

Not-For-Profit - Association Report 2020 DRAFT 3

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

ABN 64 819 095 900

For the year ended 30 June 2020

Prepared by Ross Wakelin IMYB

Contents

3	Committee's Report
5	Income and Expenditure Statement
8	Assets and Liabilities Statement
9	Notes to the Financial Statements
14	Movements in Equity
15	Statement of Cash Flows - Direct Method
16	True and Fair Position
17	Auditor's Report
19	Certificate By Members of the Executive Committee
20	Compilation Report

Committee's Report

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC) For the year ended 30 June 2020

Committee's Report

Your executive committee members submit the financial report of MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC) for the financial year ended 30 June 2020.

Committee Members

The names of executive committee members throughout the year and at the date of this report are:

Committee Member	Position	Date Started / Terminated
Neil Tank	President	Aug 2012 to present
Tim Nolan	Vice President	May 2020 to present
Bruce Hoffman	Vice President	May 2018 to May 2020
Gary Pope	Treasurer	Sep 2017 to present
Tyson Dodd	Secretary	August 2018 to present
Neil Tank	Public Officer	May 2013 to present
Tyson Dodd	Safety Manager	May 2019 to present

Meetings of Committee Members

During the financial year, a number of executive committee meetings were held. Attendances by each of committee member during the year were as follows:

Committee Members Name	Number Eligible to Attend	Number Attended
Neil Tank	10	10
Tim Nolan	1	1
Bruce Hoffman	9	8
Gary Pope	10	10
Tyson Dodd	10	10

Principal Activities

The MAAA is the largest aeromodelling organisation in Australia and encourages and supports Australians to enjoy aeromodelling in a safe and fun environment.

MAAA provides a management structure, technical expertise and club management support, making it easier for clubs to grow and manage their sport.

As a leading expert the MAAA help clubs provide the best advice, instructors and knowledge base so members can safely learn to fly and enjoy their sport.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Additionally operations have not been adversely affected by COVID19.

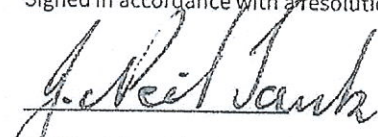
Operating Result

The profit after providing for income tax for the financial year amounted to, as per below: \$231,733

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:


Neil Tank (President)

Date 21/9/2020



Gary Pope (Treasurer)

Date 21/9/2020

Income and Expenditure Statement

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

	2020	2019
Income		
Affiliations [41100]	687,820	491,218
CASA Subsidy	9,655	9,410
Interest on Field Loans		
Bairnsdale [41850]	1,044	289
CRAMS Loan Interest	-	131
Interest NAAS	-	109
Kalamundra Club loan interest	299	460
P and DARCS Loan Interest	83	140
PARCS Interest	196	287
TMAC Loan Interest	-	158
Twin Cities Loan interest	610	858
Total Interest on Field Loans	2,230	2,432
Interest on Bank Accounts		
Interest Cash Reserve 240514	1	-
Interest Field Loan 300545	12,272	21,480
Interest Insurance Levy 305098	-	2,674
Interest Bank 177965	254	249
Interest Term Deposit 305100	12,768	20,212
Total Interest on Bank Accounts	25,295	44,616
Rent Income		
Bairnsdale [42311]	3,182	3,182
Baccus Marsh Field Rental	-	1,000
Elgin WA	83	84
Finnis Field Rent	1,150	-
Mt Wallace Rental	1,909	-
Reeves Plains Rent	1,069	1,052
Sale Field [42314]	50	45
Toowoomba	87	58
Total Rent Income	7,529	5,421
Other Income		
Advertising Promotion & S'ship	682	1,182
Other Income [44001]	-	360
Professional Instructor Fee	136	136
Government Incentives and Grants	10,000	-
Total Other Income	10,818	1,678
Total Income	743,346	554,775
Gross Surplus	743,346	554,775

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

	2020	2019
Expenditure		
Administration		
Accounting & Auditing Fees	4,000	4,000
Annual Leave Prov'n	2,745	6,193
Bank Fees	75	95
Book Keeping	9,180	9,165
CFI Trainer	1,837	4,474
Computer Expenses	3,021	1,139
Executive Expenses	3,241	3,979
Field Development	59	-
Freight	-	447
Insur Claims	12,151	19,340
Internet & Web Site	7,735	5,753
Long Service Leave Prov'n	1,891	1,342
Membership Cards [62500]	11,138	4,480
Membership System	12,125	7,500
Miscellaneous	3,093	1,858
Office expenses	2,860	4,015
Post & Freight	3,210	2,556
Printing	-	237
Property Expenses	5,131	3,671
Secretary Change over	-	1,001
Secretary Expense	264	4,557
Secretary Salary	90,000	130,768
Secretary World Champs	3,088	4,620
Special Event-AMFD	-	31
Storage	802	-
Super Guarantee	8,708	18,491
Tele Conference - Executive	197	348
Telephone	-	1,342
Treasurer Honorarium	5,000	5,000
Treasurer Services	800	-
Uniforms	-	245
Total Administration	192,353	246,647
Promotion and Marketing		
Advertising & Promotion	6,030	14,993
Education	3,629	13,406
Executive Promotion	2,312	6,873
MAAA Flight Proficiency	-	2,747
Major Events	8,489	26,021
Marketing Expenses	69,323	73,115
Total Promotion and Marketing	89,783	137,155
Member Services		
Affiliation Fees - A.S.A.C.	32,818	32,808
C.I.A.M. & Sec Trip	3,911	8,853
Club Assistance	36,980	48,214
Conference Fees - Annual	10,794	26,768

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income and Expenditure Statement

	2020	2019
Insurance	121,770	86,338
Legals/Copyright	291	1,500
Library / Museum - Maintenance	-	2,500
Library/Museum - Storage	2,445	3,000
Life and Merit Awards	136	15
President Expenses	1,996	2,505
Presidents Travel	550	7,109
Workcover	738	183
Total Member Services	212,430	219,793
Competition Support		
Nationals Grant	-	9,091
President Major Events	-	2,829
Secretary Major Events	1,547	16,617
W/Champs Team & Judges Support	15,500	41,976
Total Competition Support	17,047	70,512
Total Expenditure	511,613	674,108
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	231,733	(119,333)
Current Year Surplus/(Deficit) Before Income Tax	231,733	(119,333)
Net Current Year Surplus After Income Tax	231,733	(119,333)

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Cash Equivalents	2	1,460,981	1,980,317
Trade and Other Receivables	3	209,585	216,492
Inventories		17,793	35,428
GST Receivable		2,805	2,112
Deposits Paid		93,413	-
Members Loan Accounts	4	-	5,000
Total Current Assets		1,784,576	2,239,348
Non-Current Assets			
Investment in Shares		10,000	10,000
Land and Buildings	5	2,250,626	1,583,102
Members Loan Accounts	4	115,171	102,153
Other Non-Current Assets		25,000	25,000
Total Non-Current Assets		2,400,797	1,720,254
Total Assets		4,185,373	3,959,602
Liabilities			
Current Liabilities			
Trade and Other Payables	6	30	9,672
Deferred Income	7	177,830	181,854
Employee Entitlements	8	18,431	10,727
Total Current Liabilities		196,291	202,253
Other Current Liabilities			
Rounding		-	(1)
Total Other Current Liabilities		-	(1)
Total Liabilities		196,291	202,253
Net Assets		3,989,082	3,757,349
Member's Funds			
Capital Reserve		3,989,082	3,757,349
Total Member's Funds		3,989,082	3,757,349

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1985 - South Australia as amended. The executive committee has determined that the association is not a reporting entity.

The financial report covers Model Aeronautical Association of Australia Inc. as an individual entity. The Model Aeronautical Association of Australia Inc. is an association incorporated in South Australia under the Associations Incorporation Act 1985 - South Australia as amended.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Income Tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The MAAA is an association established to encourage and support Australians to enjoy aeromodelling in a safe and fun environment. The association has a physical presence in Australia and, to that extent, incurs its expenditure and pursues its objectives principally in Australia as required under Division 50-70 of the Income Tax Assessment Act 1997.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Freehold Land

Freehold Land reflects purchases of land both pre and post the adoption of Australian Accounting Standards in 2005. The Elgin, Bairnsdale, Reeves Plains and Finnis land is held at cost plus capitalized legal expenditure and relates to land purchased post 2005. The Sale and Toowoomba properties purchased pre 2005, are held at deemed cost in the financial statements, where their value reflects a revaluation increment allowed by AASB1; First time adoption of Australian Accounting Standards.

Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

These notes should be read in conjunction with the attached compilation report.

Provisions

Provisions are recognised when the association 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 at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

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

Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are 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 assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Accounts Payable and Other Payables

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

	2020	2019
2. Cash on Hand		
Field Deposit Account ..3969	375,000	-
Cheque Account ..7965	165,367	637,342
Field Loans Account ..0514	6,819	6,818
Insurance Levy Account ..3671	871	871
Premium Investment Acct ..3663	97	97
Term Deposit; Fields ..0545	-	742,130
Term Deposit; General ..5100	912,826	593,058
Total Cash on Hand	1,460,981	1,980,317
	2020	2019
3. Trade and Other Receivables		
Trade Receivables		
Sundry Debtors	1,000	1,000
Trade Debtors	84,207	105,029
Total Trade Receivables	85,207	106,029
Prepayments		
Prepaid Insurance	124,378	110,463
Total Prepayments	124,378	110,463
Total Trade and Other Receivables	209,585	216,492

These notes should be read in conjunction with the attached compilation report.

4. Related Party Transactions

Interest in Contracts

Loans to Clubs and State Associations are shown as both current and non current Asset at June 30th. The split between current and non-current has been determined based on the loan agreement in place, where the current position reflects repayments expected to be received by the association within the next twelve months

	2020	2019
Members Loan Accounts		
Current Assets		
Loan for Pylon WC 2019	-	5,000
Total Current Assets	-	5,000
Non Current Assets		
Loan Westernport Mac	13,400	-
Bairnsdale and District	6,650	6,650
Kalamunda Aeronautical Model S	18,278	22,278
Loan NSWFFS	15,000	-
P and DARCS	4,000	6,000
PARCS	12,800	14,600
TMAC	2,523	6,605
Twin Cities Loan Account	42,000	45,500
VMAA Loan Account	520	520
Total Non Current Assets	115,171	102,153
Total Members Loan Accounts	(115,171)	(107,153)
	2020	2019

5. Land and Buildings

Land		
Land at Cost		
Finnis Field - Clayton Bay SA	673,491	9,866
Bairnsdale Vic	243,885	243,885
Ballan Vic	518,266	518,266
Elgin WA Field	149,269	149,269
Reeve Plains SA	532,588	528,688
Sale Field [13220]	35,000	35,000
Toowoomba Field	98,128	98,128
Total Land at Cost	2,250,626	1,583,102
Total Land	2,250,626	1,583,102
Total Land and Buildings	2,250,626	1,583,102

These notes should be read in conjunction with the attached compilation report.

	2020	2019
6. Trade and Other Payables		
Trade Payables		
Sundry Creditors	-	1,750
Trade Creditors	220	7,745
Credit Cards	(190)	178
Total Trade Payables	30	9,672
Total Trade and Other Payables	30	9,672

7. Deferred Income

Affiliation fees for the forthcoming year invoiced in the current year

	2020	2019
Deferred Income		
Other Deferred Income		
Deferred Revenue	177,830	181,854
Total Other Deferred Income	177,830	181,854
Total Deferred Income	177,830	181,854

	2020	2019
8. Employee Entitlements		
PAYG Tax Payable	5,655	2,587
Provision for Annual Leave	9,435	6,690
Prov'n for Long Service Leave	3,341	1,450
Total Employee Entitlements	18,431	10,727

These notes should be read in conjunction with the attached compilation report.

Movements in Equity

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

	2020	2019
Equity		
Opening Balance	3,757,349	3,876,683
Increases		
Profit for the Period	231,733	(119,333)
Total Increases	231,733	(119,333)
Total Equity	3,989,082	3,757,349

Statement of Cash Flows - Direct Method

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

	2020	2019
Operating Activities		
Cash Receipts From Other Operating Activities	830,682	565,862
Cash Payments From Other Operating Activities	(540,918)	(705,692)
Net Cash Flows from Operating Activities	289,764	(139,830)
Investing Activities		
Proceeds From Sales of Property, Plant and Equipment	-	12,800
Payment for Property, Plant and Equipment	(667,525)	(22,614)
Loans to Related Parties	(4,518)	39,196
Other Cash Items From Investing Activities	(89,335)	(18,152)
Net Cash Flows from Investing Activities	(761,379)	11,231
Other Activities		
Other Activities	(47,721)	(17,778)
Net Cash Flows from Other Activities	(47,721)	(17,778)
Net Cash Flows	(519,336)	(146,377)
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,980,317	2,126,694
Cash and cash equivalents at end of period	1,460,981	1,980,317
Net change in cash for period	(519,336)	(146,377)

True and Fair Position

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

Annual Statements Give True and Fair View of Financial Position and Performance of the Association

We, Neil Tank, and Gary Pope, being members of the executive committee of MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC), certify that –

The statements attached to this certificate give a true and fair view of the financial position and performance of MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC) during and at the end of the financial year of the association ending on 30 June 2020.

Signed:



Dated:

21/9/2020

Signed:



Dated: 21/9/2020

ASV WADESON

CHARTERED ACCOUNTANTS

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA INC. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA INC.

We have audited the accompanying financial report, being a special purpose financial report of the Model Aeronautical Association of Australia Inc., which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the governing Committee's declaration.

Responsibility of Those Charged with Governance

The governing committee are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in **Note 1** to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act (1985) (South Australia)* and is appropriate to meet the needs of the members.

The governing committee's responsibility also includes such internal control as the governing committee determine is necessary to enable the preparation and fair presentation 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 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 about 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 association'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 governing committee, 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.

**MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA INC.
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA INC.**

Independence

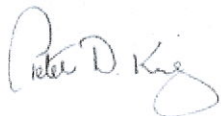
In conducting our audit, we have complied with APES 110 *Code of Ethics for Professional Accountants*.

Opinion

In our opinion, the financial report of Model Aeronautical Association of Australia Inc. presents fairly, in all material respects, the association's financial position as at 30 June 2020 and its performance and its cashflows for the year ended on that date in accordance with Australian Accounting Standards, the accounting policies described in Note 1 to the financial report and the financial reporting requirements of the *Associations Incorporation Act (1985)*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Model Aeronautical Association of Australia Inc. to meet the requirements of the *Associations Incorporation Act (1985) (South Australia)* and the needs of the members as determined by the governing committee. As a result, the financial report may not be suitable for another purpose.



PETER D KING

Date: 28 August 2020

ASV PARTNERS

CHELTENHAM

Certificate By Members of the Executive Committee

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

I, Gary Pope of 5 Williams Rd, NORTH ROCKS, NSW, Australia, 2151 certify that:

1. I attended the annual general meeting of the association held on [16/5/20].
2. The financial statements for the year ended 30 June 2020 were submitted to the members of the association at its annual general meeting.

Dated: / / TBA.

Compilation Report

MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC)

For the year ended 30 June 2020

Compilation report to MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC).

We have compiled the accompanying special purpose financial statements of MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC), which comprise the asset and liabilities statement as at 30 June 2020, income and expenditure statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Committee Member's

The executive committee of MODEL AERONAUTICAL ASSOCIATION OF AUSTRALIA (INC) are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

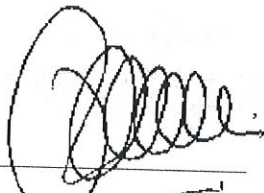
On the basis of information provided by the partners we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the executive committee who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.



Ross Wakelin T/as IMYB

Ross Wakelin IPA 134791

Dated: 28 / 08 / 2020