



31 October 2019

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MAAA Council Members

### MAAA Treasurers Report – FY2019

I'm pleased to present the MAAA FY2019 Financial report. This our third Audit & Financial report on my watch. We are in our second year of using a Cloud based industry standard Accounting System called XERO. One innovation this year is the two-step log in procedure for better security.

The Audit process was the same as last year. i.e., the Financial Statements and the General Ledger were provided to the Auditor who formulated questions & queries therefrom. These were advised to us & we sought to respond. While there were a number of questions, these were small in scope & readily answered. No material issues & no material changes were uncovered in the audit. All questions were dealt with an economy of effort & in very short time.

#### Budget Variance Analysis – P & L

- Income was above budget by \$11.7k due mainly to Interest income being over budget. One driver for this was the delay in settling on the Finnis Field acquisition. This meant we had more cash for longer than anticipated & this earned extra interest income.
- Expenditure was below budget by \$17.3k due to a large number of over/under budget items.
- The net result was that our Actual loss for the year of \$119.3k was \$27k better than the Budgeted loss of \$146.8 k

#### Year on Year Analysis – P & L.

- FY2019 Income was below last year's income by \$22.6 k due mainly to Affiliations (down \$12.8k) and Bank Interest (\$7k below). It should be noted that a reduction in Income was budgeted, but the actual reduction was less than was budget.
- FY2019 Expenditure was up by \$73k due mainly to the Secretary Changeover (up \$45k), Conference cost (up \$12.5k) Club Assistance (up \$9k), Treasurer Honorarium (up \$5k). It should be noted that an increase in expenditure was budgeted, but the actual increase was less than budget.

- The net result was a net loss of \$96k, but as noted above this was less than the loss budgeted by \$27k

#### **Balance Sheet –**

- Current Assets were reduced by \$90k and Non-Current Assets were reduced by \$24k, due primarily to the above-mentioned loss. We had anticipated settling on Finnis Field in FY2019 but this did not occur due to objections lodged by neighbours. These objections were successfully dealt with, settlement has occurred in FDY2020 and this will be reflected in the FY2020 Balance Sheet.
- Total liabilities were slightly increased by \$6k.

#### **Cash Flow Statement**

- While there are some offsetting cash inflows & outflows, this statement is dominated by the aforementioned loss for FY2019.

This ends the historical view of MAAA's FY2019 results.

Looking forward I'm pleased to note that the Affiliations Fee increase approved at the May 2019 Council meeting was largely accepted by the members. This Fee increase will cover reductions in Interest income (which I must say has been delayed by the Finnis Field objections) and increases in Insurance costs.

Finally, last year the Audit report was dated 6 September and the Treasurers report was dated 29 October. This year's Audit report is dated 23 September and the Treasurers report dated 31 October. The improvement in timeliness achieved last year has been maintained.

Gary Pope  
Federal Treasurer  
Model Aeronautical Association of Australia Inc