



15 November 2023

James Robertson
Secretary
Motor Trades Association of Queensland Industrial Organisation of Employers

Sent via email: info@mtaq.com.au

CC: Loucas.Mylonas@bdo.com.au

Dear James Robertson

**Motor Trades Association of Queensland Industrial Organisation of Employers
Financial Report for the year ended 30 June 2023 – FR2023/180**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Motor Trades Association of Queensland Industrial Organisation of Employers (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 13 November 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely


KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30th June 2023

I *James William George Robertson* being the *Secretary* of the *Motor Trades Association of Queensland Industrial Organisation of Employers* certify:

- that the documents lodged herewith are copies of the full report for the *Motor Trades Association of Queensland Industrial Organisation of Employers* for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 12th October 2023; and
- that the full report was presented to a *general meeting* of the reporting unit on 10th November 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in dark ink, appearing to read 'JR dh' followed by a horizontal line.

James Robertson
Secretary
Dated: 10th November 2023

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

Financial Statements 30 June 2023

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Contents

Auditor's Report	3
Report required under subsection 255(2A)	6
Operating report.....	7
Committee of management statement	9
Consolidated statement of profit or loss and other comprehensive income.....	12
Consolidated statement of financial position.....	13
Consolidated statement of changes in equity.....	14
Consolidated statement of cash flows.....	15
Notes of the financial statements.....	16
Officer declaration statement	49

INDEPENDENT AUDITORS REPORT

To the members of Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) (the reporting unit), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of 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, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or 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 reporting unit in accordance with 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.

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Motor Trades Association of Queensland Industrial Organisation of Employers (MTAQ) operating 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 accordingly 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 Committee of Management for the Financial Report

The Committee of Management 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 *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity'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 responsible entities either intends 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.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, L G Mylonas, declare that I am a registered auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

BDO


L G Mylonas
Director

Brisbane, 3 October 2023

Registration number (as registered by the RO Commissioner under the Act): AA2021/5.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

Report required under subsection 255(2A)

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30th June 2023.

Descriptive form

Categories of expenditures	2023 (\$)	2022 (\$)
Remuneration and other employment-related costs and expenses – employees	8,616,904	7,552,497
Advertising	173,612	67,947
Operating costs	2,541,234	2,246,328
Donations to political parties	-	-
Legal costs	28,051	36,097



James Robertson

Secretary

Dated: 03 October 2023

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Operating report

The committee of management presents its operating report on the reporting unit for the year ended 30th June 2023.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

- (a) The federal reporting unit operates as an organisation of employers registered under the Fair Work (Registered Organisations) Act 2009 (Cth).
- (b) The principal activities of the federal reporting unit fell into the following categories:
 - To promote, advance and protect the interest of the motor vehicle industry and associated trades or businesses in Queensland and to conserve the interest of Members;
 - To advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;
 - To consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses;
 - To participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry and associated trades or businesses in Queensland; and
 - To do any such other lawful things as may appear to be incidental or conducive to the above objects of any of them.
- (c) There have been no significant changes in the nature of the principal activities of the federal reporting unit in the financial year ending 30th June 2023.
- (d) The federal reporting unit has achieved satisfactory results from the above activities.

Significant changes in financial affairs

There was no significant change to the financial activities of the federal reporting unit for the financial year ended on 30th June 2023.

Right of members to resign

- (a) A Member may resign from MTA Queensland upon giving written notice of the Member's intention to do so, addressed and delivered to the Secretary of MTA Queensland.
- (b) A notice of termination from MTA Queensland takes effect:
 - (i) where the Member ceases to be eligible to become a Member of MTA Queensland:
 - (a) on the day on which the notice is received by the Member; or
 - (b) on the day specified in the notice, which is a day not earlier than the day when the Member ceases to be eligible to become a Member; whichever is later; or
 - (ii) in any other case:
 - (a) at the end of two (2) weeks after the notice is received by the Member; or
 - (b) on the day specified in the notice, whichever is later.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Operating report

“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.”

Number of members

The number of members recorded on the register of members as at 30th June 2023 was 1,108.

Number of employees

The federal reporting unit had 78 employees as at 30th June 2023.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

Names of committee of management members and period positions held during the financial year

For the year of 1st July 2022 to 30th June 2023 the federal reporting unit's Committee of Management comprised of the following persons:

Name of officer (in full)	Position	Period
Name of officer (in full)	Position	Period
Paul John Peterson	Board Member MTAQ Chairman MTAQ Chairman Qld Motorcycle Industry Division	1 July 2022 to 30th June 2023
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2022 to 30th June 2023
James William George Robertson	Board Member MTAQ Secretary MTAQ Central District Representative	1 July 2022 to 30th June 2023
Bruce Sommerfeld	Board Member MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2022 to 2nd December 2022
Andrea McCarthy	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2022 to 30th June 2023
Mark Billingsley	Board Member MTAQ North Qld District Representative	1 July 2022 to 30th June 2023
Rodney Pether	Board Member MTAQ North Qld District Representative	1 July 2022 to 30th June 2023
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2022 to 30th June 2023
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2022 to 30th June 2023
Peter Dever	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2022 to 30th June 2023
Grant Harrison	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2022 to 30th June 2023
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2022 to 30th June 2023
Michael Hart	Board Member MTAQ Chairman Tyre and Undercar Division of Queensland	1 July 2022 to 30th June 2023

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

Names of Directors of MTA Institute of Technology Pty Ltd and period positions held during the financial year

For the year of 1st July 2022 to 30th June 2023 Board of Directors of MTA Institute of Technology Pty Ltd comprised of the following persons:

Name of officer (in full)	Position	Period
Name of officer (in full)	Position	Period
Susan Davis	Director – Chair	1 July 2022 to 23 November 2022
James William George Robertson	Director – Deputy Chair	1 July 2022 to 30th June 2023
Paul John Peterson	Director - Acting Chair	1 July 2022 to 30th June 2023
Terri Butler	Director	18th May to 30th June 2023
Michael Milford	Director	1 July 2022 to 30th June 2023



James Robertson
Secretary
Dated: 03 October 2023

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

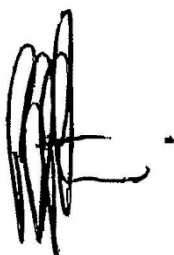
Committee of management statement

On 03/10/2023 the MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2023:

The MTA Queensland Board of the *Motor Trades Association of Queensland Industrial Organisation of Employers* declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- 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 committee of management were held in accordance with the rules of the organisation including the rules of a 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 a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the 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 consistent manner 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has 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 of the committee of management.



Paul Peterson

Chairman

03 October 2023 Brisbane



James Robertson

Secretary

03 October 2023 Brisbane

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Consolidated statement of profit or loss and comprehensive income
for the year ended 30 June 2023**

	Note:	Consolidated	
		2023	2022
		\$	\$
Revenue from contracts with customers			
Membership subscription		1,241,880	1,201,042
Training		10,816,623	9,496,925
Other sales of goods or services to members		286,715	251,105
Total revenue from contracts with customers	3	12,345,218	10,949,072
Income for furthering objectives			
Grants and/or donations	3A	493,421	28,448
Total income for furthering objectives		493,421	28,448
Other Income			
Investment income	3B	342,487	501,960
Rental revenue		10,136	15,616
Net gain/(loss) from sale of assets	3C	8,747	-
Other revenue		249,357	185,001
Total other income		610,727	702,577
Total income		13,449,366	11,680,097
Expenses			
Employee expenses	4A	(8,616,904)	(7,552,497)
Administration expenses	4B	(1,756,020)	(1,513,346)
Grants or donations	4C	(15,860)	(21,600)
Depreciation and amortisation	4D	(802,029)	(765,335)
Finance costs	4E	(15,404)	(18,803)
Legal costs	4F	(28,051)	(36,097)
Audit fees	14	(58,669)	(56,084)
Insurance		(111,459)	(85,363)
Motor Vehicle		(253,543)	(198,054)
Cost of goods sold		(485,081)	(439,828)
Total expenses		(12,143,020)	(10,687,007)
Surplus (deficit) for the year		1,306,346	993,090
Other comprehensive income			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Revaluation of land & buildings		2,068,445	-
Changes in the fair value of unlisted equity investments at fair value through other comprehensive income		(1,100,000)	-
Changes in the fair value of listed equity investments at fair value through other comprehensive income		220,546	(309,862)
Total comprehensive income for the year		2,495,337	683,228

The above statement should be read in conjunction with the notes.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Consolidated statement of financial position
as at 30 June 2023**

		Consolidated	
		2023	2022
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	9,258,583	7,237,234
Trade and other receivables	5B	2,462,723	2,327,083
Inventory	5C	87,013	99,467
Other current assets	5D	235,002	308,785
Total current assets		12,043,321	9,972,569
Non-current Assets			
Land and buildings	6A	13,900,000	12,093,750
Plant and equipment	6B	954,004	916,541
Intangibles	6C	35,624	62,225
Right-of-use assets	6D	125,459	191,096
Other non-current assets	6E	4,260,828	5,021,741
Total non-current assets		19,275,915	18,285,353
Total assets		31,319,236	28,257,922
LIABILITIES			
Current Liabilities			
Trade payables	7A	650,906	660,735
Other payables	7B	2,155,151	1,531,073
Employee provisions	8A	995,436	1,031,027
Lease liabilities	6D	61,309	135,102
Total current liabilities		3,862,802	3,357,937
Non-current Liabilities			
Employee provisions	8A	106,294	60,659
Lease liabilities	6D	60,857	45,380
Total non-current liabilities		167,151	106,039
Total liabilities		4,029,953	24,793,946
Net assets		27,289,283	24,793,946
EQUITY			
Reserves	10A	7,000,933	5,960,416
Retained earnings		20,288,350	18,833,530
Total equity		27,289,283	24,793,946

The above statement should be read in conjunction with the notes.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Consolidated statement of changes in equity
for the year ended 30 June 2023**

		Consolidated		
		Reserves	Retained earnings	Total equity
	Notes	\$	\$	\$
Balance as at 1 July 2021		6,270,278	17,840,440	24,110,718
Adjustment for changes in accounting policies				
Surplus / (deficit)		-	993,090	993,090
Other comprehensive income		(309,862)	-	(309,862)
<i>Total comprehensive income</i>		<i>(309,862)</i>	<i>993,090</i>	<i>683,228</i>
Transfer to/from reserves		-	-	-
Closing balance as at 30 June 2022		5,960,416	18,833,530	24,793,946
Surplus / (deficit)		-	1,306,346	1,306,346
Other comprehensive income		1,188,991	-	1,188,991
<i>Total comprehensive income</i>		<i>1,188,991</i>	<i>1,306,346</i>	<i>2,495,337</i>
Transfer to/from reserves	10A	(148,474)	148,474	-
Closing balance as at 30th June 2023		7,000,933	20,288,350	27,289,283

The above statement should be read in conjunction with the notes.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Consolidated statement of cash flows
for the year ended 30 June 2023**

		Consolidated	
		2023	2022
		\$	\$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		14,917,614	12,624,482
Donations and grants		15,860	32,803
Interest		173,000	30,000
Dividends		169,487	196,223
Other		-	-
Cash used			
Suppliers and Employees		(12,575,320)	(10,900,355)
Interest payments		(16,616)	(18,802)
Net cash from (used by) operating activities	11A	2,684,025	1,964,351
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		1,453,162	1,123,122
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment and intangibles		(401,734)	(234,347)
Payment for investments		(1,571,702)	(1,546,530)
Net cash from (used by) investing activities		(520,274)	(657,755)
FINANCIING ACTIVITES			
Cash used			
Repayment of lease liabilities		(142,402)	(175,445)
Net cash from (used by) financing activities		(142,402)	(175,445)
Net increase (decrease) in cash held		2,021,349	1,101,972
Cash & cash equivalents at the beginning of the reporting period		7,237,234	6,135,262
Cash & cash equivalents at the end of the reporting period	5A	9,258,583	7,237,234

The above statement should be read in conjunction with the notes.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Index to the notes of the financial statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue and Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Non-current liabilities
Note 10	Equity
Note 11	Cash flow
Note 12	Contingent liabilities, assets and commitments
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Administration of financial affairs by a third party
Note 18	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 19	Interest in subsidiaries
Note 20	Parent entity information

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009 (RO Act). For the purpose of preparing the general purpose financial statements,, the Motor Trades Association of Queensland Industrial Organisation of Employers is a not-for-profit entity.

The financial statements, except cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Motor Trades Association of Queensland Industrial Organisation of Employers) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it 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.

Wholly owned subsidiaries of the Motor Trades Association of Queensland Industrial Organisation of Employers:-

- MTA Institute of Technology Pty Ltd
- Motor Trades Association of Queensland Ltd
- MTAQ Management Pty Ltd
- MTA Global Pty Ltd
- MTAQ Trust

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the Group. There are no restriction on the Group's ability to access or use assets and settle liabilities of the subsidiary by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group. There were no change in the control of the subsidiaries during the year and the subsidiaries continue to 100% owned by the Group consistent with prior year.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". There are no non-controlling interest to report for the current or prior year as the Group owns 100% of the subsidiaries.

1.3 Comparative amounts

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

There was no new or revised accounting standards applicable to the organisation this financial year.

Future Australian Accounting Standards Requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Organisation for the annual reporting period ended 30 June 2023. The Organisation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

Motor Trades Association of Queensland Industrial Organisation of Employers did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.6 Current versus non-current classification

Motor Trades Association of Queensland Industrial Organisation of Employers presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Motor Trades Association of Queensland Industrial Organisation of Employers classifies all other liabilities as non-current.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.7 Revenue

The Motor Trades Association of Queensland Industrial Organisation of Employers enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Motor Trades Association of Queensland Industrial Organisation of Employers has a contract with a customer, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue when or as it transfers control of goods or services to the customer. The Motor Trades Association of Queensland Industrial Organisation of Employers accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Motor Trades Association of Queensland Industrial Organisation of Employers.

If there is only one distinct membership service promised in the arrangement, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Motor Trades Association of Queensland Industrial Organisation of Employers promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Motor Trades Association of Queensland Industrial Organisation of Employers allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Motor Trades Association of Queensland Industrial Organisation of Employers charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Motor Trades Association of Queensland Industrial Organisation of Employers recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Motor Trades Association of Queensland Industrial Organisation of Employers has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Motor Trades Association of Queensland Industrial Organisation of Employers at their standalone selling price, the Motor Trades Association of Queensland Industrial Organisation of Employers accounts for those sales as a separate contract with a customer.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Capitation fees

Where the Motor Trades Association of Queensland Industrial Organisation of Employers arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises the capitation fees promised under that arrangement when or as it transfers the goods or service.

In circumstances where the criteria for a contract with a customer are not met, the Motor Trades Association of Queensland Industrial Organisation of Employers will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Motor Trades Association of Queensland Industrial Organisation of Employers transfers the goods or service.

In circumstances where the criteria for a contract with a customer are not met, the Motor Trades Association of Queensland Industrial Organisation of Employers will recognise levies as income upon receipt.

Income of the Motor Trades Association of Queensland Industrial Organisation of Employers as a Not-for-Profit Entity

Consideration is received by the Motor Trades Association of Queensland Industrial Organisation of Employers to enable the entity to further its objectives. The Motor Trades Association of Queensland Industrial Organisation of Employers recognises each of these amounts of consideration as income when the consideration is received (which is when the Motor Trades Association of Queensland Industrial Organisation of Employers obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Motor Trades Association of Queensland Industrial Organisation of Employers recognition of the cash contribution does not give to any related liabilities.

During the year, Motor Trades Association of Queensland Industrial Organisation of Employers received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

Income recognised from transfers

Where, as part of an enforceable agreement, the Motor Trades Association of Queensland Industrial Organisation of Employers receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Motor Trades Association of Queensland Industrial Organisation of Employers own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Revenue recognition policies applicable to comparatives

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Motor Trades Association of Queensland Industrial Organisation of Employers recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.9 Leases

The Motor Trades Association of Queensland Industrial Organisation of Employers assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Motor Trades Association of Queensland Industrial Organisation of Employers as a lessee

The Motor Trades Association of Queensland Industrial Organisation of Employers applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Motor Trades Association of Queensland Industrial Organisation of Employers recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Motor Trades Association of Queensland Industrial Organisation of Employers recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Plant and equipment	3 to 5 years	3 to 5 years

If ownership of the leased asset transfers to the Motor Trades Association of Queensland Industrial Organisation of Employers at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Motor Trades Association of Queensland Industrial Organisation of Employers recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Motor Trades Association of Queensland Industrial Organisation of Employers and payments of penalties for terminating the lease, if the lease term reflects the Motor Trades Association of Queensland Industrial Organisation of Employers exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Motor Trades Association of Queensland Industrial Organisation of Employers uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when the Motor Trades Association of Queensland Industrial Organisation of Employers entity becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when the Motor Trades Association of Queensland Industrial Organisation of Employers right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Motor Trades Association of Queensland Industrial Organisation of Employers future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Motor Trades Association of Queensland Industrial Organisation of Employers business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Motor Trades Association of Queensland Industrial Organisation of Employers initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Motor Trades Association of Queensland Industrial Organisation of Employers business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Motor Trades Association of Queensland Industrial Organisation of Employers commits to purchase or sell the asset.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Motor Trades Association of Queensland Industrial Organisation of Employers has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Motor Trades Association of Queensland Industrial Organisation of Employers has transferred substantially all the risks and rewards of the asset, or
 - b) the Motor Trades Association of Queensland Industrial Organisation of Employers has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Motor Trades Association of Queensland Industrial Organisation of Employers has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Motor Trades Association of Queensland Industrial Organisation of Employers continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses ("ECL")

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Motor Trades Association of Queensland Industrial Organisation of Employers applies a simplified approach in calculating expected credit losses which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the Motor Trades Association of Queensland Industrial Organisation of Employers does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Motor Trades Association of Queensland Industrial Organisation of Employers has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Motor Trades Association of Queensland Industrial Organisation of Employers financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 Financial Instruments are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.15 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Motor Trades Association of Queensland Industrial Organisation of Employers transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Motor Trades Association of Queensland Industrial Organisation of Employers performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Motor Trades Association of Queensland Industrial Organisation of Employers refund liabilities arise from customers' right of return. The liability is measured at the amount the Motor Trades Association of Queensland Industrial Organisation of Employers ultimately expects it will have to return to the customer. The Motor Trades Association of Queensland Industrial Organisation of Employers updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.16 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17 Land, buildings, plant and equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date. It is the policy of the Organisation to have an independent valuation at least every five years.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2023	2022
Land & buildings	40 years	40 years
Plant and equipment	2 to 7 years	2 to 7 years
Motor Vehicles	3 years	3 years
Leased Assets	5 years	5 years
Fixture and Fittings	5 years	5 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Motor Trades Association of Queensland Industrial Organisation of Employers intangible assets are:

	2023	2022
Intangibles – computer software	1 to 3 years	1 to 3 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Motor Trades Association of Queensland Industrial Organisation of Employers were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

The Motor Trades Association of Queensland Industrial Organisation of Employers is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.22 Fair value measurement

The Motor Trades Association of Queensland Industrial Organisation of Employers measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Motor Trades Association of Queensland Industrial Organisation of Employers. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Motor Trades Association of Queensland Industrial Organisation of Employers uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Motor Trades Association of Queensland Industrial Organisation of Employers determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Motor Trades Association of Queensland Industrial Organisation of Employers has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.23 Going concern

Motor Trades Association of Queensland Industrial Organisation of Employers is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Motor Trades Association of Queensland Industrial Organisation of Employers has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

1.24 Comparatives

Where required, comparative figures have been updated to conform to changes in presentation for the current financial year.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 2 Events after the reporting period

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Motor Trades Association of Queensland Industrial Organisation of Employers, the results of those operations, or the state of affairs of the Motor Trades Association of Queensland Industrial Organisation of Employers in subsequent financial periods.

Note 3: Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Motor Trades Association of Queensland Industrial Organisation of Employers revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	Consolidated	
	2023	2022
	\$	\$
Type of customer		
Members subscriptions	1,241,880	1,201,042
Other reporting units	-	-
User choice fees	9,855,609	8,676,770
Members training	961,014	820,155
Other parties	286,715	251,105
Total revenue from contracts with customers	12,345,218	10,949,072

Note 3A: Grants or donations

Grants	493,421	28,448
Donations	-	-
Total grants or donations	493,421	28,448

Note 3B: Investment income

Interest	173,000	30,000
Deposits	-	-
Other Income	-	275,737
Dividends	169,487	196,223
Total investment income	342,487	501,960

Note 3C: Net gain/(loss) from sale of assets

Plant and equipment	8,747	-
Intangibles	-	-
Total net gain from sale of assets	8,747	-

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Notes to the financial statements
for the year ended 30 June 2023**

Note 4 Expenses

Note 4A: Employee expenses

	Consolidated	
	2023	2022
	\$	\$
Holders of office:		
Wages and salaries	1,418,970	1,185,182
Superannuation	118,948	115,500
Leave and other entitlements	(12,780)	13,835
Separation and redundancies	-	-
Other employee expenses	51,561	28,824
Subtotal employee expenses holders of office	1,576,699	1,343,341
Employees other than office holders:		
Wages and salaries	6,249,928	5,600,574
Superannuation	664,297	543,936
Leave and other entitlements	43,924	13,577
Separation and redundancies	-	-
Other employee expenses	82,056	51,070
Subtotal employee expenses employees other than office holders	7,040,205	6,209,156
Total employee expenses	8,616,904	7,552,497

Note 4B: Administration expenses

Conference and meeting expenses	25,052	7,407
Contractors/consultants	363,974	315,521
Property expenses	188,473	174,508
Office expenses	213,822	276,891
Information communications technology	344,885	297,802
Other	619,814	441,217
Total administration expense	1,756,020	1,513,346

Note 4C: Grants or donations

	Consolidated	
	2023	2022
	\$	\$
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	1,000	1,080
Total expensed that exceeded \$1,000	14,860	20,520
Total grants or donations	15,860	21,600

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 4D: Depreciation and amortisation

Depreciation		
Land & buildings	268,750	268,750
Property, plant and equipment	356,954	286,619
Leases	149,724	180,787
Total depreciation	775,428	736,156
Amortisation		
Intangibles	26,601	29,179
Total amortisation	26,601	29,179
Total depreciation and amortisation	802,029	765,335

Note 4E: Finance costs

Overdrafts/loans	16,616	18,803
Total finance costs	16,616	18,803

Note 4F: Legal costs

Litigation	-	-
Other legal costs	28,051	36,097
Total legal costs	28,051	36,097

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	1,511,344	2,173,228
Cash on hand	11,300	500
Short term deposits	7,735,939	5,063,506
Total cash and cash equivalents	9,258,583	7,237,234

Note 5B: Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Receivables from other reporting unit	-	-
Trade Receivables	1,106,790	1,098,622
Total receivables	1,106,790	1,098,622
Less allowance for expected credit losses		
Receivables from other reporting unit	-	-
Trade Receivables	(10,002)	(10,739)
Total allowance for expected credit losses	(10,002)	(10,739)
Total net trade and other receivables	1,096,788	1,087,883

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Other receivables:

Other	1,365,935	1,239,200
Total other receivables	1,365,935	1,239,200
Total trade and other receivables (net)	2,462,723	2,327,083

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	(10,739)	(17,490)
Provision for expected credit losses	737	6,751
Write-off	-	-
At 30 June	(10,002)	(10,739)

Note 5C: Inventory

Current

Inventory	87,013	99,467
Total current inventories	87,013	99,467

Note 5D: Other current assets

Prepayments	235,002	308,785
Total other current assets	235,002	308,785

Note 6 Non-current assets

Note 6A: Land and buildings

	Consolidated	
	2023	2022
	\$	\$
Land and buildings:		
Fair value	13,900,000	12,900,000
Accumulated depreciation	-	(806,250)
Total land and buildings	13,900,000	12,093,750

Reconciliation of opening and closing balances of land and buildings

As at 1 July		
Gross book value	12,900,000	12,900,000
Accumulated depreciation and impairment	(806,250)	(537,500)
Net book value 1 July	12,093,750	12,362,500
Revaluations	2,068,445	-
Additions	6,555	-
Depreciation expense	(268,750)	(268,750)
Net book value 30 June	13,900,000	12,093,750
Net book value as of 30 June represented by:		
Gross book value	13,900,000	12,900,000
Accumulated depreciation and impairment	-	(806,250)
Net book value 30 June	13,900,000	12,093,750

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

The revalued land and buildings consist of land \$2,375,000 and buildings \$11,525,000 at Building 8, 2728 Logan Road, Eight Mile Plains Q 4113. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The most recent valuation was obtained on the 4th April 2019. The valuation was adopted by management on 4th April 2023. The valuation was performed by CBRE Valuation Pty Limited an accredited independent valuer (Registered Valuer No.1735). The Group is satisfied that there has been no significant movement in the fair value since the last independent valuation performed and the carrying value represents the fair value.

Significant unobservable valuation input	Range
Value \$ per square meter of Net Lettable Area	\$5,200 - \$5,600

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Note 6B: Plant and equipment

	Consolidated	
	2023	2022
	\$	\$
Plant and equipment:		
at cost	3,361,403	2,992,183
accumulated depreciation	(2,407,399)	(2,075,642)
Total plant and equipment	954,004	916,541

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	3,089,504	2,889,434
Accumulated depreciation and impairment	(2,172,963)	(1,886,344)
Net book value 1 July	916,541	1,003,090
Additions	395,179	200,070
Depreciation expense	(356,955)	(286,619)
Disposals	(761)	-
Net book value 30 June	954,004	916,541
Net book value as of 30 June represented by:		
Gross book value	3,483,932	3,089,504
Accumulated depreciation and impairment	(2,529,928)	(2,172,963)
Net book value 30 June	954,004	916,541

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 6C: Intangibles

Computer software at cost:

Purchased	298,502	298,502
accumulated amortisation	(262,878)	(236,278)
Total intangibles	35,624	62,225

Reconciliation of opening and closing balances of intangibles

As at 1 July		
Gross book value	298,502	235,046
Accumulated amortisation and impairment	(236,277)	(207,098)
Net book value 1 July	62,225	27,948
Additions	-	63,456
Amortisation	(26,601)	(29,179)
Disposals	-	-
Net book value 30 June	35,624	62,225

	Consolidated	
	2023	2022
	\$	\$
Net book value as of 30 June represented by:		
Gross Book value	298,502	298,502
Accumulated amortisation and impairment	(262,878)	(236,277)
Net book value 30 June	35,624	62,225

Note 6D: Leases

Motor Trades Association of Queensland Industrial Organisation of Employer as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Motor Vehicles	Printers	Total
As at 1 July 2022	178,710	12,386	191,096
Additions	84,087	-	84,087
Depreciation expense	(139,815)	(9,909)	(149,724)
Disposals	-	-	-
Impairment	-	-	-
As at 30th June 2023	122,982	2,477	125,459

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Consolidated	
	2023	2022
	\$	\$
As at 1 July	180,482	262,130
Additions	84,086	93,797
Payments	(142,402)	(175,445)
As at 30th June 2023	122,166	180,482
Current	61,309	135,102
Non-current	60,857	45,380

The maturity analysis of lease liabilities is disclosed in Note 15D.

The following are the amounts recognised in profit or loss:

	Consolidated	
	2023	2022
	\$	\$
Depreciation expense of right-of-use assets	149,724	180,787
Interest expense on lease liabilities	6,530	11,473
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	156,254	192,260

For the year ended 30th June 2022, the Motor Trades Association of Queensland Industrial Organisation of Employers made fixed rental payments of \$180,787.

Note 6E: Other non-current assets

Investments	4,260,828	5,021,741
Total other non-current assets	4,260,828	5,021,741

Note 7 Current liabilities

Note 7A: Trade payables

Trade creditors and accruals	650,906	660,735
Operating lease rentals	-	-
Subtotal trade creditors	650,906	660,735
Total trade payables	650,906	660,735

Settlement is usually made within 30 days.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	-
Prepayments received/unearned revenue	1,951,954	1,327,771
GST payable	82,842	60,548
Other	120,355	142,754
Total other payables	2,155,151	1,531,073

Total other payables are expected to be settled in:

No more than 12 months	2,155,051	1,531,073
More than 12 months	-	-
Total other payables	2,155,051	1,531,073

Note 8 Provisions

Note 8A: Employee provisions

	Consolidated 2023 \$	2022 \$
Office holders:		
Annual leave	71,921	78,107
Long service leave	111,493	107,489
Subtotal employee provisions—office holders	183,414	185,596
Employees other than office holders:		
Annual leave	456,316	402,618
Long service leave	462,000	503,472
Subtotal employee provisions—employees other than office holders	918,316	906,090
Total employee provisions	1,101,730	1,091,686
Current	995,436	1,031,027
Non-current	106,294	60,659
Total employee provisions	1,101,730	1,091,686

Note 9 Non-current liabilities

Non-current liabilities	-	-
Total employee provisions	-	-

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 10 Equity

Note 10A: Reserves

Revaluation increments/(decrements) – Listed and unlisted equity

Balance as at start of year	633,023	942,885
------------------------------------	---------	---------

Listed equity - Dalton Nicol Reid Portfolio

Fair value increase of listed equity investments at fair value through other comprehensive income	220,546	633,023
---	---------	---------

Transfer of fair value movement of listed equity to retained earnings on sale of listed equity	(148,474)	(942,885)
--	-----------	-----------

Unlisted equity

Fair value decrease of unlisted equity investments at fair value through other comprehensive income - GDTC Investment	(500,000)	-
---	-----------	---

Fair value decrease of unlisted equity investments at fair value through other comprehensive income - Block Two Investment	(600,000)	-
--	-----------	---

Balance as at end of year	(394,905)	633,023
----------------------------------	------------------	----------------

	Consolidated	
	2023	2022
	\$	\$
Revaluation increments/(decrements) – Land & Buildings		
Balance as at start of year	5,327,393	5,327,393
Revaluation increment	2,068,445	-
Balance as at end of year	7,395,838	5,327,393
Total reserves	7,000,933	5,960,416

Note 11 Cash flow

Note 11A: Cash flow reconciliation

	Consolidated	
	2023	2022
	\$	\$

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:

Cash flow statement	9,258,583	7,237,234
Balance sheet	9,258,583	7,237,234
Difference	-	-

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	1,306,346	993,090
Adjustments for non-cash items		
Depreciation/amortisation (includes lease liability)	802,029	765,335
Gain/(loss) on disposal of assets	761	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(61,857)	152,957
(Increase)/decrease in inventory	12,454	(49,303)
Increase/(decrease) in supplier and other payables	614,248	(23,233)
Increase/(decrease) in provisions	10,044	125,505
Net cash from (used by) operating activities	2,684,025	1,964,351

Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

There are no commitments or contingencies.

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

The Board member's businesses are all current members of the Association and also purchase stationery and training courses from the Association which are on standard terms.

Director fees paid during the reporting period were \$170,492 (2023) \$179,000 (2022).

Apart from the above, there are no other Related Party Transaction during the financial year ended 30th June 2023.

Names of Committee of Management Officers who held office during the year are:

Committee of management

Peter Dever	Michael Hart
Paul Peterson	Bruce Sommerfeld
Grant Harrison	James William Robertson
Mark Bryers	Mark Dodge
Andrea McCarthy	Timothy Kane
Lawrence Beacham	Rodney Pether
Mark Billingsley	

Board of Directors of MTA Institute of Technology Pty Ltd

Paul John Peterson	Michael Milford
James William Robertson	Susan Davis
Terri Butler	

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30th June 2023, the Motor Trades Association of Queensland Industrial Organisation of Employers has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 13B: Key management personnel remuneration for the reporting period

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	1,251,946	1,064,252
Annual leave accrued	(178)	4,168
Performance bonus*	143,332	120,931
Other FBT	51,561	28,824
Total short-term employee benefits	1,446,661	1,218,175

* These figures include only formally approved amounts accrued and paid which are relevant to the current financial year to which they relate.

Post-employment benefits:

Superannuation	118,948	115,500
Total post-employment benefits	118,948	115,500

Other long-term benefits:

Long-service leave	(12,602)	9,666
Total other long-term benefits	(12,602)	9,666

Termination benefits	23,692	-
Total	1,576,699	1,343,341

Note 14: Remuneration of Auditors

Value of the services provided

Financial statement audit services	58,669	56,084
Other services	-	-
Total remuneration of auditors	58,669	56,084

No other services were provided by the auditors of the financial statements.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 15 Financial instruments

MTAQ is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. There have been no substantive changes in the entity's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

Note 15A: Categories of Financial Instruments

Financial assets

	Consolidated	
	2023	2022
	\$	\$
Fair value through other comprehensive income:		
Dalton Nicol Reid Share Portfolio	3,860,828	3,521,741
Fair value through profit and loss:		
Block Two Pty Ltd	-	500,000
GDTC Ltd	400,000	1,000,000
Total	4,260,828	5,021,741
Cash at bank:		
Cash and cash equivalents	9,258,583	7,237,234
Total	9,258,583	7,237,234
Loans and receivables:		
Trade and other receivables	2,462,723	2,327,083
Other current assets	235,002	308,785
Total	2,697,725	2,635,868
Carrying amount of financial assets	16,217,136	14,894,843

Financial liabilities

Other financial liabilities:		
Trade payables	650,096	660,735
Other payables*	203,197	203,302
Total	853,293	864,037
Carrying amount of financial liabilities	853,293	864,037

*Excluding unearned income

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Notes to the financial statements
for the year ended 30 June 2023**

Note 15B: Net income and expense from financial assets

	Consolidated	
	2023	2022
	\$	\$
Held-to-maturity		
Interest revenue	173,000	30,000
Net gain/(loss) held-to-maturity	173,000	30,000
Financial assets at fair value through other comprehensive income under AASB 9		
Interest revenue	-	-
Dividend revenue	169,487	471,960
Net income/(expense) from financial assets at fair value through other comprehensive income	169,487	471,960
Fair value gain/loss recognised in other comprehensive income under AASB 9	220,546	(309,862)
	220,546	(309,862)
	Consolidated	
	2023	2022
	\$	\$

Note 15C: Credit risk

The Maximum exposure to credit risk at balance date is accounts receivable balances.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Trade Receivables	1,096,788	1,087,883
Total	1,096,788	1,087,883
Financial liabilities		
Nil	-	-
Total	-	-

In relation to the entity's gross credit risk, no collateral is held.

Lease liabilities are of fixed interest rates, therefore there is no credit risk.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30th June 2023

30th June 2023	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	100%	0%	0%	0%	100%
Estimate total gross	-	1,101,356	3,677	1,756	-	1,106,789
carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	(4,568)	(3,677)	(1,756)	-	(10,001)
	-	1,096,788	-	-	-	1,096,788

30 June 2022

30 June 2022	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	41%	0%	100%	1%
Estimate total gross	50,561	1,031,873	11,751	4,437	-	1,098,622
carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	(6,302)	(4,437)	-	(10,739)
	50,561	1,031,873	5,449	-	-	1,087,883

Note 15C: Credit risk (Con't)

The Motor Trades Association of Queensland Industrial Organisation of Employers maximum exposure to credit risk for the components of the statement of financial position at 30th June 2023 and 2022 is the carrying amounts as illustrated in Note 15D.

Note 15D: Liquidity risk

Liquidity risk is the risk that the entity may encounter difficulties raising funds to meet commitments associated with financial instruments. It is the policy of the Board of Directors of MTAQ to maintain adequate committed credit facilities. The unused bank overdraft credit facility at balance date was \$2,500,000. The bank overdraft facilities may be drawn down at any time but may be terminated by the bank without notice.

Contractual maturities for financial liabilities 2023

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	650,906	-	-	-	650,906
Other payables*	-	203,197	-	-	-	203,197
Total	-	854,103	-	-	-	854,103

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	660,735	-	-	-	660,735
Other payables*	-	203,302	-	-	-	203,302
Total	-	864,037	-	-	-	864,037

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

*Excluding unearned income

Lease liability maturities for 2023

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Motor Vehicles	-	66,176	37,382	19,424	-	122,982
Computer equipment	-	2,477	-	-	-	2,477
Total	-	68,653	37,382	19,424	-	125,459

Lease liability maturities for 2022

	On Demand	< 1 year \$	1– 2years \$	2– 5years \$	>5 years \$	Total \$
Motor vehicle	-	135,480	33,877	9,353	-	178,710
Computer equipment	-	9,909	2,477	-	-	12,386
Total	-	145,389	36,354	9,353	-	191,096

Note 15E: Market risk

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30th June 2022, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Sensitivity analysis of the risk that the entity is exposed to for 2023

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	9,258,583	[+ 2%]	185,172	185,172
Interest rate risk	9,258,583	[- 2%]	(185,172)	(185,172)

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Interest rate risk	7,237,234	[+ 2%]	144,745	144,745
Interest rate risk	7,237,234	[- 2%]	(144,745)	(144,745)

Due to the changes in interest rates over the last financial year trending downwards, the interest rate risk exposure for 2023 has been based on 2% which was the same as last years.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 16 Fair value measurement

Note 16A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair value of listed financial assets carried at fair value through other comprehensive income is derived from quoted market prices in active markets.
- Fair value of unlisted financial assets carried at fair value through profit or loss is derived from previous sales transactions.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Motor Trades Association of Queensland Industrial Organisation of Employers based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30th June 2023 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Motor Trades Association of Queensland financial assets and liabilities:

	Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair Value 2022 \$
Financial assets				
Dalton Nicol Reid Share Portfolio	3,860,828	3,860,828	3,521,741	3,521,741
Block2	-	-	500,000	500,000
GDTC Ltd	400,000	400,000	1,000,000	1,000,000
Total	4,260,828	4,260,828	5,021,741	5,021,741

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 16B: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy – 30th June 2023

	Date of valuation 30th June 2023	Level 1	Level 2	Level 3
		\$	\$	\$
Dalton Nicol Reid Share Portfolio		3,860,828	-	-
Block Two Pty Ltd		-	-	-
GDTC Ltd		-	-	400,000
Land and buildings		-	-	13,900,000
Total		3,860,828	-	14,300,000

Liabilities measured at fair value

Nil	-	-	-
Total	-	-	-

Fair value hierarchy – 30 June 2022

	Date of valuation 30 June 2022	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Dalton Nicol Reid Share Portfolio		3,521,741	-	-
Block Two Pty Ltd		-	-	500,000
GDTC Ltd		-	-	1,000,000
Total		3,521,741	-	1,500,000

Liabilities measured at fair value

Nil	-	-	-
Total	-	-	-

Level 3 financial assets include investments in Block Two Pty Ltd, Green Distillation Technologies Corporation Limited and valuation of land and buildings.

Unlisted equity

Fair value has been determined on the basis of the last capital transactions conducted by the investee with external parties as this is the best evidence of fair value. Where capital transaction is greater than 12 months or there are no recent capital transactions with external parties, alternative methods have been used including comparable recent transactions of similar companies or maintainable earnings valuation methods. For the current year, the last capital transaction occurred on 19 July 2023 for Green Distillation Technologies Corporate Limited and the pricing of those transactions are the basis for determination of fair value. Fair decline of \$500,000 was recorded for investment in Block Two Investments Pty as the investee was in a net asset deficient position at 30 June 2023 and a fair value decline of \$600,000 was also recorded for Green Distillation Technologies Corporate Limited due decline in fair value of shares. Significant increase or decrease will have an impact on the fair value of the investments.

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

**Notes to the financial statements
for the year ended 30 June 2023**

Land and buildings

Refer note 6A for valuation methodology.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 17 Administration of financial affairs by a third party

Motor Trades Association of Queensland Industrial Organisation of Employers did not use third party for the administration of affairs during the year or prior year.

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- 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).

NOTE 19. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
MTA Institute of Technology Pty Ltd	Australia	100.00%	100.00%
Motor Trades Association of Queensland Ltd	Australia	100.00%	100.00%
MTAQ Management Pty Ltd	Australia	100.00%	100.00%
MTA Global Pty Ltd	Australia	100.00%	100.00%
MTAQ Trust	Australia	100.00%	100.00%
MTA Institute of Technology Pty Ltd	Australia	100.00%	100.00%

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Notes to the financial statements for the year ended 30 June 2023

Note 20 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
Surplus for the year	(1,600,760)	(1,540,310)
Other comprehensive income	1,188,991	309,862
Total comprehensive income	411,769	(1,230,448)

Statement of financial position

Total current assets	4,101,397	3,938,948
Total assets	17,719,273	21,807,934
Total current liabilities	(3,466,579)	(3,701,857)
Total liabilities	(3,752,021)	(7,280,438)
Net Assets	13,967,252	14,527,496
Equity		
General funds	705,095	633,023
Asset Revaluation Reserve	6,295,838	5,327,393
Retained earnings	6,966,319	8,567,080
Total equity	13,967,252	14,527,496

Contingent liabilities

The parent entity had no contingent liabilities as at 30th June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30th June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Officer declaration statement

I, James William George Robertson being the Secretary of the Motor Trades Association of Queensland Industrial Organisation of Employers, declare that the following activities did not occur during the reporting period ending 30th June 2023.

The Motor Trades Association of Queensland Industrial Organisation of Employers did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office

**MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL
ORGANISATION OF EMPLOYERS**

- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

A handwritten signature in dark ink, appearing to read 'JR' followed by a stylized surname, is written on a light-colored rectangular background.

James Robertson
Secretary
Dated: 03 October 2023