THE MTA GROUP TRAINING SCHEME INC

ABN 36 459 968 347

Reg. No. A0019094A

FINANCIAL REPORT

FOR THE YEAR ENDED

31 MARCH 2015

THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 $	2014 $
Operating Income	2	19,308,220	20,024,135
Revenue from ordinary activities		**19,308,220**	**20,024,135**
Office & Administration Costs		1,811,703	1,838,173
Audit Fees		40,230	31,300
Motor Vehicles and Repairs		74,239	76,133
Occupancy Costs		646,576	641,548
Salaries, Wages & Associated Costs	3	16,786,714	16,781,705
Staff Related Costs		302,139	221,299
Training & Materials		261,716	230,796
Other Expenses		19,778	116,355
Loss on disposal - Plant & Equipment		-	14,732
Costs from ordinary activities		**19,943,095**	**19,952,041**
Operating surplus/(deficit) from operating activities		**(634,875)**	**72,094**
Net Finance Income	4	387,409	843,938
Surplus/(deficit) for period		**(247,466)**	**916,032**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**(247,466)**	**916,032**

The accompanying notes set out on pages 6 to 17 are to be read in conjunction with these financial reports.

THE MTA GROUP TRAINING SCHEME INC.
ABN 36 459 968 347

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
Accumulated Surplus:	**$**	**$**
Opening Balance	10,250,165	9,334,133
Net surplus/(deficit) for the period	(247,466)	916,032
Total Equity at the end of the period	**10,002,699**	**10,250,165**

The accompanying notes set out on pages 6 to 17 are to be read in conjunction with these financial reports.

THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	Notes	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	5	1,243,807	1,341,058
Investments	6	1,943,708	1,897,521
Trade and other receivables	7	2,186,719	2,095,347
Inventories		5,063	6,829
Total current assets		**5,379,297**	**5,340,755**
Non-current assets			
Plant & Equipment	8	3,304,349	3,513,019
Intercompany loan receivable	7	3,524,773	3,524,773
Total non-current Assets		**6,829,122**	**7,037,792**
Total Assets		**12,208,419**	**12,378,547**
Liabilities			
Current Liabilities			
Trade and other payables	9	1,496,120	1,440,420
Employee benefits	10	709,600	687,962
Total current liabilities		**2,205,720**	**2,128,382**
Total non-current liabilities		-	-
Total Liabilities		**2,205,720**	**2,128,382**
Net Assets		**10,002,699**	**10,250,165**
Equity			
Accumulated Surplus/Deficit		10,002,699	10,250,165
Total Equity		**10,002,699**	**10,250,165**

The accompanying notes set out on pages 6 to 17 are to be read in conjunction with these financial reports.

THE MTA GROUP TRAINING SCHEME INC.
ABN 36 459 968 347

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 $	2014 $
Cash flows from operating activities			
Cash receipts from customers and grants		21,136,222	21,778,632
Cash paid to suppliers and employees		(21,314,546)	(21,333,634)
		(178,324)	444,998
Interest received		387,409	297,120
Net cash from operating activities		**209,085**	**742,118**
Cash flows from investing activities			
Acquisition of plant and equipment		(318,904)	(378,556)
Proceeds on sale of fixed assets		58,755	132,182
Acquisitions of investments		(1,943,708)	(1,897,521)
Proceeds from disposal of investments		1,897,521	1,824,230
Net Cash used in investing activities		**(306,336)**	**(319,665)**
Net decrease in cash and cash equivalents		(97,251)	422,453
Cash and cash equivalents at 1 April 2014		1,341,058	918,605
Cash and cash equivalents at 31 March 2015	5	**1,243,807**	**1,341,058**

The accompanying notes set out on pages 6 to 17 are to be read in conjunction with these financial reports.

Notes to the financial statements

Note 1. Significant accounting policies

The MTA Group Training Scheme Inc. (the "Association") is a not for profit entity domiciled in South Australia. The MTA Group Training Scheme Inc. employs and trains apprentices in the motor trade industry. The Association is a controlled entity of The Motor Trade Association of South Australia Inc. The financial report was authorised for issue by the Directors on 16th June 2015.

(a) Statement of compliance

The financial report of the Association is a Tier 2 general purpose financial statement which has been prepared in accordance with Australian Accounting Standards, Reduced Disclosure Requirements (AASB-RDR's) adopted by the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1985 (as amended).

(b) Basis of preparation

The financial report is presented in Australian dollars.

The financial report is prepared on an accrual basis and the historical cost basis.

The preparation of a financial report in conformity with Australian Accounting Standards – Reduced Disclosure Requirements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Association.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Accounting estimates and judgements

Management discussed with the Board of Directors for the Group Training Scheme the development, selection and disclosure of the Association's critical accounting policies and estimates and the application of these policies and estimates.

(d) Plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost (or deemed cost) less accumulated depreciation (see below) and impairment losses (see accounting policy h).

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Expenditure on fixed assets of less than $1,000 is expensed when incurred except for Apprentice Tool Kits, which are capitalised even if below $1,000.

Note 1. Significant accounting policies (continued)

(ii) Subsequent costs
The Association recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such item when the cost is incurred if it is probable that the future economic benefit embodied within the item will flow to the Association and the cost of the item can be reliably measured. All other costs are recognised in profit and loss as an expense as incurred.

(iii) Depreciation
The depreciable amount of all fixed assets are depreciated over the estimated economic life of the asset to the Association commencing from the time the asset is held ready for use. Assets with a written down value of less than $100 at the end of the year, are depreciated to nil value at the year end.

All assets are depreciated using the straight line method from the date of the acquisition, except motor vehicles and leasehold improvements which are depreciated using the reducing balance method.

The depreciation rates used for each class of depreciable asset vary dependent on the assessed economic life of each individual asset, and within each class the depreciation rates used for the current and comparable period are as follows:

Asset Class	**Depreciation Rate**
Plant & Equipment	10% to 36%
Furniture & Fittings	10% to 30%
Motor Vehicles	22.5% to 25%
Apprentice Tool Kits	25%
Capitalised Leased Assets	20% to 33%
Leasehold Improvements	2.5% to 10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

(e) Trade and other receivables
Trade and other receivables, to be settled within 30 days, are initially recognised at their fair value and subsequently measured at amortised cost less impairment losses (see accounting policy h).

Bad debts are written off when they are identified.

(f) Inventories
Inventories consist of apprentice tool kits, safety equipment and course delivery materials and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and cash at bank.

Note 1. Significant accounting policies (continued)

(h) Impairment

The carrying amounts of the Association's assets, other than inventories (see accounting policy f), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

(i) Calculation of recoverable amount

The recoverable amount of the Association's non-current receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non significant receivables are not individually assessed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In the case of a non-current asset of a not-for-profit entity, value in use means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would if deprived of the asset, replace its remaining future economic benefits.

Depreciated replacement cost is defined as the current replacement cost of an asset less where applicable, accumulated depreciation calculated on the basis of such costs to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

(ii) Reversals of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Income Tax

The MTA Group Training Scheme Inc., is exempt from income tax pursuant to section 50 -5 of the Income Tax Assessment Act 1997.

Notes to the financial statements

Note 1. Significant accounting policies (continued)

(j) Employee benefits

(i) Defined Contribution plans

Obligations for contributions to defined contribution benefit superannuation plans are recognised as an expense in profit and loss as incurred.

(ii) Long-term service benefits

The Association's net obligation in respect of long-term service benefits, other than defined contribution plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted using rates attached to the Commonwealth Government bonds that have maturity dates approximating to the terms of the Association's obligations.

(iii)Wages, salaries, and annual leave.

Liabilities for employee benefits for wages, salaries and annual leave that are expected to settle within 12 months of the reporting date represent obligations resulting from employees' services provided to reporting date.

Vested entitlements are shown as current liabilities, measured at nominal wage rates.

Annual leave is provided for at current rates of pay plus employment costs. The Association's experience is that the majority of annual leave is taken as accrued and future wage increases are incorporated into the provision calculation.

No provision is made for sick leave, which although cumulative is non-vesting. However it is vesting for apprentices in the final year of their apprenticeship. As per their employment contract, the apprentice is only entitled to a portion of sick leave upon completion of their apprenticeship. No provision is raised as this is not deemed material.

(k) Provisions

A provision is recognised in the Statement of Financial Position when the Association has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade accounts payable, are non-interest bearing and normally settled within 30 days.

(m) Interest Rate Risk

The Association has exposure to interest rate risk through its term deposits. Information about the term deposits is set out in note 6.

Note 1. Significant accounting policies (continued)

(n) Revenue

(i) Goods sold and services rendered

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at reporting date. The stage of completion is assessed by reference to survey of works performed.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(ii) Government grants

Grants constituting non-reciprocal transfers received from the Government are recognised as income when the Association takes control of the benefit. A non-reciprocal transfer is one which the Association receives assets and services or has liabilities extinguished without giving approximately equal value in exchange to the other party or parties to the transfer. Grants in which the Association is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion of the transaction.

(o) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 January 2014 and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Association are set out below. The Consolidated Entity does not plan to adopt these standards early.

(i) IFRS 9 Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments; Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculation impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.

The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

(ii) IFRS 15 Revenue from Contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when, revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted

The Association is assessing the potential impact on its financial statements resulting from the application of IFRS 15.

(q) Changes in accounting policy

AASB 10 Consolidated Financial Statements, AASB 12 Disclosure of Interests in Other Entities (2011)

AASB 10 introduces a single control model to determine whether an investee should be consolidated.

AASB 12 brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Association has assessed the impact of AASB 10 and disclosure requirements for interests in subsidiaries in comparison with the existing disclosures and determined there is no change from the prior year. AASB 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

THE MTA GROUP TRAINING SCHEME INC.
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Notes to the financial statements (continued)

	2015 $	2014 $
Note 2. Operating Income		
Apprentice hire fees	16,311,774	16,686,433
Government grants & subsidies – Apprentices & Trainees	2,874,978	3,220,368
Gain on disposal of Plant & Equipment	2,101	12,348
Other revenue	119,367	104,986
Revenue from Operating Activities	19,308,220	20,024,135
Note 3. Personnel expenses		
Wages and salaries	14,816,001	14,731,680
Superannuation	1,247,086	1,208,357
Employee On costs	723,627	841,668
	16,786,714	16,781,705
Note 4. Net financing income		
Interest income	105,075	106,013
Related Party Interest	282,334	737,925
	387,409	843,938
Note 5. Cash and cash equivalents		
Cash on hand	500	500
Cash at bank	1,243,307	1,340,558
Balance as per Statement of Cash Flows	1,243,807	1,341,058
Note 6. Investments		
	1,943,708	1,897,521
Term Deposits	1,943,708	1,897,521

Comprising of:

			2015 $	2014 $
Commonwealth Bank	maturity date	3-Jun-15	1,314,419	1,289,308
Commonwealth Bank	maturity date	21-Sep-15	629,289	608,213

Notes to the financial statements (continued)

	2015 $	2014 $
Note 7. Trade and other receivables		
Current		
Trade receivables	1,472,676	1,430,962
less Provision for doubtful debts	-	-
	1,472,676	1,430,962
Sundry receivables	651,573	596,551
Prepayments	62,470	67,834
	2,186,719	2,095,347
Non-current		
Loan to parent [1)]	3,524,773	3,524,773
	5,711,492	5,620,120

1) In the loan agreement between The MTA Group Training Scheme Inc. and The Motor Trade Association of South Australia Inc. interest is charged at the bank rate plus 1%. The loan to parent is repayable within 90 days upon written request being made by the lender. At 31 March 2015 the MTA Group Training Scheme Inc. does not plan to call the loan within the next 12 months therefore the loan is classified as a non-current asset at 31 March 2015.

Notes to the financial statements (continued)

2015

Note 8. Plant and Equipment

	Plant and Equipment	Furniture and fittings	Motor vehicles	Apprentice tool kits	Work in progress	Leasehold Improve & Heavy Workshop	Total
	$	$	$	$	$	$	$
Cost							
Balance at 1 April 2013	1,425,361	192,815	429,846	619,583	27,681	3,208,780	5,904,066
Acquisitions	49,711	1,539	221,143	93,507	-	28,913	394,813
Disposals	(64,632)	(32,510)	(185,201)	(167,277)	(27,681)	-	(477,301)
Balance at 31 March 2014	1,410,440	161,844	465,788	545,813	-	3,237,693	5,821,578
Balance at 1 April 2014	1,410,440	161,844	465,788	545,813	-	3,237,693	5,821,578
Acquisitions	64,902	12,936	68,564	167,556		4,946	318,904
Disposals	(299,623)	(3,177)	(67,989)	(128,628)	-	-	(499,417)
Balance at 31 March 2015	1,175,719	171,603	466,363	584,741	-	3,242,639	5,641,065
Depreciation and impairment							
Balance at 1 April 2013	1,054,320	167,242	154,865	301,075	-	455,820	2,133,322
Depreciation charge for the year	102,814	11,427	89,223	138,040	-	164,122	505,626
Disposals	(64,632)	(32,510)	(93,342)	(139,904)	-	-	(330,389)
Balance at 31 March 2014	1,092,502	146,159	150,746	299,211	-	619,942	2,308,560
Balance at 1 April 2014	1,092,502	146,159	150,746	299,211	-	619,942	2,308,560
Depreciation charge for the year	108,534	9,158	75,585	119,786	-	157,857	470,920
Disposals	(298,582)	(3,177)	(31,466)	(109,539)	-	-	(442,764)
Balance at 31 March 2015	902,454	152,140	194,865	309,458	-	777,799	2,336,716
Carrying amounts							
At 1 April 2013	371,041	25,573	274,981	318,508	27,681	2,752,960	3,770,744
At 31 March 2014	317,938	15,685	315,042	246,602	-	2,617,751	3,513,018
At 1 April 2014	317,938	15,685	315,042	246,602	-	2,617,751	3,513,018
At 31 March 2015	273,265	19,463	271,498	275,283	-	2,464,840	3,304,349

Notes to the financial statements (continued)

	2015 $	2014 $
Note 9. Trade and other payables		
Trade payables and accruals	1,496,120	1,440,420
	1,496,120	1,440,420
Note 10. Employee benefits		
Current		
Liability for annual leave	701,167	682,251
Salary and wages accrued	8,433	5,711
	709,600	687,962
Note 11. Contingencies		
Estimates of the maximum amount of contingent obligation that may become payable	1,781,000	1,716,000

During a period of an economic downturn, it is appropriate to provide for a contingent liability which may arise for the return of apprentices and trainees from host employers and not being able to place those apprentices and trainees with alternate host employers. Should this occur and all apprentice and trainees are returned, the cost to The MTA Group Training Scheme Inc. would be $1,781,000 (2014:$1,716,000).

Note 12. Subsequent Event

Other than the matters disclosed in the other notes to the financial report, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Notes to the financial statements (continued)

Note 13. Related Parties – key management personnel disclosures

The names of the Members of the MTA Group Training Scheme's Board of Directors who held office at any time during or since the end of the year are:

Frank Agostino	Ron Lewis	
Neville Gibb	Martin Guppy	17-02-2015 – 31-03-2015
John Zulian	Danny Shane	01-04-2014 – 05-11-2014
Clive Polley		
Peter Roberts		

The non-executive Directors have not received any remuneration during the year (except travel cost reimbursement).

14. Related party transactions	**2015**	**2014**
	$	**$**
Statement of Profit or Loss and Other Comprehensive Income		
Related Party Interest	282,334	737,925
	282,334	737,925
Management fees, staff salaries and on costs relate to time spent by Motor Trade Association of SA staff on MTA Group Training Scheme related issues and are as follows:		
Management Fees	798,000	692,500
Staff Salaries and on costs	2,556,313	2,602,785
	3,354,313	3,295,285
Other related party transactions relate to services provided by Motor Trade Association of SA to MTA Group Training Scheme and are as follows:		
Rental of 3 Frederick Road	533,000	513,600
Printing sales	81,236	89,046
Staff Training	15,810	-
Provision of services for governments grants	419,446	583,886
	4,403,805	4,481,817
Statement of Financial Position		
Trade and other payables **Note 9**	(474,894)	(658,010)
Trade and other receivables **Note 7**	57,156	94,130
Related party receivable **Note 7**	3,524,773	3,524,773

Notes to the financial statements (continued)

14. Related party transactions (continued)

No member of the Board of Directors has entered into a material contract with the Association since the end of the previous financial year and there were no material contracts involving Board of Directors' interests existing at year-end.

Note 15. Association details

The principal place of business of the Association is:
3 Frederick Road, Royal Park, South Australia.

Note 16. Principal activities

The principal activities of the Association during the financial year were:

- Employment of automotive trades apprentices,
- Employment of trainees,
- Provision of recognised training to employees, employed under contracts of training,
- Provision of workplace training to employees, employed under contracts of training, and
- Provision of post qualification, trade training.

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Report by the Board of Directors

As required by Section 35 (5) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

(a) No benefit has been received as a result of a contract between an officer, firm or corporate (in which an officer or member of the Association, is a member or has a substantial financial interest), and the Association.

(b) No officer of the Association has received any payment or benefit of a pecuniary value other than as part of a negotiated remuneration package as an employee of the Association.

	2015	2014
(c) Remuneration (including fringe benefits) received or due and receivable, by officers of the Association	$ -	$ -

Signed pursuant to a resolution of the Board of Directors

Chairman ______________________
Frank Agostino

Director ______________________
John Zulian

Dated this 16 day of June 2015

THE MTA GROUP TRAINING SCHEME INC.
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Statement by the Board of Directors

As required by Section 35 (2) of the Associations Incorporation Act 1985 (as amended), pursuant to a resolution of the Board of Directors, it is stated that:-

(a) The accounts present fairly the results of the operations of the Association for the financial year and the state of affairs of the Association as at the end of the 2014/2015 financial year: and

(b) The Board has reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due: and

(c) That the Association has no subsidiary: and

(d) That the Association is not a trustee of a trust.

Signed pursuant to a resolution of the Board of Directors

Chairman ______________________
Frank Agostino

Director ______________________
John Zulian

Dated this 16 day of June 2015

KPMG

Independent auditor's report to the members of The MTA Group Training Scheme Inc.

We have audited the accompanying financial report of The MTA Group Training Scheme Inc. (the Association), which comprises the statement of financial position as at 31 March 2015, statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Board of Directors.

Director's responsibility for the financial report

The Association's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 1985* (as amended), and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and *Associations Incorporation Act 1985* (as amended) requirements, a view which is consistent with our understanding of the Association's financial position, and of its performance.

We believe that the audit evidence 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 Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of The MTA Group Training Scheme Inc. is properly drawn up so as to present fairly, in all material respects, the financial position of the Association as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act 1985* (as amended) and Australian Accounting Standards – Reduced Disclosure Requirements.

KPMG

Darren Ball
Partner

Adelaide

16 June 2015