

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

AND CONTROLLED ENTITIES

FINANCIAL REPORTS

FOR THE YEAR ENDED

31 DECEMBER 2012

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Contents

Directors' Report

Independent Auditor's Report

Directors' Declaration

Auditor's Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Cash Flows

Statement of Changes in Equity

Notes to the Financial Statements

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Directors' Report

Your directors present this report on the entity for the financial year ended 31 December 2012.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Stephen Colin Foody

Lyal Douglas Allen

Raymond Franciscus Jonkers

John Edward Tisdale (resigned 26 October 2012)

Robert Blenner Kershaw (appointed 19 October 2011)

Stuart Thomas Strickland (appointed 19 October 2011)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Mr. David White. Mr White has worked for Motorcycling Australia Pty Ltd for the past 20 years as Chief Executive Officer (formerly National Executive Director). Mr. White is also a director of Motorcycling Australia Insurance Limited and a Vice President of the Federation International (FIM). Mr. White was appointed company secretary of Motorcycling Australia Limited on 3 September 1993.

Information on Directors

Stephen Colin Foody	President
Qualifications	Former Managing Director of Adelaide Wireware Pty Ltd
Experience	- Appointed President in May 2006. Past Rider across multiple disciplines and Official. Former Vice President and President of Motorcycling South Australia. Life Member of South Coast Motocross Club of South Australia
Social Responsibilities	MA Executive Committee
John Edward Tisdale	Vice President
Qualifications	Managing Director of Jalco Group and Tony Ferguson Group. Director Toll/Jalco Pty Ltd. Director Marist Youth Care
Experience	Appointed Vice President in May 2011. Past Rider across multiple disciplines and official. Former Chairman MA junior commission and MA Motocross Commission for 6 years. Owner and Operator of Suzuki development MX team for 12 years. Former Director of MNSW properties board for 3 years. Former Vice President Oakdale MX Club for 4 years.
Social Responsibilities	Chairman MA licence Committee
Lyal Douglas Allen	Director
Qualifications	Product Design Engineer - Mechanical. Currently consulting in the field of product design for many offshore market leaders.
Experience	Appointed Director in May 2006. Past rider in MX and key official in over 350 race meetings including Australian Championships and FIM World Championship events. FIM licensed official from 1994.
Raymond Franciscus Jonkers	Director
Qualifications	Managing Director of Jonkers Enterprises Pty Ltd, Jonkers Smash Repairers Pty Ltd and Jonkers Motorcycles Pty Ltd. Director MQ Holdings.
Experience	Appointed Director in June 2010. Past rider and official. Former President of Motorcycling Queensland. Former President of Kilcoy Motorcycle Club.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Directors' Report

Robert Blenner Kershaw	Director
Qualifications	Worked for the Australian Sports Commission for 21 years
Experience	Appointed Director in October 2011.
Stuart Thomas Strickland	Director
Qualifications	Former General Manager Milledge Brothers distributors. Has held various management positions with Honda Australia including State Manager WA, State Manager NSW, founding Director of Honda Australia Motorcycle and Power Equipment Pty Ltd and Managing Director
Experience	Appointed Director in October 2011. Former Director of the Federal Chamber of Automotive Industries. Former Chairman of Motorcycle Industry Division VACC. Past representative of Honda Motor Company World Management Committee.

Principal Activities

The principal activity of the entity during the course of the year was the advancement, development, insuring and management of motorcycle racing and recreational motorcycling activities in Australia.

No significant changes in the nature of the entity's activity occurred during the financial year.

Short-term objectives

The Group's short-term objectives are to:

- The retention and expansion of the membership base
- To develop a database that fulfils the needs of all stakeholders
- To develop new income streams
- To enhance communication with members

Long-term objectives

The Group's long-term objectives are to:

- To lessen the impact of motorcycles on the environment
- Financial stability
- To increase riding opportunity for members (venues)

Strategy for achieving short and long-term objectives

To achieve these objectives, the Group had adopted the following strategies:

The methods of achieving both the short term and long term objectives is set out in the company's 2012-2014 strategic plan.

A fundamental issue will be the development of a new database which will be essential to achieving both short term and long term objectives.

Operating Result

The net profit (loss) of the entity for the financial year ended 31 December after providing for income tax amounted to:

2012	2011
\$	\$
1,232,005	1,330,121

Dividends

As the company is a non-profit organisation, dividends are not permitted to be paid under its constituent documents.

Review of operations

A review of operations of the entity during the financial year indicated that, due to the continuing effects of the global financial crisis, memberships were down by 4%. The continuing issues at Barrabool racetrack have also had a negative impact on the profit of Motorcycling Australia Limited with no income being received from the Track.

M A Insurance Limited's profit increased substantially due to the transfer of an underwriting profit from reserves to the revenue account.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Directors' Report

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future Developments

The entity expects to maintain the present status and level of operation and hence there are no likely developments in the entity's operations except for the operation of the racetrack at Barrabool in Victoria. The Victorian Civil and Administrative Tribunal hearing on 13 December 2011 ordered that a large amount of construction that has occurred since 5 October 2000 at the racetrack is unlawful and now must be subject to backdated planning permit applications.

Environmental Issues

The entity is committed to the environment through the development and promotion of an environmental program which is committed to incorporating principles of sustainability in motorcycle sport within Australia. The entity complies with all relevant legislation, regulations, policies, local laws and site agreements that are designed to protect the environment.

The entity has also implemented a National Environmental Code and Management Plan that aims to prevent pollution, minimise the potential for adverse environmental impacts and explore improved environmental options, especially in relation to:

- Noise emissions
- Soil and groundwater contamination (e.g. pit/motorcycle clean up practices)
- Emissions to air (e.g. fuel vapour, dust, fumes and odour)
- Protection of flora and fauna
- Discharges to water catchment areas (e.g. spills of fuel, brake fluids, coolant, oils, litter, degreasing, cleaning agents)
- Protection of cultural heritage

Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year, and there were no options outstanding at the date of this report.

Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Directors Meetings		General Council Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Stephen Foody	11	10	3	3
Lyal Allen	11	11	3	3
Raymond Jonkers	11	10	3	3
John Tisdale	9	9	3	2
Robert Kershaw	11	10	3	3
Stuart Strickland	11	9	3	3

Indemnifying Officers or Auditor

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

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Directors' Report

Proceedings on behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or Intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings. The entity was not a party to any such proceedings during the year with the exception of actions for damages through the insurance subsidiary MA Insurance Limited.

Contribution in winding up

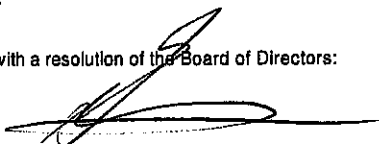
Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 December 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$7 (2011:\$7).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2012 has been received and can be found on page 8 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Stephen Colin Foody
President



Dated: 17-4-2013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOTORCYCLING AUSTRALIA LIMITED

We have audited the accompanying financial report, being a general purpose financial report of Motorcycling Australia Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Motorcycling Australia Limited, would be in the same terms if given to the directors as at the time of the auditor's report.

Opinion

In our opinion the financial report of Motorcycling Australia Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.



Stephen Wight
Director

Dated this 17th day of April 2013

Davidsons Assurance Services Pty Ltd
101 West Fyans Street
Geelong Victoria 3220

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Directors' Declaration

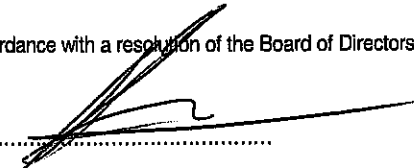
The directors of the company declare that:

the financial statements comprising the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the accounts are in accordance with the Corporations Act 2001 and:

- a. comply with Accounting Standards and the Corporations Regulations 2001; and
- b. give a true and fair view of the financial position as at 31 December 2012 and of the performance for the year ended on that date of the company and consolidated group;

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

President


.....
Stephen Colin Foody

Dated this 17th day of APRIL 2013

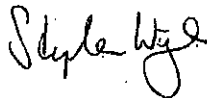
MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



.....
Stephen Wight
Davidsons Assurance Services Pty Ltd

Dated this 17th day of April 2013

101 West Fyans Street
Geelong VIC 3220

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2012

	Note	2012 \$	2011 \$
Revenue	2	6,455,941	5,825,568
Expenses:			
Borrowing costs expense	3	(2,000)	(2,000)
Employee benefits expense	11	(984,707)	(1,180,983)
Depreciation and amortisation expense	3	(52,899)	(54,782)
Other expenses from ordinary activities		(4,184,330)	(3,257,682)
Profit / (Loss) from ordinary activities before income tax		1,232,005	1,330,121
Income Tax expense relating to ordinary activities		-	-
Net Profit from ordinary activities after income tax		<u>1,232,005</u>	<u>1,330,121</u>
Profit attributable to:			
Members of the parent entity		<u>1,232,005</u>	<u>1,330,121</u>

The accompanying notes form part of these financial statements

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Consolidated Statement of Financial Position
as at 31 December 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash assets	4	7,526,998	7,046,395
Receivables	5	387,180	275,921
Inventories		13,875	21,315
Other assets	6	258,509	351,625
Loans to state bodies		690,000	600,000
TOTAL CURRENT ASSETS		<u>8,876,562</u>	<u>8,295,256</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>5,156,218</u>	<u>5,277,228</u>
TOTAL NON-CURRENT ASSETS		<u>5,156,218</u>	<u>5,277,228</u>
TOTAL ASSETS		<u>14,032,780</u>	<u>13,572,484</u>
LIABILITIES			
CURRENT LIABILITIES			
Payables	8	274,409	789,866
Financial liabilities	9	166,557	86,353
Current tax liabilities		36,850	71,273
Provisions	10	2,667,735	2,570,451
Deferred revenue		249,545	259,955
HHH Defence Fund and Insurance Premium Fund	13	-	331,835
TOTAL CURRENT LIABILITIES		<u>3,395,096</u>	<u>4,109,733</u>
NON-CURRENT LIABILITIES			
Provisions	10	<u>1,893,573</u>	<u>1,801,657</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,893,573</u>	<u>1,801,657</u>
TOTAL LIABILITIES		<u>5,288,669</u>	<u>5,911,390</u>
NET ASSETS		<u>8,744,111</u>	<u>7,661,094</u>
EQUITY			
Reserves	20	484,267	633,255
Issued capital - MAIL		5	5
Retained profits		8,259,839	7,027,834
TOTAL EQUITY		<u>8,744,111</u>	<u>7,661,094</u>

The accompanying notes form part of these financial statements

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Consolidated Statement of Cash Flows
for the year ended 31 December 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,746,696	6,011,004
Payments to suppliers and employees		(5,514,252)	(5,768,061)
Interest received		340,832	352,714
Interest and other costs of finance		(2,000)	(2,000)
Net cash provided by (used in) operating activities	17	<u>571,276</u>	<u>593,657</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(80,877)	(102,750)
Loan to state organisations		(90,000)	(600,000)
Net cash provided by (used in) investing activities		<u>(170,877)</u>	<u>(702,750)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Net Increase/(Decrease) in cash for the year		400,399	(109,093)
Cash at beginning of financial year		6,980,042	7,069,135
Cash at end of financial year	16	<u><u>7,380,441</u></u>	<u><u>6,960,042</u></u>

The accompanying notes form part of these financial statements

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Consolidated Statement of Changes in Equity
for the year ended 31 December 2012

	Notes	Retained Earnings \$	Issued capital \$	Reserves \$	TOTAL \$
Balance at 1 January 2011		5,697,713	5	633,255	6,330,973
Total comprehensive income for the year		1,330,121	-	-	1,330,121
Balance at 31 December 2011		7,027,834	5	633,255	7,661,094
Total comprehensive income for the year		1,232,005	-	-	1,232,005
Decrease in asset revaluation reserve	20	-	-	(148,988)	(148,988)
Balance at 31 December 2012		8,259,839	5	484,267	8,744,111

The accompanying notes form part of these financial statements

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

The financial report covers Motorcycling Australia Limited as an individual entity, incorporating the financial performance and financial position of the controlled entities listed in note 18. Motorcycling Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless otherwise stated.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Motorcycling Australia Ltd at the end of the reporting period. A controlled entity is any entity over which Motorcycling Australia Ltd has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Income tax

The company is recognised as a non profit entity under the Income Tax Assessment Act 1997 Div 50 and consequently is not liable for any income tax.

Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

Note 1: Statement of Significant Accounting Policies (cont)

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

a) Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Increases in the carrying amount arising on the revaluation of land and buildings are recognised in other comprehensive income and accumulated in the Asset Revaluation Reserve. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income as a decrease to the Asset Revaluation Reserve. All other decreases are charged to the Statement of comprehensive income.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

b) Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate %
Office furniture	7.5-18.75%
Office fit out costs	10%
Office equipment	15-40%
Other equipment	11.25-20%
Motor vehicles	23%
Motorcycles of significance	8%
Renovation costs	4%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

Note 1: Statement of Significant Accounting Policies (cont)

Property, Plant and Equipment (cont)

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained profits.

Financial Instruments

a) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity's commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

b) Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

The entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

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

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in fair value (ie gains and losses) recognised included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

Note 1: Statement of Significant Accounting Policies (cont)

Financial Instruments (cont)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the Asset Revaluation Reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the Asset Revaluation Reserve for that same class of asset.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of the cash flows.

Contributions are made by Motorcycling Australia Ltd to an employee superannuation fund and are charged as expenses when incurred.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

Note 1: Statement of Significant Accounting Policies (cont)

Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Revenue

Grant revenue is recognised in the Statement of comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are likely to be satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

MOTORCYCLING AUSTRALIA LIMITED

ACN 057 830 083

Notes to the Consolidated Financial Statements for the year ended 31 December 2012

Note 1: Statement of Significant Accounting Policies (cont)

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

	2012	2011
	\$	\$
Note 2: Revenue		
Operating Activities:		
Representative activities	5,936,274	5,034,407
Interest	340,832	344,161
Grants	447,000	447,000
Writeback of Liability Defence Fund*	331,835	-
	<u>6,455,941</u>	<u>5,825,568</u>

* Liability defence fund has been written back during the 2012 financial year as no liability exists at 31 December 2012.
Refer to Note 13 for more information.

Note 3: Net Profit

Net profit (loss) before income tax has been determined after the following expenses:

Bad and doubtful debts	(15,028)	13,667
Borrowing costs	2,000	2,000
Depreciation and amortisation expense	52,899	54,782
Remuneration of auditor of the parent entity for:		
- audit or review	50,091	35,725
- in respect of other services	19,129	12,500
Remuneration of other auditor of subsidiary for:		
- audit or review	15,773	11,441

Note 4: Cash assets

Bank accounts:

Cheque account	372	890,705
Cash maximiser	448	448
MAIL account	226,840	12,836
	<u>227,660</u>	<u>903,989</u>

Other cash accounts:

Escrow amount - MAIL	5,662	10,001
MAIL term deposits	7,293,676	6,132,405
	<u>7,299,338</u>	<u>6,142,406</u>
	<u>7,526,998</u>	<u>7,046,395</u>

Note 5: Receivables

Current

Trade debtors	391,338	297,001
Provision for Impairment	(4,158)	(21,080)
	<u>387,180</u>	<u>275,921</u>

(I) Provision for Impairment

Each item included in Trade debtors has been assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade debtor is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 31 December 2010	13,800
- charge for year	13,667
- written off	(6,387)
Provision for impairment as at 31 December 2011	<u>21,080</u>
- charge for year	(15,028)
- written off	(1,894)
Provision for impairment as at 31 December 2012	<u>4,158</u>

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 6: Other Assets	2012	2011
Current	\$	\$
Accrued Income		
Accrued Income - MA	132,892	99,985
Accrued Income - MAIL	65,702	103,260
Prepayments	<u>59,915</u>	<u>148,380</u>
	<u>258,509</u>	<u>351,625</u>

Note 7: Property, Plant and Equipment

Land and buildings:

Montague Street, South Melbourne:

- At original cost	805,497	805,497
- At independent valuation	1,650,000	1,550,000
- Cost of renovation and additions since independent valuation	-	5,000
- Less: accumulated amortisation	-	<u>(8,865)</u>
	<u>1,650,000</u>	<u>1,546,135</u>

McAdam Park, Barrabool:

- At original cost	3,314,839	3,314,839
- At independent valuation	3,200,000	-
- Cost of additions since purchase/valuation	-	<u>124,821</u>
	<u>3,200,000</u>	<u>3,439,660</u>

The Directors consider that the stated value is a fair reflection of the value of the Land and buildings, as at the end of the financial year

Office fitout costs:	117,902	117,902
- Less Accumulated depreciation	<u>(81,050)</u>	<u>(76,956)</u>
	36,852	40,946
Office furniture:	52,944	52,944
- Less Accumulated depreciation	<u>(38,080)</u>	<u>(36,200)</u>
	14,864	16,744
Office equipment:	166,471	162,005
- Less Accumulated depreciation	<u>(140,149)</u>	<u>(120,560)</u>
	26,322	41,445
Motor vehicles:	95,757	95,757
- Less Accumulated depreciation	<u>(74,070)</u>	<u>(67,774)</u>
	21,687	27,983
Motorcycles of significance:	256,865	198,465
- Less Accumulated depreciation	<u>(59,547)</u>	<u>(44,956)</u>
	197,318	153,509
Other equipment:	24,087	24,087
- Less Accumulated depreciation	<u>(20,642)</u>	<u>(19,851)</u>
	3,445	4,236
Riders division furniture:	13,338	13,338
- Less Accumulated depreciation	<u>(7,608)</u>	<u>(6,768)</u>
	5,730	6,570
Total Property, plant and equipment	<u>5,156,218</u>	<u>5,277,228</u>

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 7: Property, Plant and Equipment (cont)	2012	2011
Movement in Carrying amounts	\$	\$
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:		
Land and buildings - Montague Street, South Melbourne		
Balance at the beginning of the financial year	1,546,135	1,545,550
Add Additions	-	5,000
Net revaluation increment	103,865	-
Less Amortisation expense	-	(4,415)
	<u>1,650,000</u>	<u>1,546,135</u>
Land and buildings - McAdam Park, Barrabool		
Balance at the beginning of the financial year	3,439,660	3,406,631
Add Additions	13,193	33,029
Net revaluation increment	(252,853)	-
	<u>3,200,000</u>	<u>3,439,660</u>
Office furniture		
Balance at the beginning of the financial year	16,744	18,867
Add Additions	-	-
Less Disposal	-	-
Less Depreciation expense	(1,880)	(2,123)
	<u>14,864</u>	<u>16,744</u>
Office equipment		
Balance at the beginning of the financial year	41,445	28,788
Add Additions	4,466	34,525
Less Disposal	-	-
Less Depreciation expense	(19,589)	(21,868)
	<u>26,322</u>	<u>41,445</u>
Motor vehicles		
Balance at the beginning of the financial year	27,983	36,106
Add Additions	-	-
Less Disposal	-	-
Less Depreciation expense	(6,296)	(8,123)
	<u>21,687</u>	<u>27,983</u>
Motorcycles of significance		
Balance at the beginning of the financial year	153,509	135,062
Add Additions	58,400	30,196
Less Disposal	-	-
Less Depreciation expense	(14,591)	(11,749)
	<u>197,318</u>	<u>153,509</u>
Other equipment		
Balance at the beginning of the financial year	4,236	5,215
Add Additions	-	-
Less Disposal	-	-
Less Depreciation expense	(791)	(979)
	<u>3,445</u>	<u>4,236</u>
Office fit out costs		
Balance at the beginning of the financial year	40,946	45,495
Add Additions	-	-
Less Disposal	-	-
Less Depreciation expense	(4,094)	(4,549)
	<u>36,852</u>	<u>40,946</u>
Riders division furniture		
Balance at the beginning of the financial year	6,570	7,546
Add Additions	-	-
Less Disposal	-	-
Less Depreciation expense	(840)	(976)
	<u>5,730</u>	<u>6,570</u>

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 7: Property, Plant and Equipment (cont)

The freehold land and buildings at 147 Montague Street, South Melbourne were independently valued at 20 December 2012 by Armstrong Biggs Valuers Pty Ltd. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$103,865 being recognised in the Revaluation Surplus for the year ended 31 December 2012.

The freehold land and improvements at McAdam Park, Barrabool were independently valued at 22 February 2013 by Opteon Valuers adopted as at 31 December 2012. The valuation was based on the fair value less cost to sell. The critical assumptions in determining the valuation included the location of the land, the current strong demand for land in the area and recent sales data for similar properties. The valuation resulted in a revaluation decrement of \$252,853 being recognised in the Revaluation Surplus for the year ended 31 December 2012.

The directors reviewed the key assumptions made by the valuers at the relevant valuation dates. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying value does not exceed the recoverable amount of land and buildings at 31 December 2012.

Note 8: Payables

	2012	2011
Current	\$	\$
Trade creditors	133,780	213,278
Accrued expenses	<u>140,629</u>	<u>456,449</u>
	<u>274,409</u>	<u>669,727</u>

Note 9: Financial Liabilities

Current		
Secured*:		
- Bank overdraft	<u>166,557</u>	<u>86,353</u>
Total Current	<u>166,557</u>	<u>86,353</u>

*The bank overdraft is secured by a first mortgage over the property located in Montague Street, South Melbourne.

Note 10: Provisions

Current		
Specific claims reserves - General Insurance	2,467,891	2,494,207
Annual leave provision	119,501	120,139
Long service leave provision	<u>80,343</u>	<u>76,244</u>
	<u>2,667,735</u>	<u>2,690,590</u>
Non Current		
IBNR reserves - General Insurance	1,875,467	1,782,028
Unearned premium reserve	10,682	14,197
Long service leave provision	<u>7,424</u>	<u>5,432</u>
	<u>1,893,573</u>	<u>1,801,657</u>

* Aggregate employee entitlements liability 207,268 201,815
There were 13 employees at the end of the year.

Note 11: Employee Benefits Expense

Wages and salaries	841,554	1,003,191
Workers compensation insurance	14,228	14,138
Payroll tax	28,656	28,226
Superannuation	76,506	87,781
Employee benefits provisions	23,081	43,726
Employee expenses	<u>682</u>	<u>3,921</u>
Employee benefits expense	<u>984,707</u>	<u>1,180,983</u>

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 12: Remuneration & Retirement Benefits	2012	2011
Directors' Remuneration	\$	\$
(a) Remuneration of Directors		
Remuneration received or receivable by all Directors of the company:		
- from the company or any related party in connection with the management of the company	<u> </u>	<u> </u>

The names of directors of the company who have held office during the financial year are:

Stephen Colin Foody
Lyal Douglas Allen
Raymond Franciscus Jonkers
John Edward Tisdale (appointed 16 May 2012)
Robert Blenner Kershaw (appointed 19 October 2012)
Stuart Thomas Strickland (appointed 19 October 2012)

(b) Retirement Benefits		
Amounts paid to a superannuation plan for the provision of retirement benefits by:		
- the company or any related party for Directors of the company	<u> </u>	<u> </u>

Note 13: HIH Defence Fund and Insurance Premium Fund

Following the collapse of the company's principal insurer, the company established a fund to cover any valid and proven claims made in respect of the period covered by that insurer.

As there were no outstanding claims (the last of the claims were settled in 2008) it was resolved that the provision would be written back to the statement of comprehensive income.

Note 14: Contingent liabilities

(a) The State of Victoria, via the Department of Planning and Community Development, provided a Grant of \$1,270,000 to assist with the settlement of the purchase of a property located at Barrabool, Victoria on 30 November 2009. If this property is sold or ceases to be used for its specified purpose as a motorcycling facility, a portion of the Grant monies may be repayable to the State of Victoria. The portion of Grant monies repayable is calculated on a monthly pro rata basis over ten years from the settlement date. The maximum amount of Contingent liability as at 31 December 2012 is \$878,417.

(b) On 23 September 2009 the Surf Coast Shire undertook to provide Grants totalling \$200,000 to assist with the purchase and continued use of the property located at Barrabool, Victoria as a motorcycle racing complex, of which \$100,000 has been received up to 31 December 2012. These monies are repayable to the Surf Coast Shire, without interest, should the company not continuously use the property as a motorcycle complex during the ten years ending 23 September 2019.

Note 15: Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2012	2011
	\$	\$
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	1,061,333	1,980,133
Non-current Assets	<u>5,508,218</u>	<u>5,627,228</u>
TOTAL ASSETS	<u>6,567,551</u>	<u>7,607,361</u>
LIABILITIES		
Current Liabilities	3,520,193	4,594,643
Non-current Liabilities	<u>7,424</u>	<u>5,432</u>
TOTAL LIABILITIES	<u>3,527,617</u>	<u>4,600,075</u>
EQUITY		
Asset Revaluation Reserve	464,785	633,255
Retained Earnings	<u>2,575,149</u>	<u>2,374,031</u>
TOTAL EQUITY	<u>3,039,934</u>	<u>3,007,286</u>

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

	2012	2011
	\$	\$
Note 15: Parent Information (cont)		
STATEMENT OF COMPREHENSIVE INCOME		
Total Profit	201,119	(779,686)
Total Comprehensive Income	201,119	(779,686)

Note 16. Reconciliation Of Cash

For the purposes of the Statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

Bank accounts:		
Bank overdraft	(166,557)	(86,353)
Cheque account	372	890,705
Cash maximiser	448	448
MAIL account	226,840	12,836
	61,103	817,636
Other cash accounts:		
Escrow amount - MAIL	5,662	10,001
MAIL term deposits	7,293,676	6,132,405
	7,299,338	6,142,406
	7,360,441	6,960,042

Note 17. Reconciliation Of Net Cash Provided By Operating Activities To Net Profit (Loss)

Net profit (loss) attributable to members	1,232,005	1,330,122
Loss on disposal of office equipment	-	-
Depreciation and amortisation	52,899	54,782
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(increase) decrease in accrued income	4,651	60,376
(Increase) decrease in receivables	(94,337)	269,254
(Increase) decrease in inventories	7,440	(2,201)
(Increase) decrease in prepayments	88,465	140,988
Increase (decrease) in doubtful debts provision	(16,922)	-
Increase (decrease) in trade creditors	(79,498)	(356,820)
Increase (decrease) in accrued expenses	(315,820)	408,073
Increase (decrease) in deferred revenue	(10,410)	214,050
Increase (decrease) in tax liabilities	(34,423)	31,820
Increase (decrease) in employee entitlements	5,543	43,726
Increase (decrease) in HII Liability Defence Fund	(331,835)	(480,212)
Increase (decrease) in insurance provisions	63,518	(1,120,300)
Net cash provided by (used in) operating activities	571,276	593,657

Note 18: Controlled Entities

	Country of Incorporation	Percentage Owned (%)	
		2012	2011
Parent Entity:			
Motorcycling Australia Limited	Australia		
Subsidiaries of Motorcycling Australia Limited:			
MA Insurance Limited	Isle of Man	100	100
MA Property Holdings Pty Ltd	Australia	100	100

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 19: Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 December 2012 the number of members was 7 (2011:7).

Note 20: Reserves

	2012	2011
	\$	\$
Asset Revaluation Reserve movements during the year		
Balance at the beginning of the year	633,255	633,255
Revaluation increment on freehold land and buildings	<u>(148,988)</u>	<u>-</u>
Balance at the end of the year	<u>484,267</u>	<u>633,255</u>

The asset revaluation reserve records the accumulated revaluation of non-current assets.

Note 21: Financial Risk Management

Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments with banks, accounts receivable and payable.

The entity does not have any derivative instruments at 31 December 2012.

The board meets on a regular basis to analyse interest rate exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are market risk relating to interest rate risk and credit risk.

(a) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

(b) Interest rate risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Fixed Interest Rate Maturing				
2012 Consolidated	Floating interest rate	1 year or less	Over 1 to 5 years	Non-interest bearing	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	7,526,998	-	-	-	7,526,998
Receivables	-	690,000	-	387,180	1,077,180
Total Financial Assets	<u>7,526,998</u>	<u>690,000</u>	<u>-</u>	<u>387,180</u>	<u>8,604,178</u>
Financial Liabilities					
Payables	-	-	-	133,780	133,780
Interest bearing liabilities	166,557	-	-	-	166,557
Total Financial Liabilities	<u>166,557</u>	<u>-</u>	<u>-</u>	<u>133,780</u>	<u>300,337</u>
Net Financial Asset/Liabilities	<u>7,360,441</u>	<u>690,000</u>	<u>-</u>	<u>253,400</u>	<u>8,303,841</u>

This is the first year of disclosure and therefore no comparatives are available

The objective of managing interest risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

MOTORCYCLING AUSTRALIA LIMITED
ACN 057 830 083

Notes to the Consolidated Financial Statements
for the year ended 31 December 2012

Note 21: Financial Risk Management (cont)

Policy in managing the interest risk:

Interest risk is managed by monitoring the outlook for interest rates.

Sensitivity analysis on interest risk:

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of financial markets, the entity believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of between +1-3 % and -1-3 % in interest rates from year-end rates

The following tables disclose the impact on net operating result and equity for each category of financial instrument held by the entity at year end as presented to key management personnel.

	Current Rate %	Amount \$	Annual return at current rate	Rates move by (effect on profit and loss):		
				1% Possible effect	2% Possible effect	3% Possible effect
Financial Assets						
Cash and cash equivalents	3.37%	7,526,998	253,660	75,270	150,540	225,810
Receivables	0.00%	387,180	-	-	-	-
Financial Liabilities						
Trade creditors and payables	0.00%	274,409	-	-	-	-
Interest bearing liabilities	9.67%	166,557	(16,106)	(1,666)	(3,331)	(4,997)

This is the first year of disclosure and therefore no comparatives are available

(ii) Net Fair Value

For assets and liabilities the net fair value approximates their carrying value.

The fair value of instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the entity is the current bid price.

Cash, cash equivalents and non-interest bearing financial assets and financial liabilities are carried at cost, which approximates their fair value.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

The fair value of financial liabilities for disclosure purposes is estimated by discounting future cash flows at the current market interest rate that is available to the entity for similar financial assets.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Note 22: Company Details

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

Motorcycling Australia Limited
147 Montague Street
South Melbourne VIC 3205

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses

for the year ended 31 December 2012

	2012	2011
REVENUE		
AFFILIATION FEES	\$1,750	\$1,750
SCB LICENCE INCOME		
COMPETITION CAPITATION FEES		
NSW	\$228,596	\$213,242
NT	\$14,353	\$11,526
QLD	\$174,173	\$163,391
SA	\$63,661	\$56,041
TAS	\$12,324	\$13,499
VIC	\$141,469	\$119,521
WA	\$112,700	\$92,723
COMPETITION RIDERS PA INSURANCE		
NSW	\$341,879	\$343,536
NT	\$20,859	\$18,188
QLD	\$256,928	\$263,314
SA	\$91,999	\$87,833
TAS	\$18,025	\$20,988
VIC	\$204,236	\$185,417
WA	\$166,636	\$149,027
RECREATIONAL CAPITATION FEES		
NSW	\$1,529	\$1,500
NT	\$60	\$120
QLD	\$13,943	\$17,173
SA	\$5,804	\$3,678
TAS	\$2,239	\$3,660
VIC	\$6,974	\$4,225
WA	\$4,315	\$4,656
RECREATIONAL RIDERS PA INSURANCE		
NSW	\$1,560	\$1,500
NT	\$60	\$120
QLD	\$15,096	\$18,571
SA	\$6,140	\$3,950
TAS	\$2,280	\$3,660
VIC	\$7,560	\$4,260
WA	\$4,920	\$5,160
UPGRADES	\$2,752	\$3,414
RIDERS DIVISION CONTRIBUTIONS - COMPETITION		
NSW	\$24,025	\$51,770
NT	\$1,470	\$2,780
QLD	\$17,970	\$39,810
SA	\$6,535	\$13,550
TAS	\$1,290	\$3,250
VIC	\$14,475	\$28,280
WA	\$11,865	\$22,820
PUBLIC LIABILITY CONTRIBUTION COMPETITION		
NSW	\$197,481	\$214,267
NT	\$12,074	\$11,306
QLD	\$149,255	\$164,488
SA	\$63,455	\$54,782

Motorcycling Australia Limited

Detailed Consolidated Statement of Expenses

for the year ended 31 December 2012

	2012	2011
TAS	\$10,413	\$13,023
VIC	\$118,230	\$115,377
WA	\$95,810	\$91,908
ONE EVENT NATIONAL - CAPITATION		
NSW	\$350	\$158
NT	\$245	\$0
QLD	\$1,190	\$298
SA	\$350	\$455
TAS	\$0	\$18
VIC	\$788	\$350
WA	\$158	\$193
ONE EVENT NATIONAL - PA INSURANCE		
NSW	\$350	\$158
NT	\$245	\$0
QLD	\$1,192	\$298
SA	\$350	\$455
TAS	\$0	\$18
VIC	\$788	\$350
WA	\$158	\$193
RESTRICTED NATIONAL - CAPITATION		
NSW	\$3,356	\$3,532
NT	\$0	\$0
QLD	\$5,052	\$4,665
SA	\$853	\$977
TAS	\$320	\$345
VIC	\$3,029	\$3,109
WA	\$2,968	\$2,211
RESTRICTED NATIONAL - PA INSURANCE		
NSW	\$3,558	\$4,713
NT	\$0	\$0
QLD	\$5,070	\$5,771
SA	\$912	\$1,292
TAS	\$342	\$456
VIC	\$3,223	\$4,190
WA	\$3,147	\$2,957
RESTRICTED NATIONAL - PL INSURANCE		
NSW	\$2,451	\$3,243
NT	\$0	\$0
QLD	\$3,502	\$3,988
SA	\$624	\$884
TAS	\$234	\$312
VIC	\$2,213	\$2,900
WA	\$2,168	\$2,038
RESTRICTED NATIONAL - RIDERS FUND		
NSW	\$440	\$590
NT	\$0	\$0
QLD	\$620	\$690
SA	\$120	\$170
TAS	\$45	\$60

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses
for the year ended 31 December 2012

	2012	2011
VIC	\$410	\$495
WA	\$390	\$365
ONE EVENT COMPETITION LICENCES		
NSW	\$84,200	\$103,000
NT	\$11,400	\$12,000
QLD	\$52,500	\$54,000
SA	\$14,460	\$24,000
TAS	\$18,870	\$15,200
VIC	\$39,200	\$32,000
WA	\$48,900	\$45,720
SINGLE EVENT REC LICENCES		
NSW	\$99,855	\$77,727
NT	\$2,727	\$4,545
QLD	\$163,414	\$163,636
SA	\$47,068	\$59,091
TAS	\$7,813	\$6,250
VIC	\$57,727	\$41,136
VIC Other	\$10,263	\$12,536
WA	\$44,057	\$40,330
OTHER	-\$2,126	\$782
PROMOTERS	\$27,527	\$0
NSW - Discounted Rec	\$12,435	\$0
QLD - Discounted Rec	\$71,432	\$0
INTERNATIONAL		
INTERNATIONAL PERMITS	\$36,120	\$29,000
INTERNATIONAL LICENCES	\$40,335	\$35,996
INTERNATIONAL TEAMS	\$6,051	\$25,452
NATIONAL		
NATIONAL PERMITS	\$137,516	\$150,943
RIDER LEVIES	\$88,718	\$55,629
HOMOLOGATION	\$4,373	-\$91
APPEAL / FINES	\$6,959	\$1,920
MANUAL OF M/C SPORT ADVERTISING	\$11,591	\$16,182
LOG BOOKS	\$9,242	\$7,350
MERCHANDISING	\$140	\$0
ROAD RACE TRACK LICENCES	\$11,418	\$6,200
STATE MANAGERS MEETING	\$13,648	\$16,532
BIKE BONANZA	\$144,179	\$158,912
AUSTRALIAN OFF ROAD CHAMPS	\$45,047	\$36,151
GRANTS		
ASC - OFFICIALS / COACHING	\$64,400	\$64,400
ASC - HIGH PERFORMANCE	\$382,600	\$382,600
INSURANCE		
LIABILITY EXCESS	\$206,559	\$166,621
MAIL CEO TRAVEL REFUND	\$20,988	\$21,000
MAIL CAPTIVE ESTABLISHMENT	\$0	\$41,247
MAIL CLAIMS HANDLING	\$0	\$7,413
INSURANCE CLAIM	\$0	\$6,929
LIABILITY DEFENCE PROVISIONING	\$331,834	\$0

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses
for the year ended 31 December 2012

	2012	2011
ASSOCIATIONS LIABILITY	\$61,417	\$65,180
SCB PRODUCT & LIABILITY INSURANCE		
NSW	\$212,383	\$206,734
NT	\$13,106	\$12,391
QLD	\$158,625	\$160,794
SA	\$53,314	\$55,886
TAS	\$11,052	\$10,957
VIC	\$112,056	\$116,874
WA	\$95,692	\$92,655
MA INSURANCE LIMITED		
PREMIUMS WRITTEN	\$2,120,962	\$2,135,802
DECREASE / (INCREASE IN UNEARNED PREMIUM RESERVE	\$3,515	-\$8,138
DEVELOPMENT		
COACHING LICENCES	\$405	\$394
COACHING COURSE	\$4,800	\$0
TRAINING CAMPS	\$17,560	\$16,362
MEDIA		
JUNIOR MOTOCROSS CHAMP	\$4,545	\$4,545
FIM RELATED		
WORLD SUPERBIKE CHAMPS	\$12,268	\$13,738
FIM ROAD RACE GRAND PRIX AWARDS	\$109,761	\$110,275
AWARDS	\$10	\$4,699
McADAM PARK, BARRABOOL		
TRACK HIRE	\$6,909	-\$29,955
RIDE DAYS	\$950	\$0
INTEREST EARNED		
CHEQUE ACCOUNTS	\$0	\$515
TERM DEPOSITS	\$0	\$26,570
MQ LOAN INTEREST	\$32,102	\$7,476
MSA LOAN INTEREST	\$4,535	\$0
INTEREST ON OVERDUE ACCTS	\$6,281	\$0
RIDERS DIVISION		
ROAD RIDING MEMBERSHIP		
CASUAL MEMBERSHIP	\$0	\$265
1 YEAR MEMBERSHIP	\$36,335	\$15,463
DISCOUNTED MEMBERSHIPS	\$642	\$0
3 YEAR MEMBERSHIP	\$6,455	\$14,800
SUBSCRIPTION OFFERS	\$1,186	\$949
5 YEAR MEMBERSHIP	\$1,258	\$1,797
LIFE MEMBERSHIP	\$10,214	\$1,400
PERMIT		
NATIONAL NON-COMP PERMITS	\$35	\$0
CLUB NON-COMP PERMITS	\$0	\$17
ENTRY FEES	\$3,132	-\$200
MARKETING		
EUROPCAR - COMMISSION	\$356	\$733
AFFILIATION FEES		
NON-COMP CLUB	\$818	\$491
CLUB AFFILIATION - FULL YEAR	\$7,391	\$4,708

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses
for the year ended 31 December 2012

	2012	2011
CLUB AFFILIATION - HALF YEAR	\$218	\$102
TOUR OPERATOR	\$2,761	\$992
PRODUCTS		
RIDING THROUGH TIME BOOK	\$218	\$0
MERCHANDISE	\$971	\$245
RIDER TRAINING		
BRONZE LICENCE FEE	\$9	\$0
LICENCE CARDS	\$678	\$828
GST CLEARING ACCOUNT	-\$32	\$0
 Total REVENUE	 \$8,158,712	 \$7,664,634
 EXPENSES		
ACCOUNTING & AUDITING	\$69,698	\$48,838
ADVERTISING / PROMOTIONS	\$340	\$200
AUSTRALIAN CHAMPIONSHIPS		
ROAD RACE	\$102,889	\$156,032
MOTOCROSS	\$1,511	\$5,083
SUPERCROSS	\$1,048	\$3,398
SPEEDWAY	\$10,084	\$8,469
ENDURO CHAMPIONSHIPS	\$0	\$1,116
JUNIOR CHAMPIONSHIPS	\$4,288	\$1,199
HISTORIC	\$1,598	\$1,546
ROAD RACE SIDECARS	\$144	\$438
DIRT TRACK CHAMPIONSHIPS	\$228	\$1,844
TRIALS CHAMPIONSHIPS	\$1,152	\$2,099
AUST OFF ROAD CHAMPIONSHIPS	\$34,354	\$30,069
STEWARDS & REF FEES	\$13,573	\$13,509
MA FLAGS	\$0	\$977
MEDALLIONS	\$7,462	\$195
TRIBUNAL / APPEALS	\$5,455	\$5,409
BROADFORD BIKE BONANZA	\$99,799	\$122,474
FEES & DEBTS		
BANK FEES	\$8,371	\$10,544
PAYPAL FEES	\$580	\$354
BAD DEBTS	\$1,894	\$6,387
DOUBTFUL DEBTS	-\$16,922	-\$2,720
LOAN	\$17,500	\$0
MSA LOAN INTEREST	\$4,638	\$0
MQ LOAN INTEREST ONLY	\$35,840	\$7,476
OVERDRAFT FEE	\$2,000	\$2,000
COACHING & DEVELOPMENT		
COACHING COURSE	\$9,574	\$5,804
TRAINING CAMPS	\$16,352	\$13,514
WOMEN'S TRAINING CAMP	\$12,664	\$14,641
JUNIOR MX TRAINING CAMP	\$36,392	\$19,334
COACHING MANUALS / VIDEO	\$0	\$219
COACHING PRESENTER TRAINING	\$0	\$3,614

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses
for the year ended 31 December 2012

	2012	2011
OFFICIALS PRESENTER TRAINING	\$0	\$1,655
MEMBERSHIP DEVELOPMENT	\$48,399	\$35,904
COMMISSIONS		
WOMEN	\$589	\$744
ENDURO	\$128	\$135
HISTORIC ROAD RACE	\$2,294	\$1,284
JUNIOR	\$2,644	\$899
MOTOCROSS & SUPERCROSS	\$3,008	\$1,825
ROAD RACE	\$1,302	\$751
SPEEDWAY & TRACK	\$5,723	\$1,870
DIRT TRACK	\$1,880	\$1,158
TRIALS	\$786	\$847
CLASSIC MOTOCROSS	\$411	\$2,486
SUBCOMMITTEES		
EXECUTIVE	\$95	\$1,858
COACHING	\$1,268	\$528
OFFICIALS	\$3,961	\$5,441
JUNIOR	\$0	\$125
MUSEUM & HERITAGE	\$2,310	\$4,952
QUAD	\$2,236	\$466
MOTORCYCLE INDUSTRY	\$0	\$50
VENUE STANDARDS	\$0	\$24,520
TRACK INSPEC / LICENCING	\$2,423	\$1,038
JUDICIAL	\$568	\$0
DATABASE	\$578	\$389
CONFERENCES & BOARD MEETINGS	\$91,699	\$90,364
STATE MANAGERS MEETING	\$18,596	\$16,514
INSURANCE		
ASSOCIATIONS LIABILITY	\$62,833	\$67,206
PERSONAL ACCIDENTS	\$1,199,588	\$1,199,929
PREMISES	\$7,793	\$9,879
VEHICLES	\$2,466	\$0
PUBLIC LIABILITY	\$1,395,941	\$1,395,997
TRAVEL	\$3,578	\$3,820
MOTORCYCLE CARGO	\$1,045	\$2,500
AIRFENCE TRANSIT	\$950	\$925
OTHER INSURANCE	\$0	\$1,502
TEST BIKE	\$1,940	\$0
CLAIMS ADMINISTRATOR	-\$5,727	\$2,727
LIABILITY EXCESS	\$214,387	\$202,445
MA INSURANCE LIMITED		
GROSS CLAIMS PAID	\$1,080,601	\$1,174,664
CLAIMS HANDLING FEE	\$49,200	\$49,750
INSURANCE BROKING FEE	\$205,000	\$205,000
DECREASE/(INCREASE) IN SPECIFIC CLAIMS RESERVES	-\$26,316	\$291,244
(INCREASE)/DECREASE IN IBNR RESERVES	\$93,439	-\$1,419,683
TECHNICAL	\$1,551	\$607
SERIOUS INCIDENTS	\$6,800	\$0
INTL COMPETITION-SUNDRY		

Motorcycling Australia Limited
Detailed Consolidated Statement of Expenses
for the year ended 31 December 2012

	2012	2011
MOTORCYCLE MUSEUM	\$605	\$0
RATES, TAXES & UTILITIES	\$16,322	\$17,039
OFFICE EXPENSES		
TELEPHONE / FAX	\$49,696	\$59,867
STAFF / FUNCTIONS	\$4,574	\$7,347
COURIERS & FREIGHT	\$1,303	\$1,042
DONATIONS / MEMORIALS	\$1,968	\$1,858
STATIONERY & PRINTING	\$8,235	\$9,785
LETTERHEAD & W/COMP SLIPS	\$1,250	\$443
CARD PRINTER	\$1,654	\$5,869
POSTAGE	\$10,769	\$11,616
BUSINESS CARDS	\$700	\$899
EMPLOYMENT LAW UPDATES	\$88	\$0
OFFICE TECHNOLOGY	\$44,207	\$53,550
DEPRECIATION PLAN & EQUIPMENT	\$52,899	\$54,781
TRADE MARKS & OTHER LICENCES	\$0	\$2,042
FIM ACCOUNTS		
SUBSCRIPTION FEE	\$3,800	\$2,600
FIM RIDERS LICENCES	\$26,020	\$37,410
FINES	\$888	\$10,466
OFFICIALS LICENCES	\$5,465	\$0
FIM BOOKS / ANNUAIRES	\$0	\$261
FREIGHT OF LICENCES/DOCUMENTS	\$440	\$0
INTEREST PAYABLE	\$67	\$0
RIDERS DIVISION		
TRAVEL & ACCOMM - ROAD	\$9,947	\$5,189
MEMBER EVENTS	\$2,462	\$1,182
EXPO / STAND SITES	\$7,366	\$10,658
SPONSORSHIP	\$0	\$909
MEMBERSHIP FULFILMENT	\$5,432	\$10,440
PROMOTION PRINTING	\$0	\$2,095
ADVERTISING / MEDIA	\$16,402	\$20,907
ONLINE DEVELOPMENT	\$6,023	\$8,377
PRINTING & STATIONERY	\$5,530	\$0
TECHNOLOGY	\$727	\$0
TELEPHONE / EMAIL	\$0	\$319
MERCEDES - FUEL / PARKING	\$1,140	\$1,822
FUEL / PARKING	\$530	\$164
REGISTRATION	\$0	\$588
REPAIRS & MAINTENANCE	\$1,880	\$427
GST CLEARING ACCOUNT	-\$5,913	\$0
Total EXPENSES	\$7,252,550	\$6,607,632
OPERATING PROFIT / (LOSS)	\$906,162	\$1,057,002