bros Pty Ltd	Automotive Repair	Director
Colin Butcher	Arno Bay Soldiers Memorial Hall Inc	Association	Chairman
Martin Guppy	Honda World Pty Ltd	Automotive Sales	Director
Phillip Turner	Mt Barker Truck and Bus Repairs Pty Ltd	Automotive Repair	Director

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

President


Neville Gibb

Dated this 20th day of May 2014

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

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 2014, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2013.

Statement of profit or loss and other comprehensive income

The Associations surplus/ (deficit) for ordinary activities in the financial year ended 31 March 2014 was (\$668,220), (2013: \$334,468) and as a Consolidated Entity \$245,653, (2013: \$153,973). The Association's deficit includes interest expense of \$737,925 paid to its controlled entity. Adjusting for this expense the Association reported a surplus of \$69,705.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Statement of profit or loss and other comprehensive income

For the year ended 31 March 2014

		MTA		Consolidated	
		2014	2013	2014	2013
	Note	\$	\$	\$	\$
Revenue					
Membership subscriptions		1,309,285	1,303,111	1,309,285	1,303,111
Commissions		251,804	299,182	251,804	299,182
Member function income		15,669	17,278	15,669	17,278
Rental income	2(a)	1,641,047	1,619,006	1,127,447	1,129,006
Sales – print & stationery		396,581	358,973	307,535	168,621
Apprentice income		-	-	16,686,433	15,455,214
Industry support		-	-	-	22,439
Other revenue	2(b)	3,445,622	3,547,869	272,446	485,998
Total revenue		7,060,008	7,145,419	19,970,619	18,880,849
Other Income					
Grants	2(c)	660,804	302,843	3,297,286	2,861,481
Total other income		660,804	302,843	3,297,286	2,861,481
Total income		7,720,812	7,448,262	23,267,905	21,742,330
Administration expenses		614,168	683,354	1,410,032	1,240,245
Advertising		143,697	148,199	277,628	289,586
Advocacy		19,495	11,039	19,495	11,039
Affiliation fees	3(a)	115,000	150,000	115,000	150,000
Apprentice training fees		-	-	194,593	170,868
Conferences and meeting expenses	3(b)	28,451	31,494	28,451	31,494
Cost of sales – print & stationery		167,557	181,220	167,557	181,220
Depreciation		473,775	458,470	979,400	937,919
Donations	3(d)	18,102	12,372	31,130	15,372
Employee expenses	3(e)	4,625,466	4,434,385	18,786,365	17,746,794
Grant expenses	3(c)	583,886	302,843	-	-
Insurance		92,555	90,103	177,857	167,180
Legal costs	3(f)	97,587	61,005	97,707	81,486
Motor vehicle costs		24,967	24,236	103,591	94,290
Motor trade journal		78,874	68,450	78,874	68,450
Property expenses		584,684	481,150	584,684	481,150
Telephone		67,476	67,696	114,276	110,440
Travel		22,590	42,589	52,267	68,921
Loss on sale of assets		13,309	-	28,041	-
Costs from ordinary activities		7,771,639	7,248,605	23,246,948	21,846,454
Operating surplus/(deficit) from operating activities		(50,827)	199,657	20,957	(104,124)
Net finance income	2(d)	(617,393)	134,811	224,696	258,097
Surplus for the period		(668,220)	334,468	245,653	153,973
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		(668,220)	334,468	245,653	153,973

The Statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

**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 2014

	<i>Note</i>	MTA		Consolidated
		2014	2013	2014
		\$	\$	\$
Accumulated Surplus:				
Opening accumulated surplus		9,911,891	9,577,423	19,252,405
Surplus for the period		(668,220)	334,468	245,653
<u>Other comprehensive income</u>				
Items that will not be reclassified to profit or loss				
Fair value reserve		1,369,014	1,369,014	1,369,014
Total equity at the end of the year		10,612,685	11,280,905	20,867,072
				20,621,419

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

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

Statement of Financial Position

As at 31 March 2014

		MTA		Consolidated	
	<i>Note</i>	2014	2013	2014	2013
Assets		\$	\$	\$	\$
Cash	4	1,785,187	1,584,522	3,152,326	2,532,048
Trade and other receivables	5	822,941	828,278	2,318,592	2,118,364
Inventories	6	55,437	46,947	62,266	56,595
Investments	7	1,462,075	1,406,336	3,359,596	3,230,566
Total current assets		4,125,640	3,866,083	8,892,780	7,937,573
Trade and other receivables	5	160,000	160,000	-	-
Investments	7	2,037,014	2,037,014	2,182,515	2,182,515
Investment property	8	3,196,665	3,242,590	3,196,665	3,242,590
Property, plant and equipment	9	7,497,569	7,841,334	11,010,588	11,612,079
Total non-current assets		12,891,248	13,280,938	16,389,768	17,037,184
Total assets		17,016,888	17,147,021	25,282,548	24,974,757
Liabilities					
Trade and other payables	10	1,107,862	1,082,891	1,976,771	1,941,621
Employee benefits	11	607,391	675,486	1,274,528	1,303,978
Borrowings	12	4,524,773	3,000,000	1,000,000	-
Total current liabilities		6,240,026	4,758,377	4,251,299	3,245,599
Employee benefits	11	164,177	107,739	164,177	107,739
Borrowings	12	-	1,000,000	-	1,000,000
Total non-current liabilities		164,177	1,107,739	164,177	1,107,739
Total liabilities		6,404,203	5,866,116	4,415,476	4,353,338
Net assets		10,612,685	11,280,905	20,867,072	20,621,419
Equity					
Accumulated surplus		9,243,671	9,911,891	19,498,058	19,252,405
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
Total equity		10,612,685	11,280,905	20,867,072	20,621,419

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 10 to 36.

**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 2014

	<i>Note</i>	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		8,035,026	8,149,043	28,457,074	24,084,330
Cash paid to suppliers and employees		(7,577,612)	(7,637,505)	(27,614,822)	(23,056,589)
Cash generated from operations		457,414	511,538	842,252	1,027,741
Distribution from MTAA House		84,360	86,040	89,860	91,540
Interest received		66,349	74,674	142,969	131,489
Interest expense		(289,966)	(63,593)	(56,814)	(63,593)
Net cash from operating activities	13	318,157	608,659	1,018,267	1,187,177
Cash flows from investing activities					
Acquisition of investments		(1,426,434)	1,337,542	(3,284,788)	(2,575,564)
Proceeds from disposal of investments		1,406,336	(1,368,646)	3,230,566	2,517,031
Acquisition of property, plant and equipment		(132,627)	(423,516)	(494,998)	(1,005,991)
Acquisition of investment property		(10,659)	-	(10,659)	-
Proceeds from sale of property, plant and equipment		45,892	41,295	161,890	139,876
Net cash from investing activities		(117,492)	(413,325)	(397,989)	(924,648)
Net increase in cash and cash equivalents		200,665	195,334	620,278	262,529
Cash and cash equivalents at 1 April		1,584,522	1,389,188	2,532,048	2,269,519
Cash and cash equivalents at 31 March	4	1,785,187	1,584,522	3,152,326	2,532,048

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 10 to 36

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 2014 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 20th May 2014.

(a) Statement of compliance

The consolidated financial report of the Consolidated Entity and the financial report of the Association is a Tier 1 general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASB'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 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. Accounting estimates are discussed in the following notes;

- Note 7 Investments
- Note 8 Investment Property
- Note 9 Property, Plant and Equipment

The accounting policies set out below have been applied consistently to all periods in the financial report.

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 2014 was a deficit of (\$668,220) (2013: surplus \$334,468) and a current asset deficiency of \$2,114,386 (2013: \$892,294). Included in current liabilities for the Association a \$3,524,773 loan due by the Association to The MTA Group Training Scheme Inc, a wholly owned entity, as disclosed in Note 12. Adjusting for these current liabilities, the Association has a surplus of current assets over current liabilities of \$1,410,387, (2013: \$2,107,706). 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 \$318,157 (2013: \$608,659) continuing. It is on this basis the financial statements have been prepared on a going concern basis.

Other than the above, the reporting unit is not reliant on any agreed financial support from any other reporting unit to continue on a going concern basis.

The reporting units do not provide financial support to any reporting entities to ensure they can continue on a going concern basis.

(d) Basis of consolidation

(i) Subsidiaries

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

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

(ii) Transactions eliminated on consolidation

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

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(e) Property, plant and equipment

(i) Owned assets

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

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

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

Subsequent costs

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

The Association has a policy of valuing property owned by the Association every three years 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 shorter of the leased term or 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>2014</u>	<u>2013</u>
Plant & Equipment	9 to 36%	9 to 36%
Furniture & Fittings	11 to 30%	11 to 30%
Motor Vehicles	22.5%	22.5%
Buildings & Improvements	2.5 to 4%	2.5 to 4%

The residual value, if not insignificant, is reassessed annually.

(f) Expenses

Operating lease payments

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

Net financing costs

Net financing costs comprise interest payable on borrowings and dividend, 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.

(g) Investments

The Consolidated Entity's non-current equity investments are classified as being available-for-sale and are carried at fair value. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost as this is considered the best estimate of fair value. At each reporting date the Consolidated Entity will assess whether there is objective evidence that an equity instrument is impaired. An impairment loss is recognised in profit or loss and reversed if there has been a favourable change in the estimate to determine the recoverable amount.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods and services or for administrative purposes. Investment property was originally recognised at fair value and subsequently measured at cost.

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.

<u>Asset Class</u>	<u>Depreciation Rate</u>	
	<u>2014</u>	<u>2013</u>
Buildings & Improvements	2.5 %	2.5 %

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(i) Trade and other receivables

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

Bad debts are written off when they are identified.

(j) Inventories

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

(k) Cash and cash equivalents

Cash and cash equivalents comprise 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.

(l) Impairment

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

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

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

(i) Calculation of recoverable amount

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

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

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, value in use means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily

dependent on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

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.

(m) Income Tax

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

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

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

The Retail Motor Trading Co. Pty Ltd had a tax loss of \$2,161 resulting from activities to the taxation year ended 31 March 2014, (2013: Loss \$3,828).

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(n) 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.

Termination benefits are expensed when the consolidated entity can no longer withdraw the offer of these benefits and when the consolidated entity recognises costs for restructuring. If any benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(o) Provisions

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

(p) Trade and other payables

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

(q) Interest Rate Risk

The Consolidated Entity has exposure to interest rate risk through its term deposits and also borrowings held with financial institutions and related parties. Information about the term deposits are set out in note 7 and information about the borrowings are set out in note 12.

(r) Revenue

(i) Goods sold and services rendered

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

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

Dividend revenue 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)

(s) Goods and services tax

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

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

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

(t) Required Fair Work Australia Disclosures per Section 253

(i) Acquired assets

The individual entities have not acquired assets or liabilities during the financial year as a result of;

- a) an amalgamation under Part 2 of Chapter 3 of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- b) a restructure of the branches of the individual entities; or
- c) a determination by the General Manager under subsection 249(1) of the RO Act of an alternate reporting structure for the individual entities; or
- d) a revocation by the General manager under subsection 249(1) of the RO Act of a certificate issued by an organisation under subsection 245(1).

(ii) Acquired assets and liabilities as a result of a business combination

- a) The individual entities have not acquired assets or liabilities during the financial year as part of a business combination.

(u) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 April 2013 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Consolidated Entity are set out below. The Consolidated Entity does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have an impact on the Consolidated Entity's financial assets, but no impact on the Consolidated Entity financial liabilities. The Consolidated Entity is not planning on early adopting this standard.

Notes to the consolidated financial statements (continued)

(ii) AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Consolidated Entity is currently assessing the impact of AASB 10 and disclosure requirements for interests in subsidiaries in comparison with the existing disclosures. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

These standards are effective for not for profit entities for annual periods beginning on or after 1 January 2014 with early adoption permitted, however the Consolidated Entity is not planning to early adopt.

(v) Changes in accounting policy

Presentation of transactions recognised in other comprehensive income

From 1 April 2013 the Consolidated Entity applied amendments to AASB 101 Presentation of Financial Statements outlined in AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of items of Other Comprehensive Income. The change in accounting policy only relates to disclosures and had no impact on net income. The changes have been applied retrospectively and require the Consolidated Entity to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. The Consolidated Entity did not have any transactions through other comprehensive income in the current year and the fair value reserve in the Statement of Changes in Equity will not be reclassified to profit or loss.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
2.a. Rental revenue				
Properties	1,641,047	1,619,006	1,127,447	1,129,006
	<u>1,641,047</u>	<u>1,619,006</u>	<u>1,127,447</u>	<u>1,129,006</u>
2.b. Other operating income				
Other services	4,566	10,379	126,675	95,294
Industrial services	145,771	390,704	145,771	390,704
Related party salaries and on costs recharge	2,602,785	2,696,786	-	-
Related party management fees	692,500	450,000	-	-
	<u>3,445,622</u>	<u>3,547,869</u>	<u>272,446</u>	<u>485,998</u>
2.c. Grants				
Government funds	660,804	302,843	3,297,286	2,861,481
	<u>660,804</u>	<u>302,843</u>	<u>3,297,286</u>	<u>2,861,481</u>
2.d. Net finance income				
Interest income	92,986	112,364	191,650	230,150
MTAA House distribution	84,360	86,040	89,860	91,540
Less interest expense	(56,814)	(63,593)	(56,814)	(63,593)
Less related party interest ⁽¹⁾	(737,925)	-	-	-
Net Finance Income	<u>(617,393)</u>	<u>134,811</u>	<u>224,696</u>	<u>258,097</u>
⁽¹⁾ At 31 March 2013 the loan from the controlled entity was an interest free loan at call. On 21 May 2013 the loan agreement between the Motor Trade Association of South Australia Inc. and the MTA Group Training Scheme Inc. was amended. Interest is being charged at the bank rate plus 1% retrospectively to when the loan commenced on 25 July 2011.				
3.a. Affiliation fees				
Motor Trades Association of Australia	25,000	120,000	25,000	120,000
Australian Motor Industry Federation	90,000	30,000	90,000	30,000
	<u>115,000</u>	<u>150,000</u>	<u>115,000</u>	<u>150,000</u>
3.b. Administration Expenses				
Conferences and meeting expenses	28,451	31,494	28,451	31,494
	<u>28,451</u>	<u>31,494</u>	<u>28,451</u>	<u>31,494</u>
3.c. Grants				
Grant income	583,886	302,843	-	-
	<u>583,886</u>	<u>302,843</u>	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
3.d. Donations				
Donations	2,352	4,672	15,380	7,672
Political Donations	15,750	7,700	15,750	7,700
	18,102	12,372	31,130	15,372
<u>Donations over \$1,000</u>				
Kids Alive - "do the Five"	-	2,000	-	2,000
Rotary Club of Adelaide	-	-	-	3,000
RUFUS Van	-	-	13,027	-
Australian Labour Party (SA Branch)	2,250	-	2,250	-
Liberal Party of Australia (SA Division)	12,500	7,700	12,500	7,700
Nick Xenophon Group	1,000	-	1,000	-
3.e. Employees Expenses				
<u>Holders of office</u>				
Other employee expenses	11,985	11,792	11,985	11,792
Employee expenses holders of office	11,985	11,792	11,985	11,792
<u>Employees other than office holders</u>				
Wages and Salaries	3,717,257	3,594,969	16,046,663	15,074,153
Superannuation	349,063	335,059	1,353,829	1,483,695
Leave and other entitlements	68,244	111,876	237,372	273,888
Separation and redundancies	160,846	78,213	160,846	78,213
Other employee expenses	318,071	302,476	975,670	825,053
Employee expenses holders of office	4,613,481	4,422,593	18,774,380	17,735,002
Total employee expenses	4,625,466	4,434,385	18,786,365	17,746,794
3.f Legal costs				
Other legal costs	97,587	61,005	97,707	81,486
	97,587	61,005	97,707	81,486

There has been no litigation expenditure and are no litigation claims

4. Cash

Cash and cash equivalents	1,785,187	1,584,522	3,152,326	2,532,048
	1,785,187	1,584,522	3,152,326	2,532,048

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
5. Trade and other receivables				
Current				
<u>Receivables from other reporting units</u>				
The MTA Group Training Scheme	498,206	485,062	-	-
Total receivables from other reporting units	498,206	485,062	-	-
<u>Other receivables</u>				
Trade and other receivables	304,880	307,770	2,230,903	2,009,226
Prepayments	39,103	35,446	106,937	109,138
Less Provision for doubtful debts	(19,248)	-	(19,248)	-
Total other Receivables	324,735	343,216	2,318,592	2,118,364
Total trade and other receivables (net)	822,941	828,278	2,318,592	2,118,364
Non-current				
Loan due from controlled entity				
Retail Motor Trading Co. Pty Ltd	160,000	160,000	-	-
	160,000	160,000	-	-
The loan to Retail Motor Trading co. is payable with 12 months notice at an interest rate published by the Reserve Bank F5 Indicator lending Rates - large business				
6. Inventories				
Stationery	45,851	38,014	45,851	38,014
Printing	9,586	8,933	16,415	18,581
	55,437	46,947	62,266	56,595

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
7. Investments				
Current Investments				
Fixed term deposit	1,462,075	1,406,336	3,359,596	3,230,566
	1,462,075	1,406,336	3,359,596	3,230,566
<u>Details of Terms Deposits held</u>				
	Maturity	Amount		
		\$		
<u>Motor Trade Association of SA Inc</u>				
Westpac Banking Corporation	3 Jul 14	1,462,075		
		\$		
<u>MTA Group Training Scheme Inc</u>				
Westpac Banking Corporation	3 Jul 14	1,289,308		
Westpac Banking Corporation	20 Nov 14	608,213		
Shares in Non-Listed Investments				
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)		1	1	1
		1	1	1
Non-current Investments				
Units in MTAA House Unit Trust		2,037,014	2,037,014	2,182,515
Total Non-current Investments		2,037,014	2,182,515	2,182,515

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. These units do not have a quoted market price. 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. The units held are viewed as a long term investment.

8. Investment Property

Balance at 1 April	3,340,057	3,340,057	3,340,057	3,340,057
Acquisitions	10,659	-	10,659	-
Less: Accumulated depreciation	(154,051)	(97,467)	(154,051)	(97,467)
Balance at 31 March	3,196,665	3,242,590	3,196,665	3,242,590

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. We believe that there is no material change in market value at March 2014.

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. The next valuation due is March 2015.

Notes to the consolidated financial statements (continued)

9. Property, plant and equipment

	MTA				
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Total
Cost					
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	8,082,758	2,643,734	54,043	149,451	10,929,986
Balance at 1 April 2013	8,082,758	2,643,734	54,043	149,451	10,929,986
Acquisitions	-	44,397	3,427	84,803	132,627
Disposals	-	(276,655)	-	(82,829)	(359,484)
Balance at 31 March 2014	8,082,758	2,411,476	57,470	151,425	10,703,129
Depreciation and impairment losses					
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	1,666,639	1,336,917	41,475	43,621	3,088,652
Balance at 1 April 2013	1,666,639	1,336,917	41,475	43,621	3,088,652
Depreciation charge for the year	166,084	218,785	5,242	27,080	417,191
Disposals	-	(264,775)	-	(35,508)	(300,283)
Balance at 31 March 2014	1,832,723	1,290,927	46,717	35,193	3,205,560
Carrying amounts					
At 1 April 2012	6,582,203	1,149,828	19,251	110,606	7,861,888
At 31 March 2013	6,416,119	1,306,817	12,568	105,830	7,841,334
At 1 April 2013	6,416,119	1,306,817	12,568	105,830	7,841,334
At 31 March 2014	6,250,035	1,120,549	10,753	116,232	7,497,569

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 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	8,082,758	4,792,586	177,611	3,781,095	16,834,050
Balance at 1 April 2013	8,082,758	4,792,586	177,611	3,781,095	16,834,050
Acquisitions	-	187,615	5,040	318,601	511,256
Disposals	-	(508,560)	(32,510)	(295,710)	(836,780)
Balance at 31 March 2014	8,082,758	4,471,641	150,141	3,803,986	16,508,526
Depreciation and impairment losses					
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 2012	1,666,639	2,744,123	155,591	655,618	5,221,971
Balance at 1 April 2013	1,666,639	2,744,123	155,591	655,618	5,221,971
Depreciation charge for the year	166,084	460,252	16,669	279,811	922,816
Disposals	-	(462,149)	(32,510)	(152,190)	(646,849)
Balance at 31 March 2014	1,832,723	2,742,226	139,750	783,239	5,497,938
Carrying amounts					
At 1 April 2012	6,582,203	1,771,112	28,559	3,262,564	11,644,438
At 31 March 2013	6,416,119	2,048,463	22,020	3,125,477	11,612,079
At 1 April 2013	6,416,119	2,048,463	22,020	3,125,477	11,612,079
At 31 March 2014	6,250,035	1,729,415	10,391	3,020,747	11,010,588

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.

We believe that there is no material change in market value at March 2014.

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. The next valuation due is March 2015.

Notes to the consolidated financial statements (continued)

10. Trade and other payables

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Subscriptions in advance	258,711	229,523	258,711	229,523
Other trade payables	755,021	770,371	1,718,060	1,712,098
Subtotal trade creditors	1,013,732	999,894	1,976,771	1,941,621
<u>Payable to other Reporting Units</u>				
The MTA Group Training Scheme Inc.	94,130	82,997	-	-
Subtotal payables to other reporting units	94,130	82,997	-	-
Total trade payables	1,107,862	1,082,891	1,976,771	1,941,621

11. Employee benefits

Current

Office holders

The Board of Management receive no compensation for their roles.

Employee provisions - office holders

-	-	-	-
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Employees other than office holders

Annual leave	255,910	273,732	917,336	898,295
Long service leave	515,658	507,965	515,658	507,965
Other	-	1,528	5,711	5,457
Employee provisions - other than office holders	771,568	783,225	1,438,705	1,411,717
Total Employee provisions	771,568	783,225	1,438,705	1,411,717

Current	607,391	675,486	1,274,528	1,303,978
Non- current	164,177	107,739	164,177	107,739
Total Employee provisions	771,568	783,225	1,438,705	1,411,717

Notes to the consolidated financial statements (continued)

12. Borrowings

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Current				
Receivables due to other reporting units				
MTA Group Training Scheme Inc. ⁽¹⁾	3,524,773	3,000,000	-	-
Other current borrowings				
Westpac mortgage on 3 Schenker Drive Royal Park	1,000,000	-	1,000,000	-
	4,524,773	3,000,000	1,000,000	-
Non –Current				
Westpac mortgage on 3 Schenker Drive Royal Park	-	1,000,000	-	1,000,000
	-	1,000,000	-	1,000,000
	4,524,773	4,000,000	1,000,000	1,000,000

⁽¹⁾On 21 May 2013 the loan agreement between the Motor Trade Association of South Australia Inc. and the MTA Group Training Scheme Inc. was amended. Interest is being charged at the bank rate plus 1% retrospectively to when the loan commenced on 25 July 2011.

The loan from the MTA Group Training Scheme Inc. is repayable within 90 days upon a written request being made by the lender.

Westpac mortgage loan on 3 Schenker Drive is due for payment or renewal on 23 December 2014. The Westpac mortgage loan is secured by 3 Schenker Drive.

13(a). Reconciliation of cash flows from operating activities

	Note	MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash and cash equivalents					
Cash on hand		1,785,187	1,584,522	3,152,326	2,532,048
Total cash & cash equivalents		1,785,187	1,584,522	3,152,326	2,532,048
Cash flows from operating activities					
Profit for the period		(668,220)	334,469	245,653	153,973
<i>Adjustments for:</i>					
Loss on disposal		13,309	-	28,041	-
Non-cash interest earned on investments		(35,641)	(37,691)	(74,808)	(98,661)
Non-cash interest payable on related party loans		524,773	-	-	-
Depreciation		473,775	458,470	979,400	937,919
Government asset contribution		-	-	(16,258)	-
Operating profit before changes in working capital and provisions		307,996	755,248	1,162,028	993,231
(Increase)/decrease in trade and other receivables		5,337	(40,041)	(200,228)	152,515
(Increase)/decrease in inventories		(8,490)	(2,121)	(5,671)	5,890
(Decrease)/increase in trade and other payables		24,971	(139,391)	35,150	(64,992)
(Decrease)/increase in provisions and employee benefits		(11,657)	34,964	26,988	100,533
Cash generated from the operations		318,157	608,659	1,018,267	1,187,177

Notes to the consolidated financial statements (continued)

13b. Reconciliation of cash flows from operating activities

	MTA		Consolidated	
	2014	2013	2014	2013
Cash inflows				
MTA Group Training Scheme Inc	4,308,869	4,128,556	-	-
Retail Motor Trading Co. Pty Ltd	9,040	9,061	-	-
Total Cash inflows	4,317,909	4,137,617	-	-

14. Contingencies

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	366,000	309,000	2,082,000	3,324,000

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 \$1,716,000 (2013:\$1,656,000), whilst the cost to the Association for training staff entitlements would be \$366,000 (2013:\$309,000).

15. Consolidated entities

	Australian Business Number	Ownership interest	
		2014	2013
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)

16. Related party transactions

The Associations transactions receivable from MTA Group Scheme

	2014	2013
	\$	\$
Management Fees	692,500	450,000
Staff Salaries and on costs	2,602,785	2,696,786
Rental of 3 Frederick Road	513,600	490,000
Printing sales	89,046	190,352
Provision of services for governments grants	583,886	302,843
	<u>4,481,817</u>	<u>4,129,981</u>

Management fees relate to time spent by MTA staff on MTA- GTS related issues.

Statement of profit or loss and other comprehensive income

	2014	2013
	\$	\$
Interest on loan for \$160,000 receivable from Retail Motor Trading Co. Pty Ltd	7,360	9,040
Interest on Loan of \$3,000,000 payable to MTA Group Training Scheme	(737,925)	-
	<u>(730,565)</u>	<u>9,040</u>

Statement of Financial Position

	2014	2013
	\$	\$
Trade and other receivables	658,010	485,062
Trade and other payables	(94,130)	(82,997)
Borrowings	(3,524,773)	(3,000,000)
	<u>(2,960,893)</u>	<u>(2,597,935)</u>

Statement of Financial Position

	2014	2013
	\$	\$
Borrowings	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

	2014	2013
	\$	\$
Mr Roger Paech		
- Provision of services for ride on lawn mower	-	159

Notes to the consolidated financial statements (continued)

17. Key management personnel for the reporting period

The following were key management personnel of the Motor Trade Association of South Australia during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Tim Buckley	Tracy Simpson	
Russell Smith	Mario Marrone	
Anna Moeller	John Chapman	01 Apr 2012 - 31 Jan 2014
Emma Flenley	Paul Good	01 Apr 2012 - 29 Nov 2012
Liam Hunt		

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
<u>Short term employee benefits</u>				
Salary (including annual leave taken)	889,072	951,747	889,072	951,747
Annual leave accrued	52,152	45,580	52,152	45,580
Performance bonus	33,220	19,450	33,220	19,450
Total Employee provisions	974,444	1,016,777	974,444	1,016,777
<u>Post - employment benefits</u>				
Superannuation	85,651	88,850	85,651	88,850
Total post- employment benefits	85,651	88,850	85,651	88,850
<u>Other long term benefits</u>				
Long service leave	50,626	46,265	50,626	46,265
Total post- employment benefits	50,626	46,265	50,626	46,265
<u>Termination benefits</u>				
Termination	160,846	47,721	160,846	47,721
Total termination benefits	160,846	47,721	160,846	47,721

18. Remuneration to Auditors

<u>Value of services to Auditors</u>				
Financial statement audit services	38,350	31,568	59,500	51,900
Other assurance services	-	-	2,500	1,700
Tax services	75,497	45,675	75,497	45,675
Advisory Services	-	-	2,200	-
Total remuneration to auditors	113,847	77,243	139,697	99,275

Notes to the consolidated financial statements (continued)

19. Financial Risk Management Objectives and Policies

The Consolidated Entity activities expose it primarily to the financial risks in credit, liquidity and market risk.

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments.

The Consolidated Entity's financial assets consist mainly of cash and short term bank secured investments, available for sale assets, trade and other receivables and investments in a Unit Trust. The Consolidated Entity's financial liabilities comprise trade and other payables. The main purpose of these financial instruments is to invest surplus member funds in order to maximise returns while not exposing the Consolidated Entity to a high level of risk.

The Board of Management has established an investment policy designed to establish controls and monitor these risks. The Consolidated Entity's Audit Committee oversees how management monitors compliance with these policies.

a. Credit Risk

Exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has established a credit policy under which new customers are analysed individually for credit worthiness before being offered standard credit terms. The Consolidated Entity's exposure is continuously monitored and limits reviewed. Trade receivables consist of a large number of members and customers spread across diverse trades within South Australia. The Consolidated entity does not have any significant credit risk exposure to any single party. The credit risk on liquid funds is mitigated by ensuring that authorised bank deposits are held with major banking institutions.

The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum credit risk exposure at the reporting date was:

Credit Risk Exposure

	MTA		Consolidated	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash and Cash Equivalents	1,785,187	1,584,522	3,152,326	2,532,048
Trade and other receivables - current	822,941	828,278	2,318,592	2,118,364
Investments - current	1,462,075	1,406,336	3,359,596	3,230,566
Investments - non current	2,037,014	2,037,014	2,182,515	2,182,515
Trade and other receivables - non current	160,000	160,000	-	-
	<u>6,267,217</u>	<u>6,016,150</u>	<u>11,013,029</u>	<u>10,063,493</u>

The ageing of the trade and other receivables at the reporting date was as follows;

	MTA			Consolidated		
	2014		2013		2014	2013
	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Carrying Value	Provision	Net Value
Current	818,646	-	818,646	810,739	-	810,739
Past Due 0-30 days	2,950	-	2,950	4,969	-	4,969
Past Due 31-60 days	541	-	541	1,733	-	1,733
Past Due 61- 90 days	804	-	804	8,686	-	8,686
More than 90 days	19,248	(19,248)	-	2,151	(19,248)	-
	<u>842,189</u>	<u>(19,248)</u>	<u>822,941</u>	<u>828,278</u>	<u>(19,248)</u>	<u>809,030</u>

Notes to the consolidated financial statements (continued)

b. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices in particular interest rates. The Consolidated Entity manages the financial risk relating to its investments set out in accordance with its Investment Policy and is reviewed annually.

(i) Exposure to interest rate risk

At the reporting date the interest profile of the Consolidated Entity's interest bearing financial instruments was:

		MTA		Consolidated	
		2014	2013	2014	2013
		\$	\$	\$	\$
Cash and Cash Equivalents	4	1,785,187	1,584,522	3,152,326	2,532,048
Retail Motor Trading Co Pty Ltd Loan - non-current	5	160,000	160,000	-	-
Investments - current	7	1,462,075	1,406,336	3,359,596	3,230,566
Receivables due to other reporting units	12	(3,524,773)	(3,000,000)	-	-
Westpac mortgage on 3 Schenker Drive Royal Park	12	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
		(1,117,511)	(849,142)	5,511,922	4,762,614

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

		MTA			
		Profit and Loss		Equity	
		100bp	100bp	100bp	100bp
		Increase	Decrease	Increase	Decrease
31 March 2014					
Cash and Cash Equivalents		17,852	(17,852)	17,852	(17,852)
Retail Motor Trading Co Pty Ltd Loan non-current		1,600	(1,600)	1,600	(1,600)
Investments - current		14,620	(14,620)	14,620	(14,620)
Receivables due to other reporting units		(35,247)	35,247	(35,247)	35,247
Westpac mortgage on 3 Schenker Drive Royal Park		(10,000)	10,000	(10,000)	10,000
		(11,175)	11,175	11,175	(11,175)
31 March 2013					
Cash and Cash Equivalents		15,845	(15,845)	15,845	(15,845)
Retail Motor Trading Co Pty Ltd Loan non-current		1,600	(1,600)	1,600	(1,600)
Investments - current		14,063	(14,063)	14,063	(14,063)
Receivables due to other reporting units		(30,000)	30,000	(30,000)	30,000
Westpac mortgage on 3 Schenker Drive Royal Park		(10,000)	10,000	(10,000)	10,000
		(8,492)	8,492	(8,492)	8,492
		Consolidated			
		Profit and Loss		Equity	
		100bp	100bp	100bp	100bp
		Increase	Decrease	Increase	Decrease
31 March 2014					
Cash and Cash Equivalents		31,523	(31,523)	31,523	(31,523)
Investments - current		33,596	(33,596)	33,596	(33,596)
Westpac mortgage on 3 Schenker Drive		(10,000)	10,000	(10,000)	10,000
		55,119	(55,119)	55,119	(55,119)
31 March 2013					
Cash and Cash Equivalents		25,320	(25,320)	25,320	(25,320)
Investments - current		32,305	(32,305)	32,305	(32,305)
Westpac mortgage on 3 Schenker Drive		(10,000)	10,000	(10,000)	10,000
		47,625	(47,625)	47,625	(47,625)

Notes to the consolidated financial statements (continued)

c. Liquidity Risk Liquidity Risk is the risk that the Consolidated Entity does not have sufficient resources to meet its obligations when they become due and payable, or will have to do so at excessive cost. The Consolidated Entity's policy is designed to ensure that there are sufficient funds to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

	MTA				Consolidated			
	Carrying Amount	Contractual cash flows	6 months or less	12 months or less	Carrying Amount	Contractual cash flows	6 months or less	12 months or less
	\$	\$	\$		\$	\$	\$	
31 March 2014								
Accounts payable	1,107,862	1,107,862	1,107,862	-	1,976,771	1,976,771	1,976,771	-
Borrowings from related parties	3,524,773	3,524,773	3,524,773	-	-	-	-	-
Borrowings -current	1,000,000	1,000,000	-	1,000,000	1,000,000	1,000,000	-	1,000,000
	<u>5,632,635</u>	<u>5,632,635</u>	<u>4,632,635</u>	<u>1,000,000</u>	<u>2,976,771</u>	<u>2,976,771</u>	<u>1,976,771</u>	<u>1,000,000</u>
31 March 2013								
Accounts payable	1,082,891	1,082,891	1,082,891	-	1,941,621	1,941,621	1,941,621	-
Borrowings from related parties	3,000,000	3,000,000	3,000,000	-	-	-	-	-
Borrowings – non-current	1,000,000	1,000,000	-	1,000,000	1,000,000	1,000,000	-	1,000,000
	<u>5,082,891</u>	<u>5,082,891</u>	<u>4,082,891</u>	<u>1,000,000</u>	<u>2,941,621</u>	<u>2,941,621</u>	<u>1,941,621</u>	<u>1,000,000</u>

d. Fair Values

Fair Values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position are as follows:

	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
31 March 2014				
Cash and Cash Equivalents	1,785,187	1,785,187	3,152,326	3,152,326
Trade and other receivables - current	822,941	822,941	2,318,592	2,318,592
Investments - current	1,462,075	1,462,075	3,359,596	3,359,596
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Receivables from other reporting unit non-current	160,000	160,000	-	-
Trade and other payables	(1,107,862)	(1,107,862)	(1,976,771)	(1,976,771)
Receivables due to other reporting units current	(3,524,773)	(3,524,773)	-	-
	<u>1,634,582</u>	<u>1,634,582</u>	<u>9,036,258</u>	<u>9,036,258</u>

Notes to the consolidated financial statements (continued)

31 March 2013	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,584,522	1,584,522	2,532,048	2,532,048
Trade and other receivables	828,278	828,278	2,118,364	2,118,364
Short Term Bank Secured Investments	1,406,336	1,406,336	3,230,566	3,230,566
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Receivables from other reporting unit - non-current	160,000	160,000	-	-
Trade and other payables	(1,082,891)	(1,082,891)	(1,941,621)	(1,941,621)
Receivables due to other reporting units- current	(3,000,000)	(3,000,000)	-	-
	1,933,259	1,933,259	8,121,872	8,121,872

e. Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quotes prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2014	MTA				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment in Unit Trust	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515
	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515

31 March 2013	MTA				Consolidated			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investment in Unit Trust	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515
	-	-	2,037,014	2,037,014	-	-	2,182,515	2,182,515

These investments do not have a quoted market price and fair value is limited by restrictions on disposal options. The method for valuing unlisted equity investments is reviewed annually.

Fair Values

For Financial assets and Financial liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

e. Capital risk management

The Consolidated Entity's policy is to maintain a strong capital base for its members confidence and future development of the industry and to ensure the Consolidated Entity will be able to continue as a going concern. The Consolidated Entity's overall strategy remains unchanged from 2013.

The Consolidated Entity is not subject to any externally imposed capital requirements.

Notes to the consolidated financial statements (continued)

20. Operating leases as lessor

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are receivable as follows;

	2014	2013
Less than one year	792,600	855,168
Between one and five years	1,077,278	1,384,240
More than five years	-	-
	<u>1,869,878</u>	<u>2,239,408</u>

The Association leases out a number of offices under operating leases. The leases typically run for a period of three to five years, with an option to renew the lease after that date. Lease payments are increased every year to reflect market rentals based on a fixed annual percentage increase or CPI.

21. Subsequent events

There are no 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.

22. 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).

23. 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.

24. 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.

25. 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.

Notes to the consolidated financial statements (continued)

26. Members of Board of Management

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	John Jansse	
Frank Agostino	Dale John	
John Zulian	Robert Duns	
Clive Polley	Tracy Butler	
Peter Roberts	Brenton Stein	24 Aug 13 - current
Ron Lewis	Paul Page	24 Dec 13 - current
Danny Shane	Kym Webber	16 July 13 - current
Brian Weeks	Phillip Turner	19 Nov 13 - current
Jeff Williams	John Rowley	01 Apr 13 - 21 May 13
Colin Butcher	Roger Paech	01 Apr 13 - 16 July 13
Andrew Forrest	George Papillo	01 Apr 13 - 08 Aug 13
Martin Guppy	Hilar Puvi	16 Aug 13- 17-Oct 13

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

Neville Gibb	Danny Shane	
Frank Agostino	Ron Lewis	19 Nov 13 - 31 Mar 14
John Zulian	Hilar Puvi	16 Aug 13- 17-Oct 13
Clive Polley	George Papillo	01 Apr 13 - 08 Aug 13
Peter Roberts		

No member of the Board of Management of the Association receives any remuneration (except travel cost reimbursement).

27. Other disclosures required by Fair Work Australia

The following disclosures are made for the purposes of section 253 of the Fair Work Australia (Registered Organisations) Act 2009.

The reporting unit has not received revenue for;

- Capitation fees
- Donations
- Compulsory levies

The reporting unit has not paid expenses for;

- Capitation fees
- Compulsory levies
- Consideration to employees for payroll deductions
- Penalties - via RO Act of RO Regulations

The reporting unit has not accrued expenses for;

- Separation and redundancies
- Legal costs

The reporting unit has not accrued expenses for

- Separation and redundancies

The reporting unit has no recovery of wages activity.

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

On 20th of May 2014 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 2014.

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 (AASB) 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;
- (c) the financial statements and notes give a true and fair view of, the financial performance, financial position and cash flows on the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Board of Management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) where 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 provided to the member or the General Manager of FWA; and
 - (vi) where any orders for inspection of financial records have been made by the Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period there has been compliance during the period.
- (vii) The Association has not undertaken any recovery of wages activity.

For Board of Management

Name and Title of Office held: Neville Gibb, President


Signature:

20 May 2014

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 2013/2014 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 20th day of May 2014

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.

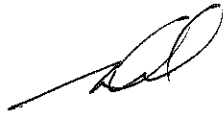
REPORT BY THE BOARD OF MANAGEMENT

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)	2014	2013
received or due and receivable, by	\$	\$
officers of the Association.	-	-

Signed pursuant to a resolution of the Board of Management.



Neville Gibb



John Zulian

Dated this 20th day of May 2014

THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INCORPORATED

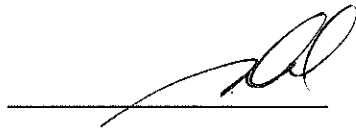
s. 268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 31 March 2014

I, NEVILLE GIBB being the President of The Motor Trade Association of South Australia Inc. certify:

- that the documents lodged herewith are copies of the full report for The Motor Trade Association of South Australia Inc. for the period ended 31 March 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report will be provided to members of the reporting unit on 15 June 2014; and
- that the full report will be presented to a general meeting of members of the reporting unit on Tuesday, 15 July 2014 in accordance with s. 266 of the Fair Work (Registered Organisations) Act 2009.



Signature of prescribed designated officer

NEVILLE GIBB

Name of prescribed designated officer

PRESIDENT

Title of prescribed designated officer

20 MAY 2014

Dated



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 statement of financial position as at 31 March 2014, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 27 comprising a summary of significant accounting policies and other explanatory information and the Statement by the Board of Management of the Association and 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, 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, 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.



Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion the financial report of The Motor Trade Association of SA Inc. is properly drawn up so as to present fairly, in all material respects, the financial position of the Association and the Group as at 31 March 2014 and of their financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Associations Incorporation Act 1985* (as amended) and *Fair Work (Registered Organisations) Act 2009*.

KPMG

Darren Ball
Partner

Adelaide

20 May 2014