Certificate of Secretary or Other Authorised Officer

S268 Fair Work (Registered Organisations) Act 2009

I, **David Keats**, being the elected **President** of the **Motor Traders' Association of New South Wales** Certify:

- That the document lodged herewith is a copy of the full financial report for the **Motor Traders' Association of New South Wales** for the period ended, **31 December 2018,** referred to in section 268 of the *Fair Work (Registered Organisations) Act, 2009* which the Committee of Management resolved on **30 May 2019**, to adopt the report and to provide members with a copy to be published on the MTA NSW website including an electronic link via the MTA NSW E-Journal; and

- That the full financial report was provided to members on **31 May 2019**; and

- That the full financial report was presented to a General Meeting of Members of the Motor Traders' Association of New South Wales on **21 June 2019** in accordance with section 266(1) of the *Fair Work (Registered Organisations) Act 2009.*

Signature of Prescribed designated officer:	
Name of prescribed designated officer:	**DAVID KEATS**
Title of prescribed designated officer:	**PRESIDENT**
Date:	12 August 2019

(originally submitted on 28 June 2019)

Motor Traders' Association of New South Wales
ABN 63 000 008 088

Consolidated general purpose financial report for the year ended 31 December 2018

Contents

Operating report

Your officers submit their report on Motor Traders' Association of New South Wales (the "Association") and its controlled entities (the "Group") for the year ended 31 December 2018.

Executive board members

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

David Keats (President)	
Adrian Carlson (Honorary Treasurer)	(Resigned: 31 January 2019)
Mark Beard	(Resigned: 4 February 2019)
Ray Beekman	
Brian Cowan	
Geoffrey Lowe	
Lindsay Vidler	
John Young	
Graham Moore	(Resigned: 16 November 2018)
Robert Garland	

Principal activities

The principal activities of the Association are to lobby government, large corporations who interact with the motoring community 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.

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

Operating results for the year

The surplus after tax of the Association for year ended 31 December 2018 was $606,699 (2017: $676,846).

Objectives

The short-term objectives of the Association are 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.

Operating report (continued)

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.

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.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Association during the year.

Significant events after the balance date

There have been no significant events occurring after the balance date which may affect either the Association's operations or results of those operations or the Association's state of affairs.

Right of members to resign

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

Trustee of superannuation entity

Geoffrey Lowe was appointed a director of Motor Trades Association of Australia Superannuation Fund Pty Limited (‘MTAA Super Pty Ltd’) on 1 March 2019. MTAA Super Pty Ltd is the Trustee of MTAA Superannuation Fund.

Number of members

As at 31 December 2018 the number of members of the Association was 3,036 (2017: 3,363).

Number of employees

The number of full-time equivalent employees employed by the Association as at 31 December 2018 was 53 (2017: 46).

Likely developments and expected results

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

Environmental regulation and performance

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

Indemnification and insurance of officers

No indemnities have been given or insurance premiums paid during, or since the end of the financial year for any person who is, or has been an officer of the Association.

Operating report (continued)

Indemnification of auditor

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

Signed in accordance with a resolution of the officers.

David Keats
President of the Executive Board
Sydney

30 May 2019

Report under subsection 255(2A)

For the year ended 31 December 2018

The Executive Board presents the Expenditure Report in accordance with subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* for the Group for the year ended 31 December 2018.

	2018	2017
	$	$
Categories of expenditure:		
Remuneration and other employment-related costs and expenses - employees	5,187,918	4,484,248
Advertising	242,845	124,236
Operating costs	2,418,126	2,515,979
Donations to political parties	2,000	-
Legal costs	115,299	216,593
	7,966,188	**7,341,056**

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

David Keats
President of the Executive Board
Sydney

30 May 2019

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2018

	Notes	2018 $	2017 $
Revenue	5.1	8,345,074	7,817,944
Expenses	5.2	(7,853,067)	(7,197,928)
Impairment of receivables		(90,530)	(19,836)
Operating surplus		**401,477**	**600,180**
Interest revenue		234,124	91,940
Share of losses on associates		(1,308)	(371)
Finance costs		(27,594)	(14,903)
Surplus before tax		**606,699**	**676,846**
Income tax expense	6	-	-
Surplus for the year		**606,699**	**676,846**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Fair value losses on investments	16	-	(258,911)
Other comprehensive income/(loss) for the year		**-**	**(258,911)**
Total comprehensive income for the year		**606,699**	**417,935**

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

Consolidated statement of financial position

As at 31 December 2018

	Notes	2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	7	10,526,975	9,678,476
Trade and other receivables	8	630,869	637,058
Inventories	9	82,117	115,223
Investments		12,775	24,085
Total current assets		**11,252,736**	**10,454,842**
Non-current assets			
Investment in associates	11	-	2,053
Property, plant and equipment	12	6,852,070	6,568,291
Total non-current assets		**6,852,070**	**6,570,344**
Total assets		**18,104,806**	**17,025,186**
Liabilities			
Current liabilities			
Trade and other payables	13	2,762,170	2,909,617
Borrowings	14	596,415	313,340
Employee provisions	15	427,510	442,885
Total current liabilities		**3,786,095**	**3,665,842**
Non-current liabilities			
Employee provisions	15	33,737	13,162
Total non-current liabilities		**33,737**	**13,162**
Total liabilities		**3,819,832**	**3,679,004**
Net assets		**14,284,974**	**13,346,182**
Members' funds			
Reserves	16	-	24,085
Accumulated funds		14,284,974	13,322,097
Total members' funds		**14,284,974**	**13,346,182**

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

Consolidated statement of changes in members' funds

For the year ended 31 December 2018

	Accumulated funds $	Revaluation reserve $	Total members' funds $
As at 1 January 2018	**13,322,097**	**24,085**	**13,346,182**
Correction of errors from prior periods (see Note 2.5)	332,093	-	332,093
At 1 January 2018	**13,654,190**	**24,085**	**13,678,275**
Transfer to accumulated funds at 1 January 2018 for assets reclassified upon transition to AASB 9	24,085	(24,085)	-
At 1 January 2018 after adoption of AASB 9	**13,678,275**	**-**	**13,678,275**
Surplus for the year	606,699	-	606,699
Other comprehensive income	-	-	-
Total comprehensive income for the year	606,699	-	606,699
At 31 December 2018	**14,284,974**	**-**	**14,284,974**
At 1 January 2017	**9,641,179**	**3,287,068**	**12,928,247**
Surplus for the year	676,846	-	676,846
Other comprehensive income/(loss)	-	(258,911)	(258,911)
Total comprehensive income for the year	676,846	(258,911)	417,935
Transfer of realised revaluation increments from reserves to accumulated funds	3,004,072	(3,004,072)	-
At 31 December 2017	**13,322,097**	**24,085**	**13,346,182**

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

Consolidated statement of cash flows

For the year ended 31 December 2018

	Notes	2018 $	2017 $
Operating activities			
Receipts from customers		8,745,197	8,601,252
Receipts related to controlled entities		14,930	14,290
Payments to suppliers and employees		(7,634,842)	(7,547,329)
Payments related to controlled entities		(14,686)	(16,181)
Dividends received		-	11,750
Interest received		207,046	91,940
Interest paid		(27,594)	(14,360)
Net cash flows from operating activities		**1,290,051**	**1,141,362**
Investing activities			
Purchase of property, plant and equipment	12	(735,847)	(490,474)
Proceeds from sale of investments		11,220	5,213,472
Net cash flows from/(used in) investing activities		**(724,627)**	**4,722,998**
Financing activities			
Proceeds from/(repayment of) borrowings		283,075	(386,660)
Net cash flows from/(used in) financing activities		**283,075**	**(386,660)**
Net increase in cash and cash equivalents		848,499	5,477,700
Cash and cash equivalents at 1 January		9,678,476	4,200,776
Cash and cash equivalents at 31 December	7	**10,526,975**	**9,678,476**

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

Notes to the consolidated financial statements

For the year ended 31 December 2018

1. Corporate information

The consolidated financial statements of Motor Traders' Association of New South Wales (the "Association") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the officers on 30 May 2019.

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

The Governing Council have the vested power, authority and discretion to manage the business and control the affairs of the Association on behalf of its members. All of the powers, authorities and discretions vested in the Governing Council are also conferred on and vested in the Executive Board, save always that the Executive Board does not have power or authority to rescind, alter or vary any previous resolution or decision of the council. No regulations prescribed by the Association in general meeting or by the Council shall invalidate any prior act of the Executive Board which would have been valid if that regulation had not been made. In the event of a vacancy occurring on the Executive Board, the Executive Board does not have the power to elect a replacement.

The registered office and principal place of business of the Association is 214 Parramatta Road, Burwood, NSW 2134.

The nature of the operations and principal activities of the Association are described in the operating report.

2. Significant accounting policies

2.1 Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the *Associations Incorporation Act 2009 (New South Wales)* and the *Fair Work (Registered Organisations) Act 2009.* For the purposes of preparing the general purpose financial statements, MTA NSW is a not-for-profit entity.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments.

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

2.2 Changes in accounting policies, standards and interpretations

New and amended standards and interpretations

The Group applied AASB 9 *Financial instruments* for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces the provisions of AASB 139 *Financial Instruments Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of AASB 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to some amounts recognised in the financial statements for financial instruments. New accounting policies are set out in note 2.4(e) below. In accordance with the transitional provisions in AASB 9, comparative figures have not been restated.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Changes in accounting policies, standards and interpretations (continued)

New and amended standards and interpretations (continued)

AASB 9 *Financial Instruments (continued)*

The total impact on the Group's accumulated funds as at 1 January 2018 is as follows:

	2018
	$
Closing accumulated funds at 31 December 2017 - AASB 139	13,322,097
As at 1 January 2018:	
Correction of errors from prior periods (see Note 2.5)	332,093
	13,654,190
As at 1 January 2018:	
Reclassify investments from available-for-sale to Fair Value through Profit or Loss (FVPL)	24,085
	24,085
Opening accumulated funds at 1 January 2018 after adoption of AASB 9	**13,678,275**

The impact of these changes on total Members' funds is as follows:

	Effect on revaluation reserve	Effect on accumulated funds
	$	$
As at 1 January 2018:		
Opening balance - AASB 139 (after correction of errors from prior periods)	24,085	13,654,190
Reclassify Investments from available-for-sale to FVPL	(24,085)	24,085
Total impact from adoption of AASB 9	**(24,085)**	**24,085**
Closing balance after adoption of AASB 9	**-**	**13,678,275**

The Group's investments in listed equities and unlisted units in MTAA House Unit Trust were reclassified from available-for-sale to financial assets at FVPL as they do not meet the AASB 9 criteria for classification at amortised cost because their cash flows do not represent solely payments of principal and interest.

Related fair value gains of $24,085 were transferred from the available-for-sale financial assets reserve to accumulated funds on 1 January 2018.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Changes in accounting policies, standards and interpretations (continued)

New and amended standards and interpretations (continued)

AASB 9 *Financial Instruments (continued)*

Reclassifications of financial instruments on adoption of AASB 9

On the date of initial application, 1 January 2018, the Group's financial instruments were as follows, with any reclassifications noted:

	Measurement category		Carrying amount	
	Original (AASB 139)	**New (AASB 9)**	**Original**	**New**
			$	**$**
Current financial assets				
Trade receivables	Loans & receivables (amortised cost)	Amortised cost	541,449	541,449
Cash and cash equivalents				
Cash at bank and on hand	Loans & receivables (amortised cost)	Amortised cost	2,292,575	2,292,575
Short-term deposits	Loans & receivables (amortised cost)	Amortised cost	7,385,901	7,385,901
Investments				
Listed shares - at fair value	Available-for-sale (fair value)	Fair value through profit or loss (FVPL)	12,865	12,865
Unlisted units in MTAA House Unit Trust	Available-for-sale (fair value)	Fair value through profit or loss (FVPL)	11,220	11,220
			10,244,010	**10,244,010**
Current financial liabilities				
Trade and other payables				
Trade payables	Other financial liabilities (amortised cost)	Amortised cost	323,859	323,859
Other payables and accruals	Other financial liabilities (amortised cost)	Amortised cost	383,035	383,035
Legal payables	Other financial liabilities (amortised cost)	Amortised cost	320,192	320,192
Borrowings				
Bank loans	Other financial liabilities (amortised cost)	Amortised cost	313,340	313,340
			1,340,426	**1,340,426**

The reclassifications of the financial instruments on adoption of AASB 9 did not result in any changes in measurements.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.2 Changes in accounting policies, standards and interpretations (continued)

New and amended standards and interpretations (continued)

AASB 9 *Financial Instruments (continued)*

Impairment of financial assets

The Group's financial assets that are subject to AASB 9's new expected credit loss model are:

- Trade receivables for sales of stationery, merchandise, employee related products, and for training services provided.

The Group was required to revise its impairment methodology under AASB 9 for each of these classes of asset. The application of the revised methodology resulted in no changes to the expected losses for trade receivables at transition to AASB 9.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, due to the high credit quality of the counterparty banks, these deposits are considered low risk and there is therefore no expected credit loss for these assets.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 31 December 2018. The officers have not early adopted any of these new or amended standards or interpretations. The officers are in the process of assessing the impact of the applications of AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2019) and AASB 16 *Leases* (effective 1 January 2019) and its amendments to the extent relevant to the financial statements of the Group.

2.3 Basis of consolidation

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

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

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

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

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.3 Basis of consolidation (continued)

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

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

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

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

b) Cash and cash equivalents

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

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

c) Trade and other receivables

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

c) Trade and other receivables (continued)

For trade receivables and contract assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

d) Inventories

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

e) Financial assets and financial liabilities

(i) Recognition

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

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

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

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

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

(iii) Financial assets at amortised cost

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

(iv) Financial liabilities at amortised cost

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

e) Financial assets and financial liabilities (continued)

(v) Impairment of financial assets

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

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

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

f) Property, plant and equipment

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

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

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

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

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

g) Impairment of non-financial assets

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

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

g) Impairment of non-financial assets (continued)

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

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

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

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the consolidated statement of profit or loss and other comprehensive income.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

i) Trade and other payables

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

j) Borrowings

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Provisions and employee benefit liabilities

General

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

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

Wages and salaries

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

Long service leave and annual leave

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

l) 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 income

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 when no significant uncertainty as to its collectability exists in the period to 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 from government funded training services and school trainings are recognised when the right to receive payment is established being the completion of the training provided.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

l) Revenue recognition (continued)

Revenue from students trainings is recognised on an instalment basis over the period the training services are provided.

Stationery and merchandise sales

Revenue is recognised once the risks and rewards associated with ownership of the items have passed to the customer.

Dividend and rental income

Dividend and rental income is recognised when the right to receive payment is established.

Other revenue

Other revenue includes commission income and sponsored advertising income is recognised over the period the services are provided.

m) Taxes

Current income tax

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

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

Australian Tax consolidation legislation

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

Goods and services tax (GST)

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

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

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

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

n) Parent entity financial information

The financial information for the parent entity, MTA NSW, disclosed in note 24, 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.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

2. Significant accounting policies (continued)

2.4 Summary of significant accounting policies (continued)

o) Comparatives

Certain prior period amounts have been reclassified to comply with the current period presentation. Where the effect of these is material, further detail is provided in the relevant note to the financial statements.

2.5 Correction of an error

During 2018, prior period errors were identified with a cumulative impact of $332,093 which mainly relates to accruals, revenue recognition and asset impairments. Due to the nature of these errors it was impracticable to determine the period-specific effect on previous reported financial years due mainly to a lack of available information.

The error has been corrected in the opening accumulated funds of the 31 December 2018 financial statements which has resulted in a net increase in opening accumulated funds as follows which is also disclosed in the consolidated statement of changes in members' fund.

	$
Closing Accumulated Funds 31 December 2017	13,322,097
Correction of prior period error	332,093
Opening Accumulated Funds 1 January 2018	13,654,190

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

3. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation charge for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation 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.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date 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.

Provision for expected credit losses of trade receivables

Included in accounts receivable at 31 December 2018 is a provision of doubtful debts of $95,617 (2017: $24,398). Such estimates are evaluated by the officers based on best available information and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

4. Notice to members

Notice required under 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 Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subscription (1).

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

5. Revenue and expenses

5.1 Revenue

	2018	2017
	$	$
Membership subscriptions	3,068,308	3,208,673
Commission income	63,387	77,168
Stationery and merchandise sales	320,408	432,739
Training services	4,525,002	3,875,506
Sponsored advertising income	139,545	21,074
Dividend income	-	11,750
Vehicle inspection fees	14,930	14,290
Rental income	87,970	84,587
Other revenue	125,524	92,157
	8,345,074	**7,817,944**

5.2 Expenses

	2018	2017
	$	$
Cost of goods sold	165,005	186,871
Employee related expenses - Employees other than office holders:		
- Wages and salaries	4,015,656	3,384,810
- Superannuation	357,135	306,017
- Leave and other entitlements	332,169	291,983
- Other employee expenses	117,544	164,724
Occupancy and equipment expenses	486,220	466,704
Operating lease expense	137,582	205,952
Depreciation expense	314,380	213,424
Travel expenses	279,328	297,680
Affiliation fees:		
- MTAA subscriptions and expenses	172,500	157,500
Marketing expenses	573,425	375,567
Administration expenses	208,721	185,204
Training expenses	84,369	92,353
Legal expenses:		
- Related to litigation and compensation	88,359	390,811
- Related to other matters	26,940	46,701
Members meetings	30,265	10,629
Member services	24,005	13,286
Loss on revaluation of listed equities	90	-
Loss on disposal of property, plant and equipment	27,507	-
Professional fees	135,148	177,246
Impairment - investment in associate	745	-
Contractor costs	137,850	157,281
Donations:		
- Total paid that were $1,000 or less	-	1,700
- Total paid that exceeded $1,000	18,000	-
Donations:		
Other expenses	120,124	71,485
	7,853,067	**7,197,928**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

6. Income tax

Reconciliation of tax expense and the accounting surplus multiplied by Australia's domestic tax rate for 2017 and 2018:

	2018	2017
	$	$
Accounting surplus before income tax	**606,699**	**676,846**
At Australia's statutory income tax rate of 27.5% (2017: 27.5%)	166,842	187,734
Surplus exempt from income tax	(170,467)	(118,643)
Current period deficit not brought to account as deferred tax asset	3,625	(69,091)
Income tax expense/(benefit) reported in the consolidated statement of profit or loss and other comprehensive income	**-**	**-**
The amount of deferred tax assets attributable to revenue losses incurred by subsidiary undertakings not brought to account	**326,039**	**322,414**

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

7. Cash and cash equivalents

	2018	2017
	$	$
Cash at bank and on hand	888,644	2,292,575
Short-term deposits	9,638,331	7,385,901
	10,526,975	**9,678,476**

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

	2018	2017
	$	$
Cash flow reconciliation		
Surplus for the year	606,699	676,846
Adjustments for:		
Depreciation expense	314,380	213,424
Impairment of receivables	90,530	19,836
Loss on disposal of property, plant and equipment	27,507	-
Share of loss of associates	1,308	371
Impairment of investment in associate	745	-
Changes in operating assets and liabilities:		
Increase in trade and other receivables	(84,341)	(67,490)
Decrease/(increase) in inventories	33,106	(3,055)
Increase in other assets	-	(24,085)
Increase in trade and other payables	245,805	404,745
Increase/(decrease) in employee provisions	54,312	(79,230)
Net cash flows from operating activities	**1,290,051**	**1,141,362**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

8. Trade and other receivables

	2018	2017
	$	**$**
Current		
Trade receivables	618,476	565,847
Allowance for expected credit losses	(95,617)	(24,398)
	522,859	541,449
Prepayments	108,010	95,609
	630,869	**637,058**

9. Inventories

	2018	2017
	$	**$**
Stationery and merchandise	**82,117**	**115,223**

10. Investments

	2018	2017
	$	**$**
Current		
Listed shares - at fair value	12,775	12,865
Unlisted units in MTAA House Unit Trust	-	11,220
	12,775	**24,085**

Listed shares - at fair value comprise listed shares in Insurance Australia Group Limited (IAG). These were acquired from the demutualisation of National Roads and Motorists' Association (NRMA), of which MTA was a member, and the associated spin-off of NRMA Insurance which was sold to IAG in August 2000.

Reconciliation

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

	2018	2017
	$	**$**
Opening fair value	24,085	5,472,383
Revaluation decrements	(90)	(258,911)
Disposal of investment	(11,220)	(5,189,387)
Closing fair value	**12,775**	**24,085**

The final settlement of MTAA House Unit Trust sold in the previous year was received during the year amounting to $11,220.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

11. Investment in associates

	2018	2017
	$	$
Non-current		
E-MTA Pty Ltd	-	2,053
Motor Trades Cover Pty Ltd	-	-
	-	**2,053**

MTA has a 50% (2017: 50%) interest in E-MTA Pty Ltd which provides an online service to insurers and smash repairers with data on realistic labour times for remove, replace, and refinishing operations.

MTA has a 50% (2017: 50%) interest in Motor Trades Cover Pty Ltd (MTC). MTC is an industry alliance that provides insurance industry funded consulting services for motor trades workplace injury prevention and return to work initiatives.

Movement in carrying amount of investments in associates:

	2018	2017
	$	$
Balance at the beginning of year	2,053	2,424
Aggregate share of net surplus after income tax	(1,308)	(371)
Impairment	(745)	-
Balance at the end of the year	**-**	**2,053**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

12. Property, plant and equipment

	Freehold land and buildings	Furniture, fittings and equipment	Motor vehicles	Total
	$	$	$	$
Cost				
At 1 January 2017	5,612,184	2,007,362	-	7,619,546
Additions	-	141,232	349,242	490,474
At 31 December 2017	**5,612,184**	**2,148,594**	**349,242**	**8,110,020**
Additions	-	210,260	525,587	735,847
Disposals	-	(983,674)	-	(983,674)
Transfer	69,820	(69,820)	-	-
At 31 December 2018	**5,682,004**	**1,305,361**	**874,829**	**7,862,194**
Accumulated depreciation				
At 1 January 2017	132,509	1,195,796	-	1,328,305
Depreciation charge for the year	36,820	144,331	32,273	213,424
At 31 December 2017	**169,329**	**1,340,127**	**32,273**	**1,541,729**
Depreciation charge for the year	32,727	117,419	164,234	314,380
Disposals	-	(845,986)	-	(845,986)
Transfer	36,241	(36,241)	-	-
At 31 December 2018	**238,297**	**575,320**	**196,507**	**1,010,124**
Net book value				
At 31 December 2018	**5,443,707**	**730,041**	**678,322**	**6,852,070**
At 31 December 2017	5,442,855	808,467	316,969	6,568,291

13. Trade and other payables

	2018	2017
	$	$
Current		
Trade payables	257,750	323,859
Other payables and accruals	216,634	383,035
Legal payables:		
- Related to litigation and compensation	111,000	320,192
GST payable	205,427	70,553
Subscriptions received in advance	1,743,126	1,541,455
Statutory payables	158,289	103,111
Sponsored advertising received in advance	69,944	167,412
	2,762,170	**2,909,617**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

14. Borrowings

	2018	2017
	$	$
Current		
Bank loans	**596,415**	**313,340**

The bank loan is secured over the Group’s premises at 214 Parramatta Road, Burwood. The Group has access to a total facility of $1.0m (2017: $1.0m).

15. Employee provisions

	2018	2017
	$	$
Current		
Employees other than office holders:		
Provision for annual leave	268,678	196,020
Provision for long service leave	158,832	246,865
Total current provisions	**427,510**	**442,885**
Non-current		
Employees other than office holders:		
Provision for long service leave	33,737	13,162
Total non-current provisions	**33,737**	**13,162**
Total employee provisions	**461,247**	**456,047**

	2018	2017
Average number of employees throughout the year	**51**	**46**

16. Reserves

	2018	2017
	$	$
Revaluation reserve	**-**	**24,085**

	2018	2017
	$	$
Balance at 1 January	24,085	3,287,068
Transfer to accumulated funds at 1 January 2018 for assets reclassified upon transition to AASB 9	(24,085)	-
Balance at 1 January after adoption of AASB 9	**-**	**3,287,068**
Revaluation at fair value	-	(258,911)
Transfer of realised revaluation increments from reserves to accumulated funds	-	(3,004,072)
Balance at 31 December	**-**	**24,085**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

17. Financial instruments

The Group holds the following financial instruments:

	2018	2017
	$	$
Current financial assets		
Trade receivables	522,859	541,449
Cash and cash equivalents		
Cash at bank and on hand	888,644	2,292,575
Short-term deposits	9,638,331	7,385,901
Investments		
Listed shares - at fair value	12,775	12,865
Unlisted units in MTAA House Unit Trust	-	11,220
	11,062,609	**10,244,010**
Current financial liabilities		
Trade and other payables		
Trade payables	257,750	323,859
Other payables and accruals	216,634	383,035
Legal payables	111,000	320,192
Borrowings		
Bank loans	596,415	313,340
	1,181,799	**1,340,426**

Financial risk management objectives

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

Market risk

Foreign currency risk

The Group has no foreign currency exposures.

Interest rate risk

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

Other price risk

The Group is not exposed to any significant other price risk.

Credit risk

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

Impairment of financial assets

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

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

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

17. Financial instruments (continued)

Credit risk (continued)

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

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

On that basis, the loss allowance as at 31 December 2018 and 1 January 2018 (on adoption of AASB 9) was determined as follows for trade receivables:

31 December 2018	Current	30 days	31-180 days	More than 180 days	Total
	$	$	$	$	$
Expected credit loss rate	-%	-%	22%	71%	
Gross carrying amount	419,112	50,141	21,471	127,750	618,474
Loss allowance	-	-	(4,644)	(90,974)	(95,618)

1 January 2018	Current	30 days	31-180 days	More than 180 days	Total
	$	$	$	$	$
Expected credit loss rate	-%	-%	22%	71%	
Gross carrying amount	472,052	45,874	19,644	28,277	565,847
Loss allowance	-	-	(4,322)	(20,076)	(24,398)

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

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

	2018	2017
	$	$
31 December - calculated under AASB 139	24,398	6,043
Amounts restated through opening retained earnings	-	-
Opening loss allowance as at 1 January 2018 - calculated under AASB 9	**24,398**	**6,043**
Increase in loss allowance recognised in profit or loss during the year	90,529	20,004
Receivables written off during the year as uncollectible	(19,309)	(687)
Unutilised provision reversed	-	(962)
Closing loss allowance at 31 December	**95,618**	**24,398**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

17. Financial instruments (continued)

Liquidity risk

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

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

Financing arrangements

Unused borrowing facilities at the reporting date:

	2018	2017
	$	$
Bank loans	**403,585**	**686,660**

Remaining contractual maturities

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

	Interest rate	30 days	2018
	%	$	$
Non-interest bearing			
Trade payables	-	257,750	257,750
Other payables and accruals	-	216,634	216,634
Legal payables	-	111,000	111,000
Interest-bearing - Floating rate			
Bank loan	4.7%	596,415	596,415
Total non-derivatives		**1,181,799**	**1,181,799**

	Interest rate	30 days	2017
	%	$	$
Non-interest bearing			
Trade payables	-	323,859	323,859
Other payables and accruals	-	383,035	383,035
Legal payables	-	320,192	320,192
Interest-bearing - Floating rate			
Bank loan	4.3%	313,340	313,340
Total non-derivatives		**1,340,426**	**1,340,426**

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

18. Fair value measurement

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Unobservable inputs for the asset or liability based on observable data. This is the case for the unlisted units in MTAA House Unit Trust

	2018	2017
	$	$
Investments		
Level 1		
Listed shares - at fair value	12,775	12,865
Level 2	-	-
Level 3		
Unlisted units in MTAA House Unit Trust	-	11,220
	12,775	**24,085**

The fair value of unlisted units in MTAA House Unit Trust is based on the off-market sale price of the units that were contracted for sale during 2017. Final sale proceeds comprising the remaining fair value of $11,220 for these units was received in 2018. There were no transfers of financial assets between fair value levels during the year.

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

19. Related party disclosures

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

During the year, Motor Traders' Association of New South Wales (MTA) recognised current year membership subscriptions totalling $8,591 (2017: $8,553) for motor traders entities associated with the Executive Board Members.

Total cash received by MTA from these entities for 2019 subscriptions paid in advance of the 2018 subscription year was $2,845 (received 2017 for 2018 subscriptions: $4,598).

Sales of stationery, merchandise, and employment related products from MTA to these entities during the year totalled $1,576 (2017: $5,759). Trade receivables balances at reporting date relating to these transactions totalled $36 (2017: $1,000).

Reimbursement of out-of-pocket expenses owed by MTA to individual Executive Board Members as at 31 December 2018 totalled 152 (2017: $nil).

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

19. Related party disclosures (continued)

Terms and conditions of transactions with related parties

All transactions with related parties are undertaken on the basis of normal member pricing, terms and conditions. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. All amounts receivable or payable are due within 30 days of the reporting date. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2018, the Association recognised provision for expected credit losses of $nil relating to amounts owed by related parties (2017: $nil).

Compensation of key management personnel of the Group

During the year, the Executive Board Members provided all Board governance services to the Parent and subsidiaries for $nil remuneration (2017: $ nil).

Employee key management personnel compensation

	2018	**2017**
	$	**$**
Short-term employee benefits	361,679	345,958
Post-employment benefits	20,049	19,832
Other long-term benefits	2,084	-
Total compensation paid to key management personnel	**383,812**	**365,790**

Total key management personnel compensation for the 2017 comparative has increased from $313,239 reported in 2017. This change has been made to ensure comparability with the 2018 reported amount that includes non-monetary benefits.

20. Commitments and contingencies

Future minimum lease payments due under non-cancellable operating leases

The Group leases motor vehicles and photocopiers under short-term operating leases of up to five years. There are no purchase options within the lease arrangements for these items.

	2018	**2017**
	$	**$**
Within one year	70,097	145,959
After one year but not more than five years	15,418	85,515
	85,515	**231,474**

Capital commitments

At 31 December 2018, the Group had no capital commitments (2017: nil).

Contingencies

There are no contingent assets or contingent liabilities as at the reporting date which would have a material effect on the Group's consolidated financial statements as at 31 December 2018 (2017: $nil).

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

21. Future minimum lease amounts receivable under non-cancellable operating leases

The Group leases part of its owner-occupied premises at 214 Parramatta Road, Burwood to a third-party tenant. There is an option to renew at the end of the current lease term.

The non-cancellable future amounts receivable under this lease are:

	2018	2017
	$	**$**
Within one year	91,789	88,259
After one year but not more than five years	1,538	93,327
	93,327	**181,586**

22. Events after the reporting period

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

23. Auditor's remuneration

The auditor of Motor Traders' Association of New South Wales is Ernst & Young (Australia) (2017: BDO East Coast Partnership).

	2018	2017
	$	**$**
Amounts received or due and receivable by Ernst & Young (Australia) (2017: BDO East Coast Partnership) for:		
An audit of the financial report of the entity	101,000	52,500
Other services	24,500	7,000
	125,500	**59,500**

Auditors remuneration is included in professional fees disclosed in Note 5.2.

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2018

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

	2018	2017
	$	$
Current assets	11,245,858	10,446,009
Non-current assets	6,852,901	6,567,719
Total assets	18,098,759	17,013,728
Current liabilities	3,775,995	3,690,861
Non-current liabilities	33,737	13,162
Total liabilities	3,809,732	3,704,023
Revaluation reserve	-	24,085
Accumulated funds	14,289,027	13,285,620
	14,289,027	**13,309,705**
Surplus of the Parent	624,669	690,710
Other comprehensive income/(loss) of the Parent	-	(258,911)
Total comprehensive income of the Parent	**624,669**	**431,799**

The 2017 comparative amounts for current liabilities and accumulated funds in the Parent entity have decreased and increased by $3,702,179 respectively, from the amounts reported in 2017. Accordingly, member's funds as at 31 December 2017 in the Parent entity have increased by a corresponding amount. This change has been made to reflect the disposal settlement of an investment in an associate that occurred close to the reporting date at 31 December 2016 and was recognised directly in the consolidated Group statement of financial position and not in the Parent entity statement of financial position. There is no revised impact on the Group consolidated financial statements as the transaction was recognised in the Group reporting at the time it occurred.

Contingent liabilities and commitments of the Parent

The parent entity had no contingent liabilities as at 31 December 2018 (2017: $nil).

The future minimum lease payments due under non-cancellable operating leases as at 31 December 2018 amounts to $85,515 (2017: $231,475).

The future minimum lease amounts receivable under non-cancellable operating leases as at 31 December 2018 amounts to $93,327 (2017: $181,586).

Executive Board statement

On 30 May 2019, the Executive Board of Motor Traders' Association of New South Wales passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2018:

The Executive Board declares that in its opinion:

(a) the consolidated financial statements and notes comply with the Australian Accounting Standards;

(b) the consolidated financial statements and notes comply with the reporting guidelines of the Commissioner;

(c) the consolidated financial statements and the notes give a true and fair view of the financial performance, financial position and cash flows of the Association and its controlled entities for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and

(e) during the financial year ended 31 December 2018 and since the end of that year:

  (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

  (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

  (iii) the financial records of the Association have been kept and maintained in accordance with the *RO Act;* and

  (iv) where information has been sought in any request by a member of the Association or Commissioner duly made under section 272 of the *RO Act* has been provided to the member or Commissioner; and

  (v) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *RO Act,* there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period;

(g) 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;

(h) a record has been kept of all monies paid by, or collected from, members and all monies so paid or collected have been credited to the bank account to which these monies are to be credited, in accordance with the rules of the Association;

(i) 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;

(j) all loans or other financial benefits granted to persons holding office in the Association were authorised in accordance with the rules;

(k) the register of members of the Association was maintained in accordance with the Act;

(l) meetings of the Executive Board were held during the year ended 31 December 2018 in accordance with the rules of the Association.

Executive Board statement (continued)

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

John Young
Metropolitan Vice-President
Sydney
30 May 2019

Officers' declaration

I, being the President of the Executive Board of Motor Traders' Association of New South Wales Group, declare that the activities below did not occur during the reporting periods ended 31 December 2018 and 31 December 2017:

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern;
- agree to provide financial support to another reporting unit to ensure they continue as a going concern;
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
- receive capitation fees from another reporting unit;
- receive any other revenue from another reporting unit;
- receive revenue via compulsory levies;
- receive donations or grants;
- receive revenue from undertaking recovery of wages activity;
- incur fees as consideration for employers making payroll deductions of membership subscriptions;
- pay capitation fees to another reporting unit;
- pay compulsory levies;
- pay a grant that was $1,000 or less;
- pay a grant that exceeded $1,000;
- pay any wages and salaries employee expenses related to holders of office;
- pay any superannuation employee expenses related to holders of office;
- pay any leave and other entitlements employee expenses related to holders of office;
- pay any separation and redundancy employee expenses related to holders of office;
- pay any other employee expenses related to holders of office;
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit;
- pay a penalty imposed under the *RO Act* or the *Fair Work Act 2009;*
- have a receivable with another reporting unit;
- have a payable with another reporting unit;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions;
- have a payable in respect of legal costs relating to other legal matters;
- have any annual leave employee provisions in respect of holders of office;
- have any long service leave employee provisions in respect of holders of office;
- have any separation and redundancy employee provisions in respect of holders of office;
- have any other employee provisions in respect of holders of office;

Officers' declaration (continued)

- have a fund or account for compulsory levies, voluntary contributions, or as required by the rules of the organisation;
- in relation to funds or accounts for compulsory levies, voluntary contributions, or as required by the rules of the organisation, transfer to or withdraw from a fund (other than the general fund), or an account, asset or controlled entity;
- in relation to funds or accounts for compulsory levies, voluntary contributions, or as required by the rules of the organisation, have a balance within the general fund;
- have another entity administer the financial affairs of the reporting unit;
- make a payment to a former related party of the reporting unit;
- pay any separation and redundancy employee expenses related to employees (other than holders of offices);
- have any employee provisions in respect of employees (other than holders of offices) for separation and redundancy;
- have any employee provisions in respect of employees (other than holders of offices) for other employee provisions.

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

David Keats
President of the Executive Board
Sydney
30 May 2019

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Independent Auditor's Report to the Members of Motor Traders' Association of New South Wales

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Traders' Association of New South Wales and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in members' funds and consolidated statement of cash flows for the year ended 31 December 2018, notes to the consolidated financial statements, including a summary of significant accounting policies, the Executive Board Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Motor Traders' Association of New South Wales as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

(a) the Australian Accounting Standards; and

(b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

Basis for Opinion

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

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

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

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

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

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

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

Responsibilities of the Executive Board for the Financial Report

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

In preparing the financial report, the Executive Board is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Ernst & Young

Ernst & Young

James Karekinian
Partner
Sydney, Australia
May 30, 2019
Registration number (as registered by the RO Commissioner under the RO Act): AA2019/6

Detailed income statement of the Parent entity

For the year ended 31 December 2018

	2018	2017
	$	$
Revenues		
Membership subscriptions	3,068,308	3,208,673
Commission income	63,387	77,168
Stationery and merchandise sales	320,408	432,739
Interest received	234,124	91,940
Training services	4,525,002	3,875,506
Dividend income	-	11,750
Rental income	87,970	84,587
Sponsored advertising income	139,545	21,074
Other revenue	125,464	92,157
Total revenues	**8,564,208**	**7,895,594**
Expenses		
Cost of sales:		
Cost of stationery sales	165,005	186,497
Stock obsolescence	-	374
	165,005	186,871
Depreciation:		
Furniture, fittings and equipment	116,453	178,222
Motor vehicles	164,234	32,273
Freehold land and buildings	32,727	-
	313,414	210,495
Employment related expense:		
Wages and salaries	3,588,656	2,999,614
Superannuation	357,135	308,462
Wages and salaries - salary sacrifice	95,394	151,458
Payroll tax	222,484	182,435
Workers compensation	25,407	19,315
Long service leave	3,569	48,580
Annual leave	328,600	243,403
Staff amenities	49,774	14,622
Staff recruitment	18,790	60,929
Staff training	48,980	27,313
Fringe benefits tax	83,715	91,403
Contractor costs	137,850	157,281
	4,960,354	4,304,815

Detailed income statement of the Parent entity (continued)

For the year ended 31 December 2018

	2018	2017
	$	$
Expenses (continued)		
Occupancy and equipment expenses:		
Office expenses	14,895	15,123
Cleaning	51,786	50,720
Waste disposal	5,925	8,231
Electricity	35,511	31,170
Rates and taxes - 214 Parramatta	17,805	17,064
R & M - 214 Parramatta	30,380	91,142
Printing and copying	13,326	12,492
Computer consumables	25,390	28,202
Expense payment - FBT - BS	2,490	2,209
Expense payment - FBT - PC	3,412	2,877
Expense payment - FBT - SY	278	-
Self storage unit rental	-	7,302
Shelf storage space	48,266	62,479
MV - Petrol	123,861	75,106
MV - Insurance	25,600	31,875
MV - R & M	41,722	19,231
MV - Rego	20,172	6,319
MV - CTP	12,610	5,162
	473,429	466,704
Operating lease expense:		
Equipment rentals	13,507	13,227
MV - Leasing	124,075	192,725
	137,582	205,952
Affiliation fees:		
MTAA subscriptions	172,500	31,500
AMIF subscriptions	-	126,000
	172,500	157,500
Travel expenses:		
Travel/Airfares	70,494	89,550
Travel - Gov. council	10,915	5,795
Travel EB	17,466	30,192
Accommodation	117,979	104,217
Meals	46,456	41,076
Room hire	2,750	-
Entertainment - FBT - Tips	45	90
Entertainment - FBT - Rec	-	391
Entertainment - FBT - Meals	9,463	20,969
Entertainment - Non FBT	3,760	5,400
	279,328	297,680

Detailed income statement of the Parent entity (continued)

For the year ended 31 December 2018

	2018	2017
	$	$
Expenses (continued)		
Administrative and meetings expenses:		
Bank charges - Merchant fees	10,136	13,132
Bank charges - Other	4,012	3,681
Bank charges - Paypal	562	1,594
CVIAA subscriptions	7,810	2,553
Couriers	-	84
Entertainment - FBT - Gov. council	126	-
Entertainment - FBT - Executive Board	1,362	-
Meetings	8,510	3,286
AGM costs	14,285	2,876
Meetings - Executive Board	2,511	4,076
Meetings - Gov. Council	3,471	391
Office stationery	16,432	13,933
Postage	56,479	64,269
Telephone - General	19,712	14,645
Telephone - Mobile	39,419	24,675
Telephone - Faxstream	4,613	2,957
Telephone - Internet	22,536	31,108
Website maintenance	23,324	9,833
	235,300	193,093
Marketing expenses:		
General advertising	-	5,192
Meetings - Gov. Council	2,099	1,827
Conferences and seminars	3,129	987
Consumer campaign	76,712	-
Publications and subscriptions	25,298	9,574
Member services	156,844	93,112
MTA - Information nights	24,005	13,286
Magazine	40,377	72,854
E Journal	536	1,376
Marketing expenses	268,430	190,644
	597,430	388,852
Training expenses:		
Training exp - Air conditioning	6,717	14,074
Training exp - General	631	-
Training - Light vehicle app	71,813	48,513
Industrial library	4,451	4,136
Industrial training	-	16,212
Industrial training OHS	757	9,418
	84,369	92,353

Detailed income statement of the Parent entity (continued)

For the year ended 31 December 2018

	2018 $	2017 $
Expenses (continued)		
Professional fees:		
Audit and accounting fees	95,867	88,863
Consultancy fees	20,030	69,909
	115,897	158,772
Other expenses:		
Council secretary fees	-	3,530
Bad debts and collection	90,530	19,836
Human resources	45,397	10,134
Insurance	57,319	40,248
Sponsorship costs	-	2,500
Jobready	14,886	11,874
Awards	-	651
Loss on revaluation of listed equities	90	-
Loss on disposal of property, plant and equipment	27,507	-
Sundry	8,309	-
	244,038	88,773
Donations:		
Total paid that were $1,000 or less	-	1,700
Total paid that exceeded $1,000	18,000	-
	18,000	1,700
Finance costs:		
Bank charges - Line fees	12,383	10,803
Borrowing costs	15,211	3,009
	27,594	13,812
Legal costs:		
Related to litigation and compensation	88,359	390,811
Related to other matters	26,940	46,701
	115,299	437,512
Total expenses	**7,939,539**	**7,204,884**
Surplus before tax	**624,669**	**690,710**