

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

ABN 65 767 492 138

## **Consolidated Financial Report**

For the year ended

**31 March 2015**

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

ABN 65 767 492 138

## Operating Report

I, Frank Agostino, being the President of The Motor Trade Association of South Australia Incorporated (the Association), present for the reporting unit the operating report, for the financial year ended 31 March 2015.

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

Frank Agostino	Robert Duns	
Neville Gibb	Tracy Butler	
John Zulian	Brenton Stein	
Clive Polley	Paul Page	
Peter Roberts	Kym Webber	
Ron Lewis	Phillip Turner	
Martin Guppy	Bill Lane	23-12-2014 – 31-03-2015
Brian Weeks	David Vincent	17-02-2015 – 31-03-2015
Jeff Williams	Marcus Baldacchino	23-12-2014 – 31-03-2015
Colin Butcher	Andrew Forrest	01-04-2014 – 11-12-2014
John Jansse	Danny Shane	01-04-2014 – 05-11-2014
Dale John		

## Principal Activities

The principal activities of the Association and its controlled entities, 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 2015.

## Statement of profit or loss and other comprehensive income

The Associations surplus from ordinary activities in the financial year ended 31 March 2015 was \$182,813, (2014: deficit of \$668,220) and for the Consolidated Entity deficit of \$64,495, (2014: surplus of \$245,653).

## **Statement of Financial Position**

Equity increased to \$10,795,498 (2014 \$10,612,685) for the Association and decreased to \$20,802,577, (2014 \$20,867,072) for the Consolidated Entity.

The Association's cash flow from operating activities was \$629,570, (2014 \$318,157) and the Consolidated Entity \$841,121 (2014 \$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 1,102 members of the Motor Trade Association of SA Inc, (2014: 1,142).

## **Staffing**

The Association employed 50 staff at the end of the financial year, (2014: 52). The Consolidated Entity employed 549 staff at year end (2014: 548).

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

President

  
\_\_\_\_\_  
Frank Agostino

Dated this 26<sup>th</sup> day of May 2015

**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 Association). The discussion and analysis is based on the general purpose financial report of the Association and its subsidiaries (the Consolidated Entity).

**Operational and financial review**

The financial statements from the Association and the Consolidated Entity are for the twelve months ended 31 March 2015, the comparative financial statements for the Association and the Consolidated Entity are for the twelve months ended 31 March 2014.

# 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 2015

	<i>Note</i>	MTA		Consolidated	
		2015	2014	2015	2014
<b>Revenue</b>		\$	\$	\$	\$
Membership subscriptions		1,329,419	1,309,285	1,329,419	1,309,285
Commissions		104,449	251,804	104,449	251,804
Member function income		28,180	15,669	28,180	15,669
Rental income	2(a)	1,736,143	1,641,047	1,203,143	1,127,447
Sales – print & stationery		289,687	396,581	208,451	307,535
Apprentice income		-	-	16,311,774	16,686,433
Industry support		-	-	-	-
Other revenue	2(b)	3,461,263	3,445,622	219,249	272,446
<b>Total revenue</b>		<b>6,949,141</b>	<b>7,060,008</b>	<b>19,404,665</b>	<b>19,970,619</b>
<b>Other Income</b>					
Grants	2(c)	522,067	660,804	2,977,599	3,297,286
<b>Total other income</b>		<b>522,067</b>	<b>660,804</b>	<b>2,977,599</b>	<b>3,297,286</b>
<b>Total income</b>		<b>7,471,208</b>	<b>7,720,812</b>	<b>22,382,264</b>	<b>23,267,905</b>
Administration expenses		664,427	614,168	1,361,611	1,410,032
Advertising		74,616	143,697	197,066	277,628
Advocacy		4,473	19,495	4,473	19,495
Affiliation fees	3(a)	153,125	115,000	153,125	115,000
Apprentice training fees		-	-	219,230	194,593
Conferences and meeting expenses	3(b)	37,128	28,451	37,128	28,451
Cost of sales – print & stationery		147,411	167,557	147,411	167,557
Depreciation		480,285	473,775	951,731	979,400
Donations	3(d)	5,938	18,102	5,938	31,130
Employee expenses	3(e)	4,474,679	4,625,466	18,678,866	18,786,365
Grant expenses	3(c)	419,446	583,886	-	-
Insurance		98,669	92,555	192,335	177,857
Legal costs	3(f)	67,184	97,587	67,184	97,707
Motor vehicle costs		18,853	24,967	95,013	103,591
Motor trade journal		14,261	78,874	14,261	78,874
Property expenses		416,319	584,684	416,319	584,684
Telephone		54,841	67,476	97,194	114,276
Travel		16,882	22,590	49,253	52,267
Loss on sale of assets		2,337	13,309	8,978	28,041
<b>Costs from ordinary activities</b>		<b>7,150,874</b>	<b>7,771,639</b>	<b>22,697,116</b>	<b>23,246,948</b>
<b>Surplus/(deficit) from operating activities</b>		<b>320,334</b>	<b>(50,827)</b>	<b>(314,852)</b>	<b>20,957</b>
Net finance income	2(d)	(137,521)	(617,393)	250,357	224,696
<b>Surplus/(deficit) for the period</b>		<b>182,813</b>	<b>(668,220)</b>	<b>(64,495)</b>	<b>245,653</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>182,813</b>	<b>(668,220)</b>	<b>(64,495)</b>	<b>245,653</b>

The statement of comprehensive income should be read in conjunction with the note in the financial statement set out on pages 8 to 34.

**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 2015**

	<i>Note</i>	<b>MTA</b>		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		\$	\$	\$	\$
<b>Accumulated Surplus:</b>					
Opening accumulated surplus		9,243,671	9,911,891	19,498,058	19,252,405
Surplus/(deficit) for the period		182,813	(668,220)	(64,495)	245,653
<b>Closing accumulated surplus/(deficit)</b>		<b>9,426,484</b>	<b>9,243,671</b>	<b>19,433,563</b>	<b>19,498,058</b>
<u>Other comprehensive income</u>					
Items that will no be reclassified to profit or loss		-	-	-	-
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
<b>Total equity at the end of the year</b>		<b>10,795,498</b>	<b>10,612,685</b>	<b>20,802,577</b>	<b>20,867,072</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 8 to 34.

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

**Statement of Financial Position**

**As at 31 March 2015**

		<b>MTA</b>		<b>Consolidated</b>	
	<i>Note</i>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		\$	\$	\$	\$
Cash	4	1,937,183	1,785,187	3,206,908	3,152,326
Trade and other receivables	5	780,444	822,941	2,367,465	2,318,592
Inventories	6	56,043	55,437	61,106	62,266
Investments	7	404,347	1,462,075	2,348,056	3,359,596
<b>Total current assets</b>		<b>3,178,017</b>	<b>4,125,640</b>	<b>7,983,535</b>	<b>8,892,780</b>
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	3,177,918	3,196,665	3,177,918	3,196,665
Property, plant and equipment	9	7,572,334	7,497,569	10,876,683	11,010,588
<b>Total non-current assets</b>		<b>12,947,266</b>	<b>12,891,248</b>	<b>16,237,116</b>	<b>16,389,768</b>
<b>Total assets</b>		<b>16,125,283</b>	<b>17,016,888</b>	<b>24,220,651</b>	<b>25,282,548</b>
<b>Liabilities</b>					
Trade and other payables	10	993,051	1,107,862	1,922,180	1,976,771
Employee benefits	11	698,547	607,391	1,382,480	1,274,528
Borrowings	12	1,000	4,524,773	1,000	1,000,000
<b>Total current liabilities</b>		<b>1,692,598</b>	<b>6,240,026</b>	<b>3,305,660</b>	<b>4,251,299</b>
Employee benefits	11	112,414	164,177	112,414	164,177
Borrowings	12	3,524,773	-	-	-
<b>Total non-current liabilities</b>		<b>3,637,187</b>	<b>164,177</b>	<b>112,414</b>	<b>164,177</b>
<b>Total liabilities</b>		<b>5,329,785</b>	<b>6,404,203</b>	<b>3,418,074</b>	<b>4,415,476</b>
<b>Net assets</b>		<b>10,795,498</b>	<b>10,612,685</b>	<b>20,802,577</b>	<b>20,867,072</b>
<b>Equity</b>					
Accumulated surplus		9,426,484	9,243,671	19,433,563	19,498,058
Fair value reserve		1,369,014	1,369,014	1,369,014	1,369,014
<b>Total equity</b>		<b>10,795,498</b>	<b>10,612,685</b>	<b>20,802,577</b>	<b>20,867,072</b>

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 8 to 34.

**MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.  
AND CONSOLIDATED ENTITIES**  
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**Statements of cash flows**  
**For the year ended 31 March 2015**

		<b>MTA</b>		<b>Consolidated</b>	
	<i>Note</i>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		\$	\$	\$	\$
<b>Cash flows from operating activities</b>					
Cash receipts from customers		8,265,076	8,035,026	24,566,730	28,457,074
Cash paid to suppliers and employees		(7,495,647)	(7,577,612)	(23,966,988)	(27,614,822)
Cash generated from operations		769,429	457,414	599,742	842,252
Interest expense		(326,956)	(289,966)	(44,622)	(56,814)
Interest received		77,395	66,349	175,439	142,969
Distribution from MTAA House		112,040	84,360	119,540	89,860
<b>Net cash from operating activities</b>	<b>13</b>	<b>631,908</b>	<b>318,157</b>	<b>850,099</b>	<b>1,018,267</b>
<b>Cash flows from investing activities</b>					
Payments for investments		(404,347)	(1,426,434)	(2,348,056)	(3,284,788)
Proceeds from settlement of investments		1,462,075	1,406,336	3,359,596	3,230,566
Payments for property, plant and equipment		(537,894)	(132,627)	(856,723)	(494,998)
Payments for investment Property		(38,016)	(10,659)	(38,016)	(10,659)
Proceeds from sale of property, plant and equipment		37,270	45,892	86,682	161,890
<b>Net cash from investing activities</b>		<b>519,088</b>	<b>(117,492)</b>	<b>203,483</b>	<b>(397,989)</b>
<b>Cash flows from financing activities</b>					
Loans from external parties		(999,000)	-	(999,000)	-
<b>Net cash from financing activities</b>		<b>(999,000)</b>	<b>-</b>	<b>(999,000)</b>	<b>-</b>
Net increase in cash and cash equivalents		151,996	200,665	54,582	620,278
Cash and cash equivalents at 1 April		1,785,187	1,584,522	3,152,326	2,532,048
<b>Cash and cash equivalents at 31 March</b>	<b>4</b>	<b>1,937,183</b>	<b>1,785,187</b>	<b>3,206,908</b>	<b>3,152,326</b>

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 8 to 34



# 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 2015 comprise the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 26<sup>th</sup> May 2015.

### (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, the Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009 (RO Act).

### (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 2015 was a surplus of \$182,813 (2014: deficit of \$668,220) and a net current asset surplus of \$1,485,419 (2014: net current asset deficiency of \$2,114,386). Included in last years current liabilities for the Association is a loan of \$3,524,773, due by the Association to The MTA Group Training Scheme Inc, a wholly owned entity, as disclosed in Note 12. The Association has adopted this year, that no settlement of the loan will occur in the next 12 months. 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 \$629,570 (2014: \$318,157) 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 is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 (l)).

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>2015</u>	<u>2014</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>2015</u>	<u>2014</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 profit of \$158 resulting from activities to the taxation year ended 31 March 2015, (2014: Loss \$2,161).

## 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 January 2014 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) IFRS 9 Financial Instruments**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments; Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.

The Consolidated Entity is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

## Notes to the consolidated financial statements (continued)

### **(ii) IFRS 15 Revenue from Contracts with customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when, revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted

The Consolidated Entity is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

### **(v) Changes in accounting policy**

#### **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 has assessed the impact of AASB 10 and disclosure requirements for interests in subsidiaries in comparison with the existing disclosures and determined there is no change from the prior year. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

## Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>2.a. Rental revenue</b>				
Properties	1,736,143	1,641,047	1,203,143	1,127,447
	<u>1,736,143</u>	<u>1,641,047</u>	<u>1,203,143</u>	<u>1,127,447</u>
<b>2.b. Other operating income</b>				
Other services	5,105	4,566	117,404	126,675
Industrial services	101,845	145,771	101,845	145,771
Related party salaries and on costs recharge	2,556,313	2,602,785	-	-
Related party management fees	798,000	692,500	-	-
	<u>3,461,263</u>	<u>3,445,622</u>	<u>219,249</u>	<u>272,446</u>
<b>2.c. Grants</b>				
Government funds	522,067	660,804	2,977,599	3,297,286
	<u>522,067</u>	<u>660,804</u>	<u>2,977,599</u>	<u>3,297,286</u>
<b>2.d. Net finance income</b>				
Interest income	77,395	92,986	175,439	191,650
MTAA House distribution	112,040	84,360	119,540	89,860
Less interest expense	(44,622)	(56,814)	(44,622)	(56,814)
Less related party interest <sup>(1)</sup>	(282,334)	(737,925)	-	-
<b>Net Finance Income</b>	<u>(137,521)</u>	<u>(617,393)</u>	<u>250,357</u>	<u>224,696</u>
<b>3.a. Affiliation fees</b>				
Motor Trades Association of Australia	60,125	25,000	60,125	25,000
Australian Motor Industry Federation	93,000	90,000	93,000	90,000
	<u>153,125</u>	<u>115,000</u>	<u>153,125</u>	<u>115,000</u>
<b>3.b. Administration Expenses</b>				
Conferences and meeting expenses	37,128	28,451	37,128	28,451
	<u>37,128</u>	<u>28,451</u>	<u>37,128</u>	<u>28,451</u>
<b>3.c. Grants or Donations</b>				
Grants	419,446	583,886	-	-
	<u>419,446</u>	<u>583,886</u>	<u>-</u>	<u>-</u>

<sup>(1)</sup> 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.

## Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>3.d. Donations</b>				
Donations	938	2,352	938	15,380
Political Donations included as part of advocacy	5,000	15,750	5,000	15,750
	<u>5,938</u>	<u>18,102</u>	<u>5,938</u>	<u>31,130</u>
<u>Donations over \$1,000</u>				
RUFUS Van	-	-	-	13,027
Australian Labour Party ( SA Branch)	-	2,250	-	2,250
Liberal Party of Australia SA (Division)	5,000	12,500	5,000	12,500
Nick Xenophon Group	-	1,000	-	1,000
<b>3.e. Employees Expenses</b>				
<u>Holders of office</u>				
Other employee expenses	9,949	11,985	9,949	11,985
<b>Employee expenses holders of office</b>	<u>9,949</u>	<u>11,985</u>	<u>9,949</u>	<u>11,985</u>
<u>Employees other than office holders</u>				
Wages and Salaries	3,776,077	3,717,257	16,277,532	16,046,663
Superannuation	359,572	349,063	1,399,262	1,353,829
Leave and other entitlements	59,108	68,244	118,722	237,372
Separation and redundancies	14,219	160,846	14,219	160,846
Other employee expenses	258,754	318,071	859,182	975,670
<b>Employee expenses holders of office</b>	<u>4,464,730</u>	<u>4,613,481</u>	<u>18,668,917</u>	<u>18,774,380</u>
<b>Total employee expenses</b>	<u>4,474,679</u>	<u>4,625,466</u>	<u>18,678,866</u>	<u>18,786,365</u>
<b>3.f Legal costs</b>				
Other legal costs	67,184	97,587	67,184	97,707
	<u>67,184</u>	<u>97,587</u>	<u>67,184</u>	<u>97,707</u>
There has been no litigation expenditure and are no litigation claims				
<b>4. Cash</b>				
Cash and cash equivalents	1,937,183	1,785,187	3,206,908	3,152,326
	<u>1,937,183</u>	<u>1,785,187</u>	<u>3,206,908</u>	<u>3,152,326</u>

## Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>5. Trade and other receivables</b>				
<b>Current</b>				
<u>Receivables from other reporting units</u>				
The MTA Group Training Scheme	474,894	498,206	-	-
Retail Motor Trading Co. Pty Ltd	7,040	7,360	-	-
Total receivables from other reporting units	481,934	505,566	-	-
<u>Other receivables</u>				
Trade and other receivables	282,406	297,520	2,288,891	2,230,903
Prepayments	16,104	39,103	78,574	106,937
less Provision for doubtful debts	-	(19,248)	-	(19,248)
Total other Receivables	298,510	317,375	2,367,465	2,318,592
Total trade and other receivables (net)	780,444	822,941	2,367,465	2,318,592
<b>Non-current</b>				
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				
<b>6. Inventories</b>				
Stationery	48,839	45,851	48,839	45,851
Printing	7,204	9,586	12,267	16,415
	56,043	55,437	61,106	62,266

## Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>7. Investments</b>				
<b>Current Investments</b>				
Fixed term deposit	404,347	1,462,075	2,348,056	3,359,596
	404,347	1,462,075	2,348,056	3,359,596
<u>Details of Terms Deposits held</u>				
	<b>Maturity</b>	<b>Amount</b>		
		\$		
<u>Motor Trade Association of SA Inc</u>				
Commonwealth Bank	3 Jun 15	404,347		
<u>MTA Group Training Scheme Inc</u>		\$		
Commonwealth Bank	3 Jun 15	1,314,419		
Commonwealth Bank	21 Sep 15	629,290		
<b>Shares in Non-Listed Investments</b>				
MTAA Superannuation Fund Pty Limited (ACN 008 650 628)		1	1	1
		1	1	1
<b>Non-current Investments</b>				
Units in MTAA House Unit Trust		2,037,014	2,037,014	2,182,515
<b>Total Non-current Investments</b>		2,037,014	2,037,014	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.

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>8. Investment Property 2015</b>				
Balance at 1 April	3,340,057	3,340,057	3,340,057	3,340,057
Acquisitions	48,675	10,659	48,675	10,659
Less: Accumulated depreciation	(210,814)	(154,051)	(210,814)	(154,051)
Balance at 31 March	3,177,918	3,196,665	3,177,918	3,196,665

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 2015 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.

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 2018.

## Notes to the consolidated financial statements (continued)

### 9. Property, plant and equipment

	MTA				
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Total
<b>Cost</b>					
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
Balance at 1 April 2014	8,082,758	2,411,476	57,470	151,425	10,703,129
Acquisitions	3,940	443,487	22,613	67,854	537,894
Disposals	-	(515)	-	(66,617)	(67,132)
Balance at 31 March 2015	8,086,698	2,854,448	80,083	152,662	11,173,891
<b>Depreciation and impairment losses</b>					
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
Balance at 1 April 2014	1,832,723	1,290,927	46,717	35,193	3,205,560
Depreciation charge for the year	166,097	215,453	11,520	30,452	423,522
Adjustment	-	12,968	(12,968)	-	-
Disposals	-	(450)	-	(27,075)	(27,525)
Balance at 31 March 2015	1,998,820	1,518,898	45,269	38,570	3,601,557
<b>Carrying amounts</b>					
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
At 1 April 2014	6,250,035	1,120,549	10,753	116,232	7,497,569
At 31 March 2015	6,087,878	1,335,550	34,814	114,092	7,572,334

# Notes to the consolidated financial statements (continued)

## Property, plant and equipment (continued)

	Consolidated				
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Total
<b>Cost</b>					
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
Balance at 1 April 2014	8,082,758	4,471,641	150,141	3,803,986	16,508,526
Acquisitions	3,940	675,944	35,475	141,364	856,723
Transfer in/(out)	-	(120,167)	69,247	50,920	-
Disposals	-	(428,766)	(3,177)	(134,606)	(566,549)
Balance at 31 March 2015	8,086,698	4,598,652	251,686	3,861,664	16,798,700
<b>Depreciation and impairment losses</b>					
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
Balance at 1 April 2014	1,832,723	2,742,226	139,750	783,239	5,497,938
Depreciation charge for the year	166,097	435,564	20,678	272,629	894,968
Transfer in/(out)	-	(55,631)	40,168	15,463	-
Disposals	-	(409,612)	(3,177)	(58,100)	(470,889)
Balance at 31 March 2015	1,998,820	2,712,547	197,419	1,013,231	5,922,017
<b>Carrying amounts</b>					
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
At 1 April 2014	6,250,035	1,729,415	10,391	3,020,747	11,010,588
At 31 March 2015	6,087,878	1,886,105	54,267	2,848,433	10,876,683

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 2015 at a "willing buyer/seller" market value of \$6,900,000.

3 Frederick Road Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2015 at a "willing buyer/seller" market value of \$5,900,000.

3 Schenker Drive Royal Park was re-valued by Mr. S Bruce-Gordon AAPI of CBRE Valuations Pty Ltd in March 2015 at a "willing buyer/seller" market value of \$1,600,000. 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 2018.



# Notes to the consolidated financial statements (continued)

## 10. Trade and other payables

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Subscriptions in advance	196,604	258,711	196,604	258,711
Other trade payables	739,290	755,021	1,725,575	1,718,060
<b>Subtotal trade creditors</b>	<b>935,894</b>	<b>1,013,732</b>	<b>1,922,179</b>	<b>1,976,771</b>
<u>Payable to other Reporting Units</u>				
The MTA Group Training Scheme Inc.	57,156	94,130	-	-
<b>Subtotal payables to other reporting units</b>	<b>57,156</b>	<b>94,130</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>993,050</b>	<b>1,107,862</b>	<b>1,922,179</b>	<b>1,976,771</b>

## 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	264,102	255,910	939,602	917,336
Long service leave	546,859	515,658	546,859	515,658
Other	-	-	8,433	5,711
Employee provisions - other than office holders	810,961	771,568	1,494,894	1,438,705

### **Total Employee provisions**

<b>810,961</b>	<b>771,568</b>	<b>1,494,894</b>	<b>1,438,705</b>
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Current	698,547	607,391	1,382,480	1,274,528
Non Current	112,414	164,177	112,414	164,177
<b>Total Employee provisions</b>	<b>810,961</b>	<b>771,568</b>	<b>1,494,894</b>	<b>1,438,705</b>

## Notes to the consolidated financial statements (continued)

### 12. Borrowings

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Current</b>				
<u>Receivables due to other reporting units</u>				
MTA Group Training Scheme Inc.	-	3,524,773	-	-
<u>Other Current Borrowings</u>				
Westpac mortgage on 3 Schenker Drive Royal Park	-	1,000,000	-	1,000,000
Commonwealth mortgage on 3 Schenker Drive Royal Park	1,000	-	1,000	-
	1,000	4,524,773	1,000	1,000,000
<b>Non -Current</b>				
MTA Group Training Scheme Inc.	3,524,773	-	-	-
	3,524,773	-	-	-
	3,525,773	4,524,773	1,000	1,000,000

<sup>(1)</sup>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.

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

	MTA		Consolidated	
Note	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Cash and cash equivalents</b>				
Cash on hand	1,937,183	1,785,187	3,206,908	3,152,326
<b>Total cash &amp; cash equivalents</b>	<b>1,937,183</b>	<b>1,785,187</b>	<b>3,206,908</b>	<b>3,152,326</b>
<b>Cash flows from operating activities</b>				
Profit for the period	182,813	(668,220)	(64,495)	245,653
<i>Adjustments for:</i>				
Loss on disposal	2,337	13,309	8,978	28,041
Non-cash interest earned on investments	-	(35,641)	-	(74,808)
Non-cash interest payable on related party loans	-	524,773	-	-
Depreciation	480,285	473,775	951,731	979,400
Government asset contribution	-	-	-	(16,258)
<b>Operating profit before changes in working capital and provisions</b>	<b>665,435</b>	<b>307,996</b>	<b>896,214</b>	<b>1,162,028</b>
(Increase)/decrease in trade and other receivables	42,497	5,337	(48,873)	(200,228)
(Increase)/decrease in inventories	(606)	(8,490)	1,160	(5,671)
(Decrease)/increase in trade and other payables	(114,811)	24,971	(54,591)	35,150
Increase in provisions and employee benefits	39,393	(11,657)	56,189	26,988
<b>Cash generated from the operations</b>	<b>631,908</b>	<b>318,157</b>	<b>850,099</b>	<b>1,018,267</b>

## Notes to the consolidated financial statements (continued)

### Financing Facilities

A Line of Credit facility of \$1,000,000 (2014- \$0), is available to the Motor Trade Association of South Australia at 31 March 2015. At that date, \$1,000 of this facility was in use (2014 - \$Nil).

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

### 13b. Reconciliation of cash flows from operating activities

	MTA		Consolidated	
Cash inflows	2015	2014	2015	2014
MTA Group Training Scheme Inc	4,586,921	4,308,869	-	-
Retail Motor Trading Co. Pty Ltd	7,360	9,040	-	-
<b>Total Cash inflows</b>	<b>4,594,281</b>	<b>4,317,909</b>	<b>-</b>	<b>-</b>

### 14. Contingencies

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
Estimates of the maximum amount of contingent liabilities that may become payable	399,000	366,000	2,180,000	2,082,000

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 \$1,781,000 (2014:\$1,716,000), whilst the cost to the Association for training staff entitlements would be \$399,000 (2014:\$366,000).

### 15. Consolidated entities

	Australian Business Number	Ownership interest	
		2015	2014
<b>Parent entity</b>			
The Motor Trade Association of South Australia	65 767 492 138	100%	100%
<b>Controlled entities</b>			
The MTA Group Training Scheme Inc.	36 459 968 347	100%	100%
Retail Motor Trading Co. Pty Ltd	ACN 008 166 194	100%	100%

## Notes to the consolidated financial statements (continued)

### 16. Related party transactions

The Associations transactions receivable from MTA Group Scheme

#### Statement of Comprehensive Income

	<b>2015</b>	<b>2014</b>
	\$	\$
Management Fees	798,000	692,500
Staff Salaries and on costs	2,556,313	2,602,785
Rental of 3 Frederick Road	533,000	513,600
Printing sales	81,236	89,046
Staff Training	15,810	-
Provision of services for governments grants	419,446	583,886
	<u>4,403,805</u>	<u>4,481,817</u>

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

#### Statement of Comprehensive Income

	<b>2015</b>	<b>2014</b>
	\$	\$
Interest on loan for \$160,000 receivable from Retail Motor Trading Co Pty Ltd	7,040	7,360
Interest on Loan of \$3,000,000 payable to MTA Group Training Scheme	(282,334)	(737,925)
	<u>(275,294)</u>	<u>(730,565)</u>

#### Statement of Financial Position

	<b>2015</b>	<b>2014</b>
	\$	\$
Trade and other receivables	481,934	658,010
Trade and other payables	(57,156)	(94,130)
Borrowings	(3,524,773)	(3,524,773)
	<u>(3,099,995)</u>	<u>(2,960,893)</u>

#### Statement of Financial Position

	<b>2015</b>	<b>2014</b>
	\$	\$
Borrowings	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

## 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	Paul Unerkov 05-05- 2014 - current
Emma Flenley	John Chapman 01-04- 2013 - 31-01-2014
Liam Hunt	

	MTA		Consolidated	
	2015	2014	2015	2014
	\$	\$	\$	\$
<u>Short term employee benefits</u>				
Salary ( including annual leave taken)	919,280	889,072	918,280	889,072
Annual leave accrued	68,214	52,152	68,214	52,152
Performance Bonus	58,618	33,220	58,618	33,220
<b>Total employee provisions</b>	<b>1,046,112</b>	<b>974,444</b>	<b>1,046,112</b>	<b>974,444</b>
<u>Post - employment benefits</u>				
Superannuation	92,171	85,651	92,171	85,651
<b>Total post- employment benefits</b>	<b>92,171</b>	<b>85,651</b>	<b>92,171</b>	<b>85,651</b>
<u>Other long term benefits</u>				
Long service leave	36,433	50,626	36,433	50,626
<b>Total post- employment benefits</b>	<b>36,433</b>	<b>50,626</b>	<b>36,433</b>	<b>50,626</b>
<u>Termination benefits</u>				
Termination	-	160,846	-	160,846
<b>Total termination benefits</b>	<b>-</b>	<b>160,846</b>	<b>-</b>	<b>160,846</b>

### 18. Remuneration to Auditors

<u>Value of services to Auditors</u>				
Financial statement audit services	34,244	38,350	63,674	59,500
Other assurance services	2,600	-	13,400	2,500
Tax services	2,936	75,497	2,936	75,497
Advisory Services	-	-	-	2,200
<b>Total remuneration to auditors</b>	<b>39,780</b>	<b>113,847</b>	<b>80,010</b>	<b>139,697</b>

## 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	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash and Cash Equivalents	1,937,183	1,785,187	3,206,908	3,152,326
Trade and other receivables - current	780,444	822,941	2,367,465	2,318,592
Investments - current	404,347	1,462,075	2,348,056	3,359,596
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>5,318,988</u>	<u>6,267,217</u>	<u>10,104,944</u>	<u>11,013,029</u>

The Ageing of the Consolidated trade and other receivables at the reporting date was as follows

	MTA				Consolidated			
	2015		2014		2015		2014	
	\$	\$	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Net Value	Carrying Value	Provision	Net Value	Net Value
Current	760,375	-	760,375	818,646	2,289,935	-	2,289,935	2,171,555
Past Due 0-30 days	1,721	-	1,721	2,950	56,534	-	56,534	87,331
Past Due 31-60 days	4,500	-	4,500	541	5,587	-	5,587	41,404
Past Due 61- 90 days	7,889	-	7,889	804	9,450	-	9,450	8,939
More than 90 days	5,959	-	5,959	-	5,959	-	5,959	9,363
	<u>780,444</u>	<u>-</u>	<u>780,444</u>	<u>822,941</u>	<u>2,367,465</u>	<u>-</u>	<u>2,367,465</u>	<u>2,318,592</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	
		2015	2014	2015	2014
		\$	\$	\$	\$
Cash and Cash Equivalents	4	1,937,183	1,785,187	3,206,908	3,152,326
Retail Motor Trading Co Pty Ltd Loan non-current	5	160,000	160,000	-	-
Investments - current	7	404,347	1,462,075	2,348,056	3,359,596
Receivables due to other reporting units non-current	12	(3,524,773)	(3,524,773)	-	-
Secured mortgage on 3 Schenker Drive	12	(1,000)	(1,000,000)	(1,000)	(1,000,000)
		<u>(1,024,243)</u>	<u>(1,117,511)</u>	<u>5,553,964</u>	<u>5,511,922</u>

#### 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
<b>31 March 2015</b>					
Cash and Cash Equivalents		19,372	(19,372)	19,372	(19,372)
Retail Motor Trading Co Pty Ltd Loan non-current		1,600	(1,600)	1,600	(1,600)
Investments - current		4,043	(4,043)	4,043	(4,043)
Receivables due to other reporting units non-current		(35,247)	35,247	(35,247)	35,247
Commonwealth mortgage on 3 Schenker Drive		(10)	10	(10)	10
		<u>(10,242)</u>	<u>10,242</u>	<u>(10,242)</u>	<u>10,242</u>
<b>31 March 2014</b>					
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 current		(35,247)	35,247	(35,247)	35,247
Westpac mortgage on 3 Schenker Drive		(10,000)	10,000	(10,000)	10,000
		<u>(11,175)</u>	<u>11,175</u>	<u>(11,175)</u>	<u>11,175</u>
		Consolidated			
		Profit and Loss		Equity	
		100bp	100bp	100bp	100bp
		Increase	Decrease	Increase	Decrease
<b>31 March 2015</b>					
Cash and Cash Equivalents		32,069	(32,069)	32,069	(32,069)
Investments - current		23,481	(23,481)	23,481	(23,481)
Commonwealth mortgage on 3 Schenker Drive		(10)	10	(10)	10
		<u>55,540</u>	<u>(55,540)</u>	<u>55,540</u>	<u>(55,540)</u>
<b>31 March 2014</b>					
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
		<u>55,119</u>	<u>(55,119)</u>	<u>55,119</u>	<u>(55,119)</u>

## 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	More than 12 months	Carrying Amount	Contractual cash flows	6 months or less	12 months or less
	\$	\$	\$			\$	\$	\$	
<b>31 March 2015</b>									
Accounts payable	993,050	993,050	993,050	-	-	1,922,179	1,922,179	1,922,179	-
Borrowings - current	1,000	1,000	1,000	-	-	1,000	1,000	1,000	-
Borrowings from related parties - non-current	3,524,773	3,524,773	-	3,524,773	-	-	-	-	-
	<u>4,518,823</u>	<u>4,518,823</u>	<u>994,050</u>	<u>3,524,773</u>		<u>1,923,179</u>	<u>1,923,179</u>	<u>1,923,179</u>	<u>-</u>
<b>31 March 2014</b>									
Accounts payable	1,107,862	1,107,862	1,107,862	-	-	1,976,771	1,976,771	1,976,771	-
Borrowings from related parties - current	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>

## 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
	\$	\$	\$	\$
<b>31 March 2015</b>				
Cash and Cash Equivalents	1,937,183	1,937,183	3,206,908	3,206,908
Trade and other receivables - current	780,444	780,444	2,367,465	2,367,465
Investments - current	404,347	404,347	2,348,056	2,348,056
Investments - non-current	2,037,014	2,037,014	2,182,515	2,182,515
Retail Motor Trading Co Pty Ltd Loan non-current	160,000	160,000	-	-
Trade and other payables	(993,050)	(993,050)	(1,922,179)	(1,922,179)
Receivables due to other reporting units non-current	(3,524,773)	(3,524,773)	-	-
	<u>801,165</u>	<u>801,165</u>	<u>8,182,765</u>	<u>8,182,765</u>



## Notes to the consolidated financial statements (continued)

31 March 2014	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Cash and Cash Equivalents	1,785,187	1,785,187	3,152,326	3,152,326
Trade and other receivables	822,941	822,941	2,318,592	2,318,592
Short Term Bank Secured Investments	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- non-current	(3,524,773)	(3,524,773)	-	-
	1,634,582	1,634,582	9,036,258	9,036,258

### 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 2015	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 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

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;

	2015	2014
Less than one year	882,002	792,600
Between one and five years	597,063	1,077,278
More than five years	-	-
	<u>1,479,065</u>	<u>1,869,878</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 that 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:

Frank Agostino	Robert Duns	
Neville Gibb	Tracy Butler	
John Zulian	Brenton Stein	
Clive Polley	Paul Page	
Peter Roberts	Kym Webber	
Ron Lewis	Phillip Turner	
Martin Guppy	Bill Lane	23-12-2014 – 31-03-2015
Brian Weeks	David Vincent	17-02-2015 – 31-03-2015
Jeff Williams	Marcus Baldacchino	23-12-2014 – 31-03-2015
Colin Butcher	Andrew Forrest	01-04-2014 – 11-12-2014
John Jansse	Danny Shane	01-04-2014 – 05-11-2014
Dale John		

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:

Frank Agostino	Ron Lewis	
Neville Gibb	Martin Guppy	17-02-2015 – 31 March 2015
John Zulian	Danny Shane	01-04-2014 – 05-11-2014
Clive Polley		
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 has not received revenue for;

- Capitation fees
- Donations
- Compulsory levies

The reporting unit has not 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 has not accrued expenses for;

- Separation and redundancies
- Legal costs

The reporting unit has not 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 26<sup>th</sup> of May 2015 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 2015.

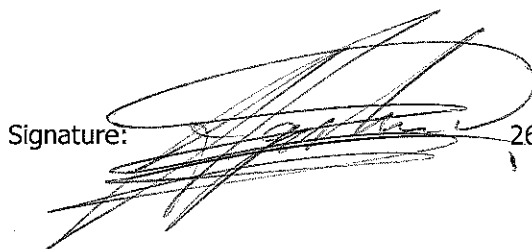
The Board of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards (AASB) adopted by the Australian Accounting Standards Board and Associations Incorporation Act 1985 (as amended) and Fair Work (Registered Organisations) Act 2009 (RO Act);
- (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 RO Act; 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 manner consistent with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member by a member of the reporting unit or General Manager duly made under Section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - (vi) where any orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
  - (vii) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

For Board of Management

Name and Title of Office held: Frank Agostino, President

Signature:



26 May 2015

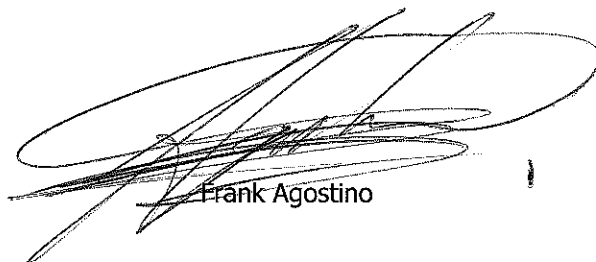
**THE MOTOR TRADE ASSOCIATION  
OF SOUTH AUSTRALIA INC.**

**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 2014/2015 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.

  
Frank Agostino

  
John Zulian

Dated this            26<sup>th</sup>            day of            May            2015

**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) | 2015 | 2014 |
| received or due and receivable, by           | \$   | \$   |
| officers of the Association.                 | -    | -    |

Signed pursuant to a resolution of the Board of Management.



Frank Agostino



John Zulian

Dated this        26<sup>th</sup>        day of        May        2015

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

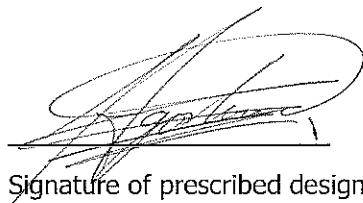
s. 268 Fair Work (Registered Organisations) Act 2009

### **CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 31 March 2015

I, FRANK AGOSTINO 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 2015 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 19 June 2015; and
- that the full report will be presented to a general meeting of members of the reporting unit on Tuesday, 21 July 2015 in accordance with s. 266 of the Fair Work (Registered Organisations) Act 2009.



Signature of prescribed designated officer

FRANK AGOSTINO

Name of prescribed designated officer

PRESIDENT

Title of prescribed designated officer

26 MAY 2015

Dated



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

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 2015, 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 and fair presentation 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 2015 and of their financial performance and their 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

26 May 2015