Financial Report

The Gliding Federation Of Australia Inc.
ABN 82 433 264 489
For the year ended 30 April 2022

Contents

Board's Financial Report

The Gliding Federation of Australia Inc.
For the year ended 30 April 2022

Your Board submits the financial accounts of THE GLIDING FEDERATION OF AUSTRALIA INC. for the financial year ended 30 April 2022.

At the end of our financial year the GFA remains in a sound financial position with assets attributable to GFA members of $2.383M. Cash and investments are $2.224M, loans to clubs total $125k and the Melbourne office is worth another $214k.

Of these assets $645k are reserve held for the RANGA junior scholarship fund ($41k), the Soaring Development Fund ($584) and the Training Manual Project ($20k).

The GFA assists Clubs with financing of gliders. At present Caboolture, North Qld, Hunter Valley, Kingaroy and Alice Springs clubs have loans with the GFA.

Income of $1,084k was $314k lower than last year. An increase in membership income to $617k (+$143), which recovered from the Boards decision to defer membership by 6 months in response to COVID, was offset by the cessation of COVID payments (-$252k) and lower investment income of $140k (-$204k).

A reduction in expenditure to $799k (-$51k) due to the lingering effects of the pandemic left a healthy net current year surplus of $285k.

INCOME BREAKDOWN
This table illustrates the main components of income compared with last three years ($k):

	2019 - 20		2020 - 21		2021 - 22		
Membership	$593	68%	$474	34%	$	617	57%
Airworthiness	$172	20%	$180	13%	$	189	17%
CASA	$101	12%	$101	7%	$	101	9%
Other inc. Covid	$58	7%	$294	21%	$	36	3%
Investment	-$51	-6%	$349	25%	$	141	13%
Total	$873	100%	$1,398	75%	$	1,084	100%

CASA GRANT FUNDS
GFA receives a contribution from CASA each year for the work we do that otherwise would be CASA's responsibility as the governing authority for aviation regulation. One would expect that this should cover our costs of operation or, at least, the costs of aircraft registration, safety management and operating procedures. Unfortunately, it does not come close. This year we received $101k paid by CASA to the GFA which covers just 17% of our operating cost.

MEMBERSHIP INCOME
Our biggest single contributor to income is membership – in a normal year around two thirds of our income. Membership numbers have continued a steady decline for the past years and a continuation of this trend would ultimately see the end of GFA. It's an existential issue for gliding.

It’s a challenge for all of us individually, as well as the Board, to introduce, welcome, encourage and include new people joining our sport. Every 10% increase in membership is another $60,000 increase in GFA income – that can result in lower membership costs for all, improved services, or both. Membership growth is vital to maintain the health of the organization, provide new students for instructors, new office bearers to run your clubs, and new buyers to ensure a continuing market for gliders.

Receipts from membership fees were significantly impacted last year by COVID but have recovered well this year to be like 2020.

AIRWORTHINESS INCOME
GFA also manages the glider airworthiness system and seeks to recover costs from glider owners for these services. Income from airworthiness survived COVID well and was up $9k on last year.

EXPENDITURE
Last year Expenditure totalled $799k, $53k less than the previous year and $185l less than 2019-20. This was made up of ($k):

	2019-20		**2020-21**		**2021-22**	
Wages	$408	42%	$394	46%	$375	47%
Insurances	$218	22%	$240	28%	$205	26%
Meetings and Travel	$39	4%	$0	0%	$4	1%
GA Magazine	$51	5%	$15	2%	$13	2%
S2F/Club development	$51	5%	$63	7%	$46	6%
IGC/ASAC/OLC	$31	3%	$25	3%	$30	4%
Other (IT, Office, PT149, Weather, Admin)	$185	19%	$115	13%	$126	16%
Total	$983	100%	$852	100%	$799	100%

The impact of COVID is notable. The immovable costs of Salaries and Wages and Insurance have increased as a proportion of total expenditure while the more discretionary costs have declined. Meeting and Travel costs have decreased with the shift from Face-to-Face to ZOOM, as has the costs of Gliding Australia, which changed to an electronic version. Wages are the biggest expense, accounting for over 47% of our cost of operations. Insurance the next at 26%. This year S2F has been replaced by expenditure on Club Development as function of Marketing and Development. The remaining money paid out during the year is spread broadly across IT, support organisation fees, administration, training, and the costs incurred by volunteer officers performing the many support functions of the GFA.

INSURANCE
Pleasingly because of our continuing good claims record our insurance costs have declined slightly.

The GFA group Hangar Keepers Liability (HKL) policy continues into its tenth year with 40 clubs participating – this provides clubs with public liability cover at considerably reduced rates.

The GFA receives a commission from our insurance broker for members’ business placed with them. The commission received last year was $13k.

INVESTMENT OF FUNDS

The GFA invest $2.145m of members' accumulated funds. Until 2018 reserves were held in Bank Term deposits yielding at that time an average 2.7%. In August 2018 the Board resolved to adopt an Investment Policy with a targeted return of 4-6% over inflation, for an additional $40,000 pa contribution to income.

At 30th April 2022 the funds invested were spread as follows ($k):

Cash	$683	12%
Fixed Interest and Mortgage Securities	$80	22%
Property and Property Managers	$523	20%
Australian Shares	$596	37%
International Shares	$263	10%
Total	$2,145	100%

Returns on investments since the inception of the strategy have fluctuated particularly because of the impact of COVID, however overall it has been successful as the following table shows:

	18/19	19/20	20/21	21/22	Total
Portfolio Return	$120,549	-$51,397	$348,522	$140,963	$558,637

The annualised return in the 3 years and 9 months the strategy has been operating has been 9.5%.

Until 12 months ago the management was delegated to a committee of three GFA Officers, led by Dave Shorter, now sadly passed away. Investment choice has largely depended on Dave Shorter's expertise and because of his passing the Board, after a selection process, appointed a professional investment advisor FMD Financial to replace his expertise.

+ + + + + + + +

PRINCIPAL ACTIVITIES OF THE ASSOCIATION

The principal activity of the association during the financial year was that of a federation governing the activity of gliding in Australia.

MEETINGS OF BOARD MEMBERS

During the financial year a number of Board Meetings were held. Attendance by each of the Board Members during the year were as follows:

Board Meetings 2020-2021	Eligible to Attend	Attended
Beryl Hartley (NSW)	9	9
Vivian Drew (Vic/Tas) (Vice President)	8	9
Peter Brooks (SA/NT)	8	9
Lisa Turner (Qld),	8	9
Greg Beecroft (WA)	9	9
Duncan Robertson (Vic/Tas)	5	5
Steve Pegler (President)	9	9
Lindsay Mitchell (Vice President)	9	9
Pat Barfield (Chair of Operations)	7	9
Chris Bowman (Treasurer)	9	9
Anthony Smith (Chair of Airworthiness)	8	9
Jenny Thompson (Chair of Soaring Development)	8	9
Sarah Thompson (Chair of Marketing and Development)	8	9
James Nugent (Junior rep.)	5	5
Ryan Driscoll (Junior rep.)	4	5
Terry Cubley (Secretary and GFA Executive Officer)	9	9
Drew McKinnie (Safety Manager)	8	7

BOARD MEMBERS

The names of Board members at the date of this report are:

Regional Representatives

New South Wales	Beryl Hartley
Victoria & Tasmania	Vivian Drew
Queensland and Northern NSW	Lisa Turner
South Australia & NT	Peter Brooks
Western Australia	Greg Beecroft

Other Board Members

Junior Representative	Ryan Driscoll

Executive

President	Steve Pegler
Vice President	Lindsay Mitchell
Vice President	Vivian Drew
Treasurer	Chris Bowman
Chair of Operations	Pat Barfield
Chair of Airworthiness	Anthony Smith
Chair of Soaring Development	Jenny Thompson

Chair of Marketing & Development	Sarah Thompson
Safety Manager	Drew McKinnie
Non-voting Executive	
Executive Officer & Secretary	Terry Cubley

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 Board.

____

Steve Pegler, President

Date: 17th August 2021

____

Chris Bowman, Treasurer

Date: 17th August 2021

Income and Expenditure Statement

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

	2022	2021
Income		
Airworthiness Income	189,076	180,542
Dividends & Interest Received	52,072	51,204
FAI Income	2,002	1,989
Gliding Australia Income	5,434	7,958
Government Contracts	101,497	101,497
Grant Operating	-	251,820
Insurance Commissions	13,156	15,822
Membership Fees	617,488	474,484
Other Revenue	218	674
Realised Gain (loss) on sale of investments	25,556	88,730
Unrealised gain (loss) on investments	63,336	206,615
Sales of Goods	14,623	17,126
Total Income	**1,084,457**	**1,398,461**
Gross Surplus	**1,084,457**	**1,398,461**
Expenditure		
Airworthiness Expenses	669	5,785
Computer Expenses	28,080	34,110
Depreciation	1,929	2,411
Executive Management Expenses	92,381	84,132
Gliding Australia Expenses	12,699	14,741
Insurance	205,343	239,639
Marketing & Development Expenses	46,393	478
Office Administration Expenses	41,663	35,820
Offie Building Expenses	11,403	8,679
Operations Expenses	5,543	11,280
Purchases	10,298	9,058
Salaries & Wages	324,662	334,505
Special Projects	10,175	67,594
Sports Expenses	7,091	2,128
Sundry Expenses	990	1,196
Total Expenditure	**799,319**	**851,555**
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	**285,138**	**546,906**
Current Year Surplus/(Deficit) Before Income Tax	**285,138**	**546,906**
Net Current Year Surplus After Income Tax	**285,138**	**546,906**

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

The Gliding Federation Of Australia Inc.
As at 30 April 2022

	NOTES	30 APR 2022	30 APR 2021
Assets			
Current Assets			
Cash and Cash Equivalents	2	75,923	62,725
Trade and Other Receivables	3	125,868	177,350
Inventories		10,129	11,307
Total Current Assets		**211,920**	**251,382**
Non-Current Assets			
Financial Assets	4	2,145,836	1,785,700
Land and Buildings	5	214,285	214,285
Plant, Equipment and Vehicles	6	7,717	9,646
Total Non-Current Assets		**2,367,838**	**2,009,630**
Total Assets		**2,579,758**	**2,261,013**
Liabilities			
Current Liabilities			
Accrued Expenses		6,000	7,000
GST Payable		4,304	4,744
Employee Entitlements	7	84,625	82,260
Income In Advance		25,773	-
Other Creditors		-	2,298
Trade and Other Payables	8	75,559	63,035
Total Current Liabilities		**196,261**	**159,337**
Total Liabilities		**196,261**	**159,337**
Net Assets		**2,383,497**	**2,101,676**
Member's Funds			
Retained Surplus		1,737,572	1,490,230
Reserves		645,925	611,446
Total Member's Funds		**2,383,497**	**2,101,676**

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

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

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 Reform Act 2012 (Vic). The committee has determined that the association is not a reporting entity as the users of the financial statements are able to obtain additional information to meet their needs.

Statement of Compliance

The financial report has been prepared in accordance with the Associations Incorporation Reform Act 2012 (Vic), the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

The association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable as the initial assessment on its interests in other entities indicated that it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

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

The association is a not-for-profit organisation and as such, is exempt from income tax under Division 50 ITAA97.

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.

The depreciation rates used for each class of depreciable assets are as follows:

Class of Fixed Assets	Depreciation Rate
Leasehold Improvements	20%
Office Equipment	10 - 25%

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

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

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.

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 and Cash Equivalents

Cash and cash equivalents include 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.

Contributed assets

The association receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the association recognises related amounts(being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The association recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amount.

Operating grants, donations and bequests

When the association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant

- recognises revenue as it satisfies its performance obligations

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises he asset received in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest Income

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.

Dividend Income

The association recognises dividends in profit or loss only when the right to receive payment of the dividend is established.

Income from sale of goods

The association sells gliding related merchandise to members. Revenue is recognised on sale when the merchandise has transferred to the customer.

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

Leases

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) andleases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and

- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Association to further its objectives (commonly known as peppercorn/concessionary leases), the Association has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

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

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either the purchase or the sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers.*

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;

- fair value through other comprehensive income; or

- fair value through profit or loss.

Measurement is on the basis of two primary criteria

- the contractual cash flow characteristics of the financial asset; and

- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

A financial asset is derecognised when the holder’s contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;

- all risk and rewards of ownership of the asset have been substantially transferred; and

- the Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the Association elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

- lease receivables;

- contract assets (e.g. amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Association uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Association assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivable; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);

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

- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and

- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

*I*f a financial asset is determined to have low credit risk at the initial reporting date, the Association assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;

- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and

- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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.

	2022	2021
2. Cash on Hand		
Cash at Bank (Cheque Acct)	75,823	62,625
Cash Floats	100	100
Total Cash on Hand	**75,923**	**62,725**

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

3. Trade and Other Receivables

	2022	2021
Trade Receivables		
Loans Receivable	121,196	177,965
Trade Debtors	-	500
Total Trade Receivables	**121,196**	**178,465**
Prepayments		
Prepayments	4,672	(1,115)
Total Prepayments	**4,672**	**(1,115)**
Total Trade and Other Receivables	**125,868**	**177,350**

4. Financial Assets

	2022	2021
Long Term Investments	2,145,836	1,785,700
Total Financial Assets	**2,145,836**	**1,785,700**

5. Land and Buildings

	2022	2021
Buildings		
Buildings at Cost	214,285	214,285
Total Buildings	**214,285**	**214,285**
Total Land and Buildings	**214,285**	**214,285**

6. Plant and Equipment, Motor Vehicles

	2022	2021
Plant and Equipment		
Plant and Equipment at Cost	28,614	28,614
Accumulated Depreciation of Plant and Equipment	(20,897)	(18,968)
Total Plant and Equipment	**7,717**	**9,646**
Total Plant and Equipment, Motor Vehicles	**7,717**	**9,646**

7. Employee Entitlements

	2022	2021
Provision for Holiday Pay	20,566	25,687
Provision for Long Service Leave	64,059	56,573
Total Employee Entitlements	**84,625**	**82,260**

8. Trade and Other Payables

	2022	2021
Trade Payables		

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

	2022	2021
Trade Creditors	75,559	55,335
Total Trade Payables	**75,559**	**55,335**
Other Payables		
Sundry Creditors	-	7,700
Total Other Payables	**-**	**7,700**
Total Trade and Other Payables	**75,559**	**63,035**

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

Movements In Equity

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

	2022
Retained Earnings	
Opening Balance	1,490,230
Current Year Earnings	285,138
Interest Transfer	(37,796)
Closing Balance	**1,737,572**

	2022
Reserves	
Sporting Development Fund	
Sporting Development Fund - Opening Balance	548,548
Transfers To (From) Reserve	(2,023)
Interest Transfers	37,796
Closing Balance	**584,321**
RANGA Scholarship Fund	
RANGA Scholarship Fund - Opening Balance	42,898
Transfers To(From) Reserves	(1,294)
Closing Balance	**41,604**
Training Manual Project	
Training Manual Project - Opening Balance	20,000
Closing Balance	**20,000**
Total Reserves	**645,925**

True and Fair Position

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

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

In accordance with a resolution of the committee of The Gliding Federation Of Australia Inc., the members of the committee declare that:

- the financial statements present a true and fair view of the financial position of The Gliding Federation Of Australia Inc. as at 30 April 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Reform Act 2012 (Vic).
- at the date of this statement, there are reasonable grounds to believe that The Gliding Federation Of Australia Inc. will be able to pay its debts as and when they fall due.

____

Steve Pegler

President

____

Chris Bowman

Treasurer

Dated: / /

Auditor's Report

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

Independent Auditors Report to the members of the Association

We have audited the accompanying financial report, being a special purpose financial report, of The Gliding Federation Of Australia Inc. (the association), which comprises the committee's report, the assets and liabilities statement as at 30 April 2022, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 April 2022 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Reform Act 2012 (Vic).

Basis For Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants*(the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (Vic) and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines 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.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NMM Audit & Assurance Pty Ltd

110 Drummond Street, Oakleigh, Vic, 3166

Glenn A Miller (FCPA)

Director

Dated this .... day of 2022

Certificate By Members of the Committee

The Gliding Federation Of Australia Inc.
For the year ended 30 April 2022

I, Chris Bowman certify that:

1. I attended the annual general meeting of the association held on 29 August 2022.

2. The financial statements for the year ended 30 April 2022 were submitted to the members of the association at its annual general meeting.

____

Chris Bowman

Dated: / /