



The Motor Trade Association of SA Inc.

ABN 65 767 492 138

Consolidated Financial Report

For the year ended

31 March 2022

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Operating Report

The Board of Management 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 2022.

The names of the members of the Board of Management of the Association during the financial year, unless indicated otherwise were:

Frank Agostino
Neville Gibb
Clive Polley
Peter Roberts

John Hitchcock
Mark McGuire
Tom Skothos

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 specialised 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 2022.

Statement of profit or loss and other comprehensive income

The Association's surplus from ordinary activities in the financial year ended 31 March 2022 was \$815,581, (2021: surplus \$512,341) and for the Consolidated Entity deficit of \$39,390, (2021: surplus of \$1,354,481).

Statement of Financial Position

Equity increased to \$12,130,123, (2021: \$11,314,542) for the Association and decreased to \$22,375,339, (2021: \$22,414,729) for the Consolidated Entity.

The Association's cash flow from operating activities was \$555,503, (2021: \$565,039) and the Consolidated Entity \$816,376 (2021: \$1,648,333).

Events since balance date

No other matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Members

Members' rights to resign is set out in Item 6.2 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 1,298 members including 2 associate members of the Motor Trade Association of SA Inc, (2021: 1,266 inclusive of 3 associate member). Associate members receive limited services.

Staffing

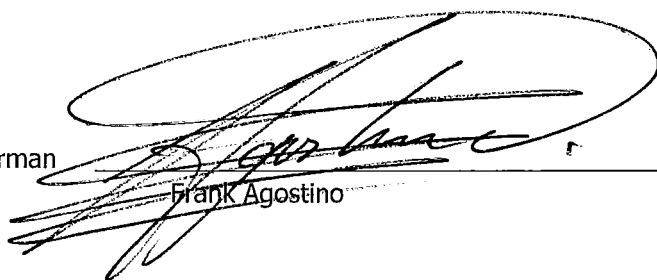
The Association employed 78 staff at the end of the financial year, (2021: 71). The Consolidated Entity employed 529 staff at year end (2021: 554).

Trustee or Director of Superannuation Entity

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

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

Chairman


Frank Agostino

Dated this 23rd day of August 2022

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 2022

	<i>Note</i>	MTA		Consolidated	
		2022	2021	2022	2021
Revenue		\$	\$	\$	\$
Membership subscriptions	2(a)	1,640,417	1,560,035	1,640,417	1,560,035
Revenue from contracts with customers	2(b)	2,080,042	1,754,564	23,466,588	10,467,826
Other revenue	2(c)	5,947,515	4,864,615	243,029	452,613
Profit on sale of asset		592,993	-	621,672	7,701
Loss / (Profit) on Revaluation of Investments		315,000	263,300	315,000	263,300
Total revenue		10,575,967	8,442,514	26,286,706	12,751,475
Other Income					
Grants	2(d)	-	490,375	4,556,619	18,949,739
Total other income		-	490,375	4,556,619	18,949,739
Total income		10,575,967	8,932,889	30,843,325	31,701,214
Administration expenses		739,447	583,456	2,029,413	1,777,530
Advertising		75,827	35,290	272,768	148,292
Advocacy		1,246	475	1,246	475
Affiliation fees	3(a)	187,500	187,500	187,500	187,500
Apprentice training fees		-	-	273,837	192,088
Conferences and meeting expenses	3(b)	18,714	25,599	18,714	25,599
Cost of sales – print & stationery		191,314	151,111	191,314	151,111
Depreciation		308,630	300,837	873,692	806,106
Donations	3(c)	11,522	6,529	11,764	6,529
Employee expenses	3(d)	7,370,709	6,418,537	25,989,508	26,261,533
Grant expenses	3(c)	-	-	-	-
Insurance		101,557	98,614	193,270	168,469
Legal costs	3(e)	116,008	9,835	127,618	41,470
Motor vehicle costs		35,498	26,121	128,656	93,585
Motor trade journal		-	-	-	-
Property expenses	3(f)	450,040	404,600	450,040	404,600
Telephone		48,857	51,940	64,793	68,551
Travel		29,557	14,597	94,034	48,706
Costs from ordinary activities		9,686,426	8,315,041	30,908,167	30,382,144
Operating surplus from operating activities		889,541	617,848	(64,842)	1,319,070
Net finance income	2(e)	(73,960)	(105,507)	25,452	35,411
Surplus for the period		815,581	512,341	(39,390)	1,354,481
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		815,581	512,341	(39,390)	1,354,481

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 7 to 32.

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 2022

	<i>Note</i>	MTA		Consolidated	
		2022	2021	2022	2021
		\$	\$	\$	\$
Accumulated Surplus:					
Opening accumulated surplus		11,314,542	10,802,201	22,414,729	21,060,248
Surplus for the period		815,581	512,341	(39,390)	1,354,481
Closing accumulated surplus		12,130,123	11,314,542	22,375,339	22,414,729
<u>Other comprehensive income</u>					
Items that will not be reclassified to profit or loss		-	-	-	-
<u>Total comprehensive income for the period</u>		<u>815,581</u>	<u>512,341</u>	<u>(39,390)</u>	<u>1,354,481</u>
Total equity at the end of the year		12,130,123	11,314,542	22,375,339	22,414,729

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 7 to 32.

MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC. AND CONSOLIDATED ENTITIES

ABN 65 767 492 138

Statement of Financial Position

As at 31 March 2022

		MTA		Consolidated	
	<i>Note</i>	2022	2021	2022	2021
Assets		\$	\$	\$	\$
Cash	4	1,703,260	1,437,049	3,018,113	3,534,331
Trade and other receivables	5	977,787	1,129,408	2,435,135	2,938,906
Inventories	6	-	48,882	7,248	53,374
Investments	7	3,837,202	3,826,017	10,386,883	6,861,803
Total current assets		6,518,249	6,441,356	15,847,379	13,388,414
Investment property	8	2,385,000	5,020,000	2,385,000	5,020,000
Property, plant and equipment	9	5,036,853	5,049,156	8,498,372	7,992,878
Intangible Assets	10	-	-	-	-
Total non-current assets		7,421,853	10,069,156	10,883,372	13,012,878
Total assets		13,940,102	16,510,512	26,730,751	26,401,292
Liabilities					
Trade and other payables	11	712,675	688,149	2,271,204	1,964,500
Employee benefits	12	1,023,521	854,747	2,010,425	1,893,762
Borrowings	13	1,000	1,000	1,000	1,000
Total current liabilities		1,737,196	1,543,896	4,282,629	3,859,262
Employee benefits	12	72,783	127,301	72,783	127,301
Borrowings	13	-	3,524,773	-	-
Total non-current liabilities		72,783	3,652,074	72,783	127,301
Total liabilities		1,809,979	5,195,970	4,355,412	3,986,563
Net assets		12,130,123	11,314,542	22,375,339	22,414,729
Equity					
Accumulated surplus		12,130,123	11,314,542	22,375,339	22,414,729
Fair value reserve		-	-	-	-
Total equity		12,130,123	11,314,542	22,375,339	22,414,729

The statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 7 to 32.

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 2022

		MTA		Consolidated	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts from customers		10,801,555	9,529,617	33,451,466	34,966,383
Cash paid to suppliers and employees		(10,172,092)	(8,859,071)	(32,660,542)	(33,353,461)
Cash generated from operations		629,463	670,546	790,924	1,612,922
Interest expense		(85,298)	(127,597)	-	-
Interest received		11,338	22,090	25,452	35,411
Net cash from operating activities	14	555,503	565,039	816,376	1,648,333
Cash flows from investing activities					
Payments for investments		(11,186)	(20,645)	(3,525,081)	(846,362)
Proceeds from settlement of investments		3,542,993	5,573	3,542,994	5,573
Payments for property, plant and equipment		(317,969)	(230,619)	(1,429,421)	(752,095)
Proceeds from sale of property, plant and equipment		21,643	-	78,914	53,625
Net cash from investing activities		3,235,481	(245,691)	(1,332,594)	(1,539,259)
Cash flows from financing activities					
Loans from external parties		(3,524,773)	-	-	-
Net cash from financing activities		(3,524,773)	-	-	-
Net increase in cash and cash equivalents		266,211	319,348	(516,218)	109,074
Cash and cash equivalents at 1 April		1,437,049	1,117,701	3,534,331	3,425,257
Cash and cash equivalents at 31 March	4	1,703,260	1,437,049	3,018,113	3,534,331

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 7 to 32.

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 2022 comprises the Association and its subsidiaries (together referred to as the "Consolidated Entity").

The financial report was authorised for issue by the directors on 23rd August 2022.

(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 (AASBs) adopted by the Australian Accounting Standards Board, the Associations Incorporation Act 1985 (as amended), Fair Work (Registered Organisations) Act 2009 (RO Act) and the Australian Charities and Not-for-profits Commission Act 2012.

(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, except for investments and investment properties which are measured at fair value.

(i) Judgement and estimates

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 8 Investment Property
- Note 9 Property, Plant and Equipment

(ii) Measurement of fair values

A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Association has an established control framework with respect to the measurement of fair values with all significant valuation issues reported to the Board of Management.

When measuring fair value of an asset or a liability, the Association uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

Further information about the assumptions made in measuring fair values is included in the following noted:

- Note 8 - Investment property

(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 2022 was a surplus of \$815,581 (2021: surplus of \$512,341) and a net current asset surplus of \$4,781,053 (2021: net current asset surplus of \$4,897,460). The Board of Management believes the Association is a going concern due to the expected profitability of the business. It is on this basis the financial statements have been prepared on a going concern basis.

The parent entity is not reliant on any agreed financial support from any other controlled entity 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.

There are no changes in the nature of, and change in, the risks associated with its interest in consolidated structured entities.

There are no changes in the ownership interest of its subsidiaries that has resulted in a loss of control.

There are no changes in the control of subsidiaries during the reporting period.

(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 in profit or loss if the valuation represents a devaluation below the initial cost recognised 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 straight line 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

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

<u>Asset Class</u>	<u>Depreciation Rates</u>	
	<u>2021/22</u>	<u>2020/21</u>
Plant & Equipment	6.6 to 50.0%	6.6 to 50.0%
Furniture & Fittings	10.0 to 33.3%	10.0 to 33.3%
Motor Vehicles	22.5 to 25.0%	22.5 to 25.0%
Buildings & Improvements	2.5 to 17%	2.5 to 17%

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

(f) Expenses

Net financing costs

Net financing costs comprise interest payable on borrowings and dividend, interest and distribution income. Leases 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 financial investments comprise term deposits carried at amortised cost where cashflows relate solely to principal plus interest.

(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 properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

(i) Trade and other receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method less any impairment (see accounting policy I).

Bad debts are measured using an expected credit loss model.

(j) Inventories

Inventories consist of 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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(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.

Recoverable amount 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 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 "current replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

(ii) Reversals of impairment

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

(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.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(n) Employee benefits

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 Australian Corporate bonds that have maturity dates approximating to the terms of the Consolidated Entity's obligations.

Short-term service benefits

A provision is made for 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.

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.

(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.

(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 13.

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(r) Revenue

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to customers.

(i) Goods sold and services rendered

Revenue from the sale of goods is recognised in profit and loss at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from services rendered is recognised in profit and loss over time as the services are rendered, 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

Grant revenue is recognised in profit or loss when the Consolidated Entity satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Consolidated Entity is eligible to retain the contribution, the grant will be recognised in the Statement of Financial Position as a liability until those conditions are satisfied.

(iv) Membership Income

Membership income from members is recognised in profit and loss on a straight-line basis over the financial year.

(s) Goods and services tax

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

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

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

Notes to the consolidated financial statements (continued)

1. Significant accounting policies (continued)

(t) Required Fair Work Commission 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 245(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 or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
2.a. Revenue from membership subscriptions				
Membership subscriptions	1,640,417	1,560,035	1,640,417	1,560,035
	1,640,417	1,560,035	1,640,417	1,560,035

Disaggregation of revenue from membership subscriptions

Revenue Recognised Over Time

Membership subscriptions	1,640,417	1,560,035	1,640,417	1,560,035
	1,640,417	1,560,035	1,640,417	1,560,035

2.b. Revenue from contracts with customers

Commissions	34,620	32,860	34,620	32,860
Sponsorship Income	68,136	54,868	93,986	54,868
Rental Income	1,428,722	1,239,345	788,122	755,245
Sales Print and Stationery	440,055	345,595	413,229	314,490
Industrial Income	108,509	81,896	108,509	81,896
Apprentice Income	-	-	21,736,566	9,032,162
External Apprentice Training	-	-	291,556	196,305
	2,080,042	1,754,564	23,466,588	10,467,826

Disaggregation of revenue from contracts with customers

Revenue recognised over a point in time

Commissions	34,620	32,860	34,620	32,860
Sponsorship Income	68,136	54,868	93,986	54,868
Rental Income	1,428,722	1,239,345	788,122	755,245
Sales Print and Stationery	440,055	345,595	413,229	314,490
Industrial Income	108,509	81,896	108,509	81,896
Apprentice Income	-	-	21,736,566	9,032,162
External Apprentice Training	-	-	291,556	196,305
	2,080,042	1,754,564	23,466,588	10,467,826

2.c. Other Revenue

Revenue recognised over a point in time

Other services	17,672	82,505	243,029	452,613
Related party salaries and on costs recharge	4,330,243	3,975,210	-	-
Related party management fees	1,599,600	806,900	-	-
	5,947,515	4,864,615	243,029	452,613

2.d. Grants

Revenue recognised over a point in time

Government funds	-	490,375	4,556,619	18,949,739
	-	490,375	4,556,619	18,949,739

2.e. Net finance income

Interest income	11,338	22,090	25,452	35,411
Less related party interest ⁽¹⁾	(85,298)	(127,597)	-	-
Net Finance Income	(73,960)	(105,507)	25,452	35,411

⁽¹⁾ 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	
	2022	2021	2022	2021
	\$	\$	\$	\$
3.a. Affiliation fees				
Motor Trades Association of Australia	187,500	187,500	187,500	187,500
	187,500	187,500	187,500	187,500
3.b. Administration Expenses				
Fees/ allowances - meeting and conferences	-	-	-	-
AGM as required under rules of the organisation	-	-	-	-
Conferences and meeting expenses of members, councils, committees, panels or other bodies	18,714	25,599	18,714	25,599
	18,714	25,599	18,714	25,599
3.c. Grants or Donations				
<u>Grants</u>				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	-	-	-	-
	-	-	-	-
<u>Donations</u>				
Total paid that were \$1,000 or less	2,477	1,984	2,719	1,984
Total paid that exceeded \$1,000	9,045	4,545	9,045	4,545
	11,522	6,529	11,764	6,529
3.d. Employees Expenses				
<u>Holders of office</u>				
Other employee expenses	890	1,114	890	1,114
Employee expenses holders of office	890	1,114	890	1,114
<u>Employees other than office holders</u>				
Wages and Salaries	6,282,676	5,366,259	22,769,480	23,136,090
Superannuation	613,550	519,229	2,063,170	1,798,915
Leave and other entitlements	114,277	70,612	207,072	345,457
Separation and redundancies	5,189	165,398	5,189	165,398
Other employee expenses	354,127	295,925	943,707	814,558
Employee expenses holders of office	7,369,819	6,417,423	25,988,618	26,260,418
Total employee expenses	7,370,709	6,418,537	25,989,508	26,261,532
3.e. Legal costs				
Other legal costs	116,008	9,835	127,618	41,470
	116,008	9,835	127,618	41,470
There has been no litigation expenditure and are no litigation claims				
3.f. Property Expenses				
Airconditioning	6,329	16,038	6,329	16,038
Cleaning	44,750	45,650	44,750	45,650
Fire	1,637	1,637	1,637	1,637
Landscaping	12,965	12,965	12,965	12,965
Lift	3,182	3,182	3,182	3,182
Rates and Taxes	218,174	239,145	218,174	239,145
Repairs and maintenance	68,308	38,046	68,308	38,046
Security	7,161	7,161	7,161	7,161
Property Management Fees	87,534	40,776	87,534	40,776
	450,040	404,600	450,040	404,600

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
4. Cash				
Cash and cash equivalents	1,703,260	1,437,049	3,018,113	3,534,331
	1,703,260	1,437,049	3,018,113	3,534,331
5. Trade and other receivables				
Current				
<u>Receivables from other controlled entities</u>				
- The MTA Group Training Scheme	795,583	940,559	-	-
- Retail Motor Trading Co. Pty Ltd	-	-	-	-
Total receivables from other controlled entities	795,583	940,559	-	-
<u>Other receivables</u>				
Trade and other receivables	156,782	48,498	2,406,967	2,659,254
Prepayments	25,422	140,351	48,168	299,652
/less Allowance for expected credit loss	-	-	(20,000)	(20,000)
Total other Receivables	182,204	188,849	2,435,135	2,938,906
Total trade and other receivables (net)	977,787	1,129,408	2,435,135	2,938,906
Non-current				
Loan due from controlled entity	-	-	-	-
Retail Motor Trading Co. Pty Ltd	-	-	-	-
6. Inventories				
Stationery	-	36,045	-	36,045
Printing	-	12,837	-	12,837
Safety Equipment	-	-	7,248	4,492
	-	48,882	7,248	53,374
7. Investments				
Current Investments				
Fixed term deposit	3,837,202	3,826,017	10,386,883	6,861,803
	3,837,202	3,826,017	10,386,883	6,861,803
<u>Details of Terms Deposits held</u>	Maturity	Amount		
<u>Motor Trade Association of SA Inc</u>		\$		
Commonwealth Bank	26-Apr-22	3,837,202		
<u>MTA Group Training Scheme Inc</u>		\$		
Commonwealth Bank	26-Apr-22	1,538,872		
Commonwealth Bank	30-May-22	1,504,480		
Commonwealth Bank	1-Dec-22	3,506,329		
Shares in Non-Listed Investments				
MTAA Superannuation Fund Pty Limited		1	1	1
(ACN 008 650 628)		1	1	1

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
8. Investment Property				
Balance at 1 April	5,020,000	4,756,700	5,020,000	4,7456,700
Disposal of 46 Fullarton Road	(2,950,000)	-	(2,950,000)	-
Gain / (loss) on revaluation of investments	315,000	263,300	315,000	263,300
Balance at 31 March	2,385,000	5,020,000	2,385,000	5,020,000

The fair value of investment property was determined by the Board with reference to information provided by external independent property valuers having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date, therefore recognised as Level 2 fair value in accordance with AASB 13 Fair Values Measurement.

Notes to the consolidated financial statements (continued)

9. Property, plant and equipment

	Land and buildings	Plant and equipment	MTA Fixtures and fittings	Other	Work In Progress	Total
Cost						
Balance at 1 April 2020	6,235,694	2,858,194	80,252	304,506	7,500	9,486,146
Acquisitions	12,272	206,302	-	-	12,045	230,619
Disposals	-	-	-	-	-	-
Balance at 31 March 2021	6,247,966	3,064,496	80,252	304,506	19,545	9,716,765
Balance at 1 April 2021	6,247,966	3,064,496	80,252	304,506	19,545	9,716,765
Acquisitions	30,356	144,839	-	83,991	58,783	317,969
Disposal	-	(491,388)	-	(49,127)	-	(540,515)
Balance at 31 March 2022	6,278,322	2,717,947	80,252	339,370	78,328	9,494,219
Depreciation and impairment losses						
Balance at 1 April 2020	2,312,978	1,907,298	48,082	98,414	-	4,366,772
Depreciation charge for the year	56,707	186,246	6,754	51,130	-	300,837
Disposals	-	-	-	-	-	-
Balance at 31 March 2021	2,369,685	2,093,544	54,836	149,544	-	4,667,609
Balance at 1 April 2021	2,369,685	2,093,544	54,836	149,544	-	4,667,609
Depreciation charge for the year	64,792	189,385	6,502	47,951	-	308,630
Disposal	-	(484,236)	-	(34,637)	-	(518,873)
Balance at 31 March 2022	2,434,477	1,798,693	61,338	162,858	-	4,457,366
Carrying amounts						
At 1 April 2020	3,922,716	950,896	32,170	206,092	7,500	5,119,374
At 31 March 2021	3,878,281	970,952	25,416	154,962	19,545	5,049,156
At 1 April 2021	3,878,281	970,952	25,416	154,962	19,545	5,049,156
At 31 March 2022	3,843,845	919,254	18,914	176,512	78,328	5,036,853

Notes to the consolidated financial statements (continued)

Property, plant and equipment (continued)

	Consolidated					Total
	Land and buildings	Plant and equipment	Fixtures and fittings	Other	Work In Progress	
Cost						
Balance at 1 April 2020	6,235,694	5,099,691	302,915	4,250,278	7,500	15,896,078
Acquisitions	12,272	577,129	31,838	118,811	12,045	752,095
Disposals	-	(90,958)	-	(66,343)	-	(157,301)
Balance at 31 March 2021	6,247,966	5,585,862	334,753	4,302,746	19,545	16,490,872
Balance at 1 April 2021	6,247,966	5,585,862	334,753	4,302,746	19,545	16,490,872
Acquisitions	30,356	744,427	80,183	500,933	73,522	1,429,421
Disposals	-	(744,753)	-	(118,425)	-	(863,178)
Balance at 31 March 2022	6,278,322	5,585,536	414,936	4,685,254	93,067	17,057,115
Depreciation and impairment losses						
Balance at 1 April 2020	2,312,978	3,370,926	212,806	1,906,557	-	7,803,267
Depreciation charge for the year	56,707	502,865	27,030	219,504	-	806,106
Disposals	-	(68,258)	-	(43,121)	-	(111,379)
Balance at 31 March 2021	2,369,685	3,805,533	239,836	2,082,940	-	8,497,994
Balance at 1 April 2021	2,369,685	3,805,533	239,836	2,082,940	-	8,497,994
Depreciation charge for the year	64,792	551,950	39,739	217,211	-	873,692
Disposals	-	(726,343)	-	(86,600)	-	(812,943)
Balance at 31 March 2022	2,434,477	3,631,140	279,575	2,213,551	-	8,558,743
Carrying amounts						
At 1 April 2020	3,922,716	1,728,765	90,109	2,343,721	7,500	8,092,811
At 31 March 2021	3,878,281	1,780,329	94,917	2,219,806	19,545	7,992,878
At 1 April 2021	3,878,281	1,780,329	94,917	2,219,806	19,545	7,992,878
At 31 March 2022	3,843,845	1,954,396	135,361	2,471,703	93,067	8,498,372

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 last independently valued by Mr. N Bell B.Bus (Property) FAPI of Knight Frank Valuations Pty Ltd at 31 March 2021 using a capitalisation of income approach using a rate of 7.00% at a "willing buyer/seller" market value of \$8,700,000. The valuation constitutes a level 2 fair value in accordance with AASB 13 Fair Value Measurement.

3 Frederick Road Royal Park was last independently valued by Mr. T Walker B.Bus (Property) AAPI of Knight Frank Valuations at 31 March 2021 using a capitalisation of income approach using a rate of 7.75% at a "willing buyer/seller" market value of \$6,950,000. The valuation constitutes a level 2 fair value in accordance with AASB 13 Fair Value Measurement.

The next independent valuation due is March 2024.

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
10. Intangible assets				
Acquisition of Vtech contracts of training	-	-	200,000	200,000
Amortisation of goodwill	-	-	(200,000)	(200,000)
Balance at 31 March	-	-	-	-

MTA acquired the contracts of training and some fixed assets of Vtech Pty Ltd on 20th August 2018 for \$229,040 consideration paid in cash. Total goodwill acquired was \$200,000, written down to nil in the financial year ending 31 March 2020.

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
11. Trade and other payables				
Subscriptions in advance	-	75,603	-	3,560
Unearned Revenue	74,913	-	74,913	-
Other trade payables	636,583	599,030	2,196,291	1,960,940
Consideration to employers for payroll deductions	-	-	-	-
Legal costs	-	-	-	-
Subtotal trade creditors	711,496	674,633	2,271,204	1,964,500
<u>Payable to other controlled entities</u>				
The MTA Group Training Scheme Inc.	1,179	13,516	-	-
Subtotal payables to other controlled entities	1,179	13,516	-	-
Total trade payables	712,675	688,149	2,271,204	1,964,500

12. Employee benefits

Current

Office holders

The Board of Management receive no compensation for their roles

Employee provisions - office holders	-	-	-	-
<u>Employees other than office holders</u>				
Annual Leave	428,765	345,695	1,406,923	1,380,211
Long service leave	667,539	636,353	667,539	636,353
Other	-	-	8,746	4,499
Employee provisions - other than office holders	1,096,304	982,048	2,083,208	2,021,063
Total Employee provisions	1,096,304	982,048	2,083,208	2,021,063
Current	1,023,521	854,747	2,010,425	1,893,762
Non Current	72,783	127,301	72,783	127,301
Total Employee provisions	1,096,304	982,048	2,083,208	2,021,063

Notes to the consolidated financial statements (continued)

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
13. Borrowings				
Current				
Commonwealth mortgage on 3 Schenker Drive Royal Park	1,000	1,000	1,000	1,000
	1,000	1,000	1,000	1,000
Non -Current				
MTA Group Training Scheme Inc.	-	3,524,773	-	-
	-	3,524,773	-	-
	1,000	3,525,773	1,000	1,000

14.a. Reconciliation of cash flows from operating activities

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash and cash equivalents				
Cash on hand	1,703,260	1,437,049	3,018,113	3,534,331
Total cash & cash equivalents	1,703,260	1,437,049	3,018,113	3,534,331
Cash flows from operating activities				
Profit for the period	815,581	512,341	(39,390)	1,354,481
<i>Adjustments for:</i>				
(Profit)/Loss on disposal	(592,993)	-	(621,672)	(7,701)
(Gain)/Loss on Revaluation	(315,000)	(263,300)	(315,000)	(263,300)
Depreciation	308,630	300,837	873,692	806,106
Amortisation of Goodwill	-	-	-	-
Operating profit before changes in working capital and provisions	216,218	549,878	(102,370)	1,889,586
(Increase)/decrease in trade and other receivables	151,621	(6,301)	503,771	208,984
(Increase)/decrease in intangible assets	-	-	-	-
(Increase)/decrease in inventories	48,882	2,607	46,126	3,429
(Decrease)/increase in trade and other payables	24,526	769	306,704	(605,374)
Increase in provisions and employee benefits	114,256	18,086	62,145	151,708
Cash generated from the operations	555,503	565,039	816,376	1,648,333

Financing Facilities

A Line of Credit Facility of \$850,000 (2020 - \$850,000), is available to The Motor Trade Association of South Australia at 31 March 2022. At that date, \$1,000 of this facility was in use (2021 - \$1,000).

There were no non-cash financing or investing activities during the period.

Notes to the consolidated financial statements (continued)

14.b. Reconciliation of cash flows from operating activities

	MTA		Consolidated	
	2022	2021	2022	2021
Cash inflows				
MTA Group Training Scheme Inc	7,830,664	5,306,003	-	-
Retail Motor Trading Co. Pty Ltd	-	-	-	-
Total Cash inflows	7,830,664	5,306,003	-	-
Cash outflows				
MTA Group Training Scheme Inc	(119,939)	(318,711)	-	-
Total Cash inflows	(119,939)	(318,711)	-	-

15. Contingencies

Estimates of the maximum amount of contingent liabilities that may become payable	500,000	530,000	2,554,000	2,583,000
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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 \$2,054,000 (2021: \$2,053,000), whilst the cost to the Association for training staff entitlements would be \$500,000 (2021: \$530,000). The likelihood of realisation of contingencies and payout is considered remote based on recent period actual payments and expectations of future periods.

16. Consolidated Entities

	Principal Activity	Country of Incorporation	Australian Business Number	Ownership Interest	
Parent entity				2021	2020
The Motor Trade Association of South Australia Inc.	Employer association	Australia	65 767 492 138	100%	100%
Controlled entities					
The MTA - Group Training Scheme Inc.	Group training scheme for apprentices and trainees	Australia	36 459 968 347	100%	100%
Retail Motor Trading Co. Pty Ltd	Investment	Australia	ACN 008 166 194	100%	100%

There are no significant restrictions on the Consolidated Entity to access or use the assets and settle the liabilities of the group.

Notes to the consolidated financial statements (continued)

17. Related party transactions

The Associations transactions receivable from MTA Group Training Scheme

<u>Statement of Comprehensive Income</u>	2022	2021
	\$	\$
Management Fees	1,599,600	806,900
Staff Salaries and on costs	4,330,243	3,975,210
Rental of 3 Frederick Road	640,600	484,100
Printing sales	26,826	31,105
Staff Training	-	-
Provision of services for governments grants	-	-
	6,597,269	5,297,315

Management fees relate to time spent by MTA staff on MTA Group Training Scheme related issues.

<u>Statement of Comprehensive Income</u>	2022	2021
	\$	\$
Interest on Loan of \$3,524,773 payable to MTA Group Training Scheme)	(85,298)	(127,597)
	(85,298)	(127,597)

<u>Statement of Financial Position</u>	2022	2021
	\$	\$
Trade and other receivables	795,583	940,559
Trade and other payables	(1,179)	(13,516)
Borrowings	-	(3,524,773)
	794,404	(2,597,730)

18. 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.

Paul Unerkov Tracy Simpson Russell Smith Emma Flenley
Darrell Jacobs Jason Polgreen Tim Buckley Mario Marrone

18. Key management personnel for the reporting period

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
<u>Short term employee benefits</u>				
Salary (including annual leave taken)	930,949	959,430	930,949	959,430
Annual leave accrued	28,541	29,491	28,541	29,491
Performance Bonus	-	-	-	-
Other major categories	-	-	-	-
Total employee provisions	959,490	911,332	959,490	988,921
<u>Post - employment benefits</u>				
Superannuation	84,193	84,498	84,193	84,498
Total post- employment benefits	84,193	84,498	84,193	84,498
<u>Other long term benefits</u>				
Long service leave	44,429	44,047	44,429	44,047
Total post- employment benefits	44,429	44,047	44,429	44,047
<u>Termination benefits</u>				
Termination	-	165,398	-	165,398
Total termination benefits	-	165,398	-	165,398

Notes to the consolidated financial statements (continued)

19. Remuneration to Auditors

	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Value of services to Auditors				
Financial statement audit services	23,672	25,135	40,615	53,743
Other assurance services	-	-	-	-
Tax services	3,228	-	3,228	-
Advisory Services	-	-	-	-
Total remuneration to auditors	23,672	25,135	43,843	53,743

20. 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. 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

(i) 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	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash and Cash Equivalents	1,703,260	1,437,049	3,018,113	3,534,331
Trade and other receivables - current	977,787	1,129,408	2,435,135	2,938,906
Investments - current	3,837,202	3,826,017	10,386,883	6,861,803
Investments - non current	-	-	-	-
Trade and other receivables - non current	-	-	-	-
	6,518,249	6,392,474	15,840,131	13,335,040

Notes to the consolidated financial statements (continued)

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

	MTA				Consolidated			
	2022		2021		2022		2021	
	\$	\$	\$	\$	\$	\$	\$	\$
	Carrying Value	Provision	Net Value	Net Value	Carrying Value	Provision	Net Value	Net Value
Current	966,314	-	966,314	1,123,257	2,196,253	(20,000)	2,176,253	2,697,944
Past Due 0-30 days	5,502	-	5,502	2,792	195,633	-	195,633	99,610
Past Due 31-60 days	-	-	-	-	45,512	-	45,512	102,100
Past Due 61- 90 days	1,522	-	1,522	3,251	8,595	-	8,595	37,779
More than 90 days	4,449	-	4,449	108	9,142	-	9,142	1,472
	<u>977,787</u>	<u>-</u>	<u>977,787</u>	<u>1,129,408</u>	<u>2,455,135</u>	<u>(20,000)</u>	<u>2,435,135</u>	<u>2,938,906</u>

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	
		2022	2021	2022	2021
		\$	\$	\$	\$
Cash and Cash Equivalents	4	1,703,260	1,437,049	3,018,113	3,534,331
Investments - current	7	3,837,202	3,826,017	10,386,883	6,861,803
Secured mortgage on 3 Schenker Drive	13	(1,000)	(1,000)	(1,000)	(1,000)
Receivables due to other controlled entities non-current	13	-	(3,524,773)	-	-
		<u>5,539,462</u>	<u>1,737,293</u>	<u>13,403,996</u>	<u>10,395,134</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.

	MTA			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2022				
Cash and Cash Equivalents	17,033	(17,033)	17,033	(17,033)
Investments - current	38,372	(38,372)	38,372	(38,372)
Receivables due to other controlled entities	-	-	-	-
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>55,395</u>	<u>(55,395)</u>	<u>55,395</u>	<u>(55,395)</u>
31 March 2021				
Cash and Cash Equivalents	14,370	(14,370)	14,370	(14,370)
Investments - current	38,260	(38,260)	38,260	(38,260)
Receivables due to other controlled entities	(35,247)	35,247	(35,247)	35,247
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>17,374</u>	<u>(17,374)</u>	<u>17,374</u>	<u>(17,374)</u>

Notes to the consolidated financial statements (continued)

	Consolidated			
	Profit and Loss		Equity	
	100bp Increase	100bp Decrease	100bp Increase	100bp Decrease
31 March 2022				
Cash and Cash Equivalents	30,181	(30,181)	30,181	(30,181)
Investments - current	103,869	(103,869)	103,869	(103,869)
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>134,039</u>	<u>(134,039)</u>	<u>134,039</u>	<u>(134,039)</u>
31 March 2021				
Cash and Cash Equivalents	35,343	(35,343)	35,343	(35,343)
Investments - current	68,618	(68,618)	68,618	(68,618)
Commonwealth mortgage on 3 Schenker Drive	(10)	10	(10)	10
	<u>103,951</u>	<u>(103,951)</u>	<u>103,951</u>	<u>(103,951)</u>

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 2022								
Accounts payable	712,675	712,675	712,675	-	2,271,204	2,271,204	2,271,204	-
Borrowings - current	1,000	1,000	1,000	-	1,000	1,000	1,000	-
Borrowings from controlled entities - non-current	-	-	-	-	-	-	-	-
	<u>713,675</u>	<u>713,675</u>	<u>713,675</u>	<u>-</u>	<u>2,272,204</u>	<u>2,272,204</u>	<u>2,272,204</u>	<u>-</u>
31 March 2021								
Accounts payable	688,149	688,149	688,149	-	1,964,500	1,964,500	1,964,500	-
Borrowings - current	1,000	1,000	1,000	-	1,000	1,000	1,000	-
Borrowings from controlled entities - non-current	3,524,773	3,524,773	-	3,524,773	-	-	-	-
	<u>4,213,922</u>	<u>4,213,922</u>	<u>689,149</u>	<u>3,524,773</u>	<u>1,965,500</u>	<u>1,965,500</u>	<u>1,965,500</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

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 2022	\$	\$	\$	\$
Cash and Cash Equivalents	1,703,260	1,703,260	3,018,113	3,018,113
Trade and other receivables - current	977,787	977,787	2,435,135	2,435,135
Short Term Bank Secured Investments	3,837,202	3,837,203	10,386,883	10,386,884
Investments - non-current	-	-	-	-
Trade and other payables	(712,675)	(712,675)	(2,271,204)	(2,271,204)
Receivables due to other controlled entities non-current	-	-	-	-
	<u>5,805,574</u>	<u>5,805,575</u>	<u>13,568,927</u>	<u>13,568,928</u>

	MTA		Consolidated	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
31 March 2021	\$	\$	\$	\$
Cash and Cash Equivalents	1,437,049	1,437,049	3,534,331	3,534,331
Trade and other receivables	1,129,408	1,129,408	2,938,906	2,938,906
Short Term Bank Secured Investments	3,826,017	3,826,017	6,861,803	6,861,803
Investment - non current	-	-	-	-
Trade and other payables	(688,149)	(688,149)	(1,964,500)	(1,964,500)
Receivables due to other controlled entities non-current	(3,524,773)	(3,524,773)	-	-
	<u>2,179,552</u>	<u>2,179,552</u>	<u>11,370,540</u>	<u>11,370,540</u>

e. Fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are carried at fair value, by 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).

	Date of Valuation	MTA			Consolidated		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
31 March 2022							
Assets measured at fair value							
Cash and Cash Equivalents	31-Mar-22	1,703,260	-	-	3,018,113	-	-
Trade and other receivables - current	31-Mar-22	977,787	-	-	2,435,135	-	-
Investments - current	31-Mar-22	3,837,202	-	-	10,386,883	-	-
Investments - non-current	31-Mar-22	-	-	-	-	-	-
Investments - Property	31-Mar-22	-	2,384,999	-	-	2,384,999	-
TOTAL		<u>6,518,249</u>	<u>2,384,999</u>	<u>-</u>	<u>15,840,131</u>	<u>2,384,999</u>	<u>-</u>
Liabilities measured at Fair Value							
Trade and other payables	31-Mar-22	712,675	-	-	2,271,204	-	-
Receivables due to other controlled entities non-current	31-Mar-22	-	-	-	-	-	-
TOTAL		<u>712,675</u>	<u>-</u>	<u>-</u>	<u>2,271,204</u>	<u>-</u>	<u>-</u>

Notes to the consolidated financial statements (continued)

31 March 2021	Date of Valuation	Level 1	MTA Level 2	Level 3	Level 1	Consolidated Level 2	Level 3
Assets measured at fair value							
Cash and Cash Equivalents	31-Mar-21	1,437,049	-	-	3,534,331	-	-
Trade and other receivables - current	31-Mar-21	1,129,408	-	-	2,938,906	-	-
Investments - current	31-Mar-21	3,826,017	-	-	6,861,803	-	-
Investments - non-current	31-Mar-21	-	-	-	-	-	-
Investments - Property	31-Mar-21	-	5,020,000	-	-	5,020,000	-
TOTAL		6,392,474	5,020,000	-	13,335,040	5,020,000	-
Liabilities measured at Fair Value							
Trade and other payables	31-Mar-21	688,149	-	-	1,964,500	-	-
Receivables due to other controlled entities non-current	31-Mar-21	3,524,773	-	-	-	-	-
TOTAL		4,212,922	-	-	1,964,500	-	-

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 is not subject to any externally imposed capital requirements.

21. 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

	2022	2021
Less than one year	480,051	715,693
Between one and five years	869,648	1,513,963
More than five years	-	-
	1,349,699	2,229,656

The Association leases out a number of offices under operating leases. The leases typically run for a period of two 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.

Notes to the consolidated financial statements (continued)

22. Subsequent events

No other matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect, the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

23. Information to be provided to members or Commissioner

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of subsections (1) to (3) of section 272 Fair Work, which reads as follows:

1. A member of a reporting unit, or the Commissioner, 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).

24. Association details

The principal place of business of the Association is:

81 Greenhill Road, Wayville, Adelaide, South Australia.

MTA's print and stationery department was 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.

25. 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.

26. 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)

27. Members of Board of Management

The names of the Members of the Association's Board of Management during the financial year, unless indicated otherwise were:

Frank Agostino	Mark McGuire
Neville Gibb	John Hitchcock
Peter Roberts	Tom Skothos
Clive Polley	

The names of the members of the MTA Group Training Scheme's Board of Directors during the financial year, unless indicated otherwise were:

Frank Agostino	Mark McGuire
Neville Gibb	John Hitchcock
Peter Roberts	Tom Skothos
Clive Polley	

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

28. Other disclosures required

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
- Wages activity
- Income recognised from volunteer services

The reporting unit has not paid expenses for;

- Capitation fees
- Compulsory levies
- Grants
- Consideration for employers for payroll deductions of membership subscriptions
- Penalties - via RO Act or the Fair Work Act 2009
- Grants

The reporting unit has not accrued expenses for;

- Separation and redundancies
- Legal costs relating to legal or litigation matters
- Payables to employers as consideration for the employers making payroll deductions of membership subscriptions.

The reporting unit does not and is not required by the rules of the organisation to have a fund or account for;

- Compulsory levies
- Voluntary contributions

Notes to the consolidated financial statements (continued)

28. Other disclosures required (continued)

The reporting unit did not have another entity administer the financial affairs of the reporting unit

The reporting unit has not made a payment to a former related party of the reporting unit

The reporting unit did not transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.

The reporting unit has not received any other revenue from another reporting unit.

The reporting unit does not have a receivable with another reporting unit.

The reporting unit does not have a payable with another reporting unit.

**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2022**

The Board of Management presents the expenditure report as required under subsection 255(2A) on The Motor Trade Association of SA Inc for the year ended 31 March 2022

Categories of expenditures	MTA		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Remuneration and other employment related costs and expenses - employees	7,370,709	6,418,537	25,989,508	26,261,533
Advertising	75,827	35,290	272,768	148,292
Operating costs	2,114,837	1,846,834	4,509,228	3,663,004
Donations to political parties	9,045	4,545	9,045	4,545
Legal Costs	116,008	9,835	127,618	41,470

Signature of designated officer:

Name and title of designated officer: Frank Agostino, Chairman

Dated:

23 August 2022

**THE MOTOR TRADE ASSOCIATION
OF SOUTH AUSTRALIA INC.
BOARD OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

On 23rd of August 2022 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 2022.

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);
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of, the financial performance, financial position and cash flows of 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 of the reporting unit or Commissioner duly made under Section 272 of the RO Act, that information has been provided to the member or Commissioner; 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.

This declaration is made in accordance with a resolution passed by the Board of Management.

Signature of designated officer:

Name and title of designated officer: Frank Agostino, Chairman

Dated:

23 August 2022

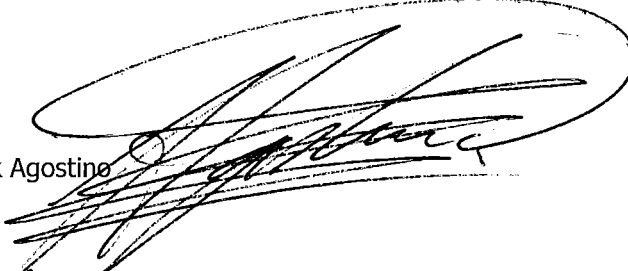
THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.


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 2021/2022 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


Clive Polley

Dated this 23rd day of August 2022

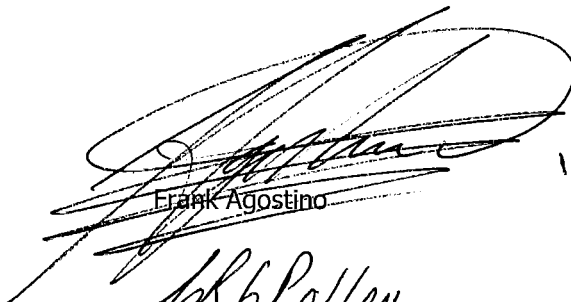
THE MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC.

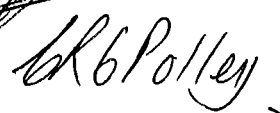
STATEMENT BY THE BOARD OF MANAGEMENT

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) | 2022 | 2021 |
| received or due and receivable, by | \$ | \$ |
| officers of the Association. | - | - |

Signed pursuant to a resolution of the Board of Management.


Frank Agostino


Clive Polley

Dated this 23rd day of August 2022

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INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MOTOR TRADE ASSOCIATION OF SOUTH AUSTRALIA INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Trade Association of South Australia Inc (the reporting unit) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, Board of Management's declaration and the subsection 255(2A) report.

In our opinion the accompanying financial report of the Group, presents fairly, in all material respects the Group's financial position as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Report on Other Legal and Regulatory Requirements

In addition:

- (i) There were kept by the registered entity in relation to the year ended 31 March 2022 satisfactory accounting records, including:
- (ii) Records of the sources and nature of the income of the entity, including income from members; and
- (iii) Records of the nature and purpose of the expenditure of the entity;
- (iv) The general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*;
- (v) We have obtained all information and explanations required in accordance with section s257 of the *Fair Work (Registered Organisations) Act 2009*; and
- (vi) As part of our audit of the entity, we are of the opinion that management's use of the going concern basis of financial reporting is appropriate.

Other information

The Board member are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act 1985 (as amended), the Fair Work (Registered Organisations) Act 2009 (RO Act) and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, Board members are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In preparing the financial report, the Board are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.



Declaration by the auditor

I, Andrew Tickle, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

A handwritten signature in black ink, appearing to read 'Andrew Tickle'.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Andrew Tickle'.

Andrew Tickle
Director

Adelaide, 26 August 2022

Registration number (as registered by the RO Commissioner under the Act): AA2021/23

