

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

DJ Crauwcamp Inc
Professional Accountants (SA)
Issued 22 March 2018

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**GENERAL INFORMATION**

ACCOUNTING PERIOD	The twelve months ended 31 December 2017
MANAGEMENT MEMBERS	MJF Potgieter J Smith
REGISTERED OFFICE	Office 24 and 25 Denel North Entrance Atlas Road BONAERO PARK 1619
PROFESSIONAL ACCOUNTANT	D J Crauwcamp Professional Accountants (SA)
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	To actively promote the construction and regulation of the safe flying of model aircraft in South Africa
COUNTRY OF INCORPORATION AND DOMICILE	South Africa
POSTAL ADDRESS	P O Box 7116 BONAERO PARK 1622
BANKERS	Nedbank MENLYN CENTRE

The reports and statements set out below comprise the financial statements presented to the members:

CONTENTS	PAGE
Report of the Professional Accountant	2
Chairmans' Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Accounting Policies	8
Notes to the Financial Statements	9 - 11

Report of the Professional Accountant

To the shareholders of SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

We have performed the duties of accounting officer to SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION for the year ended 31 December 2017 as required by Section 62 of the Close Corporations Act, 1984, as amended.

We have prepared the financial statements set out on pages 4 - 11 based on the information and explanations provided by the board of members. The board of members are responsible for the financial statements. We have compiled the financial statements.

We have determined that the financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act and have done so by adopting such procedures and conducting such enquiries in relation to the accounting records as we considered necessary in the circumstances.

We have also reviewed the accounting policies, which have been represented to us as having been applied in the preparation of the financial statements, and we consider that they are appropriate to the business, and are in conformity with International Financial Reporting Standard for Small and Medium-sized Entities.

DJ Crauwcamp
Partner

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

CHAIRMANS' RESPONSIBILITIES AND APPROVAL

The chairman are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The accounting officer is responsible to determine that the financial statements are in agreement with the accounting records, summarised in the manner required by section 58(2)(d) of the Act.

The chairman are also responsible for the corporation's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the chairman to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements set out on pages 4 to 11, were approved by all members on 22 March 2018 and were signed by:

MJF Potgieter

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**STATEMENT OF FINANCIAL POSITION**

	Note(s)	2017 R	2016 R
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	2	7,449	12,607
CURRENT ASSETS			
Trade and other receivables		5,776	8,252
Cash and cash equivalents	13	2,036,089	1,960,959
		2,041,865	1,969,211
TOTAL ASSETS		2,049,314	1,981,818
EQUITY AND LIABILITIES			
EQUITY			
Accumulated funds	3	1,959,642	1,890,123
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		8,352	-
Provisions		81,320	91,695
		89,672	91,695
TOTAL EQUITY AND LIABILITIES		2,049,314	1,981,818

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**STATEMENT OF COMPREHENSIVE INCOME**

	Note(s)	2017 R	2016 R
REVENUE	4	1,163,682	1,165,116
OTHER INCOME			
Development		20,000	-
Interest received	5	150,022	132,781
Promotional items	6	23,950	23,460
Team fund		1,150	860
TOTAL INCOME		195,122	157,101
OPERATING EXPENSES			
Accounting fees	7	7,980	5,700
Aero club awards dinner		2,800	-
Aero club of South Africa fees		224,972	200,535
Bank charges		7,153	968
Cleaning and consumables		4,044	2,409
Club visits - Boet		36,767	34,181
Computer expenses	8	13,440	16,401
Depreciation		9,844	3,944
Development proficiency testing		3,702	-
Honorarium		35,040	30,000
Insurance	9	23,089	23,359
Marketing		41,024	-
Meeting refreshments		4,452	4,915
Nationals 2017 - entry fees		33,023	(19,306)
Office manager disbursements		10,399	14,608
Office manager telephone		4,444	5,677
Office staff disbursements		1,670	-
Postage		15,638	19,208
Promotional items - clothing		5,580	1,551
Promotional items - mugs		5,130	-
Promotional items - proficiency badges		3,280	7,056
Printing and stationery		36,503	20,691
Provincial rep expenses		11,675	8,063
Repairs and maintenance	10	1,415	3,064
Salaries and wages	11	583,441	436,431
SAMAA newsletter on honorarium		11,000	-
SMC disbursements		6,804	12,320
Special interest group - Competition fund		54,475	60,000
Special interest groups - Team grants		23,500	(5,000)
Storage		8,640	8,640
Subscriptions		3,099	2,883
Telephone		10,133	10,983
Travel - overseas plenary meeting		22,565	23,344
Travel - overseas buro meeting		22,564	19,861
		1,289,285	952,486
PROFIT FOR THE YEAR		69,519	369,731

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**STATEMENT OF CHANGES IN EQUITY**

	Accumulated funds R	Total equity R
Balance at 01 January 2016	1,520,392	1,520,392
Profit for the year	369,731	369,731
Balance at 01 January 2017	<u>1,890,123</u>	<u>1,890,123</u>
Profit for the year	69,519	69,519
Balance at 31 December 2017	<u><u>1,959,642</u></u>	<u><u>1,959,642</u></u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**STATEMENT OF CASH FLOWS**

	Note(s)	2017 R	2016 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,163,681	1,157,721
Cash paid to suppliers and employees		(1,233,883)	(903,253)
CASH (USED IN) GENERATED FROM OPERATIONS	12	<u>(70,202)</u>	<u>254,468</u>
Interest income		150,022	132,781
NET CASH FROM OPERATING ACTIVITIES		<u>79,820</u>	<u>387,249</u>
TOTAL CASH MOVEMENT FOR THE YEAR			
Cash at the beginning of the year		1,960,959	1,589,354
TOTAL CASH AT END OF THE YEAR	13	<u>2,036,094</u>	<u>1,960,963</u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act, 71 of 2008. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 TANGIBLE ASSETS

Tangible assets are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of tangible assets and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of tangible assets, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the tangible assets, which is as follows:

Furniture and fixtures	16.67%
Other fixed assets	17%
Office equipment	25%
Computer equipment	33.33%

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.3 REVENUE

Revenue is recognised to the extent that the close corporation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the close corporation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**NOTES TO THE FINANCIAL STATEMENTS**

	2017			2016		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Office equipment	40,760	(40,758)	2	40,760	(40,758)	2
Computer equipment	25,338	(17,898)	7,440	23,639	(11,039)	12,600
Other property, plant and equipment	2,250	(2,249)	1	2,250	(2,249)	1
Furniture and fittings	35,760	(35,754)	6	32,773	(32,769)	4
Total	104,108	(96,659)	7,449	99,422	(86,815)	12,607

RECONCILIATION OF TANGIBLE ASSETS - 2017				
	Opening balance	Additions	Depreciation	Total
Office equipment	2	-	-	2
Computer equipment	12,600	1,698	(6,859)	7,439
Other fixed assets	1	-	-	1
Furniture and fittings	4	2,987	(2,985)	6
	12,607	4,685	(9,844)	7,448

3. ACCUMULATED FUNDS		
Opening balance	1,890,123	1,520,392
Income/(Loss) for the year	69,519	369,731
	1,959,642	1,890,123

4. REVENUE		
Regular membership	890,857	908,389
Junior membership	42,955	38,990
Senior membership	229,870	217,737
	1,163,682	1,165,116

5. INVESTMENT REVENUE		
INTEREST REVENUE		
Bank	150,022	132,781

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**NOTES TO THE FINANCIAL STATEMENTS**

	2017 R	2016 R
6. OTHER INCOME		
SAMAA Newsletter - Income	8,750	11,050
Promotional Items	10,530	9,165
Promotional Items - Coffee Mugs	780	-
Proficiency Badges	3,890	3,245
	<u>23,950</u>	<u>23,460</u>
7. ACCOUNTING FEES		
Fees	<u>7,980</u>	<u>5,700</u>
8. COMPUTER		
Bulk Email	-	2,144
Computer Expenses	2,176	5,671
Computer Software	540	-
Internet - Mweb	10,724	6,888
Webpage - Snowball	-	1,698
	<u>13,440</u>	<u>16,401</u>
9. INSURANCE		
Insurance	<u>23,089</u>	<u>23,359</u>
10. REPAIRS AND MAINTENANCE		
Repairs & Maintenance	<u>3,064</u>	<u>2,419</u>
11. SALARIES AND WAGES		
Salaries & Wages	546,413	407,443
1% UIF Co Contribution	7,016	4,987
Bonus	30,011	24,001
	<u>583,440</u>	<u>436,431</u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**NOTES TO THE FINANCIAL STATEMENTS**

	2017 R	2016 R
12. CASH (USED IN) GENERATED FROM OPERATIONS		
Profit before taxation	69,519	369,731
ADJUSTMENTS FOR:		
Depreciation and amortisation	9,844	3,944
Interest received - investment	(150,022)	(132,781)
Movements in provisions	(10,375)	15,774
CHANGES IN WORKING CAPITAL:		
Trade and other receivables	2,480	(2,200)
Trade and other payables	8,352	-
	<u>(70,202)</u>	<u>254,468</u>
13. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash on hand	4,000	4,000
Nedbank	42,662	51,800
SAMAA investment	1,472,822	1,495,127
SIG investment	516,605	410,032
	<u>2,036,089</u>	<u>1,960,959</u>