

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION
(REGISTRATION NUMBER PBO 930030082)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

STATEMENT OF FINANCIAL POSITION

	Note(s)	2016 R	2015 R
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	2	12,607	911
CURRENT ASSETS			
Trade and other receivables		8,251	6,048
Cash and cash equivalents	13	1,960,959	1,589,354
		<u>1,969,210</u>	<u>1,595,402</u>
TOTAL ASSETS		<u>1,981,817</u>	<u>1,596,313</u>
EQUITY AND LIABILITIES			
EQUITY			
Retained income		1,890,122	1,520,392
LIABILITIES			
CURRENT LIABILITIES			
Provisions		91,695	75,921
TOTAL EQUITY AND LIABILITIES		<u>1,981,817</u>	<u>1,596,313</u>

SOUTH AFRICAN MODEL AIRCRAFT ASSOCIATION

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**STATEMENT OF COMPREHENSIVE INCOME**

	Note(s)	2016 R	2015 R
REVENUE	3	1,165,976	1,214,848
OTHER INCOME			
Interest received	4	132,781	88,293
Other income	5	42,765	27,851
TOTAL INCOME		175,546	116,144
OPERATING EXPENSES			
Accounting fees	6	5,700	12,341
Advertising		-	863
Aero club of South Africa fees		200,535	204,810
Bad debts	7	-	2,450
Bank charges		968	351
Cleaning		635	810
Club visits - Boet		34,181	-
Computer expenses	8	16,401	28,700
Consumables		1,774	2,676
Depreciation		3,944	6,239
Development proficiency testing		-	3,363
Entertainment		4,915	2,790
Honorarium		30,000	27,500
Insurance	9	23,359	23,304
Office manager disbursements		14,608	41,246
Office manager telephone		5,677	-
Postage		19,208	19,379
Promotional items - clothing		1,551	-
Promotional items - proficiency badges		7,056	-
Printing and stationery		20,691	37,434
Promotional items		-	3,607
Provincial club visits		8,063	-
Refreshments		-	1,320
Repairs and maintenance	10	3,064	302
Salaries and wages	11	436,431	341,234
SAMAA newsletter costs		-	10,000
SMC disbursements		12,320	17,988
Special interest group - Competition fund		60,000	21,450
Special interest groups - Team grants		(5,000)	20,000
Storage		8,640	8,640
Subscriptions		2,883	2,537
Telephone		10,983	9,384
Travel - overseas plenary meeting		23,344	-
Travel - overseas buro meeting		19,861	-
		971,792	850,718
PROFIT FOR THE YEAR		369,730	480,274

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**STATEMENT OF CHANGES IN EQUITY**

	Retained income R	Total equity R
Balance at 01 January 2015	1,040,118	1,040,118
Profit for the year	480,274	480,274
Balance at 01 January 2016	<u>1,520,392</u>	<u>1,520,392</u>
Profit for the year	369,730	369,730
Balance at 31 December 2016	<u>1,890,122</u>	<u>1,890,122</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**STATEMENT OF CASH FLOWS**

	Note(s)	2016 R	2015 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,157,721	1,211,243
Cash paid to suppliers and employees		(903,254)	(820,460)
CASH GENERATED FROM OPERATIONS	12	<u>254,467</u>	<u>390,783</u>
Interest income		132,781	88,293
NET CASH FROM OPERATING ACTIVITIES		<u>387,248</u>	<u>479,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of tangible assets	2	(15,640)	-
Loans to group companies repaid/advanced		-	12,740
NET CASH FROM INVESTING ACTIVITIES		<u>(15,640)</u>	<u>12,740</u>
TOTAL CASH MOVEMENT FOR THE YEAR		371,608	491,816
Cash at the beginning of the year		1,589,354	1,097,538
TOTAL CASH AT END OF THE YEAR	13	<u>1,960,962</u>	<u>1,589,354</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act no 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.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES TO THE FINANCIAL STATEMENTS

	2016			2015		
	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	(40,709)	51
Computer equipment	23,639	(11,039)	12,600	7,999	(7,998)	1
Other property, plant and equipment	2,250	(2,249)	1	2,250	(2,249)	1
Furniture and fittings	32,773	(32,769)	4	32,773	(31,915)	858
Total	99,422	(86,815)	12,607	83,782	(82,871)	911

RECONCILIATION OF TANGIBLE ASSETS - 2016

	Opening balance	Additions	Depreciation	Total
Office equipment	51	-	(49)	2
Computer equipment	1	15,640	(3,041)	12,600
Other fixed assets	1	-	-	1
Furniture and fittings	858	-	(854)	4
	911	15,640	(3,944)	12,607

3. REVENUE

Regular membership	908,389	961,776
Junior membership	38,990	47,122
Senior membership	217,737	205,810
Team Fund	860	140
	1,165,976	1,214,848

4. INVESTMENT REVENUE

INTEREST REVENUE		
Bank	132,781	88,293

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**NOTES TO THE FINANCIAL STATEMENTS**

	2016 R	2015 R
5. OTHER INCOME		
SAMAA Newsletter - Income	2,500	17,605
Promotional Items	9,165	5,805
Proficiency Badges	3,245	1,555
FAI Licences - Income	-	1,320
Advertising & Promotions	8,550	-
Nationals 2016 - Entry Fees	19,306	1,566
SAMAA Year End Function - Income	-	2,240
	<u>42,766</u>	<u>30,091</u>
6. ACCOUNTING FEES		
Fees	<u>5,700</u>	<u>12,341</u>
7. BAD DEBT		
These debts were incurred in the normal course of business and are irrecoverable		
8. COMPUTER		
Bulk Email	2,144	4,036
Computer Expenses	5,671	2,052
Computer Software	-	536
Internet - Mweb	6,888	6,888
Webpage - Snowball	1,698	15,188
	<u>16,401</u>	<u>28,700</u>
9. INSURANCE		
Insurance	<u>23,359</u>	<u>23,304</u>
10. REPAIRS AND MAINTENANCE		
Repairs & Maintenance	<u>3,064</u>	<u>302</u>
	<u>3,064</u>	<u>302</u>
11. SALARIES AND WAGES		
Salaries & Wages	407,443	321,480
1% UIF Co Contribution	4,987	3,569
Bonus	24,001	16,185
	<u>436,431</u>	<u>341,234</u>

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	2016 R	2015 R
12. CASH GENERATED FROM OPERATIONS		
Profit before taxation	369,730	480,274
ADJUSTMENTS FOR:		
Depreciation and amortisation	3,944	6,239
Interest received - investment	(132,781)	(88,293)
Movements in provisions	15,774	(6,287)
CHANGES IN WORKING CAPITAL:		
Trade and other receivables	(2,200)	(1,150)
	<u>254,467</u>	<u>390,783</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	8,918
Bank balances	461,832	359,206
Short-term deposits	1,495,127	1,221,230
	<u>1,960,959</u>	<u>1,589,354</u>