



FAIR WORK  
COMMISSION

3 October 2013

Mr Greg Patten  
Chief Executive Officer  
Motor Traders' Association of New South Wales  
Locked Bag 5012  
DARLINGHURST NSW 2010

Dear Mr Patten,

**Re: Lodgement of Financial Statements and Accounts - Motor Traders' Association of New South Wales - for year ended 31 December 2012 (FR2012/586)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 21 May 2013. The Designated Officer's certificate was received today.

The documents have been filed. However I draw your attention to the following requirements which must be reflected in next year's report.

- (1) The Committee of Management Statement was included in the documents lodged but was not included in the copy of the concise report on the organisation's website. The Committee of Management Statement must be provided as part of the concise report pursuant to regulation 161(1)(d) of the Fair Work (Registered Organisations) Regulations 2009.
- (2) At item ix of the Operating Report, the number of employees was reported as 56. Regulation 159(b) requires that the Operating report quantify the number of employees "at the end of the financial year....measured on a full-time equivalent basis."

I also draw your attention to the new Reporting Guidelines which include additional requirements. If you have any queries regarding the reporting requirements please do not hesitate to contact me on (02) 6723 7237.

Yours sincerely

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

**From:** KELLETT, Stephen  
**To:** ["Nicole Smith"](#)  
**Subject:** Attention Mr Greg Patten - Financial report y/e 31 December 2012 - filing  
**Date:** Thursday, 3 October 2013 3:04:00 PM  
**Attachments:** [MTANSW FR2012 586 \(final\).pdf](#)

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Dear Nicole

Please see my letter addressed to Mr Greg Patten in relation to the above.

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6723 7237  
(email) [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au)

**From:** [KELLETT, Stephen](#)  
**To:** [KELLETT, Stephen](#)  
**Subject:** FW: Certificate by Prescribed Officer - omitted from Financial Report documents lodged  
**Date:** Thursday, 3 October 2013 8:51:43 AM  
**Attachments:** [0256\\_001.pdf](#)

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**From:** Nicole Smith [mailto:[nicole.smith@mtansw.com.au](mailto:nicole.smith@mtansw.com.au)]  
**Sent:** Thursday, 3 October 2013 7:51 AM  
**To:** KELLETT, Stephen  
**Cc:** Greg Patten; Greg Hatton  
**Subject:** RE: Certificate by Prescribed Officer - omitted from Financial Report documents lodged

Hi Stephen,

Please find attached certificate as per request.

If you require any further information please do not hesitate to contact myself.

Kind regards,

**N Smith**

**Nicole Smith**

**Senior Manager – Human Resources & Corporate Relations**

**Ph:** 02 9016 9004

**Fax:** 02 9016 9099

**Mob:** 0401 520 373

[www.mtansw.com.au](http://www.mtansw.com.au)

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

I Gregory Patten, being the Chief Executive Officer of the Motor Traders' Association of New South Wales certify:

- That the documents lodged herewith are copies of the full report and the concise report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- The Committee of Management resolved at its meeting of 19<sup>th</sup> March 2013 to provide members with a copy of the concise report to be published within the Journal; and
- That the concise report was provided to members on 24<sup>th</sup> April 2013; and
- That the full report was presented and made available to the Annual General Meeting of the Motor Traders' Association of New South Wales on the 17<sup>th</sup> May 2013 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed: \_\_\_\_\_



Date: 30<sup>th</sup> September 2013

**From:** [Greg Hatton](#)  
**To:** [Orgs](#)  
**Subject:** MTANSW annual returns  
**Date:** Tuesday, 21 May 2013 4:40:20 PM  
**Attachments:** [General Purpose Financial Report 2012 - MTANSW.pdf](#)  
[FWC Annual Rtn - Ctee Management Statement financials S253\\_200513.pdf](#)  
[FWC Annual Rtn S230 dec 2012.pdf](#)  
[FWC - CEO statement re loans grants 210513.pdf](#)

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In accordance with the reporting requirements for organisations under the Fair Work (Registered Organisations) Act, 2009 and guidelines issued through your office please find following a copy of the general purpose financial report of the Association, auditors report the Committee of Management Statement, Operating Report (signed by elected officers) of the Association in relation to resolution of the Committee of Management regarding the general purpose financial report and other matters, a certificate of the Chief Executive Officer (the Secretary) re publishing and reporting of the full financial report of the association and a statement in relation to loans, grants and donations for the year 2012.

Should you require any further detail please contact me.

Kind regards,  
Greg Hatton  
Deputy CEO –  
Employment Relations & Policy  
Motor Traders' Assoc of NSW

## **Committee of Management Statement**

The Committee of Management of the Motor Traders' Association of New South Wales, the Executive Board, at its meeting of 19<sup>th</sup> March, 2013, passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2012:

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

- a) the financial statements and notes comply with the Australian Accounting Standards – Reduced Disclosure Requirements;
- b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- c) the attached financial statements and notes thereto give a true and fair view of the incorporated association's financial position as at 31 December, 2012 and of its performance for the financial year ended on that date;
- d) there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable;
- e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) in the opinion of the Executive Board meetings of the Board were held during the year ended 31 December 2012 in accordance with the rules of the association; and
  - (ii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act, 2009; and
  - (iv) the organisation does not consist of two or more reporting units; and
  - (v) to the knowledge of any member of the Executive Board there have been, during the financial year to which the accounts relate, no instances where records of the Association or other documents, (not being documents containing information made available to a member of the Association under sub-section 272(2) of the Fair Work (Registered Organisations) Act 2009) or copies of those records or other documents, or copies of the rules of the Association have not been furnished, or made available, to members in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the Regulation thereto or the rules of the Association: and
  - (vi) In relation to the report prepared in accordance with Section 253 of the Act and the accounts and statements prepared in accordance with sub-section 253(2) of the Act to which that report relates, the Association has complied with any order for inspection of financial records under section 273(1) of the Act in relation to the financial accounts in respect of the year ended 31 December 2012 and the Auditors Report

thereon. No orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act, 2009.

(vii) No recovery of wages activity occurred.

Committee of Management member and President - Maurie Pinfold:



Signed:.....

21 May, 2013

Dated:.....



**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**

**ABN 63 000 008 088**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2012**



**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED FINANCIAL REPORT**  
**For year ended 31 December 2012**

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**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**OFFICERS' REPORT  
For the year ended 31 December 2012**

The officers present their report, together with the financial statements, of the incorporated association for the year ended 31 December 2012.

**Officers**

The following persons were officers of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

James McCall  
Gregory Patten  
Maurie Pinfold  
Philip Perdikaris

**Executive committee members**

The following persons were committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Maurie Pinfold  
Steve Borg  
Brian Doyle  
Ken Webb  
Denis Sargent  
Neil Oven  
Philip Perdikaris  
Tod Sarina  
Robert Garland  
David Marston  
Don Rowland

**Objectives**

The short-term objectives of the Association is to represent the best interests of the members of the Motor Traders' Association of New South Wales to 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.

The long-term objective is to facilitate the creation and sustainability of an industry sector that is prosperous and which provides a high level of service to the motoring public in this State.

**Strategy for achieving the objectives**

The strategy for achieving these objectives is to build lasting and beneficial relationships with all stakeholders and to gradually increase the income of the Association so as to be able to provide the widest range of quality services to the membership.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**OFFICERS' REPORT  
For the year ended 31 December 2012**

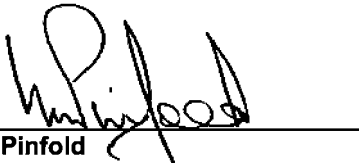
**Principal Activities**

The principle activities of the Association are to lobby government, large corporations who interact with the members and the media. The Association also conducts various campaigns to enhance the motor trades' reputation with the public. Additionally, the Association's business is to provide a range of services including: industrial advice, technical advice, advice on legislation and regulation and recruitment and extensive training. The Association also holds special events for its members who are involved in the motor industry to facilitate exchange of ideas, technologies and to network generally. These activities have not changed during the year.

**Performance measures**

The Association measures its' performance by its' officers constantly visiting its' members seeking their measure of satisfaction with the performance of their Association in meeting its objectives.

On behalf of the officers



**Maurie Pinfold**  
President of the Executive Board

23 April 2013  
Sydney

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2012**

	Note	2012 \$	2011 \$
Revenue	4	7,279,481	7,156,618
Expenses	5	<u>(8,860,381)</u>	<u>(7,612,113)</u>
Operating deficit		(1,580,900)	(455,495)
Other income	4	240,084	1,412,639
Share of net profit of associates	11(b)	<u>125,008</u>	<u>241,722</u>
<b>(Deficit)/surplus before income tax expense</b>		<b>(1,215,808)</b>	<b>1,198,866</b>
Income tax expense	6	-	-
<b>(Deficit)/surplus after income tax expense</b>		<b><u>(1,215,808)</u></b>	<b><u>1,198,866</u></b>
<b>Other comprehensive income</b>			
Fair value gain on revaluation of land and building	16	-	2,452,200
Accumulated fair value gain on available-for-sale assets recycled to income statement on disposal	16	-	(1,569,067)
Fair value losses on available-for-sale assets	16	(50,223)	(1,294,111)
<b>Total comprehensive income</b>		<b><u>(1,266,031)</u></b>	<b><u>787,888</u></b>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,232,973	1,644,800
Trade and other receivables	7	1,421,529	1,134,513
Inventories	8	253,984	128,326
Assets held for sale	9	-	7,714,906
<b>Total current assets</b>		<b><u>2,908,486</u></b>	<b><u>10,622,545</u></b>
<b>Non-current assets</b>			
Available-for-sale financial assets	10	6,522,917	6,573,145
Investments accounted for using the equity method	11	1,203,461	1,079,003
Property, plant and equipment	12	7,285,492	311,917
<b>Total non-current assets</b>		<b><u>15,011,870</u></b>	<b><u>7,964,065</u></b>
<b>Total assets</b>		<b><u>17,920,356</u></b>	<b><u>18,586,610</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	3,555,113	3,506,985
Borrowings	14	250,000	-
Provisions	15	1,067,743	796,128
<b>Total current liabilities</b>		<b><u>4,872,856</u></b>	<b><u>4,303,113</u></b>
<b>Non-current liabilities</b>			
Provisions	15	162,934	132,900
<b>Total non-current liabilities</b>		<b><u>162,934</u></b>	<b><u>132,900</u></b>
<b>Total liabilities</b>		<b><u>5,035,790</u></b>	<b><u>4,436,013</u></b>
<b>Net assets</b>		<b><u>12,884,566</u></b>	<b><u>14,150,597</u></b>
<b>MEMBERS' FUNDS</b>			
Accumulated funds		8,575,471	6,214,902
Reserves	16	4,309,095	7,935,695
<b>Total members' funds</b>		<b><u>12,884,566</u></b>	<b><u>14,150,597</u></b>

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

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**For the year ended 31 December 2012**

	<b>Accumulated Funds \$</b>	<b>Revaluation Reserve \$</b>	<b>Total \$</b>
<b>Balance as at 31 December 2010</b>	5,016,036	8,346,673	13,362,709
Surplus after income tax expense for the year	1,198,866	-	1,198,866
Other comprehensive income for the year net of tax	-	(410,978)	(410,978)
Total comprehensive income for the year	1,198,866	(410,978)	787,888
<b>Balance as at 31 December 2011</b>	<b>6,214,902</b>	<b>7,935,695</b>	<b>14,150,597</b>
Deficit after income tax expense for the year	(1,215,808)	-	(1,215,808)
Other comprehensive income for the year net of tax	-	(50,223)	(50,223)
Total comprehensive income for the year	(1,215,808)	(50,223)	(1,266,031)
Reserves transfer on disposal of land and buildings	3,576,377	(3,576,377)	-
<b>Balance as at 31 December 2012</b>	<b>8,575,471</b>	<b>4,309,095</b>	<b>12,884,566</b>

*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**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2012**

	Note	2012 \$	2011 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers		6,121,728	6,423,313
Receipts from stationary and merchandise sales		353,380	384,007
Payments to suppliers and employees		(7,776,930)	(7,167,067)
Interest received		54,223	36,557
Dividends received		320,301	359,155
Interest paid		(122,825)	(8,566)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>22</b>	<b>(1,050,123)</b>	<b>27,399</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(7,323,027)	(99,820)
Proceeds on disposal of property, plant and equipment		-	19,182
Proceeds on disposal assets held for sale		7,328,406	-
Proceeds on disposal of available-for-sale financial assets		-	1,105,010
Advance received for assets held for sale		-	386,500
Net loans repaid by related entities		382,917	150,000
<b>Net cash inflow from investing activities</b>		<b>388,296</b>	<b>1,560,872</b>
<b>Cash flow from financing activities</b>			
Net proceeds/(repayment) of borrowings		250,000	(800,000)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>250,000</b>	<b>(800,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(411,827)</b>	<b>788,271</b>
Cash and cash equivalents at the beginning of the financial year		1,644,800	856,529
<b>Cash and cash equivalents at the end of the financial year</b>		<b>1,232,973</b>	<b>1,644,800</b>

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

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 December 2012**

**1 Introduction**

Motor Traders' Association of New South Wales is an association incorporated under the Associations Incorporation Act 2009 (New South Wales) and 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 NSW" or the "Group").

MTA NSW is operated by the Executive Board on behalf on its members. The principle activities of the Association is to provide a range of services including legal and industrial advice, technical advice, sale of merchandise, and the holding of special events for its members who are involved in the motor industry.

The financial report is presented in Australian dollars and rounded to the nearest dollar.

The principle place of business of the Association is 214 Parramatta Road, Burwood, NSW. The Association operates primarily within New South Wales, Australia with limited operations in ACT. Subsidiaries of the company operate throughout Australia.

**2 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB), New South Wales legislation the Associations Incorporations Act 2009, as appropriate for not-for-profit oriented entities.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

*Critical accounting estimates and judgements*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(t).



**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 December 2012**

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 31 December 2012. The incorporated association's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the incorporated association, are set out below.

*AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the incorporated association from 1 January 2013 should be minimal, although there will be increased disclosures where fair value is used.

*AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The adoption of the revised standard from 1 January 2013 will impact the incorporated association's presentation of its statement of comprehensive income.

**(b) Principles of consolidation**

*(i) Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MTA NSW as at 31 December 2012 and the results of all subsidiaries for the year then ended. MTA NSW and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

**(b) Principles of consolidation (continued)**

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

*(ii) Associates*

Associates are all entities over which the group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer note 11).

MTA NSW's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When MTA NSW's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between MTA NSW and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by MTA NSW.

**(c) Revenue recognition**

Revenue is recognised on an accruals basis, when the amount of revenue can be measured reliably and it is probable that it will be received by the group.

*Interest*

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

*Subscriptions*

Subscription income is recognised on a straight-line basis over the period in which the subscription relates. Subscription income received prior to the period to which it relates is brought to account as a liability "subscription received in advance".

*Training fees*

Revenue is recognised when the right to receive payment is established being the completion of the training provided.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

**(d) Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and MTA NSW will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate.

**(e) Income tax**

Income taxes are accounted for using the balance sheet liability method whereby:

- the tax consequences of recovering/(settling) all assets/(liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable surplus will be available to realise the asset;
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

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*.

**(f) Leases**

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to MTA NSW as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged as an expense on a straight-line basis over the period of the lease.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

**(g) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(h) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank, cash on hand and deposits held at call with financial institutions. Bank overdrafts (if applicable) are shown within borrowings in current liabilities in the balance sheet.

**(i) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

**(j) 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 of completion and the estimated costs necessary to make the sale.

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**(k) Financial assets and financial liabilities**

*(i) Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*(ii) Financial assets at fair value through profit or loss*

A financial asset is classified in this category if acquired primarily for the purpose of selling in the short-term or if so designated by management and within the requirements of AASB 139: Financial Instruments Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

*(iii) Loans and receivables*

Loans and receivables 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.

*(iv) Held-to-maturity investments*

Held-to-maturity investments have fixed maturities, and it is MTA NSW's intention to hold these investments to maturity. Any held-to-maturity investments held by MTA NSW are stated at amortised cost using the effective interest rate method.

*(v) Available-for-sale financial assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value, with the exception of equity instruments that do not have an active market and whose fair value cannot be reliably determined which are measured at cost. Unrealised gains and losses arising from change in fair value are taken directly to equity.

*(vi) Financial liabilities*

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

*(vii) Current assets held for sale*

Current assets held for sale are recognised at the lower of its carrying amount and fair value less costs to sell.

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**(l) Property, plant and equipment**

All classes of property, plant and equipment are stated at cost. When an asset's carrying amount is increased as a result of revaluation, the increase is, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Comprehensive Income, credited directly to revaluation reserve. When an asset's carrying amount is decreased as a result of a revaluation, the decrease is, except to the extent of any credit balance existing in the revaluation reserve in respect of that asset, recognised in the Statement of Comprehensive Income. The revaluation surplus is transferred directly to retained earnings when the asset is derecognised.

The carrying amount of property, plant and equipment is reviewed annually by the Association's officers to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining the recoverable amounts.

<b>Class of plant &amp; equipment</b>	<b>Depreciation rate</b>
Buildings	1% Straight line
Furniture, fittings and equipment	2% to 50% Reducing balance
Motor vehicles	20% Reducing balance

**(m) Trade and other payables**

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(n) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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**(o) Borrowing costs**

Borrowing costs are expensed in the period in which they are incurred.

**(p) Goods and Services Taxes (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

**(q) Employee benefits**

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is 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 national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

**(r) Parent entity financial information**

The financial information for the parent entity, MTA NSW, disclosed in note 21, 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 in the financial statements of MTA NSW. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

**(s) Comparative figures**

Where required by Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and where the format of the financial report has been changed to suit the needs of the members, comparative figures have been adjusted to conform to these changes in presentation for the current year.

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**(t) Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Long service leave provision*

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Impairment of available-for-sale financial assets*

The consolidated entity assesses impairment of financial assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.



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**3 Notice to Members**

*Notice required under the Fair Work (Registered Organisations) Act 2009*

In accordance with the requirements of section 272 (5) of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of sub-section (1), (2) and (3) of section 272, which reads as follows:

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

**4 Revenue**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Subscriptions received	3,523,358	3,327,846
Commission received	127,803	116,661
Stationery and merchandise sales	353,380	384,007
Interest received	54,223	37,557
Training fees received	2,046,308	1,790,124
Events revenue	-	477
Advertising revenue	115,093	133,640
Management fees	150,000	200,000
Dividend income	330,801	479,155
Vehicle Inspection fees	277,879	538,700
Rent	81,843	50,762
Other revenue	218,793	97,689
<b>Total revenue</b>	<b>7,279,481</b>	<b>7,156,618</b>
 <i>Other income</i>		
Profit on sale of units in MTAA Unit Trust	-	1,351,010
Grants received	240,084	61,629
<b>Total other income</b>	<b>240,084</b>	<b>1,412,639</b>

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>5 Expenses</b>		
(Deficit)/surplus before income tax includes the following specific expenses:		
Cost of goods sold	365,135	600,186
Employee related expenses	5,102,978	4,470,336
Occupancy & equipment expenses	501,164	399,157
Depreciation and amortisation	168,083	131,931
Events expenses	49,916	86,570
Travel expenses	916,778	834,149
MTAA subscriptions and expenses	25,000	28,786
Marketing expenses	306,974	226,810
Administration expenses	291,935	294,542
Training expenses	65,386	53,122
Legal expenses	42,873	60,862
Members meetings	20,746	22,149
Borrowing costs	122,825	8,566
Provision for loss on ASA project	225,680	-
Loss on disposal of fixed assets	175,305	-
Other expenses	479,603	394,947
	<b>8,860,381</b>	<b>7,612,113</b>

Included within administration expenses:

<b>Auditors' remuneration:</b>		
- audit of the financial report	55,200	54,000
- other services	15,775	15,300
	<b>70,975</b>	<b>69,300</b>

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>6 Income tax expense</b>		
Prima facie tax (credit)/charge on operating (deficit)/surplus before income tax at 30%	(372,934)	359,660
Less tax effect of:		
- Surplus exempt from income tax (see note 2 (e))	(42,041)	(485,489)
	<u>(414,975)</u>	<u>(125,829)</u>
Current period deficit ineligible to be carried forward	307,482	-
Current period deficit not brought to account as deferred tax asset	107,493	125,829
Income tax expense attributable to operating surplus before income tax	<u>-</u>	<u>-</u>
 The amount of deferred tax assets attributable to revenue losses incurred by subsidiary undertakings not brought to account	 <b><u>788,647</u></b>	 <b><u>681,155</u></b>

The potential deferred tax assets arising from unused tax losses will only be recognised where it is probable that future tax profits will be available against which tax losses can be utilised.

**7 Trade and other receivables**

**Current**

Trade receivables	922,150	406,423
Provision for impairment	(55,082)	(51,459)
	<u>867,068</u>	<u>354,964</u>
 Amounts due from associates	 53,538	 245,116
	<u>53,538</u>	<u>245,116</u>
 Other receivables	 160,641	 302,329
Provision for impairment	(20,000)	(20,000)
Prepayments	360,282	252,104
	<u>500,923</u>	<u>534,433</u>
	<b><u>1,421,529</u></b>	<b><u>1,134,513</u></b>

Movements in the provision for impairment of receivables are as follows:

Opening balance	71,459	59,800
Provision for impairment recognised during the year	8,504	19,587
Receivables recovered during the year	(4,881)	(7,928)
Closing balance	<u>75,082</u>	<u>71,459</u>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>8 Inventories</b>		
Stationery and merchandise at lower of cost and net realisable value	253,984	128,326
	<u><b>253,984</b></u>	<u><b>128,326</b></u>

**9 Assets held for sale**

**Current**

Land and Buildings	-	7,714,906
	<u>-</u>	<u><b>7,714,906</b></u>

On 25 August 2011 the Association entered into a contract for the sale of 45-51 Brisbane Street, Sydney to Brisbane Street Development Pty Ltd as Trustee for the Brisbane Street Trust. Settlement occurred during the year with the total sales price being \$7,730,000 (exclusive of GST).

**10 Available-for-sale financial assets**

**Non-current**

Available for sale financial assets include the following classes of financial assets:

Listed shares - at fair value	3,836	3,836
Unlisted units in MTAA House Unit Trust - at fair value	6,519,081	6,569,304
Other unlisted securities	444,876	444,881
Provision for impairment loss	(444,876)	(444,876)
	<u><b>6,522,917</b></u>	<u><b>6,573,145</b></u>

Available for sale financial assets include unlisted units in MTAA House Unit Trust. There is no fixed return or fixed maturity date attached to this investment. The fair value is based on the net asset value of the Unit Trust as at 30 June 2012, which in the Executive Board's opinion is a reliable estimate of the fair value as at 31 December 2012.

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	2012	2011
	\$	\$
<b>11 Investments accounted for using the equity method</b>		
<b>(a) Carrying amounts of investments in associates</b>		
MTA has a 50% (2011: 50%) interest in MTA Insurance Agency Trust which provides insurance underwriting services within the motor industry	-	500
MTA has a 50% (2011: 50%) interest in MTA Finance Pty Ltd which provides financial services advice to customers within the motor industry	-	50
MTA has a 50% (2011: 50%) interest in MTA Apprentices Plus Pty Ltd through its 100% interest in Apprentices Plus (NSW) Pty Ltd	1,158,053	969,918
MTA has a 25% (2011: 25%) interest in MTA Apprentices Plus Investments Pty Ltd through its 50% interest in MTA Apprentices Plus (NSW) Pty Ltd and MTA Apprentices Plus Pty Ltd	-	45,273
MTA has a 50% (2011: 50%) interest in E-MTA Pty Ltd which provides an online service to insurer's and smash repairer's with data on realistic labour times for remove, replace, and refinishing operations.	45,408	63,262
	<u>1,203,461</u>	<u>1,079,003</u>
<b>(b) Movement in carrying amount of investments in associates</b>		
Balance at the beginning of year	1,079,003	837,281
De-registered investments	(550)	-
Aggregate share of net profits after income tax	125,008	241,722
Balance at the end of the year	<u>1,203,461</u>	<u>1,079,003</u>

**12 Property, plant and equipment**

	Freehold land and buildings	Furniture, fittings & equipment	Motor vehicles	Total
<b>At 31 December 2012</b>				
Cost	6,195,765	1,555,835	12,490	7,764,090
Accumulated depreciation	(24,555)	(451,814)	(2,229)	(478,598)
Net book amount	<u>6,171,210</u>	<u>1,104,021</u>	<u>10,261</u>	<u>7,285,492</u>
<b>At 31 December 2011</b>				
Cost	-	1,617,805	-	1,617,805
Accumulated depreciation	-	(1,305,888)	-	(1,305,888)
Net book amount	<u>-</u>	<u>311,917</u>	<u>-</u>	<u>311,917</u>
<b>Movement for the year ended 31 December 2012</b>				
Opening net book amount	-	311,917	-	311,917
Additions	6,195,765	1,114,772	12,490	7,323,027
Disposals	-	(181,369)	-	(181,369)
Depreciation charge	(24,555)	(141,299)	(2,229)	(168,083)
Closing net book amount	<u>6,171,210</u>	<u>1,104,021</u>	<u>10,261</u>	<u>7,285,492</u>

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>13 Trade and other payables</b>		
<b>Unsecured</b>		
Trade and other payables	568,435	445,588
Other creditors and accruals	509,069	484,033
GST payable	181,981	164,315
Subscriptions received in advance	2,118,106	2,026,549
Deferred education grant	177,522	-
Deposit received towards sale of unlisted securities	-	386,500
	<b>3,555,113</b>	<b>3,506,985</b>
<b>14 Borrowings</b>		
<b>Secured</b>		
Bank Loan	<b>250,000</b>	<b>-</b>
<p>The bank loan is secured by first mortgage over MTA NSW's freehold land and building at 214 Parramatta Road, Burwood, NSW. The loan was fully repaid in January 2013.</p>		
<b>15 Provisions</b>		
<b>Current</b>		
Provision for loss on ASA project	225,680	-
Provision for annual leave	398,766	390,117
Provision for long service leave	443,297	406,011
	<b>1,067,743</b>	<b>796,128</b>
<b>Non-current</b>		
Provision for long service leave	162,934	132,900
Aggregate employee benefit	<b>1,004,997</b>	<b>929,028</b>
Average number of employees throughout the year	<b>55</b>	<b>51</b>

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	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>16 Reserves</b>		
Revaluation surplus - freehold land and buildings	-	3,576,377
Available-for-sale financial assets	4,309,095	4,359,318
	<u><b>4,309,095</b></u>	<u><b>7,935,695</b></u>
<i>Movement: Revaluation surplus - freehold land and buildings</i>		
Balance at 1 January	3,576,377	1,124,177
Reserves transfer on disposal of land and buildings	(3,576,377)	-
Revaluation	-	2,452,200
Balance at 31 December	<u>-</u>	<u>3,576,377</u>
<i>Movement: Available-for-sale financial assets</i>		
Balance at 1 January	4,359,318	7,222,496
Disposal of MTAA units (note 10)	-	(1,569,067)
Revaluation at fair value	(50,223)	(1,294,111)
Balance at 31 December	<u>4,309,095</u>	<u>4,359,318</u>

The land and buildings revaluation surplus is used to record increments and decrements on the revaluation of land and buildings, as described in note 2(i). Following disposal of the building during the year the opening balance has been reclassified to retained earnings.

**17 Commitments**

*Capital commitments*

MTA NSW had no capital commitments as at 31 December 2012 (2011: nil).

*Operating lease commitments*

Operating lease commitments relates to motor vehicles.

Payable minimum lease payments:

Within one year	411,503	384,950
Later than one year but not later than five years	233,684	256,310
Later than five years	-	-
	<u>645,187</u>	<u>641,260</u>

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**18 Related party transactions**

	2012	2011
	\$	\$
<i>(a) Key management personnel</i>		
Key management personnel compensation	287,180	269,543
<i>(b) Loans to/from related parties</i>		
Loan to associate - Apprenticeship Plus Pty Ltd:		
Beginning of the year	245,116	289,198
Loan repayments received	(382,917)	(150,000)
Trade receivables balance	191,339	104,918
Interest charged	-	1,000
End of year	53,538	245,116
Loan to associate - MTA Finance Pty Ltd:		
Loan balance	-	60,387
Impairment of the loan	-	(60,387)
	-	-
Loan to associate - MTA Insurance Agency Trust:		
Loan balance	-	50,000
Impairment of loan	-	(50,000)
	-	-
Loan to related party - Microflow:		
Loan balance	53,095	48,549
Impairment of loan	(41,000)	(41,000)
	12,095	7,549

*(c) Terms and conditions*

All other transactions were made on normal commercial terms and conditions and at market rates.

Outstanding balances are unsecured and are repayable in cash.

**19 Events occurring after the reporting period**

There have been no events in the interval between the end of the financial year and the date of this report which in the opinion of the Executive Board of MTA NSW affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.



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**20 Funds held in trust**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Tyre dealers	1,497	1,497
AADA Fighting Fund	5,115	5,115
AHVRA Membership	44,998	7,963
BRD 100 Years Advert Fund	10,460	(7,899)
Body repair fund	1,473	-
APRA	1,298	1,298
	<u>1,298</u>	<u>1,298</u>

**21 Parent entity financial information**

*(a) Summary and financial information*

The individual financial statement for the parent entity show the following aggregate amounts:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<i>Financial position of the parent entity at year end</i>		
Current assets	3,815,437	11,534,491
Total assets	<u>16,639,067</u>	<u>17,454,406</u>
Current liabilities	4,852,736	4,208,774
Total liabilities	<u>5,015,671</u>	<u>4,341,674</u>
<i>Members' funds of the parent entity</i>		
Revaluation reserve		
Land and buildings	-	3,576,377
Available-for-sale financial assets	4,509,315	4,552,058
Accumulated funds	<u>7,114,081</u>	<u>4,984,297</u>
	<u>11,623,396</u>	<u>13,112,732</u>
<i>Results of the parent entity after income tax expense</i>		
(Deficit)/Surplus after income tax expense	<u>(1,446,593)</u>	<u>1,114,042</u>
Total comprehensive income for the year	<u>(1,489,336)</u>	<u>895,804</u>

*(b) Contingent liabilities and commitments of the parent*

The parent entity had no contingent liabilities or any contractual commitments as at 31 December 2012 (2011: nil).

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**22 Reconciliation of (deficit)/surplus after income tax to net cash from operating activities**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
(Deficit)/Surplus after income tax expense for the year	(1,215,808)	1,198,866
Adjustments for:		
Depreciation and amortisation (note 12)	168,083	131,951
Loss on disposal of fixed assets (note 12)	181,369	7,335
Profit on disposal of MTAA units	-	(1,351,010)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(669,931)	(15,213)
(Increase)/decrease in inventories	(125,659)	36,317
Increase in investments accounting for using the equity method	(125,008)	(241,722)
Decrease in other financial assets	555	948
Increase in trade and other payables	434,627	144,645
Increase in provisions	301,649	115,282
Net cash (outflow)/inflow from operating activities	<u>(1,050,123)</u>	<u>27,399</u>

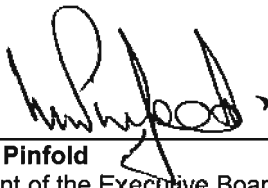
**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**OFFICERS' DECLARATION**

In the officers' opinion:

- the attached financial statements and notes thereto comply with the Australian Accounting Standards - Reduced Disclosure Requirements;
- the attached financial statements and notes thereto give a true and fair view of the incorporated association's financial position as at 31 December 2012 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the officers



---

**Maurie Pinfold**  
President of the Executive Board

23 April 2013  
Sydney

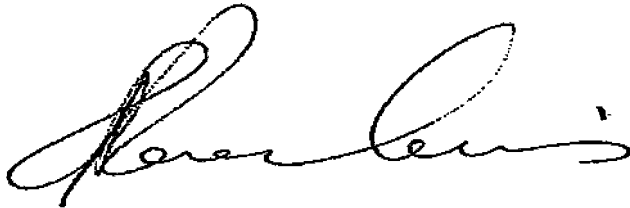
**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**1 Accounting Officer's Certificate**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, I, Philip Perdikaris, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that:

- i. As at 31 December 2012 the number of the members of the Association was 4,011;
- ii. The attached financial statements show a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2012 and for the year then ended;
- iii. A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- iv. 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;
- v. With regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- vi. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- vii. The register of members of the Association was maintained in accordance with the Act.



**Philip Perdikaris**  
Honorary Treasurer and Principal Accounting Officer

Dated:

23/04/13

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**2 Executive Board's Certificate**

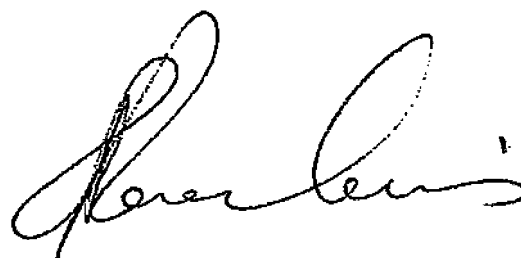
In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, we, Maurie Pinfold and Philip Perdikaris being two members of the Executive Board of the Motor Traders' Association of New South Wales, do state on behalf of the Executive Board and in accordance with a resolution passed by the Executive Board that:

- i. In the opinion of the Executive Board, the attached financial statements show a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2012 and for the year then ended;
- ii. In the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2012 in accordance with the rules of the Association;
- iii. To the knowledge of any member of the Executive Board, there have been, during the financial year to which the accounts relate, no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under sub-section 272(2) of the Fair Work (Registered Organisations) Act 2009) or copies of those records or other documents, or copies of the rules of the Association have not been furnished, or made available, to members in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the Regulations thereto or the rules of the Association; and
- iv. In relation to the report prepared in accordance with Section 253 of the Act and the accounts and statements prepared in accordance with sub-section 253(2) of the Act to which that report relates, the Association has complied with any order for inspection of financial records under section 273(1) of the Act in relation to the financial accounts in respect of the year ended 31 December 2012 and the Auditors Report thereon.

At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.



**Maurie Pinfold**  
President of the Executive Board



**Philip Perdikaris**  
Treasurer

Dated: 23rd April 2013

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**3 Operating Report**

In accordance with the requirements with section 254 of the Fair Work (Registered Organisations) Act 2009 I, Maurie Pinfeld, being the officer responsible for management of the Motor Traders' Association of New South Wales, hereby state that:

- i. The Motor Traders' Association of New South Wales is operated by the Executive Board on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the motor industry. The Association's core activities and aims have not changed over the last 12 months;
- ii. A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- iii. 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;
- iv. With regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- v. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- vi. The register of members of the Association was maintained in accordance with the Act.
- vii. As at 31 December 2012 the number of members of the Association was 4,011.
- viii. There has not been a significant change to the financial affairs of the Association with a deficit of \$1,266,031 being declared in the year 2012 (2011: surplus of \$787,888).
- ix. The number of persons employed by the Association as at 31 December 2012 was 56 (2011: 54).
- x. The members who were on the Executive Board of Management during the whole of the financial year and up to the date of this report were Maurie Pinfeld (President), Steve Borg, Brian Doyle, Ken Webb, Denis Sargent, Neil Oven, Philip Perdikaris (Treasurer), Tod Sarina, Robert Garland, Don Rowland and David Marston. Except for Don Rowland and Philip Perdikaris, who were directors of Motor Trades Association of Australia Superannuation Fund Pty Limited, as corporate trustee of MTAA Super, no officer or member was a trustee or director of a superannuation entity or an exempt public sector superannuation scheme during the whole of the financial year and up to the date of this report.
- xi. In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the Chief Executive Officer.

  
**Maurie Pinfeld**  
President of the Executive Board

Dated : 23<sup>RD</sup> APRIL 2013

## INDEPENDENT AUDITOR'S REPORT

To the members of Motor Traders' Association of New South Wales

### Report on the Financial Report

We have audited the accompanying financial report of Motor Traders' Association of New South Wales, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in members funds and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, officers' declaration and certificates to members of the consolidated entity comprising Motor Traders' Association of New South Wales (the Association) and the entities it controlled at the year's end or from time to time during the financial year.

### Executive Committee's Responsibility for the Financial Report

The Association's Executive Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Association Incorporations Act 2009 and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Executive Committee determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Committee, as well as evaluating the overall presentation of the financial report.

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



### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### **Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Association Incorporations Act 2009 and the Fair Work (Registered Organisations) Act 2009.

In addition we report that:

- (a) The Association maintained satisfactory accounting records during the year ended 31 December 2012 detailing the sources and nature of income (including income from members) and the purpose and nature of expenditure of the Association;
- (b) We received all the information and explanations we required for the purposes of our audit; and
- (c) Where additional disclosures have been made in the financial report for the year ended 31 December 2012, the comparative figures for the prior year have been restated.

### **BDO East Coast Partnership**

A handwritten signature in black ink, appearing to read 'Grant Saxon'. Above the signature, the letters 'BDO' are written in a stylized, cursive font.

Grant Saxon  
Partner

Sydney,



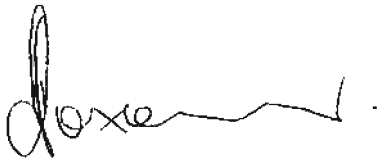
## MOTOR TRADER'S ASSOCIATION OF NEW SOUTH WALES

### ADDITIONAL INFORMATION

The Detailed Income Statement for the year ended 31 December 2012 has been prepared from the accounting and other records of Motor Traders' Association of New South Wales and has been subject to the tests and other procedures applied in our examination of the general purpose financial report for the year ended 31 December 2012.

The Detailed Income Statement does not form part of the Statement of Comprehensive Income in respect of the year ended 31 December 2012 referred to in our report to the members, and we do not express an audit opinion thereon.

### BDO East Coast Partnership



Grant Saxon

Partner

Sydney,

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**DETAILED INCOME STATEMENT**  
**For the year ended 31 December 2012**

	<b>Parent Entity</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Subscriptions received	3,523,358	3,327,846
Commission received	127,803	116,661
Stationery sales	353,380	384,007
Interest received	54,223	37,557
Training fees received	2,046,308	1,790,124
Events revenue	-	477
Dividend income	330,801	479,155
Rent received	81,843	50,762
Advertising revenue	115,093	133,640
Management fees	453,298	520,055
Other revenues	185,615	88,212
<b>TOTAL REVENUES</b>	<b>7,271,722</b>	<b>6,928,496</b>
<b>Other Income</b>		
Grants received	240,084	61,629
Profit on sale of units in MTAA Unit trust	-	1,351,010
<b>TOTAL OTHER INCOME</b>	<b>240,084</b>	<b>1,412,639</b>
<b>Expenses</b>		
<b>Cost of sales:</b>		
Cost of stationery sales	160,380	182,135
	<b>160,380</b>	<b>182,135</b>
<b>Depreciation &amp; amortisation:</b>		
Furniture & fittings	138,878	86,661
Motor Vehicle	2,229	-
Buildings	24,555	37,294
	<b>165,662</b>	<b>123,955</b>
<b>Employment related expense:</b>		
Wages and salaries	3,650,359	2,929,936
Superannuation	363,069	316,349
Wages and salaries - salary sacrifice	204,021	342,138
Payroll tax	198,672	184,933
Workers compensation	24,889	20,514
Long service leave	99,681	89,377
Annual Leave	322,559	280,459
Staff amenities	8,760	11,718
Staff recruitment	21,706	725
Staff training	22,073	14,173
FBT	96,996	129,574
	<b>5,012,785</b>	<b>4,319,896</b>

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**DETAILED INCOME STATEMENT**  
**For the year ended 31 December 2012**

	<b>Parent Entity</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses (continued)</b>		
Occupancy & equipment expenses:		
Office expenses	21,331	22,461
Cleaning	51,136	49,154
Waste disposal	8,609	11,149
Electricity	40,053	32,754
Rates and Taxes - 43 Brisbane	17,151	13,767
Rates and Taxes - 214 Parramatta	14,309	-
Rates and Taxes - 162 Goulburn	724	-
R & M - 43 Brisbane	20,414	112,862
R & M - 214 Parramatta	181,168	-
R & M - 162 Goulburn	10,984	-
R & M - 162 Goulburn car space	259	-
Equipment rentals	10,932	13,671
Printing and copying	7,356	16,305
Office stationery	15,485	11,173
Computer consumables	80,411	77,394
SSA Rent	9,167	35,692
Expense Payment - FBT - GH	2,647	2,775
Self storage unit rental	9,027	-
	501,163	399,157
Events expenses:		
Other events	49,916	86,570
	49,916	86,570
MTAA Subscriptions		
	25,000	28,786
Travel expenses:		
Travel / Airfares	80,992	89,074
Travel - Gov. Council	5,469	7,328
Travel EB	8,747	12,592
Accommodation	88,849	63,448
Room Hire	3,141	7,322
Meals	46,815	32,844
Entertainment - FBT - Tips	110	150
Entertainment - FBT - Rec	4,565	1,462
Entertainment - FBT - Meals	18,802	18,911
Entertainment - Non FBT	10,264	12,005
MV - Leasing	411,520	367,735
MV - Petrol	154,340	132,872
MV - Rego	-	460
MV - CTP	-	1,379
MV - Insurance	40,300	35,200
MV - R & M	17,303	26,527
MV - Parking and Tolls	25,560	24,840
	916,777	834,149

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**DETAILED INCOME STATEMENT**  
**For the year ended 31 December 2012**

	<b>Parent Entity</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses (continued)</b>		
<b>Administrative and meetings expenses:</b>		
Bank charges - Line Fees	27,140	18,524
Bank charges - Merchant fees	10,435	10,179
Bank charges - Other	7,437	9,922
Couriers	172	239
Meetings	12,234	14,513
AGM costs	5,636	6,605
Meetings - Executive Board	1,559	602
Meetings - Govt. Council	1,316	428
Postage	66,550	67,239
Telephone - General	33,541	30,122
Telephone - Mobile	37,454	40,281
Telephone - Faxstream	8,497	11,592
Telephone - Internet	35,751	33,672
Website Maintenance	9,847	10,453
	<b>257,569</b>	<b>254,371</b>
<b>Marketing expenses:</b>		
General Advertising	79,864	6,882
Public relations	11,243	17,049
Conferences and seminars	7,179	2,945
Publications and subscriptions	17,027	17,948
Member services	84,209	81,483
Newsletter printing	3,866	5,142
Newsletter postage	4,552	6,618
Newsletter packing	508	879
SSA Magazine	73,067	77,868
ACL Seminars	22,054	-
E Journal	3,404	9,996
	<b>306,973</b>	<b>226,810</b>
<b>Training Expenses:</b>		
Training Exp - Accrued Veh Sales	-	3,168
Training Exp - OH&S	-	489
Training Exp - Bikes	-	291
Training Exp - Elec Test and tag	-	2,025
Training Exp - Electric Vehs	6,927	-
Training Exp - WHS 2Day HSC	14,214	-
Training Exp - Auto Admin	984	4,823
Training Exp - LPG	2,877	7,025
Training Exp - Vehicle Body	5,678	6,392
Training Exp - Air conditioning	4,016	1,290
Training Exp - General	1,116	1,828
Training Exp - Light Vehicle App	29,575	25,791
	<b>65,387</b>	<b>53,122</b>

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**DETAILED INCOME STATEMENT**  
**For the year ended 31 December 2012**

	<b>Parent Entity</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Expenses (continued)</b>		
Other Expenses:		
Audit fees	78,284	90,307
Council secretary fees	2,958	7,914
VETAB Audit Fees	-	590
Bad debts & Collection	8,422	19,587
Consultancy fees	117,025	15,434
Industrial Library	17,804	23,419
Industrial Training	4,709	613
Industrial Training - OHS	1,274	1,264
Insurance	31,781	38,922
Shelf Storage Space	57,364	59,581
Sponsorship Costs	17,403	18,988
CVIAA Subscriptions	4,490	4,521
AAIA Subscriptions	125,000	99,254
Sundry Unallocated expenses	559	(15,605)
WiseNet Subscription fees	8,530	7,969
Awards	4,000	8,384
	479,603	381,142
Provision for loss on ASA project	225,680	-
Loss on disposal of fixed assets	175,305	-
Borrowing Costs	107,081	2,347
Legal Costs	42,307	60,644
<b>TOTAL EXPENSES</b>	<b>8,491,588</b>	<b>6,953,084</b>
<b>OTHER EXPENSES</b>		
Provision for loan to related entity	448,957	143,100
Impairment of E-MTA	17,854	130,909
<b>TOTAL OTHER EXPENSES</b>	<b>466,811</b>	<b>274,009</b>
<b>(DEFICIT)/SURPLUS BEFORE INCOME TAX</b>	<b>(1,446,593)</b>	<b>1,114,042</b>

**MOTOR TRADERS' ASSOCIATION OF  
NEW SOUTH WALES  
ABN 63 000 008 088**

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

The Concise Financial Report is an extract from the full financial report for the year ended 31 December 2012. The financial statements, specific disclosures and other information included in the Concise Financial Report is derived from and is consistent with the full financial report of Motor Traders' Association of New South Wales and its subsidiaries. The Concise Financial Report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Motor Traders' Association of New South Wales and its subsidiaries as the full financial report. Further financial information can be obtained from the full financial report. The full financial report is available, free of charge, on request from the entity.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

## **DISCUSSIONS AND ANALYSIS OF FINANCIAL STATEMENTS**

### **Statement of Comprehensive Income**

The consolidated deficit after tax for the year ended 31 December 2012 amounted to \$1,215,808 compared to a surplus after tax for the year ended 31 December 2011 of \$1,198,866.

The primary movements in the deficit for the year include an increase in expenses of \$1,248,268 which includes \$225,680 representing excess costs expected to be incurred by the Association in the delivery of the Automotive Skills Australia national training and mentoring program. Also included in the increased expenses is staff costs relating to increased activities in the training side of the business and one off expenses relating to the net cost of scrapping redundant fixtures and fittings from the old Brisbane Street premises and non-recurring finance costs associated with the premises move of \$175,305 and \$107,081 respectively.

Included in other income in the prior year was an amount of \$1,351,010 relating to the profit on disposal of MTAA units held by the Association. No such disposals occurred during the current year.

From a revenue perspective, the overall increase for the year amounts to \$122,863 which comprises an increase in training fee income of \$256,184 offset by a decline in vehicle inspections Income and dividend income receipts.

Other comprehensive income for the year ended 31 December 2012 amounts to an expense of \$50,223 attributable to the decline in the fair value of MTAA units. In the prior year other comprehensive income included revaluation gains on land and buildings of \$2,452,200, revaluation decrements of \$1,294,111 relating to MTAA units and the disposal of MTAA units amounting to \$1,569,067.

### **Statement of Financial Position**

The consolidated net assets of MTA NSW decreased by \$1,266,031 over the past 12 months leaving the Net Assets for the Consolidated Entity standing at \$12,884,566 (2011: \$14,150,597). Due to the relocation of MTA NSW head office premises during the 2012 trading year there was a significant increase in depreciation charged against the accounts of \$66,542 due to the purchase of new assets and a charge of \$181,369 representing the scrapping of redundant furniture & fittings from the old premises. The investment in the MTAA House Unit Trust has been revalued to fair value, leading to an decrease in value of this investment of \$50,223 (2011: \$1,294,111).

### **Statement of Cash Flows**

Net cash for the Consolidated Entity has decreased by \$411,827 during the year. As at the end of December 2012 cash on hand was \$1,232,973. Cash reserves were drawn on during the reporting period to cover extraordinary expenses directly relating to the moving of MTA head office premises from Darlinghurst to Burwood along with the purchase of an additional office space in the Sydney CBD district: Sales commission \$143,005, Bridging finance \$107,081, Government taxes \$326,591 and new premises fit out \$1,053,183.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2012**

	Note	2012 \$	2011 \$
Revenue	4	7,279,481	7,156,618
Expenses	5	(8,860,381)	(7,612,113)
Operating deficit		(1,580,900)	(455,495)
Other income	4	240,084	1,412,639
Share of net profit of associates		125,008	241,722
<b>(Deficit)/surplus before income tax expense</b>		<b>(1,215,808)</b>	<b>1,198,866</b>
Income tax expense		-	-
<b>(Deficit)/surplus after income tax expense</b>		<b>(1,215,808)</b>	<b>1,198,866</b>
<b>Other comprehensive income</b>			
Fair value gain on revaluation of land and building		-	2,452,200
Accumulated fair value gain on available-for-sale assets recycled to income statement on disposal		-	(1,569,067)
Fair value losses on available-for-sale assets		(50,223)	(1,294,111)
<b>Total comprehensive income</b>		<b>(1,266,031)</b>	<b>787,888</b>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*



**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,232,973	1,644,800
Trade and other receivables	1,421,529	1,134,513
Inventories	253,984	128,326
Assets held for sale	-	7,714,906
<b>Total current assets</b>	<b><u>2,908,486</u></b>	<b><u>10,622,545</u></b>
<b>Non-current assets</b>		
Available-for-sale financial assets	6,522,917	6,573,145
Investments accounted for using the equity method	1,203,461	1,079,003
Property, plant and equipment	7,285,492	311,917
<b>Total non-current assets</b>	<b><u>15,011,870</u></b>	<b><u>7,964,065</u></b>
<b>Total assets</b>	<b><u>17,920,356</u></b>	<b><u>18,586,610</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	3,555,113	3,506,985
Borrowings	250,000	-
Provisions	1,067,743	796,128
<b>Total current liabilities</b>	<b><u>4,872,856</u></b>	<b><u>4,303,113</u></b>
<b>Non-current liabilities</b>		
Provisions	162,934	132,900
<b>Total non-current liabilities</b>	<b><u>162,934</u></b>	<b><u>132,900</u></b>
<b>Total liabilities</b>	<b><u>5,035,790</u></b>	<b><u>4,436,013</u></b>
<b>Net assets</b>	<b><u>12,884,566</u></b>	<b><u>14,150,597</u></b>
<b>MEMBERS' FUNDS</b>		
Accumulated funds	8,575,471	6,214,902
Reserves	4,309,095	7,935,695
<b>Total members' funds</b>	<b><u>12,884,566</u></b>	<b><u>14,150,597</u></b>

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

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**For the year ended 31 December 2012**

	<b>Accumulated Funds \$</b>	<b>Revaluation Reserve \$</b>	<b>Total \$</b>
<b>Balance as at 31 December 2010</b>	5,016,036	8,346,673	13,362,709
Surplus after income tax expense for the year	1,198,866	-	1,198,866
Other comprehensive income for the year net of tax	-	(410,978)	(410,978)
Total comprehensive income for the year	1,198,866	(410,978)	787,888
<b>Balance as at 31 December 2011</b>	<b>6,214,902</b>	<b>7,935,695</b>	<b>14,150,597</b>
Deficit after income tax expense for the year	(1,215,808)	-	(1,215,808)
Other comprehensive income for the year net of tax	-	(50,223)	(50,223)
Total comprehensive income for the year	(1,215,808)	(50,223)	(1,266,031)
Reserves transfer on disposal of land and buildings	3,576,377	(3,576,377)	-
<b>Balance as at 31 December 2012</b>	<b>8,575,471</b>	<b>4,309,095</b>	<b>12,884,566</b>

*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**  
**ABN 63 000 008 088**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from members and customers	6,121,728	6,423,313
Receipts from stationary and merchandise sales	353,380	384,007
Payments to suppliers and employees	(7,776,930)	(7,167,067)
Interest received	54,223	36,557
Dividends received	320,301	359,155
Interest received	(122,825)	(8,566)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(1,050,123)</b>	<b>27,399</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(7,323,027)	(99,820)
Proceeds on disposal of property, plant and equipment	-	19,182
Proceeds on disposal assets held for sale	7,328,406	-
Proceeds on disposal of available-for-sale financial assets	-	1,105,010
Advance received for assets held for sale	-	386,500
Net loans repaid by related entities	382,917	150,000
<b>Net cash inflow/(outflow) from investing activities</b>	<b>388,296</b>	<b>1,560,872</b>
<b>Cash flow from financing activities</b>		
Net proceeds/(repayment) of borrowings	250,000	(800,000)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>250,000</b>	<b>(800,000)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(411,827)</b>	<b>788,271</b>
Cash and cash equivalents at the beginning of the financial year	1,644,800	856,529
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,232,973</b>	<b>1,644,800</b>

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

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For the year ended 31 December 2012**

**1 BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The Concise Financial Statements are an extract from the full financial report for the year ended 31 December 2012. The Concise Financial Statements have been prepared in accordance with the requirements of the Members and Accounting Standard AASB 1039: Concise Financial Reports.

Specific disclosures and other information included in the Concise Financial Statements are derived from and are consistent with the full financial report of Motor Traders' Association of New South Wales. The Concise Financial Statements cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Motor Traders' Association of New South Wales as the full financial report. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

**2 NOTICE REQUIRED UNDER THE FIAR WORK (REGISTERED ORGANISATIONS) ACT 2009**

In accordance with the requirements of section 272(5) of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provisions of sub-section (1), (2) and (3) of section 272 which reads as follows:

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

**3 EVENTS SUBSEQUENT TO REPORTING DATE**

There have been no events in the interval between the end of the financial year and the date of this report which in the opinion of the Executive Board of MTA NSW affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

**4 REVENUE**

	2012 \$	2011 \$
Subscriptions received	3,523,358	3,327,846
Commission received	127,803	116,661
Stationery and merchandise sales	353,380	384,007
Interest received	54,223	37,557
Training fees received	2,046,308	1,790,124
Events revenue	-	477
SSA Advertising revenue	115,093	133,640
Management fees	150,000	200,000
Dividend income	330,801	479,155
Vehicle Inspection fees	277,879	538,700
Rent	81,843	50,762
Other revenue	218,793	97,689
<b>Total revenue</b>	<b><u>7,279,481</u></b>	<b><u>7,156,618</u></b>
 <i>Other income</i>		
Profit on sale of units in MTAA Unit Trust	-	1,351,010
Grants received	240,084	61,629
<b>Total other income</b>	<b><u>240,084</u></b>	<b><u>1,412,639</u></b>

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2012**

**5 EXPENSES**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
(Deficit)/surplus before income tax includes the following specific expenses:		
Cost of goods sold	365,135	600,186
Employee related expenses	5,102,978	4,470,336
Occupancy & equipment expenses	501,164	399,157
Depreciation and amortisation	168,083	131,931
Events expenses	49,916	86,570
Travel expenses	916,778	834,149
MTAA subscriptions and expenses	25,000	28,786
Marketing expenses	306,974	226,810
Administration expenses	291,935	294,542
Training expenses	65,386	53,122
Legal expenses	42,873	60,862
Members meetings	20,746	22,149
Borrowing costs	122,825	8,566
Provision for loss on ASA project	225,680	-
Loss on disposal of fixed assets	175,305	-
Other expenses	479,603	394,947
	<b>8,860,381</b>	<b>7,612,113</b>

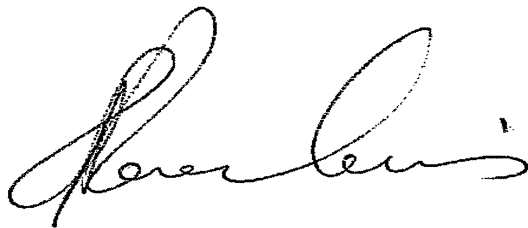
**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**1 Accounting Officer's Certificate**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, I, Philip Perdikaris, being the officer responsible for keeping the accounting records of the Motor Traders' Association of New South Wales, certify that:

- i. As at 31 December 2012 the number of the members of the Association was 4,011;
- ii. The attached financial statements show a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2012 and the for the year then ended;
- iii. A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- iv. 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;
- v. With regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- vi. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- vii. The register of members of the Association was maintained in accordance with the Act.



**Philip Perdikaris**  
Honorary Treasurer and Principal Accounting Officer

Dated:

23/04/13

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES  
ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**2 Executive Board's Certificate**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, we, Maurie Pinfold and Philip Perdikaris being two members of the Executive Board of the Motor Traders' Association of New South Wales, do state on behalf of the Executive Board and in accordance with a resolution passed by the Executive Board that:

- i. In the opinion of the Executive Board, the attached financial statements show a true and fair view of the financial affairs of the Association and its controlled entities as at 31 December 2012 and the for the year then ended;
- ii. In the opinion of the Executive Board, meetings of the Board were held during the year ended 31 December 2012 in accordance with the rules of the Association;
- iii. To the knowledge of any member of the Executive Board, there have been, during the financial year to which the accounts relate, no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under sub-section 272(2) of the Fair Work (Registered Organisations) Act 2009) or copies of those records or other documents, or copies of the rules of the Association have not been furnished, or made available, to members in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the Regulations thereto or the rules of the Association; and
- iv. In relation to the report prepared in accordance with Section 253 of the Act and the accounts and statements prepared in accordance with sub-section 253(2) of the Act to which that report relates, the Association has complied with any order for inspection of financial records under section 273(1) of the Act in relation to the financial accounts in respect of the year ended 31 December 2012 and the Auditors Report thereon.

At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.



**Maurie Pinfold**  
President of the Executive Board



**Philip Perdikaris**  
Treasurer

Dated: 23rd April 2013



**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

**CERTIFICATES REFERRING TO THE 2012 FINANCIAL REPORT**

**3 Operating Report**

In accordance with the requirements with section 254 of the Fair Work (Registered Organisations) Act 2009 I, Maurie Pinfeld, being the officer responsible for management of the Motor Traders' Association of New South Wales, hereby state that:

- i. The Motor Traders' Association of New South Wales is operated by the Executive Board on behalf of its members. The Association provides a range of services including legal and industrial advice, technical advice, sale of merchandise, and a holding of special events for its members who are involved in the motor industry. The Association's core activities and aims have not changed over the last 12 months;
- ii. A record has been kept of all moneys paid by, or collected from, members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Association;
- iii. 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;
- iv. With regard to funds of the Association raised by compulsory levies of voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- v. All loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules; and
- vi. The register of members of the Association was maintained in accordance with the Act.
- vii. As at 31 December 2012 the number of members of the Association was 4,011.
- viii. There has not been a significant change to the financial affairs of the Association with a deficit of \$1,266,031 being declared in the year 2012 (2011: surplus of \$787,888).
- ix. The number of persons employed by the Association as at 31 December 2012 was 56 (2011: 54).
- x. The members who were on the Executive Board of Management during the whole of the financial year and up to the date of this report were Maurie Pinfeld (President), Steve Borg, Brian Doyle, Ken Webb, Denis Sargent, Neil Oven, Philip Perdikaris (Treasurer), Tod Sarina, Robert Garland, Don Rowland and David Marston. Except for Don Rowland and Philip Perdikaris, who were directors of Motor Trades Association of Australia Superannuation Fund Pty Limited, as corporate trustee of MTAA Super, no officer or member was a trustee or director of a superannuation entity or an exempt public sector superannuation scheme during the whole of the financial year and up to the date of this report.
- xi. In accordance with the requirements under the Act, members are advised that in accordance with Rule 18 of the Association's Constitution and Rules, members may resign by tendering their resignation in writing to the Chief Executive Officer.

  
**Maurie Pinfeld**  
President of the Executive Board

Dated : 23<sup>rd</sup> April 2013

**MOTOR TRADERS' ASSOCIATION OF NEW SOUTH WALES**  
**ABN 63 000 008 088**

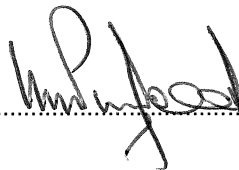
**EXECUTIVE BOARD'S DECLARATION**

The Executive Board of Motor Traders' Association of New South Wales declare that the concise financial report of Motor Traders' Association of New South Wales and Controlled Entities for the financial year ended 31 December 2012, as set out on pages 2-12;

- a) Complies with Accounting Standard AASB 1039: Concise Financial Reports; and
- b) Is an extract of the full financial report for the year ended 31 December 2012 and has been derived from and is consistent with the full financial report of Motor Traders' Association of New South Wales and Controlled Entities.

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

President of the Executive Board .....



Dated 23... day of April 2013



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www.bdo.com.au

Level 10, 1 Margaret St  
Sydney NSW 2000

Australia

## **INDEPENDENT AUDITOR'S REPORT**

To the members of Motor Traders' Association of New South Wales

### **Report on the Concise Financial Report**

The accompanying concise financial report of Motor Traders' Association of New South Wales, comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in members funds and the consolidated statement of cash flows for the year then ended and related notes, derived from the audited financial report of Motor Traders' Association of New South Wales for the year ended 31 December 2012, as well as the discussion and analysis. The concise financial statements do not contain all the disclosures required by Australian Accounting Standards.

### **Executive Committee's Responsibility for the Concise Financial Report**

The Association's Executive Committee are responsible for the preparation and presentation of the concise financial report in accordance with the requirements of the Members, Accounting Standard AASB 1039: Concise Financial Reports, statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Motor Traders' Association of New South Wales for the year ended 31 December 2012. Our auditor's report on the financial report for the year was signed on 23 April 2013 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial statements included testing that the information in the concise financial statements is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial statements complies with the requirements of Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039.

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

BDO is the brand name for the BDO network and for each of the BDO member firms.



**Auditor's opinion**

In our opinion, the concise financial statements including the discussion and analysis of Motor Traders' Association of New South Wales and Controlled Entities for the year ended 31 December 2012 complies with the requirements of Accounting Standard AASB 1039: Concise Financial Reports.

**BDO East Coast Partnership**

A handwritten version of the BDO logo, with the letters 'BDO' in a cursive style and a horizontal line underneath.

A handwritten signature in cursive script, appearing to read 'Grant Saxon'.

Grant Saxon

Partner

Sydney, 23 April 2013



FAIR WORK  
COMMISSION

18 January 2013

Mr Greg Hatton  
Manager-Industrial Relations  
Motor Traders' Association of New South Wales  
Sent by email: [greg.hatton@mtansw.com.au](mailto:greg.hatton@mtansw.com.au)

Dear Mr Hatton,

**Re: Lodgement of Financial Report - [FR2012/586]**  
**Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Motor Traders' Association of New South Wales (the reporting unit) ended on 31 December 2012.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,  or  (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.