

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

FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2017

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

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INDEPENDENT AUDITOR'S REPORT

To the members of Motor Trades Association of Queensland Industrial Organisation of Employers

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Motor Trades Association of Queensland Industrial Organisation of Employers (the reporting unit), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial report, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion the accompanying financial report of Motor Trades Association of Queensland Industrial Organisation of Employers, presents fairly, in all material respects the reporting unit's financial position as at 30 June 2017 and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

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

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note s in the preparation of the financial statements is appropriate.

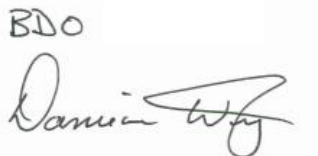
Responsibilities

The Committee of Management is responsible for the preparation and fair presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Declaration by the auditor

I, D P Wright, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

BDO Audit Pty Ltd



BDO
D P Wright

D P Wright
Director

Brisbane, 16 October 2017

Registration number (as registered by the RO Commissioner under the Act): AA2017/46

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

OPERATING REPORT

This operating report covers the results of those activities that were provided for the Motor Trades Association of Queensland Industrial Organisation of Employers ('the federal reporting unit') for the financial period which ended on 30 June 2017.

1. Principal activities and results

(a) The federal reporting unit operates as an organisation of employers registered under the Fair Work (Registered Organisations) Act 2009 (Cth).

(b) The principal activities of the federal reporting unit fell into the following categories:

- To promote, advance and protect the interest of the motor vehicle industry and associated trades or businesses in Queensland and to conserve the interest of Members;
- To advocate, advance and protect the interests of employers connected with the motor vehicle industry and associated trades or businesses in Queensland;
- To consider and deal with any questions relevant to the motor vehicle industry and associated trades or businesses;
- To participate in, promote and encourage all forms of education and training supportive of the development of the motor vehicle industry and associated trades or businesses in Queensland; and
- To do any such other lawful things as may appear to be incidental or conducive to the above objects of any of them.

(c) There have been no significant changes in the nature of the principal activities of the federal reporting unit in the financial period ending 30 June 2017.

(d) The federal reporting unit has achieved satisfactory results from the above activities.

2. Significant Changes to the Financial affairs

There was a significant change to the financial activities of the federal reporting unit for the financial period ended on 30 June 2017 because on the 6th December 2016 the associated State body was deregistered and all assets and liabilities were transferred over to the Federal Body.

3. Details of the right of members to resign

A member may resign in writing in accordance with Rule 3.8 of the Rules of the federal reporting unit, as follows:

(a) A Member may resign from MTA Queensland upon giving written notice of the Member's intention to do so, addressed and delivered to the Secretary of MTA Queensland.

(b) A notice of termination from MTA Queensland takes effect:

(i) where the Member ceases to be eligible to become a Member of MTA Queensland:

(a) on the day on which the notice is received by the Member; or

(b) on the day specified in the notice, which is a day not earlier than the day when the Member ceases to be eligible to become a Member; whichever is later; or

(ii) in any other case:

(a) at the end of two (2) weeks after the notice is received by the Member; or

(b) on the day specified in the notice, whichever is later.

4. Details of any officer or member who is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

5. Number of members recorded on the register of members

The number of members recorded on the register of members as at 30 June 2017 was 1,205.

6. Number of employees (full-time equivalent basis)

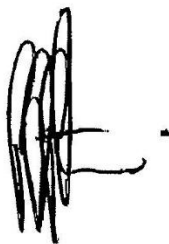
As a result of the deregistration of the associated state body, the federal reporting unit had 69.5 employees.

7. Details of persons who were a member of the committee of management

For the period of 1 July 2016 to 30 June 2017 the federal reporting unit's Committee of Management comprised of the following persons:

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

Name of officer (in full)	Title of office	Last date of election declaration or appointment
David Keith Fraser	Chairman MTAQ Chairman Qld Farm & Industrial Machinery Dealers Division	1 July 2016 to 30 June 2017
Benjamin Russell Chesterfield	Board Member MTAQ Chairman National Auto Collision Alliance	1 July 2016 to 30 June 2017
Paul John Peterson	Secretary MTAQ Chairman Qld Motorcycle Industry Division	1 July 2016 to 30 June 2017
Mark Bryers	Vice Chairman MTAQ Board Member MTAQ Chairman Engine Reconditioners Association of Qld	1 July 2016 to 30 June 2017
Rodney Graham Pether	Board Member MTAQ North Qld District Representative	1 July 2016 to 30 June 2017
John Frederick Ruddick	Board Member MTAQ Chairman Tyre and Undercar Division	1 July 2016 to 28 October 2016
Brad Collett	Board Member MTAQ Chairman Tyre and Undercar Division	29 October 2016 to 30 June 2017
Mark David Dodge	Board Member MTAQ Far North Qld District Representative Chairman Automotive Engineers Division	1 July 2016 to 30 June 2017
James Sturgess	Board Member MTAQ Chairman Australian Automotive Dealers Association Qld	1 July 2016 to 30 June 2017
Lawrence John Beacham	Board Member MTAQ Chairman Automotive Parts Recyclers Division	1 July 2016 to 30 June 2017
Michael Edward Kennedy	Board Member MTAQ Chairman Automotive Remarketing Division	1 July 2016 to 28 October 2016
Christopher Andrew Ching	Board Member MTAQ Chairman Rental Vehicle Industry Division	1 July 2016 to 30 June 2017
Timothy Joseph Kane	Board Member MTAQ Chairman Service Station and Convenience Store Association Qld	1 July 2016 to 30 June 2017
James William George Robertson	Board Member MTAQ Central District Representative	1 July 2016 to 30 June 2017



Paul John Peterson

Secretary Dated: 16 October 2017

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2017

On 09 November 2017 the MTA Queensland Board of *Motor Trades Association of Queensland Industrial Organisation of Employers* passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 30 June 2017:

The MTA Queensland Board declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial period to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial period to which the GPFR relates and since the end of that period:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations 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

This declaration is made in accordance with a resolution of the Committee of Management.

Signed on behalf of the Committee of Management:



David Fraser

Chairman

16th October 2017 Brisbane



Paul Peterson

Secretary

16th October 2017 Brisbane

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2017

	Notes	7 December 2016 to 30 June 2017 \$
Revenue		
Membership subscription		655,858
Interest	3C	15,801
Training Services		4,071,527
Other revenue		495,358
Total revenue		5,238,544
Expenses		
Employee expenses	4A	(3,680,922)
Administration expenses	4D	(805,453)
Grants or donations	4E	-
Depreciation and amortisation	4F	(200,933)
Finance costs	4G	(3,821)
Legal costs	4H	(14,150)
Audit fees	13	(25,382)
Insurance		(40,091)
Motor Vehicle		(192,126)
Write-down and impairment of assets	4I	(186,083)
Cost of goods sold		(318,291)
Total expenses		(5,467,252)
Surplus (deficit) for the period		(228,708)
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Revaluation of available for sale investments		78,134
Total comprehensive income/(loss) for the period		(150,574)

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	30 June 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	5A	2,221,673
Trade and other receivables	5B	1,669,114
Asset held for sale	5C	1,995,000
Inventory		66,634
Other current assets	5D	158,775
Total current assets		6,111,196
Non-Current Assets		
Land and buildings	6A	7,945,108
Plant and equipment	6B	738,671
Intangibles	6C	59,746
Other investments	6D	1,771,078
Total non-current assets		10,514,603
Total assets		16,625,799
LIABILITIES		
Current Liabilities		
Trade payables	7A	586,164
Other payables	7B	1,261,645
Employee provisions	8A	594,904
Total current liabilities		2,442,713
Non-Current Liabilities		
Employee provisions	8A	131,904
Total non-current liabilities		131,904
Total liabilities		2,571,617
Net assets		14,051,182
EQUITY		
Reserves	9	234,080
Retained earnings (accumulated deficit)		13,817,102
Total equity		14,051,182

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017**

	Notes	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2016		-	-	-
Transfer of net assets upon deregistration with Industrial Relations Act 2016	17	155,946	14,045,810	14,201,756
Surplus / (deficit)		-	(228,708)	(228,708)
Other comprehensive income		78,134	-	78,134
Closing balance as at 30 June 2017		234,080	13,817,102	14,051,182

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2017

	7 December 2016 to 30 June 2017
Notes	\$
Cash Flows From Operating Activities	
Receipts from customers	5,838,575
Dividends received	24,117
Finance costs paid	(3,821)
Interest received	15,801
Payments to suppliers and employees	(5,338,046)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	536,626
10A	<u>536,626</u>
Cash Flows From Investing Activities	
Proceeds from sale of investments	328,467
Payment for property, plant and equipment	(80,613)
Payments for Investments	(396,621)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(148,767)
	<u>(148,767)</u>
Net Increase / (Decrease) in cash and cash equivalents	387,859
Cash and cash equivalents at the beginning of the period	1,833,814
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,221,673
5A	<u><u>2,221,673</u></u>

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

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FOR THE PERIOD ENDED 30 JUNE 2017

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

MTAQ held dual registration, i.e. registered under the Fair Work (Registered Organisation) Act 2009 and Industrial Relations Act 2016. MTAQ deregistered from Industrial Relations Act 2016 on 6 December 2016. Accordingly, the assets and liabilities were transferred to across at their book value to the federally registered organisation upon deregistration and the profit or loss numbers are for the period 7 December 2016 to 30 June 2017. No assets or liabilities were acquired from an amalgamation, restructure, determination under s245 or revocation under s249.

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

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. There are no comparative numbers due to the organisation changing its registration during the period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

1.5 Revenue

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

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

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

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that Motor Trades of Association of Queensland will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Motor Trades Association of Queensland Industrial Organisation of Employers recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Motor Trades Association of Queensland Industrial Organisation of Employers should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Motor Trades Association of Queensland Industrial Organisation of Employers with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the period to which it relates.

1.9 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.11 Borrowing costs

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

1.12 Cash

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

1.13 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

Fair value through profit or loss

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other financial liabilities

- Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.
- Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

- The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.16 Contingent Liabilities and Contingent Assets

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

1.17 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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

Depreciation

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

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

	2017
Buildings	40 periods
Plant and equipment	2 to 7 periods
Motor Vehicles	3 periods
Leased Assets	5 periods
Fixture and Fittings	5 periods

Derecognition

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

1.18 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.19 Impairment of non-financial assets

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

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

1.20 Non-current assets held for sale

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

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

1.21 Taxation

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

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

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

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

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

1.22 Fair value measurement

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

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

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

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

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

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

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

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

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

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

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

1.23 Going concern

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

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

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Motor Trades Association of Queensland Industrial Organisation of Employers.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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\$

Note 3 Income

Note 3A: Capitation fees*

Nil	-
Total capitation fees	-

Note 3B: Levies*

Nil	-
Total levies	-

Note 3C: Interest

Deposits	15,801
Total interest	15,801

Note 3D: Grants or donations*

Grants	-
Donations	-
Total grants or donations	-

Note 3D: Other financial support

Nil

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	612,575
Superannuation	53,356
Leave and other entitlements	50,941
Separation and redundancies	-
Other employee expenses	-
Subtotal employee expenses holders of office	716,872

Employees other than office holders:

Wages and salaries	2,112,211
Superannuation	378,100
Leave and other entitlements	232,060
Separation and redundancies	-
Other employee expenses	241,679
Subtotal employee expenses employees other than office holders	2,964,050
Total employee expenses	3,680,922

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	7 December 2016 to 30 June 2017 \$
Note 4B: Capitation fees	
Nil	-
Total capitation fees	<u>-</u>
Note 4C: Affiliation fees	
Nil	-
Total affiliation fees/subscriptions	<u>-</u>
Note 4D: Administration expenses	
Consideration to employers for payroll deductions*	-
Compulsory levies*	-
Fees/allowances - meeting and conferences*	-
Conference and meeting expenses*	-
Contractors/consultants	133,946
Office expenses	169,099
Information communications technology	102,912
Other	399,496
Total administration expenses	<u><u>805,453</u></u>
Note 4E: Grants or donations	
Grants:	
Total paid that were \$1,000 or less	-
Total paid that exceeded \$1,000	-
Donations:	
Total paid that were \$1,000 or less	-
Total paid that exceeded \$1,000	-
Total grants or donations	<u>-</u>
Note 4F: Depreciation and amortisation	
Depreciation	
Land & buildings	108,191
Property, plant and equipment	77,678
Total depreciation	<u>185,869</u>
Amortisation	
Intangibles	15,064
Total amortisation	<u>15,064</u>
Total depreciation and amortisation	<u><u>200,933</u></u>

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	7 December 2016 to 30 June 2017
	\$
Note 4G: Finance costs	
Finance leases	-
Overdrafts/loans	3,821
Unwinding of discount	-
Total finance costs	3,821
Note 4H: Legal costs*	
Litigation	-
Other legal matters	14,150
Total legal costs	14,150
Note 4I: Write-down and impairment of assets	
Asset write-downs and impairments of:	
Available for sale financial asset	186,083
Total write-down and impairment of assets	186,083
Note 4K: Other expenses	
Penalties - via RO Act or RO Regulations	-
Total other expenses	-
Note 5 Current Assets	
Note 5A: Cash and Cash Equivalentents	
Cash at bank	512,322
Cash on hand	700
Short term deposits	1,708,651
Total cash and cash equivalentents	2,221,673
Note 5B: Trade and Other Receivables	
Trade Receivables	545,724
Less: Provision for doubtful debts	(40,193)
	505,531
Receivables from other entities[s]*	-
Receivables from other reporting unit(s)	-

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Other receivables:

GST receivable	-
Other trade receivables	1,163,583
Total other receivables	1,163,583
Total trade and other receivables (net)	1,669,114

Note 5C: Asset held for sale

Units in MTAA House Unit Trust at director's valuation	1,995,000
Total other current assets	1,995,000

Note 5D: Other Current Assets

Prepayments	158,775
Total other current assets	158,775

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:

at cost	8,981,209
accumulated depreciation	(1,036,101)
Total land and buildings	7,945,108

Reconciliation of Opening and Closing Balances of Land and Buildings

Book value - 7 December 2017	8,053,299
Additions:	
By purchase	-
Depreciation expense	(108,191)
Disposals	-
Net book value 30 June 2017	7,945,108

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Note 6 Non-current Assets

Note 6B: Plant and equipment

Plant and equipment:

at cost 2,010,890
accumulated depreciation (1,272,219)

Total plant and equipment 738,671

Reconciliation of Opening and Closing Balances of Plant and Equipment

Book value 7 December 2017	744,066
Additions	72,383
Disposals	-
Impairment	-
Depreciation expense	(77,678)
Net book value 30 June 2017	738,671

Note 6C: Intangibles

Computer software at cost: 74,810
accumulated amortisation (15,064)

Total intangibles 59,746

Reconciliation of Opening and Closing Balances of Intangibles

Book Value - 7 December 2017	66,480
Additions	8,330
Disposals	-
Amortisation	(15,064)
Net book value 30 June 2017	59,746

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	7 December 2016 to 30 June 2017
	\$
Note 6D: Other Investments	
Shares in MTAQ	1
Dalton Nicol Reid Portfolio	1,771,077
Units in MTAA House Unit Trust at director's valuation	-
Total other investments	1,771,078
Note 7 Current Liabilities	
Note 7A: Trade payables	
Trade creditors and accruals	586,164
Operating lease rentals	-
	586,164
Payables to other reporting unit[s]	
Nil	-
Subtotal payables to other reporting unit[s]	-
Total trade payables	586,164
Note 7B: Other payables	
Wages and salaries	-
Superannuation	-
Consideration to employers for payroll deductions*	-
Legal costs*	
Litigation	-
Other legal matters	-
Prepayments received/unearned revenue	1,186,240
GST payable	72,633
Other	2,772
Total other payables	1,261,645
Total other payables are expected to be settled in:	
No more than 12 months	1,261,645
More than 12 months	-
Total other payables	1,261,645

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	7 December 2016 to 30 June 2017 \$
Note 8 Provisions	
Note 8A: Employee Provisions	
Office-holders	
Annual leave	-
Long service leave	-
Separation and redundancy	-
Other employee matters	-
	<hr/>
	-
Employees other than office holders:	
Annual leave	323,651
Long service leave	403,157
Separation and redundancy	-
Other employee matters	-
Subtotal employee provisions—employees other than office holders	726,808
Total employee provisions	726,808
	<hr/>
Current	594,904
Non-Current	131,904
Total employee provisions	726,808
	<hr/>
Note 9 Equity	
Note 9A: Funds	
Reserves	
Balance as at start of period	55,762
Revaluation increments/(decrements) - Dalton Nicol Reid Portfolio	178,318
Balance as at end of period	234,080
Total Reserves	234,080
	<hr/>
Note 9B: Other Specific disclosures - Funds	
Compulsory levy/voluntary contribution fund - if invested in assets	
Nil	-

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

Profit/(deficit) for the period	(228,708)
Adjustments for non-cash items	
Depreciation/amortisation	200,933
Net write-down of available for sale financial assets	186,083
Changes in assets/liabilities	
(Increase)/decrease in net receivables	(533,586)
(Increase)/decrease in Inventory	34,205
Increase/(decrease) in trade and other payables	887,235
Increase/(decrease) in provisions	(9,536)
Net cash from (used by) operating activities	536,626

Note 10B: Cash flow information

Cash inflows	
Nil	-
Total cash inflows	-
Cash outflows	
Nil	-
Total cash outflows	-

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Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

The operating leases comprise of motor vehicles and computer equipment. The term of the operating lease ranges between 1 to 5 years.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2017 are:

Within one period	110,895
After one period but not more than five periods	130,459
More than five periods	1,174
	<u>251,528</u>

Capital commitments

At 30 June 2017 the entity has no commitments.

Other contingent assets or liabilities (i.e. legal claims)

There are no contingent liabilities as at 30 June 2017.

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

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

Director fees paid during the reporting period were \$47,290.

Apart from the above, there are no other Related Party Transaction during the financial period ended 30 June 2017.

Names of Officers who held office during the period are:

David Fraser	Michael Kennedy
Paul Peterson	Chris Ching
Mark Brady	Rodney Pether
Thomas Mangan	James Robertson
Mark Bryers	Allan Bonsall
Mark Dodge	Robert Lawrence
Stephen Eaton	Ben Chesterfield
Lawrence Beacham	Brad Collett
John Ruddick	James Sturges
Timothy Kane	

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits	
Salaries	612,575
Annual leave	42,066
Performance bonus	-
Total short-term employee benefits	654,641
Post-employment benefits:	
Superannuation	53,356
Total post-employment benefits	53,356
Other long-term benefits:	
Long-service leave	8,875
Total other long-term benefits	8,875
Termination benefits	-
Total	716,872
Note 13 Remuneration of Auditors	
Value of the services provided	
Audit of financial statements	42,883
Total remuneration of auditors	42,883

Note 14 Financial Instruments

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

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Note 14A: Categories of Financial Instruments

Financial assets

Cash and cash equivalents	2,221,672
Trade and other receivables	1,669,114
Asset held for sale	1,995,000
Other current assets	158,775
Carrying amount of financial assets	6,044,561

Financial liabilities

Trade payables	586,164
Other payables - unearned income	1,261,645
Carrying amount of financial assets	1,847,809

Note 14B: Credit Risk

The maximum exposure to credit risk at balance date is as follows:

Trade Receivables	545,724
Total	545,724

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due not impaired 2017	Past due not impaired 2017
	\$	\$
Trade Receivables	322,357	223,367
Total	322,357	223,367

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade Receivables	322,357	63,808	33,798	125,761	545,724
Total	322,357	63,808	33,798	125,761	545,724

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

Note 14C: Liquidity Risk

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

Maturity Analysis - 30 June 2017

	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$
Financial Liabilities					
Trade and other payables	586,164	586,164	586,164	-	-

Note 14D: Market Risk

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk. As at 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	7 December 2016 to 30 June 2017 \$
Change in profit/(loss)	\$
- Increase in interest rate by 2%	(4,574)
-Decrease in interest rate by 2%	4,574

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the branch is not exposed to fluctuations in foreign exchange.

Note 15 Fair Value Measurement

Note 15A: Financial Assets and Liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at [period-end date] was assessed to be insignificant.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at [period-end reporting date] the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2017 \$	Fair value 2017 \$
Unit in MTAA House Unit Trust	1,995,000	1,995,000
Dalton Nicol Reid Share Portfolio	1,771,078	1,771,078
Total	3,766,078	3,766,078

Note 15B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

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

Fair value hierarchy - 30 June 2017

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Asset Held for Sale - Units in MTAA House Unit	30 June 2017	-	-	1,995,000
Dalton Nicol Reid Share Portfolio	30 June 2017	1,771,078	-	-
Total		1,771,078	-	1,995,000

Note 15C: Description of Significant Unobservable Inputs

Valuation processes for Level 3 fair values

MTAQ's investment in the MTAA House Unit Trust is valued based on net assets of the trust multiplied by no. of units held at 30 June 2017. The majority of the net assets within the MTAA House Unit Trust relate to investment property, of which the Unit Trust regularly engages external, independent and qualified valuers to determine the fair value of the investment property.

A significant increase (decrease) net assets of value of MTAA House Unit Trust in isolation would result in a significantly higher (lower) fair value.

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

Note 17: Transfer of assets and liabilities

Motor Trades Association of Queensland Industrial Organisation of Employers deregistered from Industrial Relations Act 2016 on 6 December 2016. Accordingly, the assets and liabilities were transferred across at their book value to the federally registered organisation upon deregistration. Listed below are the book value of assets and liabilities at the date of transfer: -

MOTOR TRADES ASSOCIATION OF QUEENSLAND INDUSTRIAL ORGANISATION OF EMPLOYERS

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017**

	Opening balance 07-Dec-17
ASSETS	
Current Assets	
Cash and cash equivalents	1,833,814
Trade and other receivables	1,168,632
Inventory	100,840
Other current assets	125,671
Total current assets	3,228,957
Non-Current Assets	
Land and buildings	8,053,299
Plant and equipment	744,066
Intangibles	66,480
Other investments	3,805,872
Total non-current assets	12,669,717
Total assets	15,898,674
LIABILITIES	
Current Liabilities	
Trade payables	319,497
Other payables	641,077
Employee provisions	398,360
Total current liabilities	1,358,934
Non-Current Liabilities	
Employee provisions	337,984
Total non-current liabilities	337,984
Total liabilities	1,696,918
Net assets	14,201,756

NOTE 18: Registered office

Building 8
2728 Logan Road
Eight Mile Plains
QLD 4113