



Fair Work
Commission

3 June 2026

John Young
President
Motor Traders' Association of New South Wales

Sent via email: stavros.yallouridis@mtansw.com.au

CC: Peter.kanellis@rsm.com.au

Dear John Young

**Motor Traders' Association of New South Wales
Financial Report for the year ended 31 December 2025 – FR2025/197**

I acknowledge receipt of the financial report for the year ended 31 December 2025 for the Motor Traders' Association of New South Wales (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 2 June 2026.

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

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

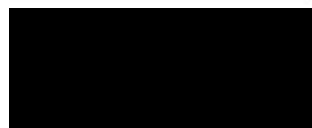
Fair Work Commission

Certificate of Secretary or Other Authorised Officer
S268 Fair Work (Registered Organisations) Act 2009

I, **John Young**, being the President of the **Motor Traders' Association of New South Wales** Certify:

- That the document lodged herewith is a copy of the full financial report for the **Motor Traders' Association of New South Wales** for the period ended, **31 December 2025**, referred to in section 268 of the *Fair Work (Registered Organisations) Act, 2009* which the Committee of Management resolved on **27 March, 2026**, to adopt the report and to provide members with a copy to be published on the MTA NSW website including an electronic link via the MTA NSW eJournal; and
- That the full financial report was provided to members on **8 April 2025**; and
- That the full financial report was presented and made available to the Committee of Management Meeting of the Motor Traders' Association of New South Wales on **27 March 2026** in accordance with section 266(1) of the Fair Work (Registered Organisations) Act 2009; and
- That the full financial report was presented at the Annual General Meeting held on the **22 May 2026** in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of Prescribed designated officer:



Name of prescribed designated officer:

JOHN YOUNG

Title of prescribed designated officer:

PRESIDENT

Date:

1 June 2026

Motor Traders' Association of New South Wales

ABN 63 000 008 088

**Consolidated general purpose financial report for the year
ended - 31 December 2025**

Motor Traders' Association of New South Wales
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Motor Traders' Association of New South Wales
Operating report
31 December 2025

Your Officers submit their report on Motor Traders' Association of New South Wales (the "Association") and its controlled entities (the "Group") for the year ended 31 December 2025.

Executive board members

The current Executive Board Members were declared as elected on 2 April 2024 from the AEC election results. Further, the President and Vice-President were declared elected on 17 May 2024 whereby all took office on 17 May 2024.

John Young (President)
Geoffrey Lowe (Vice-President)
Donna Axiak
Mark Beard
Patrick Lenehan
David Marston (Resigned 20 November 2025)
Alexander Massina
Darren Spinks
Mark Van Ryswyk
Lindsay Vidler

Principal activities

Founded in 1910, the Motor Traders' Association of New South Wales (MTA or MTA NSW) is an employers' Association dedicated to representing owners and business principals in the NSW automotive industry. MTA is also a Registered Training Organisation (RTO) delivering a broad range of training qualifications for the training of apprentices and trainees.

The Association's aim is to help the motor industry across all its divisions. We achieve this by assisting our Members in the daily running of their businesses, as well as lobbying governing bodies to ensure a long and viable automotive industry in NSW. MTA is well-placed to represent the interests of the Members, being in constant contact with politicians and Government officials. The Association regularly offers advice on matters affecting the industry and MTA is proud to be the principal consultative party and a leader in industrial relations issues influencing the retail motor industry. MTA lobbies State and Federal Government on behalf of Members and the industry. Our policy interests are varied and designed to ensure a strong automotive industry in NSW. Our policies cover taxation, fair trading, vehicle repair standards, employment relations, the environment, industry skilled training, and more. Our submissions to government at a State and Federal level cover duties and taxation, fair trading, vehicle repair standards, licencing, Australian consumer law, codes of conduct, employment relations, the environment, WHS, industry skilled training and more.

The Association also works to ensure the public has confidence in dealing with MTA Members through our Code of Ethics. MTA's Code of Ethics is a landmark statement that sets out the standard of behaviour MTA Members must follow in their dealings with the public. The framework of principles under which the Members trade with the public is to protect consumers and safeguard the reputation of legitimate motor traders. It concerns the relationship between customers and suppliers of goods and services - the code addresses acceptable standards, not just legal obligations.

Training delivered by MTA occurs at the workplace through qualified trainers facilitating one-on-one theory and practical sessions. This allows the employer to become actively involved in the training of their learners. Employers also benefit from the exchange of feedback with the MTA trainers during the workplace visits. MTA delivers training and assessment at regular intervals throughout the entire duration of the qualification.

The MTA trainers are constantly monitoring and guiding the learners throughout the delivery of their training. As the training is taking place within the workplace, employers and learners have a far greater choice in terms of how to engage with the learning and assessment resources, order of delivery and unit selection within the qualification.

In August 2023 MTA acquired Career Options Australia trading as MyTradeStart. My Trade Start is a Registered Training Organisation (RTO) that had been operating for over 15 years. This has extended our training offering with a dedicated training facility.

There have been no other significant changes in the nature of these activities during the year.

Motor Traders' Association of New South Wales
Operating report
31 December 2025

Operating results for the year

The deficit after tax of the Group for year ended 31 December 2025 was \$4,092,748 (2024: surplus of \$84,628).

In 2025, the MTA NSW Group training businesses were significantly impacted as a result of audits conducted and the current restrictions on our enrolments reducing our training revenue in the year.

MTA NSW focused on growing our membership from 3,016 to 3,160, a net increase of 4.8%, continuing to grow in a market with ongoing consolidation of member businesses.

Training has had a mixed year with growth in MTA NSW student numbers offset by falls in My Trade Start (MTS) student numbers. Following the acquisition of this Registered Training Organisation (RTO) in August 2023, our total number of students declined to 2,162, representing a decrease of 5.5%.

Our overall employee numbers have reduced to 88 at the end of 2025, down from 92 at the end of 2024.

Motor Trades Care (MTC) revenue was in line with the previous year, resulting from the completion of the second year of the icare agreement and from maintaining the volume of workplace health and safety services provided directly to businesses.

Our results in 2025 was negative with a deficit after tax of \$4,092,748, down \$4,177,376 on the previous year surplus after tax of \$84,628, reflecting the significant impact of reduced training revenue of \$2,864,240 and reduced service income of \$993,700 partially offset by the gain on disposal of property, plant and equipment of \$495,309.

The Department of Education - Training Services NSW has initiated a Performance Monitoring process for MTA and MTS under our Smart and Skilled contract in second half of 2025, which includes the current suspension on enrolling new students. We are having regular meetings and correspondence to gain clarity on next steps, address any remaining matters, and move forward toward lifting the suspension.

MTA NSW reported a cash balance of \$1.2 million reflecting a strong cash position. During 2025 we carried out the following significant cashflow events:

- Proceeds from desposal of property and equipment, predominantly relating to the sales of the Girraween site. adding \$5,660,697 to cash;
- Invested \$6,852,236 from the sale of Girraween and other available cash of into Term Deposits.

During 2025, it is worth noting several key financial highlights:

- Association holds Total Assets of \$18.4 million with \$11.4 million of Current Assets. This includes the Burwood office which is recorded at cost price. Based on the most recent independent property valuation which supported a valuation of \$10 million should the fair value option be taken, there would be an expected increase in net assets of \$4.5 million.

Objectives

The short-term objectives of the Association are to represent the best interests of the Members of MTA to the Government, the corporate sector, the media and the public at large and to provide a range of services to the Members that will enhance their individual businesses. Our goal is to continue to develop and grow and be recognised as the industry Association for providing knowledge, education, services and solutions for a sustainable future of the motor industry.

The long-term objective is to become a leading organisation, providing innovative business services of superior value and to facilitate the creation and sustainability of an industry sector that is prosperous and which provides a high level of service to Members, trainees, businesses and the motoring public in Australia.

Strategy for achieving the objectives

The strategy for achieving these objectives is to build lasting and beneficial relationships with all stakeholders and to progressively increase the business and thus income of the Association so as to be able to provide the widest range of quality services to the membership. We will continue to invest in people and develop on workforce skills focusing on training and having the right people in realising our goals. Further, establish constructively a culture of sustainability in the workplace and encourage our staff to contribute unitedly to the planning for the future of the Motor Traders' Association of New South Wales.

Motor Traders' Association of New South Wales
Operating report
31 December 2025

Performance measures

The Association measures its performance through the engagement of its Members, whereby seeking feedback during visits on the level of the Member's satisfaction, the performance of the Association and the success in meeting the set objectives. The Executive Board provides the strategy to the CEO and Management, which is then implemented, followed and performance monitored by the CEO and Management. At each Meeting, business operations are discussed in detail and financial performance is reviewed, therefore, providing transparency and proper governance.

Significant changes in financial affairs

The Department of Education - Training Services NSW has initiated a Performance Monitoring process for MTA and MTS under our Smart and Skilled contract in second half of 2025, which includes the current suspension on enrolling new students. We are having regular meetings and correspondence to gain clarity on next steps, address any remaining matters, and move forward toward lifting the suspension.

There were no other significant changes in financial affairs of the Association during the year.

Significant events after the balance date

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Right of members to resign

In accordance with the requirements under the *Fair Work (Registered Organisations) Act 2009*, members are advised that in accordance with Rule 18 of the Association's Rules, members may resign by tendering their resignation in writing to the Chief Executive Officer.

Trustee of superannuation entity

Geoffrey Lowe was appointed a Director of Motor Trades Association of Australia Superannuation Fund Pty Limited ('MTAA Super Pty Ltd') on 1 March 2019. MTAA Super Pty Ltd is the Trustee of MTAA Superannuation Fund trading as Care Super.

Number of members

As at 31 December 2025, the number of members of the Association was 3,160 (2024: 3,016).

Number of employees

The number of full-time equivalent employees employed by the Association as at 31 December 2025 was 88 (2024: 92).

Likely developments and expected results

Likely developments in the operations of the Association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

Environmental regulation and performance

The Association is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

Indemnification and insurance of Officers

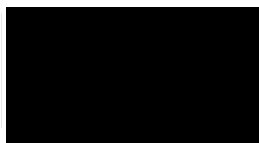
The Association has indemnified the Officers of the Association and subsidiary companies for costs incurred, in their capacity as a Officer, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Association paid a premium to insure the Officers of the Association.

Indemnification of auditor

To the extent permitted by law, the Association has agreed to indemnify its auditor, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia Partners during or since the financial year.

**Motor Traders' Association of New South Wales
Operating report
31 December 2025**

Signed in accordance with a resolution of the Officers.



John Young
President

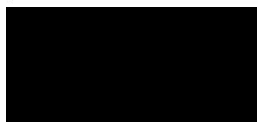
26 March 2026
Sydney

Motor Traders' Association of New South Wales
Report under subsection 255(2A)
31 December 2025

The Executive Board presents the Expenditure Report in accordance with subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* for the Group for the year ended 31 December 2025.

	Consolidated	
	2025	2024
	\$	\$
<i>Categories of expenditure:</i>		
Remuneration and other employment-related costs and expenses - employees	12,536,428	13,233,980
Advertising	706,115	754,472
Operating costs	5,997,494	5,027,988
Donations	33,864	15,232
Legal costs	41,867	41,979
	<u>19,315,768</u>	<u>19,073,651</u>

For and on behalf of the Executive Board of Motor Traders' Association of New South Wales Group.



John Young
President

26 March 2026
Sydney

Motor Traders' Association of New South Wales
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Note	Consolidated 2025 \$	2024 \$
Revenue from contracts with customers	5	14,064,748	18,704,827
Expenses	6	<u>(19,293,157)</u>	<u>(19,050,292)</u>
Operating deficit		(5,228,409)	(345,465)
Other income	7	550,396	96,604
Finance income		466,632	257,018
Finance costs	6	<u>(22,611)</u>	<u>(23,359)</u>
Deficit before income tax benefit		(4,233,992)	(15,202)
Income tax benefit		<u>141,244</u>	<u>99,830</u>
(Deficit)/surplus after income tax benefit for the year		(4,092,748)	84,628
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Fair value gain on investments		<u>30,767</u>	<u>25,194</u>
Other comprehensive income for the year, net of tax		<u>30,767</u>	<u>25,194</u>
Total comprehensive (loss)/income for the year		<u><u>(4,061,981)</u></u>	<u><u>109,822</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Motor Traders' Association of New South Wales
Consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated 2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,185,735	6,818,586
Trade and other receivables	9	2,439,375	1,751,155
Inventories		49,432	59,191
Investments	10	7,721,185	813,446
Current tax assets		-	3,332
Total current assets		<u>11,395,727</u>	<u>9,445,710</u>
Non-current assets			
Property, plant and equipment	11	6,494,400	12,182,087
Right-of-use assets	12	281,633	455,822
Intangible assets	13	-	1,107,937
Deferred tax asset		273,442	132,076
Total non-current assets		<u>7,049,475</u>	<u>13,877,922</u>
Total assets		<u>18,445,202</u>	<u>23,323,632</u>
Liabilities			
Current liabilities			
Trade and other payables	14	1,598,759	1,860,708
Contract liabilities	15	1,803,376	2,186,848
Lease liabilities	16	191,503	191,503
Current tax liabilities		696	-
Employee provisions	17	780,303	859,505
Total current liabilities		<u>4,374,637</u>	<u>5,098,564</u>
Non-current liabilities			
Lease liabilities	16	90,130	264,319
Employee provisions	17	119,854	38,187
Total non-current liabilities		<u>209,984</u>	<u>302,506</u>
Total liabilities		<u>4,584,621</u>	<u>5,401,070</u>
Net assets		<u>13,860,581</u>	<u>17,922,562</u>
Members' funds			
Reserves		(225,937)	(256,704)
Accumulated funds		14,086,518	18,179,266
Total members' funds		<u>13,860,581</u>	<u>17,922,562</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Motor Traders' Association of New South Wales
Consolidated statement of changes in members' funds
For the year ended 31 December 2025

Consolidated	Reserves \$	Accumulated funds \$	Total members' funds \$
Balance at 1 January 2024	(281,898)	18,094,638	17,812,740
Surplus after income tax benefit for the year	-	84,628	84,628
Other comprehensive income for the year, net of tax	25,194	-	25,194
Total comprehensive income for the year	25,194	84,628	109,822
Balance at 31 December 2024	<u>(256,704)</u>	<u>18,179,266</u>	<u>17,922,562</u>

Consolidated	Reserves \$	Accumulated funds \$	Total members' funds \$
Balance at 1 January 2025	(256,704)	18,179,266	17,922,562
Deficit after income tax benefit for the year	-	(4,092,748)	(4,092,748)
Other comprehensive income for the year, net of tax	30,767	-	30,767
Total comprehensive income/(loss) for the year	30,767	(4,092,748)	(4,061,981)
Balance at 31 December 2025	<u>(225,937)</u>	<u>14,086,518</u>	<u>13,860,581</u>

The above consolidated statement of changes in members' funds should be read in conjunction with the accompanying notes

Motor Traders' Association of New South Wales
Consolidated statement of cash flows
For the year ended 31 December 2025

	Note	Consolidated	2024
		2025	2024
		\$	\$
Operating activities			
Receipts from customers		13,816,998	18,598,689
Payments to suppliers and employees		(18,392,340)	(18,085,459)
Interest received		466,632	257,018
Interest paid		<u>(22,611)</u>	<u>(23,359)</u>
Net cash (used in)/from operating activities	8	<u>(4,131,321)</u>	<u>746,889</u>
Investing activities			
Net movements of investments	10	(24,736)	705,609
Payments to term deposits		(6,852,236)	-
Proceeds from disposal of property, plant and equipment		5,660,697	78,696
Net purchase of property, plant and equipment	11	(162,283)	(343,512)
Investment income received		<u>40,719</u>	<u>48,626</u>
Net cash (used in)/from investing activities		<u>(1,337,839)</u>	<u>489,419</u>
Financing activities			
Repayment of lease liabilities		<u>(163,691)</u>	<u>(173,441)</u>
Net cash used in financing activities		<u>(163,691)</u>	<u>(173,441)</u>
Net (decrease)/increase in cash and cash equivalents		(5,632,851)	1,062,867
Cash and cash equivalents at the beginning of the financial year		<u>6,818,586</u>	<u>5,755,719</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>1,185,735</u></u>	<u><u>6,818,586</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 1. Corporate information

The consolidated financial statements of Motor Traders' Association of New South Wales (the "Association") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Officers on 26 March 2026.

Motor Traders' Association of New South Wales is an unincorporated association registered under the *Fair Work (Registered Organisations) Act 2009*. These consolidated financial statements are for Motor Traders' Association of New South Wales and the entities it controlled during the year ("MTA" or the "Group").

The Executive Board has the vested power, authority and discretion to manage the business and control the affairs of the Association on behalf of its members. The Executive Board may delegate any of their powers and functions to a committee or a member of the Executive Board, the Council or a committee or a member of the Council, an employee of the Association (such as a chief executive officer) or any other person, as they consider appropriate.

The registered office and principal place of business of the Association is:

214 Parramatta Road,
Burwood, NSW 2134

A description of the nature of the Association's operations and its principal activities are included in the operating report.

Note 2. Material accounting policy information

The accounting policies that are material to the Association are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

These general purpose financial statements 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, the *Corporations Act 2001*, the *Associations Incorporation Act 2009 (New South Wales)* and the *Fair Work (Registered Organisations) Act 2009 (RO Act)*. For the purposes of preparing the general purpose financial statements, MTA is a not-for-profit entity.

These financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

The financial report is presented in Australian dollars (\$).

New or amended Accounting Standards and Interpretations adopted

The new and amended Australian Accounting Standards and Interpretations that apply for the first time in 2025 do not materially impact the consolidated financial statements of the Group.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 31 December 2025. The Officers have not early adopted any of these new or amended standards or interpretations.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Motor Traders' Association of New South Wales incurred loss of \$4,092,748 and had net cash outflows from operating activities of \$4,131,321 for the year ended 2025. The 2025 result was impacted by the Department of Education - Training Services NSW initiating a Performance Monitoring process for MTA and MTS under our Smart and Skilled contract in second half of 2025, which resulted in the suspension of enrolling new students. We are having regular meetings and correspondence to gain clarity on next steps, address any remaining matters, and move forward toward lifting the suspension. We have continued training our existing students.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 2. Material accounting policy information (continued)

The Executive Board believe that it is reasonably foreseeable that Motor Traders' Association of New South Wales will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Positive discussions with NSW Education department which we anticipate will allow training to recommence enrolments.
- Strong financial position and approval by the Executive Board to ensure the above can be implemented to meet the need of our members and industry. As at year ended 2025 the Motor Traders' Association of New South Wales had net current assets of \$7,021,090 and net assets of \$13,860,581.
- As at 31 December 2025 the Group had cash and cash equivalents of \$1,185,735 and term deposits of \$6,852,236 as disclosed within note 8 and note 10 respectively.
- The Group has access to a committed working capital facility of \$1,940,000, which provides sufficient liquidity to meet short-term obligations as they fall due.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Current and non-current classification

The Group presents assets and liabilities in the consolidated 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.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 2. Material accounting policy information (continued)

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 Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

Inventories

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Financial assets and financial liabilities

Recognition

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss and other comprehensive income.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
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Note 2. Material accounting policy information (continued)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss and other comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investments under this category.

Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities at amortised cost

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss, except where the financial assets are considered low risk as the ECL related to these assets is zero. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

Property, plant and equipment

Land and buildings are stated at cost. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	1% Straight line
Furniture, fittings and equipment	10% to 40% Reducing balance
Motor vehicles	25% Straight line

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., 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 consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Note 2. Material accounting policy information (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

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Note 2. Material accounting policy information (continued)

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Association has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions and employee benefit liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Wages and salaries

Liabilities for wages and salaries, including non-monetary benefits which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Motor Traders' Association of New South Wales
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Note 2. Material accounting policy information (continued)

Long service leave and annual leave

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The specific recognition criteria described below must be met before revenue is recognised.

Sale of stationery and merchandise

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

Rendering of services

The Group recognises revenue from services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefit provided by the Group.

Other income

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 comprehensive income when the asset is derecognised.

Finance income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss and other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Motor Traders' Association of New South Wales
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Note 2. Material accounting policy information (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidation legislation

Motor Traders' Association of New South Wales, the parent entity, is an employer's association registered under the *Fair Work (Registered Organisations) Act 2009*. The Association therefore qualifies for exemption from income tax under section 50-15 of the *Income Tax Assessments Act 1997*. The subsidiary entities within the Group are not exempt from income tax so have losses carried forward.

Goods and services tax (GST)

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

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable;
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Parent entity financial information

The financial information for the parent entity, Motor Traders' Association of New South Wales, disclosed in note 25, has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries and associates are accounted for at cost and equity accounting respectively in the financial statements of MTA.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
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Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The financial forecasts used for impairment testing procedures are based on the consolidated entity's latest approved budget. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Unclaimed milestones revenue

The Group recognises revenue from milestone-based funding arrangements as students progress through required training milestones. At the reporting date, a portion of revenue is accrued in respect of milestones that have not yet been claimed with the funder. The recognition of this revenue involves significant judgement, as funding is only receivable if students complete all required milestones, and students who complete only part of the program may subsequently withdraw, resulting in the related milestones becoming unclaimable.

In estimating the recoverable amount of accrued unclaimed milestone revenue, management has assessed the best information available at the reporting date, including actual cancellation patterns and cancellations occurring after the reporting date to the extent they provide evidence of conditions existing at year end. Management will continue to review and update key assumptions and the accuracy and completeness of underlying data as additional information becomes available in future reporting periods. Changes in assumptions regarding student completion rates could result in a material adjustment to revenue recognised in future periods.

Note 4. Notice to members

Notice required under 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 the General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
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Note 5. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2025	2024
	\$	\$
<i>Type of goods or service</i>		
Training services	9,721,976	13,444,013
Membership subscriptions	2,988,517	2,883,806
Service income	613,389	1,607,089
Stationery and merchandise sales	338,818	340,388
Sponsored advertising income	233,195	265,713
Commission income	71,027	140,248
Project management revenue	60,000	-
Other revenue	37,826	23,570
	<u>14,064,748</u>	<u>18,704,827</u>
Total revenue from contracts with customers	<u>14,064,748</u>	<u>18,704,827</u>

	Consolidated	
	2025	2024
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	338,818	340,388
Services transferred over time	<u>13,725,930</u>	<u>18,364,439</u>
	<u>14,064,748</u>	<u>18,704,827</u>
Total revenue from contracts with customers	<u>14,064,748</u>	<u>18,704,827</u>

Motor Traders' Association of New South Wales
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Note 6. Expenses

	Consolidated	
	2025	2024
	\$	\$
Cost of goods sold	195,779	201,088
Employee related expenses - Employees other than Officers:		
- Wages and salaries	10,491,074	11,335,322
- Superannuation	1,122,925	1,140,969
- Leave and other entitlements	82,749	(76,928)
- Separation and redundancies	77,757	57,163
- Other employee expenses	236,090	245,844
Occupancy and equipment expenses	1,326,889	1,339,516
Lease expense	48,501	36,419
Depreciation expense	686,763	789,981
Depreciation expense on right-of-use assets	174,189	183,939
Travel expenses	512,739	592,482
Affiliation fees:		
- Motor Traders Association Australia (MTAA) subscriptions and expenses	93,342	150,000
Marketing expenses	706,115	754,472
Administration expenses	530,351	502,454
Training expenses	48,089	88,889
Goodwill impairment expense	1,107,937	-
Legal expenses:		
- Related to litigation and compensation	41,867	41,979
Executive Board Member Remuneration	525,833	531,610
Members meetings	133,096	102,716
Member services	336,517	231,756
Professional fees	165,905	294,860
Contractor costs	338,544	177,172
Donations:		
- Total paid that were \$1,000 or less	-	550
- Total paid that exceeded \$1,000	33,864	14,682
Other expenses:		
- Other	276,242	313,357
	<u>19,293,157</u>	<u>19,050,292</u>
<i>Finance costs</i>		
Interest expense on lease liabilities	<u>22,611</u>	<u>23,359</u>

Motor Traders' Association of New South Wales
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Note 7. Other income

	Consolidated	
	2025	2024
	\$	\$
Gain on disposal of property, plant and equipment	497,490	2,181
Dividend income	40,719	48,626
Other income	12,187	44,825
Gain on disposal of security	-	972
	<u>550,396</u>	<u>96,604</u>

Note 8. Cash and cash equivalents

	Consolidated	
	2025	2024
	\$	\$
<i>Current assets</i>		
Cash at banks and on hand	<u>1,185,735</u>	<u>6,818,586</u>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the above.

Cash flow reconciliation

	Consolidated	
	2025	2024
	\$	\$
(Deficit)/surplus for the year	<u>(4,092,748)</u>	<u>84,628</u>
Adjustments for:		
Depreciation expense	860,952	973,920
Goodwill impairment expense	1,107,937	-
Gain on disposal of property, plant and equipment	(497,490)	(2,181)
Investment income	(40,719)	(48,626)
Others	33,734	(14,439)
	<u>1,464,414</u>	<u>908,674</u>
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(734,262)	(79,796)
Decrease/(increase) in inventories	9,759	(5,011)
Decrease/(increase) in other assets	1,810	(47,058)
Decrease/(increase) in income tax receivable	4,028	(3,332)
(Decrease)/increase in trade and other payables	(261,949)	204,119
Decrease in contract liabilities	(383,472)	(71,167)
Decrease in income tax payable	-	(67,029)
Increase/(decrease) in employee provisions	2,465	(76,928)
Decrease in deferred tax assets	(141,366)	(100,211)
	<u>(1,502,987)</u>	<u>(246,413)</u>
Net cash flows (used in)/from operating activities	<u>(4,131,321)</u>	<u>746,889</u>

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 8. Cash and cash equivalents (continued)

Non-cash investing and financing activities

	Consolidated	
	2025	2024
	\$	\$
Additions to the right-of-use assets	-	328,367

Note 9. Trade and other receivables

	Consolidated	
	2025	2024
	\$	\$
<i>Current assets</i>		
Trade receivables	854,379	785,187
Less: Allowance for expected credit losses	(112,111)	(73,266)
	<u>742,268</u>	<u>711,921</u>
Other receivables	1,195,771	536,088
Prepayments	501,336	503,146
	<u>2,439,375</u>	<u>1,751,155</u>

Note 10. Investments

	Consolidated	
	2025	2024
	\$	\$
<i>Current assets</i>		
Term deposits	6,852,236	-
Other investment	868,949	813,446
	<u>7,721,185</u>	<u>813,446</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	813,446	1,493,861
Purchase of investments, net	16,637,349	4,750,212
Disposals of investment	(16,644,959)	(5,455,821)
Fair value adjustments	63,113	25,194
Closing fair value	<u>868,949</u>	<u>813,446</u>

Refer to note 19 for further information on fair value measurement.

Motor Traders' Association of New South Wales
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Note 11. Property, plant and equipment

	Consolidated	2025	2024
		\$	\$
<i>Non-current assets</i>			
Freehold land and buildings - at cost		6,204,746	11,312,497
Less: Accumulated depreciation		(567,182)	(543,535)
		<u>5,637,564</u>	<u>10,768,962</u>
Furniture, fittings and equipment - at cost		2,486,214	2,532,807
Less: Accumulated depreciation		(1,949,530)	(1,816,368)
		<u>536,684</u>	<u>716,439</u>
Motor vehicles - at cost		2,633,380	2,632,864
Less: Accumulated depreciation		(2,313,228)	(1,936,178)
		<u>320,152</u>	<u>696,686</u>
		<u><u>6,494,400</u></u>	<u><u>12,182,087</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Freehold land and buildings	Furniture, fittings and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 January 2024	10,774,625	809,211	1,121,235	12,705,071
Additions	75,013	176,324	92,175	343,512
Disposals	-	(25,775)	(50,740)	(76,515)
Depreciation expense	(80,676)	(243,321)	(465,984)	(789,981)
	<u>10,768,962</u>	<u>716,439</u>	<u>696,686</u>	<u>12,182,087</u>
Balance at 31 December 2024	10,768,962	716,439	696,686	12,182,087
Additions	-	129,958	32,325	162,283
Disposals	(5,131,398)	-	(31,809)	(5,163,207)
Depreciation expense	-	(309,713)	(377,050)	(686,763)
	<u>5,637,564</u>	<u>536,684</u>	<u>320,152</u>	<u>6,494,400</u>

Note 12. Right-of-use assets

	Consolidated	2025	2024
		\$	\$
<i>Non-current assets</i>			
Building - right-of-use		675,798	675,798
Less: Accumulated depreciation		(394,165)	(219,976)
		<u>281,633</u>	<u>455,822</u>

Additions to the right-of-use assets during the year were \$nil.

During the year, the terms of the existing lease agreement were updated to extend the lease term by 1 year and 10 months.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 12. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Building \$
Balance at 1 January 2024	311,394
Additions	328,367
Depreciation expense	<u>(183,939)</u>
Balance at 31 December 2024	455,822
Additions	-
Depreciation expense	<u>(174,189)</u>
Balance at 31 December 2025	<u><u>281,633</u></u>

Note 13. Intangible assets

	Consolidated	
	2025	2024
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	-	<u><u>1,107,937</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$
Balance at 1 January 2024	<u>1,107,937</u>
Balance at 31 December 2024	1,107,937
Impairment of assets	<u>(1,107,937)</u>
Balance at 31 December 2025	<u><u>-</u></u>

Management has determined that goodwill is written down to nil. Previous impairment models relating to the 5-year forecast was based on funding received from STS but as the suspension is currently in place and funding being uncertain at this point.

Note 14. Trade and other payables

	Consolidated	
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	899,831	499,538
Other payables and accruals	642,350	1,222,025
GST payable	<u>56,578</u>	<u>139,145</u>
	<u><u>1,598,759</u></u>	<u><u>1,860,708</u></u>

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 15. Contract liabilities

	Consolidated	Consolidated
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Subscriptions received in advance	1,716,639	2,091,848
Sponsored advertising received in advance	86,737	95,000
	<u>1,803,376</u>	<u>2,186,848</u>

Note 16. Lease liabilities

	Consolidated	Consolidated
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>191,503</u>	<u>191,503</u>
<i>Non-current liabilities</i>		
Lease liability	<u>90,130</u>	<u>264,319</u>
	<u>281,633</u>	<u>455,822</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Lease liabilities
	\$
Balance at 1 January 2024	311,394
Additions	317,869
Accretion of interest	23,359
Payments	(196,800)
Balance at 31 December 2024	<u>455,822</u>
Additions	-
Accretion of interest	22,611
Payments	(196,800)
Balance at 31 December 2025	<u>281,633</u>

	Consolidated	Consolidated
	2025	2024
	\$	\$
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	191,503	196,800
One to five years	90,130	295,200
	<u>281,633</u>	<u>492,000</u>

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 17. Employee provisions

	Consolidated	2024
	2025	2024
	\$	\$
<i>Current liabilities</i>		
Employees other than office holders:		
Provision for annual leave	534,065	556,506
Provision for long service leave	246,238	302,999
	<u>780,303</u>	<u>859,505</u>
<i>Non-current liabilities</i>		
Employees other than office holders:		
Provision for long service leave	119,854	38,187
	<u>900,157</u>	<u>897,692</u>
Average number of employees throughout the year	<u>88</u>	<u>96</u>

Note 18. Financial instruments

The Group holds the following financial instruments:

	Consolidated	2024
	2025	2024
	\$	\$
<i>Current financial assets</i>		
Trade receivables	742,268	711,921
<i>Cash and cash equivalents</i>		
Cash at banks and on hand	1,185,735	6,818,586
Other investment	868,949	813,446
	<u>2,796,952</u>	<u>8,343,953</u>
<i>Current financial liabilities</i>		
<i>Trade and other payables</i>		
Trade payables	899,831	499,538
Other payables and accruals	642,350	1,222,025
Lease liability	191,503	191,503
	<u>1,733,684</u>	<u>1,913,066</u>
<i>Non-current financial liabilities</i>		
Lease liability	90,130	264,319

Financial risk management objectives

The Group's activities do not expose it to many financial risks, with only credit risk on trade receivables balances and liquidity risk on payables balances needing to be actively managed.

Market risk

Foreign currency risk

The Group has no foreign currency exposures.

Interest rate risk

As the Group holds significant short-term deposit balances at short-term fixed interest rates and the bank loan is at a floating rate, the Group's profit and members' funds are exposed to risk from changes in interest rate. Management has considered the impact of an estimated reasonably likely movement in interest rates of +/-0.5% on the Group profit or loss and members' funds and has determined the impact to be insignificant.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 18. Financial instruments (continued)

Other price risk

The Association's equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Investment Committee manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Association's Investment Committee for review and recommendation prior to obtaining approval from the Executive Board regarding all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value was \$868,949. Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the market index, the Association has determined that an increase/(decrease) of 3% on the market index could have an impact of approximately \$26,068 increase/(decrease) on the income and equity attributable to the Association.

Credit risk

The Group is exposed to credit risk on the financial assets it holds. At the reporting date, the maximum exposure to credit risk on these assets is considered to be their carrying values, net of any expected credit losses as disclosed in the consolidated statement of financial position and notes to the financial statements.

Impairment of financial assets

The following types of financial assets are subject to the expected credit loss model:

- trade receivables for sales of stationery, merchandise, employment related products, and training services provided.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, due to the short-term or on-demand nature of the deposits and the high credit quality of the counterparty banks, the credit risk on these balances has been assessed as low risk. Therefore no loss allowance has been provided on these balances.

The expected loss rates are based on the payment profiles of sales and services delivered over the preceding 12 month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on changes to collection process and the expected timing for issue of completed training certification.

On that basis, the loss allowance as at 31 December 2025 and 2024 was determined as follows for trade receivables:

	Current	30 days	31-180 days	More than	Total
	\$	\$	\$	180 days	\$
31 December 2025				\$	
Expected credit loss rate	-	-	-	46%	
Gross carrying amount	23,488	554,938	30,402	245,551	854,379
Loss allowance	-	-	-	(112,111)	(112,111)
31 December 2024	\$	\$	\$	\$	\$
Expected credit loss rate	-	-	-	53%	
Gross carrying amount	372,239	188,349	85,275	139,324	785,187
Loss allowance	-	-	-	(73,266)	(73,266)

Balances are considered uncollectible and are written-off when all avenues of recovery have been exhausted.

The closing loss allowances for trade receivables reconcile to the opening loss allowances as follows:

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 18. Financial instruments (continued)

	Consolidated	Consolidated
	2025	2024
	\$	\$
Opening loss allowance as at 1 January	73,266	77,207
Increase in loss allowance recognised in profit or loss during the year	38,845	-
Unutilised provision reversed	-	(3,941)
	<u>112,111</u>	<u>73,266</u>
Closing loss allowance at 31 December	<u>112,111</u>	<u>73,266</u>

Liquidity risk

Prudent liquidity risk management requires management to ensure sufficient liquid assets are available to meet the Group's financial obligations as they fall due.

Management manages liquidity risk by continuously monitoring actual and forecast cash flows, ensuring sufficient cash balances are available through managing the maturity profiles of the Group's short-term deposits, and utilising the bank loan to fund non-current asset purchases.

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	Consolidated
	2025	2024
	\$	\$
Bank facilities	<u>2,139,999</u>	<u>2,139,999</u>

Remaining contractual maturities

The following table details the Group's contractual maturity profile for its financial instrument liabilities. The table shows the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are or could be required to be paid (on-demand facilities). The table includes cash flows of both principal and interest and therefore these totals may differ from the carrying amounts of the financial liabilities recognised in the statement of financial position.

	Weighted average interest rate	1 year or less	Between 1 and 5 years	2025
	%	\$	\$	\$
Non-derivatives				
<i>Non-interest bearing</i>				
Trade payables	-	899,831	-	899,831
Other payables and accruals	-	642,350	-	642,350
<i>Interest-bearing - fixed rate</i>				
Lease liability	6.00%	191,503	90,130	281,633
Total non-derivatives		<u>1,733,684</u>	<u>90,130</u>	<u>1,823,814</u>

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 18. Financial instruments (continued)

	Weighted average interest rate %	1 year or less \$	Between 1 and 5 years \$	2024 \$
Non-derivatives				
<i>Non-interest bearing</i>				
Trade payables	-	499,538	-	499,538
Other payables and accruals	-	1,222,025	-	1,222,025
<i>Interest-bearing - fixed rate</i>				
Lease liability	6.00%	196,800	295,200	492,000
Total non-derivatives		<u>1,918,363</u>	<u>295,200</u>	<u>2,213,563</u>

Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Consolidated	
	2025 \$	2024 \$
Investments		
<i>Level 1</i>		
Investment - at fair value	<u>868,949</u>	<u>813,446</u>

Due to their short-term nature, the carrying values of trade receivables, trade payables, other payables and accruals, and legal payables are considered to be the same as their fair values. The carrying values of cash and cash equivalents (including short-term bank deposits) and the bank loan are considered to be the same as their fair values due to their short-term or on demand maturity profiles and the high credit quality of the counterparty banks.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 20. Group information

The consolidated financial statements of the Association include:

Name	Principal activities	Country of incorporation	% equity interest 2025	% equity interest 2024
			%	%
Motor Traders' Association of New South Wales	Employers' Association dedicated to representing owners and business principals in the NSW automotive industry	Australia	100.00%	100.00%
Motor Trades Care Pty Ltd	Provision of advisory services related to Workers compensation program management and consulting, claims management, work health & safety consulting and training and occupational rehabilitation consulting	Australia	100.00%	100.00%
Service Station Association Ltd	To help the Service station industry by assisting members in the daily running of their businesses as well as lobbying governing bodies to ensure a long and viable industry	Australia	100.00%	100.00%
MTA Vehicle Inspections Pty Limited	Offers independent mobile vehicle inspection services	Australia	100.00%	100.00%
E-MTA Australia Pty Limited	Dormant	Australia	100.00%	100.00%
Career Options Training Australia Pty Ltd	Provides assistance to both employers and employees on the journey through pre-apprenticeship to apprenticeship and training.	Australia	100.00%	100.00%
MTA Cover Pty Ltd	Dormant	Australia	100.00%	100.00%

Note 21. Related party disclosures

The following are the total amount of transactions that have been entered into with related parties for the relevant financial year.

During the year, Motor Traders' Association of New South Wales (MTA) recognised current year membership subscriptions totalling \$7,060 (2024: \$6,019) for motor traders entities associated with the Executive Board Members.

Total cash received by MTA from these entities for 2026 subscriptions paid in advance of the 2025 subscription year was \$8,980 (received 2024 for 2025 subscriptions: \$8,216).

Sales of stationery, merchandise, and employment related products from MTA to these entities during the year totalled \$1,165 (2024: \$417). There are no trade receivables balances at reporting date relating to these transactions (2024: \$nil).

There are no reimbursement of out-of-pocket expenses owed by MTA to individual Executive Board Members as at 31 December 2025 (2024: \$nil).

Executive Board Members paid \$6,055 to MTC fee services.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 21. Related party disclosures (continued)

Terms and conditions of transactions with related parties

All transactions with related parties are undertaken on the basis of normal member pricing, terms and conditions. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. All amounts receivable or payable are due within 30 days of the reporting date. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Association did not recognise any provision for expected credit losses of relating to amounts owed by related parties (2024: \$nil).

Compensation of key management personnel of the Group

During the year, the Executive Board Members provided all Board governance services to the Parent and subsidiaries for \$525,833 remuneration (2024: \$531,610).

Board Member	2025 - MTA \$	2025 - MTC \$	Total \$
John Young (President)	70,000	-	70,000
Geoffrey Lowe (Vice-President)	60,000	-	60,000
Adrian Carlson	-	-	-
Alexander Massina	50,000	-	50,000
Darren Spinks	50,000	-	50,000
David Marston	45,833	-	45,833
Donna Axiak	50,000	-	50,000
Lindsay Vidler	50,000	-	50,000
Mark Beard	50,000	-	50,000
Mark Van Ryswyk	50,000	-	50,000
Patrick Lenehan	50,000	-	50,000
	<u>525,833</u>	<u>-</u>	<u>525,833</u>
Board Member	2024 - MTA \$	2024 - MTC \$	Total \$
John Young (President)	55,968	20,000	75,968
Geoffrey Lowe (Vice-President)	47,258	20,000	67,258
Adrian Carlson	10,000	-	10,000
Alexander Massina	31,048	-	31,048
Darren Spinks	41,048	20,000	61,048
David Marston	41,048	20,000	61,048
Donna Axiak	41,048	-	41,048
Lindsay Vidler	41,048	20,000	61,048
Mark Beard	41,048	20,000	61,048
Mark Van Ryswyk	31,048	-	31,048
Patrick Lenehan	31,048	-	31,048
	<u>411,610</u>	<u>120,000</u>	<u>531,610</u>

Employee key management personnel compensation

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	<u>2,311,342</u>	<u>2,289,183</u>

Note 22. Commitments and contingencies

Capital commitments

The Group had no commitments as at 31 December 2025 and 31 December 2024.

Motor Traders' Association of New South Wales
Notes to the consolidated financial statements
31 December 2025

Note 22. Commitments and contingencies (continued)

Contingencies

There are no contingent assets or contingent liabilities as at the reporting date which would have a material effect on the Group's consolidated financial statements as at 31 December 2025 (2024: \$nil).

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Association:

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	56,000	53,550
<i>Other services - RSM Australia Partners</i>		
Preparation of financial reports	8,000	8,000
	<u>64,000</u>	<u>61,550</u>

Auditors remuneration is included in professional fees disclosed in note 6.

Note 25. Information relating to Motor Traders' Association of New South Wales (the Parent)

	2025	2024
	\$	\$
Current assets	11,132,216	8,990,095
Non-current assets	6,396,295	12,907,595
Total assets	<u>17,528,511</u>	<u>21,897,690</u>
Current liabilities	4,333,068	4,691,623
Non-current liabilities	119,854	38,187
Total liabilities	<u>4,452,922</u>	<u>4,729,810</u>
Revaluation reserve	(225,937)	(256,704)
Accumulated funds	13,301,526	17,424,584
	<u>13,075,589</u>	<u>17,167,880</u>
Deficit of the Parent	(4,123,058)	(1,872,991)
Other comprehensive gain of the Parent	30,767	25,194
Total comprehensive loss of the Parent	<u>(4,092,291)</u>	<u>(1,847,797)</u>

Contingent liabilities and commitments of the Parent

The parent entity had no contingent liabilities as at 31 December 2025 (2024: \$nil).

There were no future minimum lease payments due under non-cancellable operating leases as at 31 December 2025 (2024: \$nil).

There were no future minimum lease amounts receivable under non-cancellable operating leases as at 31 December 2025 (2024: \$nil).

Motor Traders' Association of New South Wales
Executive Board statement
31 December 2025

On 20 March 2026, the Executive Board of Motor Traders' Association of New South Wales passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2025:

The Executive Board declares that in its opinion:

- (a) the consolidated financial statements and notes comply with the Australian Accounting Standards;
- (b) the consolidated 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 consolidated financial statements and the notes give a true and fair view of the financial performance, financial position and cash flows of the Association and its controlled entities for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2025 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 Association 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 Association have been kept and maintained in accordance with the *RO Act*; and
 - (iv) where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act, that information has been provided to the member of General Manager; and
 - (v) 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.
- (f) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- (g) there were no loans and all other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules;
- (h) the register of members of the Association was maintained in accordance with the Act.

This declaration is made in accordance with a resolution of the Executive Board.



John Young
President
26 March 2026
Sydney

**Motor Traders' Association of New South Wales
Officers' declaration statement
31 December 2025**

I, being the President of the Motor Traders' Association of New South Wales Group, declare that the activities below did not occur during the reporting period ended 31 December 2025:

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern;
- agree to provide financial support to another reporting unit to ensure they continue as a going concern;
- 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 from another reporting unit;
- receive any other revenue from another reporting unit;
- receive revenue via compulsory levies;
- receive donations or grants;
- receive income recognised from volunteer services;
- receive revenue from undertaking recovery of wages activity;
- incur fees as consideration for employers making payroll deductions of membership subscriptions;
- pay capitation fees to another reporting unit;
- pay compulsory levies;
- pay a grant that was \$1,000 or less;
- pay a grant that exceeded \$1,000;
- pay any wages and salaries employee expenses related to holders of office;
- pay any superannuation employee expenses related to holders of office;
- pay any leave and other entitlements employee expenses related to holders of office;
- pay any separation and redundancy employee expenses related to holders of office;
- pay any other employee expenses related to 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 legal costs relating to other legal matters;
- pay a penalty imposed under the *RO Act* or the *Fair Work Act 2009*;
- have a receivable with another reporting unit;
- have a payable with another reporting unit;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions;
- have a payable in respect of legal costs relating to other legal matters;
- have a payable in respect of legal costs relating to litigation;
- have other employee provisions in respect of employees (other than holders of office);
- have any annual leave employee provisions in respect of holders of office;
- have any long service leave employee provisions in respect of holders of office;
- have any separation and redundancy employee provisions in respect of holders of office;
- have any other employee provisions in respect of holders of office;
- have any employee provisions in respect of employees (other than holders of offices) for separation and redundancy;

Motor Traders' Association of New South Wales
Officers' declaration statement
31 December 2025

- have a fund or account for compulsory levies, voluntary contributions, or as required by the rules of the organisation;
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity;
- have a balance within the general fund;
- have another entity administer the financial affairs of the reporting unit;
- make a payment to a former related party of the reporting unit.

Signed for and on behalf of the Executive Board of Motor Traders' Association of New South Wales



John Young
President
26 March 2026
Sydney

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INDEPENDENT AUDITOR'S REPORT To the Members of Motor Traders' Association of New South Wales

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Traders' Association of New South Wales and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in members' funds and the consolidated statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of material accounting policies, the Executive Board Statement, the subsection 255(2A) report and the officers' declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Motor Traders' Association of New South Wales as at 31 December 2025, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a. the Australian Accounting Standards; and
- b. 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).

We declare that management's use of the going concern basis in the preparation of the consolidated financial statements of the Reporting Unit is appropriate.

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 (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.

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Information Other than the Financial Report and Auditor's Report Thereon

The Executive Board is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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, 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 Executive Board for the Financial Report

The Executive Board of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Executive Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Board is responsible for assessing the Reporting Unit'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 Executive Board either intend to liquidate the Reporting Unit or to cease operations, or have 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 our 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 Executive Board.

- Conclude on the appropriateness of the Executive Board'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 our 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 Executive Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Peter Kanellis who is an approved registered auditor, a member of Chartered Accountants Australia and New Zealand and holds a current Certificate of Public Practice.

A handwritten signature in blue ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A solid black rectangular box redacting the signature of Peter Kanellis.

Peter Kanellis
Partner

Sydney, NSW

Dated: 26 March 2026

Registration number (as registered by the RO Commissioner under the RO ACT): AA2021/43

Motor Traders' Association of New South Wales
Detailed income statement of the Parent entity
31 December 2025

	2025	2024
	\$	\$
Revenues		
Membership subscriptions	2,988,517	2,883,806
Commission income	857	5,426
Stationery and merchandise sales	338,818	340,388
Interest received	531,526	290,716
Training services	8,745,110	11,922,089
Other income*	531,580	75,779
Sponsored advertising income	233,195	265,713
Partner income	504,286	862,544
Other revenue	37,826	23,570
	13,911,715	16,670,031
Expenses		
Cost of goods sold	195,779	200,771
Employee related expenses - Employees other than Officers:		
- Wages and salaries	9,593,587	9,573,710
- Superannuation	1,030,866	963,791
- Leave and other entitlements	156,892	(30,784)
- Separation and redundancies	77,757	57,163
- Other employee expenses	229,161	191,597
Occupancy and equipment expenses	1,144,750	1,179,690
Lease expense	48,501	36,419
Depreciation expense	641,812	772,707
Travel expenses	498,313	570,196
Affiliation fees:		
- Motor Traders Association Australia (MTAA) subscriptions and expenses	93,342	150,000
Marketing expenses	682,213	714,293
Administration expenses	417,419	367,717
Training expenses	47,874	88,889
Legal expenses:		
- Related to litigation and compensation	41,504	41,746
Executive Board Member Remuneration	525,833	411,610
Members meetings	133,096	96,269
Member services	336,517	231,624
Professional fees	150,045	204,670
Contractor costs	170,047	177,172
Donations:		
- Total paid that were \$1,000 or less	-	550
- Total paid that exceeded \$1,000	33,864	14,682
Other expenses:		
- Impairment expense	1,107,937	-
- Insurance	115,727	118,987
- Other	561,937	2,409,553
Total expenses	18,034,773	18,543,022
Surplus before tax	(4,123,058)	(1,872,991)

*Other income includes the gain on Sale of Girraween in 2025.