

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

HBLT Chartered Accountants Incorporated
Chartered Accountants (S.A.)
Registered Accountants and Auditors
Issued 13 August 2004

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2004

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

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Approval and statement of responsibility

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The external auditors are responsible for independently auditing and reporting on the fair presentation of financial statements in conformity with South African Auditing Standards. The financial statements have been prepared in accordance with generally accepted accounting practice and in the manner required by the Companies Act, 1973.

The directors are also responsible for the association'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 directors 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 have been prepared on the going concern basis, since the directors have every reason to believe that the association has adequate resources in place to continue in operation for the foreseeable future.

The financial statements which appear on pages 4 to 10 were approved by the board on 13 August 2004 and signed on their behalf by:

Chairman

Treasurer

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION**

We have audited the annual financial statements of South African Model Aircraft Association set out on pages 4 to 9 for the year ended 31 March 2004. These financial statements are the responsibility of the association's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Qualification

In common with all other organisations of similar size, structure and nature, it is not feasible for the association to institute accounting controls over cash collections from donations, sponsors, fund raising projects and the selling of miscellaneous items prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond the receipts actually recorded.

Qualified audit opinion

In our opinion, except for the effect on the financial statements of the matter referred to in the preceding paragraph, the financial statements fairly present, in all material respects, the financial position of the association at 31 March 2004 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting practice.

Supplementary information

The supplementary schedules set out on page 10 do not form part of the annual financial statements and are presented as additional information. We have not audited these schedules and accordingly we do not express an opinion on them.

HBLT Chartered Accountants Incorporated

Chartered Accountants (S.A.)

Registered Accountants and Auditors

Kempton Park

13/08/2004

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
BALANCE SHEET
at 31 March 2004

	Note	2004 R	2003 R
Assets			
Non-current assets			
Property, plant and equipment	2	9,018	5,573
Current assets			
Inventories	3	28,653	27,063
Trade and other receivables		19,467	20,852
Cash and cash equivalents		287,418	224,722
Total assets		<u>344,556</u>	
Funds and liabilities			
Funds and reserves			
Accumulated Funds		334,245	258,768
Current liabilities			
Trade and other payables		10,311	19,442
Total equity and liabilities		<u>344,556</u>	<u>278,210</u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
INCOME STATEMENT
for the year ended 31 March 2004

	Note	2004 R	2003 R
Gross revenue		403,363	342,159
Operating costs		<u>344,211</u>	<u>309,615</u>
Operating surplus	4	59,152	32,544
Investment income	5	<u>16,325</u>	<u>11,033</u>
Surplus		75,477	43,577
Retained surplus at beginning of year		<u>258,768</u>	<u>215,191</u>
Retained surplus at end of year		<u><u>334,245</u></u>	<u><u>258,768</u></u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2004

	Distributable reserve R
Balance at 01 April 2002	215,191
Net profit for the year	<u>43,577</u>
Balance at 01 April 2003	258,768
Net profit for the year	<u>75,477</u>
Balance at 31 March 2004	<u><u>334,245</u></u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
CASH FLOW STATEMENT
for the year ended 31 March 2004

	Notes	2004 R	2003 R
Cash flows from operating activities		67,691	40,250
Cash generated by operating activities	7.1	51,366	29,217
Interest received		16,325	11,033
Cash flows from investing activities			
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired		(4,995)	(6,328)
Increase in cash and cash equivalents		62,696	33,922
Cash and cash equivalents at beginning of the year	7.2	224,722	190,800
Cash and cash equivalents at end of the year	7.2	287,418	224,722

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

Trading as SAMAA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2004

	2004	2003
	R	R
4. Operating profit		
Operating surplus is stated after:		
Expenditure		
Auditors' remuneration	2,744	3,358
- Audit fee	3,200	2,850
- Prior year under-provision	-	52
- Other services	(456)	456
Depreciation		
- Property, plant and equipment	1,550	755
5. Investment income		
Interest income		
- Interest received	<u>16,325</u>	<u>,033</u>
6. Taxation		
No provision has been made for 2004 taxation as the association has no taxable income.		
7. Notes to the cash flow statement		
7.1 Cash generated by operating activities		
Net profit	75,477	43,577
Adjustments for:		
Depreciation	1,550	755
Investment income	<u>(16,325)</u>	<u>(11,033)</u>
	60,702	33,299
Movements in working capital		
Increase in inventories	(1,590)	(27,063)
Decrease in accounts receivable	1,385	10,788
(Decrease)/increase in accounts payable	<u>(9,131)</u>	<u>12,193</u>
	<u>51,366</u>	<u>29,217</u>
7.2 Cash and cash equivalents		
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:		
Cash and cash equivalents	<u>287,418</u>	<u>224,722</u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
Trading as SAMAA
DETAILED INCOME STATEMENT
for the year ended 31 March 2004

	2004 R	2003 R
Gross revenue	403,363	342,159
Sales	364,946	318,442
Sundry income	38,417	23,717
Other income		
Interest received	16,325	11,033
Total income		353,192
Expenditure		309,615
Accounting fees	-	1,000
Advertising	-	6,296
Affiliation fees - Aero Club	22,185	10,000
Auditors' remuneration	2,744	3,358
Bank charges	409	129
Club and Regional grants	-	6,000
Colours award ceremony - net	-	10,661
Consumables	60	-
Depreciation	1,550	755
Donations	500	-
Editor's fees	-	1,000
Fines and penalties	1,838	969
Insurance	31,250	26,133
Legal expenses	755	-
Magazines, books and periodicals	65,047	57,748
Masters, nationals and other tournament expenses	7,030	9,109
Medical expenses	-	472
Printing and stationery	21,966	73,577
Promotions	1,528	(16,226)
Repairs and maintenance	1,183	547
Salaries	68,681	55,240
Special interest groups	6,000	7,000
Staff welfare	2,037	909
Telephone and fax	60,406	-
Travel - local	1,381	1,562
Travel - overseas	22,161	22,228
Travel Expenses - Team Grants	25,500	31,148
Surplus	75,477	43,577
Retained surplus at beginning of year	258,768	215,191
Retained surplus at end of year		258,768