

MOTOR TRADE ASSOCIATION INC.

ANNUAL REPORT

2016







Contents

President's Report	02
Chief Executive's Report	03
Engagement	04
Branding.....	06
Member Services	08
Member Facts	10
Advocacy.....	11
Skills Shortage	12
Financials.....	13

A day in the life...

Arnold and Kaye Hancock bought Caltex Alexandra in 2004 and five years later they were joined by their daughter Jolanda and her husband Matt William. Together they're making sure the site reaches its full potential.

The family have revamped the convenience store, demolished one building, built a new two-storey retail building and added a separate state-of-the-art touch-free car wash.

Matt and Jolanda are trying out new ideas taking advantage of the conferences, workshops and products offered by Fix and buying group No8. "It's given us the confidence to try new things," said Jolanda.

"We introduced new fresh food and it's really taken off. In the first month food sales almost doubled. Sales have now settled to a steady 50 percent above those of a year ago," she said. [Radiator member profile March 2016].

President's Report

I am delighted to present this year's annual report. It shows we are in a strong financial position and are now structured and positioned to strengthen our leadership within the motor industry.

We have also been looking at the future. If technology evolves and patterns of vehicle ownership change as predicted, we will need to adapt our skills and businesses to meet the new needs of the motoring world. We are already seeing change as more hybrids, EV and vehicles armed with driver-assist technology enter our markets. If we add to that the concepts of car sharing and a new generation that has no real affinity for cars, this change will also affect the way cars are bought and used. We have seen change before – remember the days when somebody suggested a car would have a computer in it? MTA will be there beside you, helping you take advantage of the changes and supporting you while you adapt.

To prepare us for this new environment, MTA this year took a close look at its long-term planning to identify and prioritise our work and our goals. Our activities will all link to creating a sustainable business advantage for members. We have narrowed our strategic focus to: members, advocacy, brand and finances. Supporting these 'pillars', are positioning statements of success:

- to enhance vehicle safety
- to improve the health of member's businesses.

During the year, our CEO Warwick Quinn left us to lead BCITO. However, we had a well-qualified replacement on the wing – with Craig Pomare (former Members Services General Manager) able to pick up the ball and accelerate the play.

He and I have been working closely together in the past few months to build on our relationship with Dekra – our partners in VTNZ. We are looking for ways we can work together for the benefit of members and VTNZ. Our businesses can be complementary if we open our minds to future opportunities.

Financially, MTA ends the year in great shape thanks largely to the strength and diversity of our investments. We continue to prudently build our reserves to be sure we are prepared for all contingencies. Pleasingly, the New Zealand economy is doing well in most sectors. Hopefully, this is also being reflected in your business.

I would like to thank my Vice-President, Jim Gibbons,

fellow Board members Judy Lange, Bob Boniface, Tony Allen, Samantha Sharif and Mark Darrow, committee members, regional executives, our CEO, Craig Pomare, and his assistant, Jennie Mills, and all the MTA team for their hard work. It has taken a lot of discussion, planning, negotiation and continued commitment to our goals to achieve the successes of the year, and more importantly to position ourselves for the future.

Finally, the planning is underway for the massive MTA100 celebration next April to which you are all invited. Our cover image is a sneak preview of the autonomous electric concept car, the Budii, designed and built by the world-renowned Swiss automotive company Rinspeed. This car has recently toured the world's biggest car shows and we are bringing it to Wellington for our centenary. Book early because we are also inviting the rest of New Zealand to come and see it and take part in our MTA100.

Dave Harris



Chief Executive's Report

One of the most important questions I ask myself most days, is 'Are we making a difference?'

MTA is an organisation made up of 4,000 member businesses, and our role is make sure we add value to your businesses. For the first time in recent years, we've carried out a survey to find out if you think we are making difference. It was great to see: 61 percent of you agree or agree strongly that your business is more successful as a result of being an MTA member.

For three quarters of you, our sector information and MTA brand are the most useful benefits, while two thirds of you particularly valued our products, education training and development, and HR advice. Around half of you put a high rating on our mediation advice, discounted products and legal advice. I am grateful for the 800 responses we had to this survey and for the additional time many of you took to provide comments. This one gave us the sort of feedback that helps us get out of bed in the morning.

"HR has been a great help with setting up contracts, we have also had legal advice. The MTA toolbox is awesome, especially helpful at the moment with H & S. I would also recommend going to conference as the workshop sessions are very helpful and meeting new and old acquaintances is always good. Hearing what other people recommend in their workshops is always interesting."

(MTA Workshop Member)

The survey has been extremely useful in helping to measure our performance. It shows we are doing well, but it also shows where we can do better.

"MTA needs to remember its roots are with its members NOT the motoring public and focus more on the member than keeping Joe Public happy.... Member business sustainability is something the MTA should be worried about." (MTA Workshop Member)

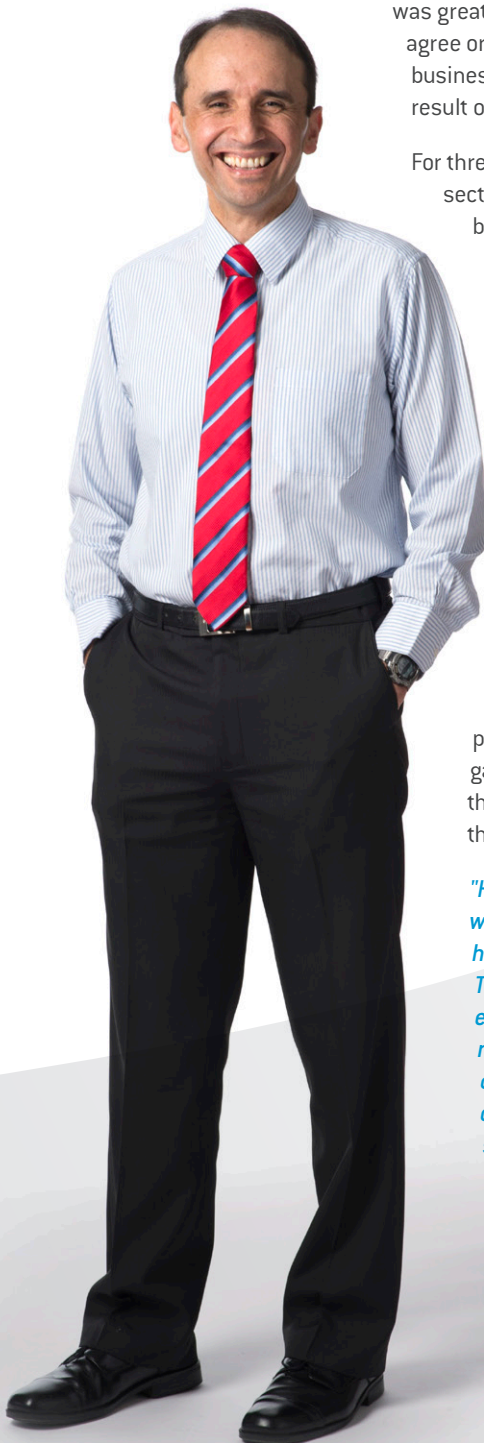
We are listening. It is member feedback that has helped shape our new strategy and the resulting work programme. Members have made it clear they want us to focus on improving vehicle safety and continuing to add value to members' businesses. Over the next few years we will be concentrating specifically on finding ways to address the current skills shortages, helping members to obtain the technical repair data they want, promoting the modernisation of our national vehicle fleet, and building our influence within regulatory agencies to improve roadworthiness and compliance.

We have directed staff resources into the work programme and are gaining good traction.

We are working closely with MITO and various government agencies as well as other sector-related organisations and companies to make sure your interests are well-represented.

This report outlines some of the main achievements for the past year.

Craig Pomare

Our Key Strategies

1. Engagement

To be a valued organisation for its members, resulting in a high level of engagement in its activities, and the use of its services and products



Survey Feedback

MTA provides great training offers and social events.
[Collision Repairer]

Region structure in place

By April, MTA's new region structure was operational with part-time coordinators in place to help with their administration and smooth running. The North Island regions are Northern, Eastland, Kaimai, Central West and Cook Strait. In the South Island, the regions are Coast to Coast, Aoraki East Coast and Southern Mainland. The intent behind the new structure was to ease the administrative burden on members and provide more support and resources for training and networking events in the regions.

Training and events

Over the year, almost 180 locally organised events had been held around the country – ranging from social get-togethers to Women in Business, Customer Service, Test and Tag, and Motorcycle Electrical courses.

Some regions are also providing sizeable subsidies for ICar training, Repco Masterclass events and AECS electrical courses.

National Events:

Members made the most of the seven diagnostic training seminars held around the country and led by The Automotive Technicians (TAT) from Australia. Feedback from the 257 attendees was overwhelmingly positive. Members found the information fresh, helpful and useful in adding value to their businesses.

Course feedback included: Course content was very good. The testing procedures shown were clear and simple. A worthwhile course. New ideas for customer contact and service. New ways of approaching difficult diagnosis vehicles and relating to customer. New breakout box to purchase for scanner. Good ideas for ways to recover costs from job.

Around 500 members attended the 50 warrant of fitness courses to update the skills of inspectors. A further 150 members went through our training courses for New Inspectors.



Survey Feedback

MTA is a professional and quality-orientated organisation with an emphasis on training and education. There's a good range of services available for members. MTA also provides a forum for suppliers and members to mix. [Workshop]

Health and safety seminars

Over the year, almost 1600 members took part in one of the 50 health and safety seminars that were held around the country to brief members of their responsibilities under the new Act and provide hints and tips for setting up or updating their workplace health and safety processes. We are delighted with the feedback we've received and how helpful members found our online Toolbox section on health and safety.



Above: Casey Morris and Alex Bilton had recently set up their new business Motorworks Masterton when they attended the MTA seminar. Casey says they found the seminar, the online Toolbox guidance, plus support from their MTA

Business Advisor to be all they needed to set up their processes. "It was really important to us to make sure our new workshop was as safe a working environment as we could make it," said Casey.

2. Branding

To ensure the MTA brand is recognised and understood as a quality mark.



Survey Feedback

The MTA assurance brings confidence for customers to know their cars are being worked on by reputable companies. This brings up business from the public & insurance companies alike. (Workshop)

Much of the past 12 months has focused on leveraging off the new television brand campaign advertisements that were launched at the end of June 2015.

The commercials were developed after new MTA research showed that motorsport personality Greg Murphy no longer resonated with the public.

The research also showed that although our traditional brand attributes of honesty, reliability, trust and experience remained important, motorists also wanted to feel like they were dealing with family-friendly professionals with a high service ethic backed up by all the latest computer technology.

MTA targeted its new commercials at car owners and decision-makers aged 25-59 who adhere to the Warrant of Fitness and servicing requirements of their car.

The new campaign has resulted in a significant shift in MTA's brand position, with improvements in attribution, among women and families especially, towards MTA now being More Professional and More Knowledgeable.

Importantly, the Net Promoter Score from the public has bounced back and reached a new high as the chart below indicates. Immediately following the withdrawal of Greg Murphy our NPS fell sharply, but as our new advertising campaign gained pace, the NPS rose to a high of 30 in the third quarter of the year, before evening out in Q4 at 19.

	BENCHMARK %	2015/16			
		Q1 %	Q2 %	Q3 %	Q4 %
Promoters [9-10]	38	28	31	43	35
Passive [7-8]	46	46	50	44	49
Detractors [0-6]	16	26	19	13	16
NPS (Promoters minus Detractors)	22	2	12	30	19



Facebook comment: I do have a reminder stuck to my refrigerator door.... but it got covered up with my grandchildren's pictures that they drew for me - and I did forget, so, thank you."

WoF campaign

In March, we launched a WoF reminder campaign on our Facebook page which proved extremely successful. At regular intervals we posted an image of that month's Warrant of Fitness sticker and a reminder note. In June, this resulted in almost 6 million 'impressions' by showing up in our followers' Friends feeds. More importantly, over 1100 people Liked' and commented on the posts.

Month	Number Of Followers On Facebook
June 2015	3,867
July 2015	3,909
August 2015	3,920
September 2015	3,942
October 2015	4,597
November 2015	5,083
December 2015	5,343
January 2016	5,323
February 2016	5,465
March 2016	6,241
April 2016	7,510
May 2016	8,331
June 2016	8,379



**Number four
is out the
door!**

April already? If you're rocking a number four, it's time to get your WOF check! Book in with your local MTA provider to check that everything's in tip top shape.

April's Warrant of Fitness Facebook post.

*Showing
eleven?*

**Number four
is out the
door!**

3. Member Services

To be the 'go to' place for benefits that make members more successful



Survey Feedback

MTA provides awesome support to the industry. It's a great tool to make sure you are doing the right thing. Love the Toolbox. (Motorcycle Repairer, Workshop, Service Stations)

Skill Shortage

Toward the end of the financial year, MTA began an ambitious project to understand the drivers of the ongoing issue of skill shortages within our industry and find ways to help members recruit and retain staff.

One of our first steps was to survey members to find out what they were experiencing. We repeated a similar survey carried out in 2006 which gave us something to compare the current situation to. The 2016 survey found that members

had vacancies for 1500 skilled technicians – two thirds of the vacancies were for automotive technicians. However, collision repairers were the worst off with a higher proportion of vacancies.

Our sector has particular difficulty attracting, and keeping, apprentices. The survey showed us that fewer businesses are keen to take on an apprentice. Barriers include a shortage of suitable people and a perception that it takes up too much time to manage them. We will be working with employers and training organisations to find ways to address this issue.



Survey Feedback

Anything I have needed help with, advice, courses or ordering, etc MTA has always been easy to deal with and have all the answers. (Service Stations)



MTA TOOLBOX

The lid of our new online resource the Toolbox was opened in August 2015. The Toolbox contains a wide range of processes, guides and videos covering the core information needed by automotive business owners. It is hosted on the MTA website and topics cover management of staff and apprentices, health and safety, marketing, legal requirements and advice on selling your business.

Members tell us they find the site extremely helpful in all aspects of their business.

"The Toolbox on its own makes my membership of MTA worthwhile. The Toolbox is very helpful. I have found the Toolbox very useful for resources such as employment contracts"

New tools to be added to the Toolbox include resources to help employers train an apprentice, and more sector-specific information.

Total page views:

58,056

Unique page views:

40,915

Average session
[time spent on Toolbox]:

08:10

Unique Users:

2,694



Web upgrade

Over the year we carried out user testing with members using our current website to find out what is working well and what we could do to make it easier to use and navigate. A redesign is now well underway and the new website is expected to be in use by the end of November.

The Toolbox is one of the biggest drawcards to the website. It will be better integrated into the new website – and easier to find. It will also host a new and improved Events Calendar which will integrate with Eventbrite, making it easier to register for region events. We are also improving the Find a Member function so customers can more easily contact a trustworthy automotive expert. This will be faster and easier to navigate.



Survey Feedback

The assistance MTA offers and provides is invaluable to our business. (New Vehicle Dealers, Workshop, Used Vehicle Dealers)



Survey Feedback

Have been a member for many years. Had to use them once for a dispute over the issue of a WOF & their assistance was hugely valuable. (New Vehicle Dealers, Parts, Workshop, Used Vehicle Dealers)

Mediation

Over the year

520

members made calls for advice from the Mediation Team rather than let an issue with a customer get out of hand.

A further

995

calls came in from customers looking for help with a dispute they had with a member. Once again the team was successful in sorting out almost all calls.

23

cases went on to a dispute tribunal hearing

3

and of those, only were found in favour of the complainant.

The results show that mediation helps and MTA members act professionally and responsibly – something we can all take pride in.

Member Facts

Sector Breakdown



2,219
GENERAL
REPAIR



874
SERVICE
STATION



341
PARTS AND
ACCESSORIES



455
USED VEHICLE
DEALER



296
NEW VEHICLE
DEALER



167
COLLISION
REPAIR



112
MOTORCYCLE
REPAIRER



93
VEHICLE
RECOVERY



90
MOTORCYCLE
DEALER

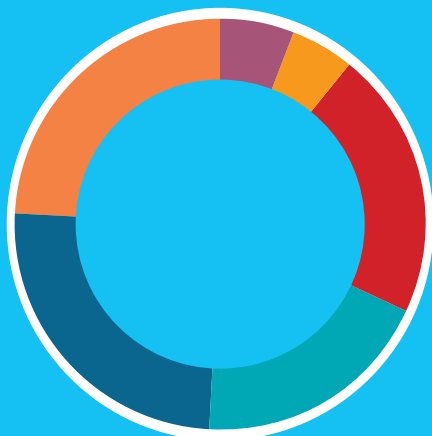


97
VTNZ/OTHER
RETAIL



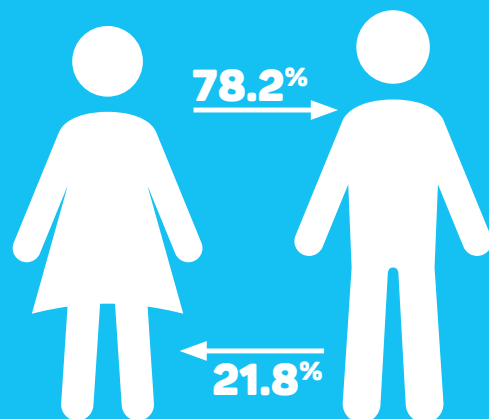
5
TRAINING

How long we've been members



Our gender balance

(owners and staff)



4. Advocacy

To be recognised as the voice of the industry.



Survey Feedback

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We must have a larger effect on government.
(Workshop)

Influencing agendas and action

Much of our advocacy on behalf of members takes place in meetings and discussions with other organisations and government agencies.

We hold regular discussions with the NZ Transport Agency, Ministry of Transport, Commerce Commission, and Ministry for Business, Innovation, and Employment (MBIE manages the Motor Vehicle Register, consumer protection, Worksafe, and labour issues). We also meet with insurance companies, MITO, Motor Industry Association, Automobile Association, and the Financial Services Federation (to name a few).

We are also members of industry or working groups considering issues important to the industry e.g. ACC Vehicle Risk Rating working group, Parts Trader Advisory Group, Oil Security Group, Oil Industry Environmental Working Group, Business NZ Affiliated Industries Group, and the Quadbike Safety Action Group.

Our successes are not always headline grabbers but many lead to improvements in systems or processes that benefit our members. This year's wins include:

- Successfully encouraging NZTA to revise the forms used by members applying to become Inspecting Organisations and speeding up the approval process
- Getting inspection of power distribution systems in electric vehicles added to the agenda for the next review of the Vehicle Inspection Requirements Manual (VIRM)
- Encouraging and supporting MITO to add Vehicle Sales to its available qualifications



5. Skills Shortage



Survey Feedback

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Lack of staff - so many workshops do not take on apprentices. - Lack of fully qualified technicians. - Schools/parents don't seem to promote our trade or think it is a good career choice. Government needs to keep our trade on the "wanted" list for immigrants, the lack of apprentices in the local area ... or for that matter trained techs!

We are working very closely with members, training organisations, schools and relevant government agencies on short-term and long-term solutions to the skills shortage. Our advocacy team is focusing first on lobbying government and agencies to bring automotive technicians back onto Immigration's immediate skill shortage list.



Survey Feedback

.....

The lack of good qualified people with Trade Certs at the moment. The MTA needs to be more proactive regarding promotion of the motor trade as a good way to make a living, especially the trade side of things.



New Sales Qualification

From April, people selling vehicles can study for a nationally recognised qualification.

MTA worked with MITO to introduce the National Certificate in Sales (Level 3) for staff who are new to, or already in, vehicle sales.

The training programme covers the sales process, how to target customers, build relationships and meet customer needs. There's also a strong focus on consumer and credit laws.

(Centre left) MTA Dealer Committee Chair Mike Farmer (also Managing Director, Farmer Motor Group) was one of those who pushed for the introduction of a formal qualification.

"MVDI used to have a certification process for someone to become a registered salesperson but that was disbanded when the MVDI Act was repealed in 2003. The new programme provides formal, national and standardised training which will be recognised by the industry and complement other training provided to sales staff."



6. Financials

To be an efficient organisation that is financially sustainable

Our long-term goal is to ensure that members gain as much benefit as possible from our investment strategy, our sponsorship of major MTA events, and our organisational efficiency.

One of our major investments is our 40 percent shareholding in Dekra New Zealand, which paid a dividend of \$1.8m this year. During the year, we worked closely with Dekra to encourage members to consider the mutual benefits we believe exist within the two automotive operations. This extends to encouraging MTA members to consider what efficiencies they could gain within their businesses if they outsourced their WoF inspections to a nearby VTNZ.

MTA National Office

With the sale of our property at 79 Taranaki Street, Wellington completed, MTA took a lease on an office floor in Manners Street and moved at the end of April.

Mid-to-long-term we plan to balance our investment portfolio and are taking a considered approach to investing in some property funds in various locations within New Zealand.

MOTOR TRADE ASSOCIATION INCORPORATED GROUP

Consolidated Summary Statement Of Comprehensive Income

For the year ended 30 June 2016

		2016	2015
		NZ\$'000	NZ\$'000
Revenue	Subscriptions	1,638	1,664
	Services & Products	1,787	1,869
	Gift Cards & Vouchers	1,071	989
	Conference & Events	205	168
	Commissions	256	340
Total Members Revenue		4,957	5,030
Salaries & Wages		(1,567)	(1,788)
Gift Card & Voucher Costs		(874)	(752)
Cost of Goods Sold		(424)	(401)
MTA Image		(449)	(752)
Other Costs		(1,538)	(1,445)
Operating Surplus from member activities		105	(108)
Investment Activities	Interest Income	209	310
	Realised Investment returns	859	(147)
	Equity accounted share of Dekra NZ Limited	2,234	2,630
Total Investment Income		3,302	2,793
Net loss after tax from discontinued Taranaki Street Property		(125)	(2,104)
Other Costs		(288)	(290)
Operating surplus from investment activities		2,889	399
Administration and General			
Other Revenue	Sponsorships	110	110
	Other revenue	46	2
	Gain on sale of assets	15	14
Total Other Revenue		171	126
Salaries & Wages		(1,739)	(1,430)
IT		(379)	(314)
Other Costs		(1,680)	(1,960)
Operating costs of Administration & General activities		(3,627)	(3,578)
Operating Deficit for the year		(633)	(3,287)
Other comprehensive income after tax for the year		1,299	3,397
Total comprehensive income after tax attributable to members		666	110

MOTOR TRADE ASSOCIATION INCORPORATED GROUP**Consolidated Summary Statement Of Changes In Members' Funds**

For the year ended 30 June 2016

	Special funds	Available for sale investments revaluation reserve	Capital protection reserve	Investment fluctuation reserve	Retained earnings	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Balance at 30 June 2014	603	111	-	-	52,596	53,310
Total comprehensive income	-	3,397	-	-	(3,287)	110
Transfer between reserves	-	-	189	568	(757)	-
Balance at 30 June 2015	603	3,508	189	568	48,552	53,420
Total comprehensive income	-	1,299	-	-	(633)	666
Transfer between reserves	-	-	261	1,819	(2,080)	-
Balance at 30 June 2016	603	4,807	450	2,387	45,839	54,086

MOTOR TRADE ASSOCIATION INCORPORATED GROUP**Consolidated Summary Balance Sheet**

As at 30 June 2016

	2016	2015
	NZ\$'000	NZ\$'000
Current assets		
Cash and cash equivalents	11,267	7,380
Trade and other receivables	3,383	3,911
Other current assets	125	143
Total current assets	14,775	11,434
Non-current assets		
Investment in associate	23,111	22,705
Property, plant and equipment	689	474
Investment property	-	6,680
Other non-current assets	35,890	32,874
Total non-current assets	59,690	62,733
Total assets	74,465	74,167
Current liabilities		
Trade and other payables	3,933	3,665
Other financial liabilities	15,548	16,252
Net Investment from MTA Auckland Branch	694	-
Other current liabilities	82	175
Total current liabilities	20,257	20,092
Non-current liabilities		
Non-current liabilities	122	655
Total non-current liabilities	122	655
Total liabilities	20,379	20,747
Total members' funds	54,086	53,420

MOTOR TRADE ASSOCIATION INCORPORATED GROUP**Consolidated Summary Cash Flow Statement**

For the year ended 30 June 2016

	2016	2015
	NZ\$'000	NZ\$'000
Cash flows from operating activities		
Receipts from customers	5,138	5,369
Payments to suppliers and employees	(8,697)	(8,856)
Other operating cash flows	146	315
Net cash provided by operating activities	(3,413)	(3,172)
Cash flows from investing activities		
Payments for property, plant and equipment	(544)	(142)
Purchase of investments	(702)	(504)
Other investing cash flows	8,029	1,671
Net cash used in investing activities	6,783	1,025
Advances from MTA Branches	(177)	(4)
Net Investment from MTA Auckland Branch	694	-
Net cash used in financing activities	517	(4)
Net increase in cash and cash equivalents	3,887	(2,151)
Cash and cash equivalents at the beginning of the year	7,380	9,531
Cash and cash equivalents at the end of the year	11,267	7,380

MOTOR TRADE ASSOCIATION INCORPORATED GROUP**Notes to the Consolidated Summary Financial Statements**

For the year ended 30 June 2016

1. Basis of preparation of the Summary Financial Statements

The summary financial statements for the Motor Trade Association ("MTA") Group have been prepared in accordance with Financial Reporting Standard FRS-43: Summary Financial Statements.

The information contained in the summary financial statements has been extracted from the full financial statements authorised for issue by the Board of Directors on 15 September 2016. The summary financial statements cannot be expected to provide and do not provide as complete an understanding as provided by the full financial statements.

The full financial statements are available to members at no charge. To receive a copy of the full financial statements, you can phone the MTA on 0800 001 144 or email mta@mta.org.nz.

These summary financial statements are in accordance with the recognition and measurement requirements of New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), but do not comply with the presentation and disclosure requirements of NZ IFRS.

The full financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with NZ IFRS and other applicable financial reporting standards as appropriate for profit-oriented entities. The full financial statements also comply with International Financial Reporting Standards. A full description of the accounting policies adopted by the MTA Group is provided in the full financial statements.

The full financial statements have been audited and an unmodified opinion has been expressed in respect of the Group.

The presentation currency is New Zealand Dollar (NZ\$). The amounts in the financial statements are rounded to the nearest thousand dollar (\$'000).

2. Members' funds

	2016	2015
	NZ\$'000	NZ\$'000
Special funds	603	603
Available for sale investments portfolio revaluation reserve	4,807	3,508
Capital protection reserve	450	189
Investment fluctuation reserve	2,387	568
Retained earnings	45,839	48,552
Total members' funds	54,086	53,420

Special funds are funds set aside by the Board to use for membership projects and Customer Promise.

MOTOR TRADE ASSOCIATION INCORPORATED GROUP**Notes To The Consolidated Summary Financial Statements (cont.)**

For the year ended 30 June 2016

3. Contingent liabilities and contingent assets

There are no significant contingent liabilities as at 30 June 2016 (2015: nil).

4. Events occurring after Balance Date

There are no subsequent events occurring after balance date requiring any adjustments to these consolidated financial statements.

5. Directors fees

Fees paid to Directors for services during the year are as follows:

	NZ\$
David Harris	59,629
Bob Boniface	51,830
Mark Darrow	42,450
Jim Gibbons	55,039
David Storey	23,167
Judy Lange	42,614
Andre Hopman	11,000
Samantha Sharif	20,708
Tony Allen	20,806
James Ogden	6,500
	333,743



**REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS
TO THE MEMBERS OF
MOTOR TRADE ASSOCIATION INCORPORATED**

The accompanying summary financial statements of Motor Trade Association Incorporated and its subsidiaries ("the Group") on pages 14 to 19, which comprise the consolidated summary balance sheet as at 30 June 2016, and the consolidated summary statement of comprehensive income, consolidated summary statement of changes in member's funds and consolidated summary cash flow statement for the year then ended, and related notes, are derived from the audited consolidated financial statements of the Group for the year ended 30 June 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 15 September 2016.

This report is made solely to the Members of the Motor Trade Association Incorporated, as a body, for the purpose of expressing an opinion on the summary financial statements for the year ended 30 June 2016. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report on summary financial statements and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Groups' Members as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Summary Financial Statements

The Board of Directors' are responsible on behalf of the Group for the preparation of a summary of the audited consolidated financial statements, in accordance with FRS-43: *Summary Financial Statements*.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (New Zealand) (ISA (NZ)) 810: *Engagements to Report on Summary Financial Statements*.

Our firm carries out other assignments for the Group in the area of taxation advice. These services have not impaired our independence as auditor of the Group. In addition to this, partners and employees of our firm deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. The firm has no other relationship with, or interest in the Group.

Opinion

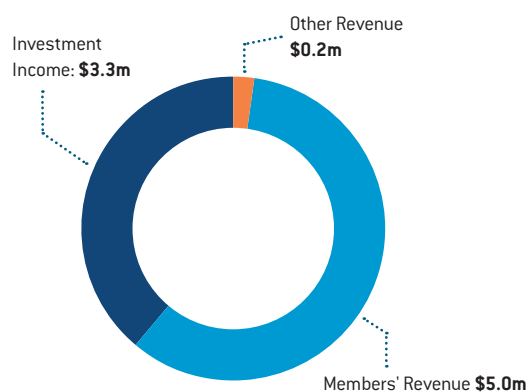
In our opinion, the summary financial statements derived from the audited consolidated financial statements of the Group for the year ended 30 June 2016 are consistent, in all material respects, with those financial statements, in accordance with FRS-43: *Summary Financial Statements*.

A stylized, handwritten signature of the word "Deloitte" in black ink.

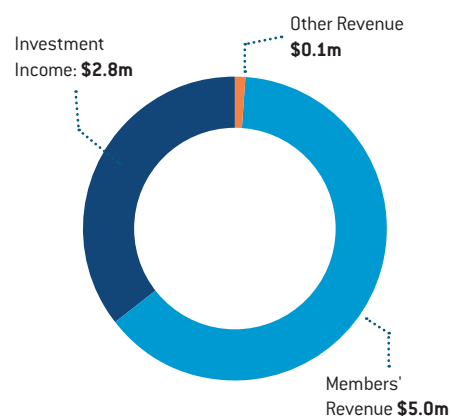
Chartered Accountants
15 September 2016
Wellington, New Zealand

Total Revenue \$8.5m (FY 2015 = \$7.9m)

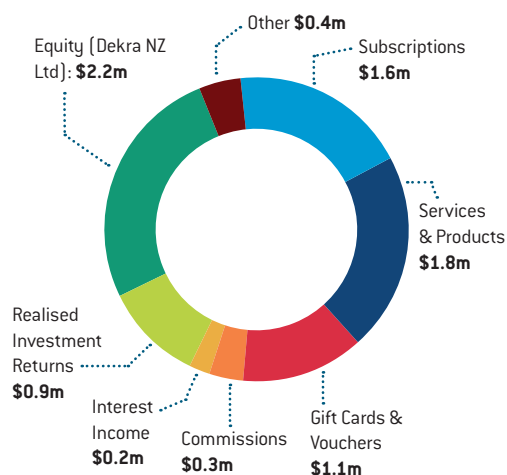
By Activities 2016



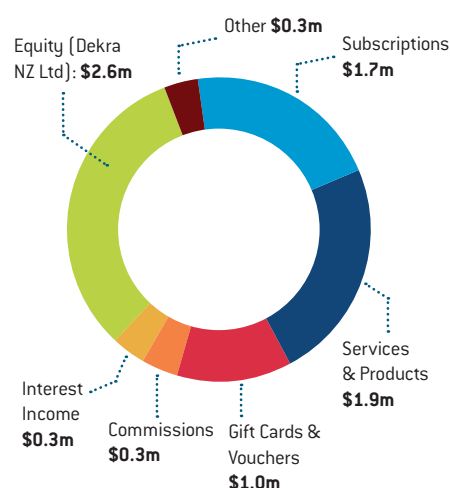
By Activities 2015



By Categories 2016

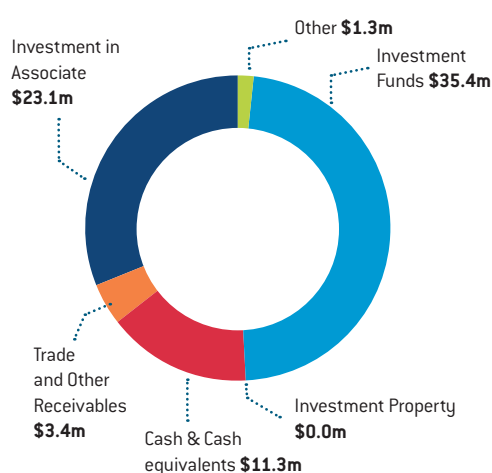


By Categories 2015

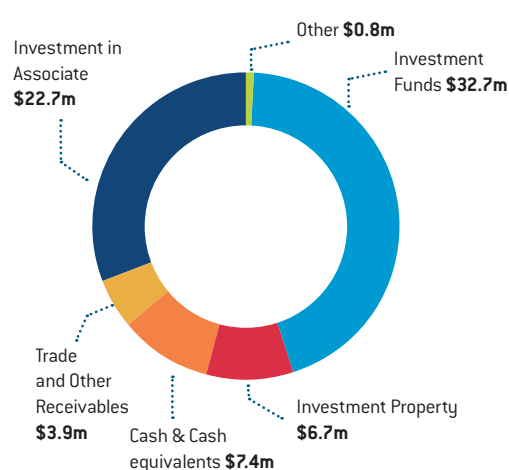


Total Assets \$74.5m (FY 2015 = \$74.2m)

Year 2016 \$74.5m



Year 2015 \$74.2m



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