

**THE MTA GROUP TRAINING SCHEME INC**

**ABN 36 459 968 347**

**Reg. No. A0019094A**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 MARCH 2017**

# 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 2017

	Notes	2017 \$	2016 \$
Operating Income	2	19,203,562	19,990,262
<b>Revenue from ordinary activities</b>		<b>19,203,562</b>	<b>19,990,262</b>
Office & Administration Costs		1,671,940	1,823,539
Audit Fees		21,375	32,750
Motor Vehicles and Repairs		51,035	60,296
Occupancy Costs		666,657	666,383
Salaries, Wages & Associated Costs	3	16,532,268	17,793,070
Staff Related Costs		234,569	277,481
Training & Materials		215,177	250,308
Other Expenses		23,459	20,000
<b>Costs from ordinary activities</b>		<b>19,416,480</b>	<b>20,923,827</b>
<b>Operating surplus/(deficit) from operating activities</b>		<b>(212,918)</b>	<b>(933,565)</b>
Net Finance Income	4	259,220	359,611
<b>Surplus/(deficit) for period</b>		<b>46,302</b>	<b>(573,954)</b>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive income for the period</b>		<b>46,302</b>	<b>(573,954)</b>

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 2017

	2017	2016
<b>Accumulated Surplus:</b>	\$	\$
Opening Balance	9,428,745	10,002,699
Net surplus/(deficit) for the period	46,302	(573,954)
Other comprehensive income for the period	-	-
<b>Total Equity at the end of the period</b>	<b>9,475,047</b>	<b>9,428,745</b>

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 2017

	Notes	2017 \$	2016 \$
<b>Assets</b>			
Cash and cash equivalents	5	1,856,766	1,627,111
Investments	6	2,074,675	2,021,539
Trade and other receivables	7	1,666,512	1,796,219
Inventories		2,238	3,154
<b>Total current assets</b>		<b>5,600,191</b>	<b>5,448,023</b>
<b>Non-current assets</b>			
Plant & Equipment	8	2,827,835	2,996,419
Trade and other receivables	7	3,524,773	3,524,773
<b>Total non-current Assets</b>		<b>6,352,608</b>	<b>6,521,192</b>
<b>Total Assets</b>		<b>11,952,799</b>	<b>11,969,215</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,698,117	1,769,773
Employee benefits	10	779,635	770,697
<b>Total current liabilities</b>		<b>2,477,752</b>	<b>2,540,470</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>2,477,752</b>	<b>2,540,470</b>
<b>Net Assets</b>		<b>9,475,047</b>	<b>9,428,745</b>
<b>Equity</b>			
Accumulated Surplus		9,475,047	9,428,745
<b>Total Equity</b>		<b>9,475,047</b>	<b>9,428,745</b>

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 2017

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers and grants		21,259,795	22,422,829
Cash paid to suppliers and employees		(21,020,617)	(22,188,031)
		239,178	234,798
Interest received		259,220	359,611
<b>Net cash from operating activities</b>		<b>498,398</b>	<b>594,409</b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(284,003)	(141,616)
Proceeds on sale of fixed assets		68,396	8,342
Acquisitions of investments		(2,074,675)	(2,021,539)
Proceeds from disposal of investments		2,021,539	1,943,708
<b>Net Cash used in investing activities</b>		<b>(268,743)</b>	<b>(211,105)</b>
Net increase in cash and cash equivalents		229,655	383,304
Cash and cash equivalents at 1 April		1,627,111	1,243,807
Cash and cash equivalents at 31 March	5	<b>1,856,766</b>	<b>1,627,111</b>

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

## 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 26th May 2017.

#### **(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) and the Australian Charities and Not-for-profits Commission Act 2012.

#### **(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.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements

## **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:

<b>Asset Class</b>	<b>Depreciation Rate</b>
Plant & Equipment	5 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 20%

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.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements

## **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.



# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

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 Australian Corporate bonds that have maturity dates approximating to the terms of the Association's obligations.

#### **(iii) Short-term service benefits.**

Liabilities for employee benefits for wages, salaries and 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.

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.

### **(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.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements

## **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 an accrual 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 ending after 31 March 2017 and have not been applied in preparing these financial statements. Those which may be relevant to the Association are set out below. The Entity does not plan to adopt these standards early.

#### **(i) AASB9 Financial Instruments**

AASB 9, published in July 2014, replaces the existing guidance in AASB 39 Financial Instruments; Recognition and Measurement. AASB 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 AASB 39.

AASB 9 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 AASB 9.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements

## **Note 1. Significant accounting policies (continued)**

### **(ii) AASB15 Revenue from Contracts with customers**

AASB 15 Establishes a comprehensive framework for determining whether, how much and when, revenue is recognised. It replaces existing revenue recognition guidance, including AASB 18 Revenue, AASB 11 Construction contracts and Interpretation 13 Customer Loyalty Programmes.

AASB 15 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 AASB15

### **(iii) AASB 16 Leases**

AASB 16 Leases eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires the entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. The entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

The new standards applies to annual reporting periods beginning on or after 1 January 2019.

To the extent that the entity, as lessee, has significant operating leases outstanding at the date of initial application, 1 July 2019, right-of-use assets will be recognised for the amount of the unamortised portion of the useful life, and lease liabilities will be recognised at the present value of the outstanding lease payments.

Thereafter, earnings before interest, depreciation, amortisation will increase because operating lease expenses currently included in profit or loss will be recognised instead as amortisation of the right-of-use asset, and interest expense on the lease liability. However, there will be an overall reduction in net surplus/loss in the early years of a lease because the amortisation and interest charges will exceed the current straight-line expense incurred under AASB 117 Leases. This trend will reverse in the later years.

There will be no change to the accounting treatment for short-term leases less than 12 months and leases of low value items, which will continue to be expensed on a straight-line basis.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements (continued)

	2017	2016
	\$	\$
<b>Note 2. Operating Income</b>		
Apprentice hire fees	16,425,582	17,003,062
Government grants & subsidies – Apprentices & Trainees	2,636,743	2,831,490
Gain on disposal of Plant & Equipment	6,182	2,522
Other revenue	135,055	153,188
Revenue from Operating Activities	19,203,562	19,990,262
<b>Note 3. Personnel expenses</b>		
Wages and salaries	14,525,442	15,652,867
Superannuation	1,254,137	1,337,721
Employee On costs	752,689	802,482
	16,532,268	17,793,070
<b>Note 4. Net financing income</b>		
Interest income	65,357	76,503
Related Party Interest	193,863	283,108
	259,220	359,611
<b>Note 5. Cash and cash equivalents</b>		
Cash on hand	500	500
Cash at bank	1,856,266	1,626,611
Balance as per Statement of Cash Flows	1,856,766	1,627,111
<b>Note 6. Investments</b>		
Term Deposits	2,074,675	2,021,539
	2,074,675	2,021,539
Comprising of:		
Commonwealth Bank – maturity date 28-Aug-17	1,409,005	1,373,401
Commonwealth Bank – maturity date 16-May-17	665,670	648,138

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements (continued)

	2017	2016
	\$	\$
<b>Note 7. Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	1,304,860	1,402,639
less Provision for doubtful debts	(20,000)	(20,000)
	<hr/> 1,284,860	<hr/> 1,382,639
 Sundry receivables	 313,294	 313,335
Prepayments	68,358	100,245
	<hr/> 1,666,512	<hr/> 1,796,219
<b>Non-current</b>		
Loan to parent <sup>(1)</sup>	3,524,773	3,524,773
	<hr/> 5,191,285	<hr/> 5,320,992

<sup>1)</sup> 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 2017 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 2017.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements (continued)

## Note 8. Property, plant and equipment

	Plant and Equipment	Furniture and fittings	Motor vehicles	Apprentice tool kits	Leasehold Improvements & Heavy Workshop	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
Balance at 1 April 2015	1,175,719	171,603	466,363	584,741	3,242,639	5,641,065
Acquisitions	54,651	11,190	-	65,192	10,583	141,616
Disposals	(24,926)	-	-	(114,435)	-	(139,361)
Balance at 31 March 2016	1,205,444	182,793	466,363	535,498	3,253,222	5,643,320
Balance at 1 April 2016	1,205,444	182,793	466,363	535,498	3,253,222	5,643,320
Acquisitions	15,755	713	102,688	150,594	14,253	284,003
Disposals	(210)	(3,350)	(151,782)	(242,535)	-	(397,877)
Balance at 31 March 2017	1,220,989	180,156	417,269	443,557	3,267,475	5,529,446
<b>Depreciation and impairment</b>						
Balance at 1 April 2015	902,454	152,140	194,865	309,458	777,799	2,336,716
Depreciation charge for the year	105,391	8,522	65,615	115,147	149,054	443,730
Disposals	(16,766)	(8,160)	-	(108,618)	-	(133,544)
Balance at 31 March 2016	991,079	152,502	260,480	315,987	926,853	2,646,901
Balance at 1 April 2016	991,079	152,502	260,480	315,987	926,853	2,646,901
Depreciation charge for the year	133,206	8,166	48,349	106,557	94,094	390,372
Disposals	(210)	(3,350)	(104,639)	(227,463)	-	(335,662)
Balance at 31 March 2017	1,124,075	157,318	204,190	195,081	1,020,947	2,701,611
<b>Carrying amounts</b>						
At 1 April 2015	273,265	19,463	271,498	275,283	2,464,840	3,304,349
At 31 March 2016	214,365	30,291	205,883	219,511	2,326,369	2,996,419
At 1 April 2016	214,365	30,291	205,883	219,511	2,326,369	2,996,419
At 31 March 2017	96,914	22,838	213,079	248,476	2,246,528	2,827,835

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements (continued)

	2017 \$	2016 \$
<b>Note 9. Trade and other payables</b>		
Trade payables and accruals	1,698,117	1,769,773
	<u>1,698,117</u>	<u>1,769,773</u>

## **Note 10. Employee benefits**

Current		
Liability for annual leave	776,193	764,962
Salary and wages accrued	3,442	5,735
Other	<u>779,635</u>	<u>770,697</u>

## **Note 11. Contingencies**

Estimates of the maximum amount of contingent obligation that may become payable.	<u>1,547,000</u>	<u>1,675,101</u>
---	------------------	------------------

During a period of an economic downturn, a contingent liability 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 \$1,547,000 (2016:\$1,675,101).

## **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.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

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:

Neville Gibb	Clive Polley
Frank Agostino 1/4/16 - 24/4/17	Ron Lewis
Martin Guppy 1/4/16 - 2/6/16	Colin Butcher 16/8/16 - Current
Peter Roberts	

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

## Note 14. Related party transactions

### Statement of Profit or Loss and Other Comprehensive Income

Related Party Interest

2017	2016
\$	\$
193,863	283,108
193,863	283,108

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:

	2017	2016
	\$	\$
Management Fees	803,000	853,247
Staff Salaries and on costs	2,199,921	2,366,130
	3,002,921	3,219,377

### Other related party transactions relate to services provided by

#### Motor Trade Association of SA to MTA Group Training Scheme and are as follows:

	2017	2016
	\$	\$
Rental of 3 Frederick Road	563,000	549,100
Printing sales	60,214	79,359
Staff Training	-	-
Provision of services for governments grants	-	64,224
	3,626,135	3,912,060

	2017	2016
	\$	\$
<u>Statement of Financial Position</u>		
Trade and other payables <b>Note 9</b>	(405,078)	(476,731)
Trade and other receivables <b>Note 7</b>	17,108	28,304
Related party receivable <b>Note 7</b>	3,524,773	3,524,773

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.



# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

Notes to the financial statements (continued)

## **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.

# THE MTA GROUP TRAINING SCHEME INC.

ABN 36 459 968 347

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.
- (c) Remuneration (including fringe benefits) received or due and receivable, by officers of the Association
- |  | 2017 | 2016 |
|--|------|------|
|  | \$ - | \$ - |

Signed pursuant to a resolution of the Board of Directors

Director

  
Clive Polley

Director

  
Neville Gibb

Dated this 26th day of May 2017

# THE MTA GROUP TRAINING SCHEME INC.


ABN 36 459 968 347

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:-

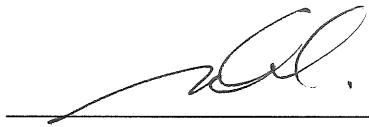
- (a) The accounts present fairly the results of the operations of the Association for the financial year and the state of affairs of the Association as at the end of the 2016/2017 financial year: and
- (b) The Board has reasonable grounds to believe that the Association will be able to pay its debts 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

Director

  
Clive Polley

Director

  
Neville Gibb

Dated this 26th day of May 2017

## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE MTA GROUP TRAINING SCHEME INC.

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The MTA Group Training Scheme Inc. which comprises the statement of financial position as at 31 March 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of The MTA Group Training Scheme Inc. is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the requirements of the Associations Incorporation Act 1985 (as amended) including:

- (i) Giving a true and fair view of the Company's financial position as at 31 March 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The responsible entities of the registered entity are responsible for the other information. The other information comprises the information in the registered entity's annual report for the year ended 31 March 2017, but does not include the financial report and our auditor's report thereon.

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

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



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

#### **Responsibilities of the responsible entities' for the Financial Report**

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *ACNC Act* and the Associations Incorporation Act 1985 (as amended) and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

**BDO Audit (SA) Pty Ltd**

Paul Gosnold  
Director

Adelaide, 30 May 2017