

MOTORCYCLING AUSTRALIA WA INC

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2017

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DIRECTORS' REPORT

Your board members submit the financial report of Motorcycling Australia WA Inc. ("MWA" or "the Association") for the year ended 31 December 2017.

BOARD MEMBERS

The names of the board members throughout the year and at the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Peter Clark	President
Ms Tracy Simpson	Vice President
Ms Decima Johns	Board Member
Mr Nick Harvey	Board Member Resigned August 2017
Mr Joe McCarthy	Board Member
Mr Paul Hinds	Board Member Appointed April 2017
Mr Cornel Scheibling	Board Member Appointed October 2017
Mr Brendan Taylor	Board Member Appointed October 2017

EXECUTIVES

Mr Richard Mark Gill	Executive Director
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BOARD MEETINGS

The number of board meetings held during the year and the number of meetings attended by each board member during the financial year were as follows:

	Attended	Eligible to Attend
P Clark	11	11
T Simpson	10	10
D Johns	10	11
N Harvey	4	6
J McCarthy	8	11
P Hinds	5	8
C Scheibling	3	3
B Taylor	3	3

PRINCIPAL ACTIVITIES

The principal activity of the Association during the year was Motorcycle sport development and administration.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant change in the nature of these activities occurred during the year.

REVIEW OF OPERATIONS

The operating surplus/(deficit) for the year was \$(52,584) (2016: \$5,784).

Detailed commentary on the Association's activities are included in the President's report & Executive Director's report which are included in the 2017 Annual Report.

DIRECTORS' REPORT

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No circumstances or events have arisen subsequent to the end of the year that have had, or are likely to have, a material impact on the operations of the Association or the financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

MWA's operations are primarily determined and dependent on funds from Licence sales, events income, sponsorships, products sales and grants. At this time it is our intention to maintain operations in 2018 to a similar level as 2017. Our activities will be guided by our Strategic Plan.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Association is not subject to any particular or significant environmental regulation.

Signed in accordance with a resolution of members of the Board.



Peter Clark
President
Perth
23 February 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2017

	Note	31 December 2017	31 December 2016
Revenue	3	833,017	975,463
Less: Cost of Sales	3	(291,464)	(323,296)
Gross Profit	3	541,553	652,167
Operating Expenditure			
Advertising & Promotion	3	(253)	(9,260)
Affiliation	3	(9,382)	(16,063)
Awards & Functions	3	(4,234)	(5,838)
Coaching	3	(15,950)	(11,471)
Depreciation	3	(12,091)	(19,912)
Employee Benefits Expenses	3	(433,160)	(438,240)
Officials' Expenses	3	(4,941)	(4,300)
Property Expenses	3	(28,838)	(41,871)
Sports Development	3	(6,533)	(16,275)
Other operating and administrative expense	3	(78,755)	(83,153)
Total Operating Expenditure		(594,137)	(646,383)
Net surplus/(deficit)		(52,584)	5,784
Other comprehensive income		-	-
Total comprehensive income for the year		(52,584)	5,784

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 December 2017

		31 December 2017	31 December 2016
	Note		
Current Assets			
Cash and cash equivalents	4	1,435,369	1,490,997
Trade and other receivables	5	84,330	54,527
Inventory	6	2,416	5,974
Total Current Assets		1,522,115	1,551,498
Non-Current Assets			
Property, plant and equipment	7	812,161	823,962
Total Non-Current Assets		812,161	823,962
Total Assets		2,334,276	2,375,460
Current Liabilities			
Trade and other payables	8	39,641	44,559
Unexpended grants & income in advance	9	90,500	91,968
Provisions	10	79,622	61,836
Total Current Liabilities		209,763	198,363
Total Liabilities		209,763	198,363
Net Assets		2,124,513	2,177,097
Equity			
Accumulated surplus		1,685,179	1,737,763
Asset Revaluation Reserve	11	439,334	439,334
Total Equity		2,124,513	2,177,097

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2017

	Asset Revaluation Reserve	Accumulated Surplus	Total Equity
At 1 January 2016	439,334	1,731,979	2,171,313
Surplus for the year	-	5,784	5,784
Other comprehensive income	-	-	-
At 31 December 2016	439,334	1,737,763	2,177,097
At 1 January 2017	439,334	1,737,763	2,177,097
Deficit for the year	-	(52,584)	(52,584)
Other comprehensive income	-	-	-
At 31 December 2017	439,334	1,685,179	2,124,513

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2017

	31 December	31 December
Note	2017	2016
Cash flows from operating activities		
Grants received	120,000	120,000
Receipts for Sponsorships	35,500	27,636
Sale of Products & Fee Income	633,014	813,693
Interest Received	35,771	37,683
Payments to suppliers and employees	(831,283)	(955,016)
Grant Payments	-	(1,308)
Net GST Receipts/(Payments)	(12,133)	1,991
Net cash flows from/(used in) operating activities	12	(19,131)
Cash flows from investing activities		
Payments for plant and equipment	(290)	(7,959)
Net cash flows from/(used in) investing activities	(290)	(7,959)
Cash flows from financing activities		
Loan Repayments from Clubs	20,833	106,125
Loans Advanced to Clubs	(57,040)	(18,333)
Net cash flows from/(used in) financing activities	(36,207)	87,792
Net increase/(decrease) in cash and cash equivalents	(55,628)	124,512
Cash and cash equivalents at beginning of the year	1,490,997	1,366,485
Cash and cash equivalents at end of the year	4	1,435,369

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

1. CORPORATE INFORMATION

The financial report of Motorcycling Australia WA (Inc.) (“MWA” or “the Association”) for the financial year ended 31 December 2017 was authorised for issue in accordance with a resolution of the board members on 23 February 2018.

Motorcycling Australia WA Inc. is an Association that is incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Association are as described in the Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the Associations Incorporation Act 2015 of Western Australia, the Association’s Constitution, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for property and is presented in Australian dollars.

Statement of Compliance

The general purpose financial statements have been prepared in accordance with the requirements of the Associations Incorporation Act 2015 of Western Australia, the Association’s Constitution, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the Association applying not-for-profit specific requirements contained in the Australian Accounting Standards.

New Accounting Standards and Interpretations

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting years beginning 1 January 2017. The adoption of these new and revised Standards and Interpretations did not have any effect on the financial position or performance of the Association.

Australian Accounting Standards and Interpretations relevant to the Association that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting year ending 31 December 2017. These Standards and Interpretations are listed in the following table.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standards and Interpretations, continued

Reference	Title	Summary	Application date of standard	Application date for Association
AASB 9 and relevant amending standards	Financial Instruments	<p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <p>(a) Financial assets that are debt instruments will be classified based on:</p> <p>(1) The objective of the entity's business model for managing the financial assets;</p> <p>(2) The characteristics of the contractual cash flows.</p> <p>(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ➤ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ➤ The remaining change is presented in profit or loss. <p>AASB9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer required in profit or loss.</p> <p>The impact of this standard will depend on the Association's financial assets and liabilities at the time of application.</p>	1 January 2018	1 January 2018

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standards and Interpretations (continued)

Reference	Title	Summary	Application date of standard	Application date for Association
AASB 15	Revenue from Contracts with Customers	<p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces a 5-step approach to revenue recognition:</p> <p>Step 1: Identify the contract(s) with the customer. Step 2: Identify the performance obligations in the contract. Step 3: Determine the transaction price. Step 4: Allocate the transaction price to the performance obligations in the contract. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</p> <p>The standard will have no effect on the Association's financial position or performance.</p>	1 January 2018	1 January 2018
AASB 16	Leases	<p>The key features of the standard are:</p> <ul style="list-style-type: none"> • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments and payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. <p>A lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently. Enhanced disclosure requirements will improve information disclosed about a lessor's risk exposure.</p> <p>The Association will consider whether any new enhanced disclosure requirements that apply are appropriate to its general purpose financial statements</p>	1 January 2019	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Significant accounting judgments, estimates and assumptions

The carrying amount of certain assets and liabilities is often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting year are:

(i) Impairment of non-financial assets

The Association assesses impairment of all assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. These include asset performance, technology and economic and political environments. If an impairment trigger exists, the recoverable amount of the asset is determined.

(ii) Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies. In addition, the condition of the assets is assessed at least once every year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(iii) Long service leave

The Association measures long service leave liability based on estimates of future employee retention rates and pay increases.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash includes cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Trade and other receivables

Trade receivables are recognised initially at fair value, which is generally the original invoice amount, and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. They generally have 30 to 60 day terms.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Association will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Property

Property is carried at fair value, based on periodic, but at least triennial, valuations by external independent property agents.

Increases in carrying amounts arising on revaluation are credited to the Asset Revaluation Reserve in equity. To the extent that the increase reverses a decrease previously recognised in profit and loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in the profit or loss as incurred.

The cost of each item of plant and equipment is written off over its expected economic life, adjusted for any salvage value if applicable. Depreciation is provided on a straight-line basis or diminishing value on all plant and equipment. Depreciation years are:

	2017	2016
Fitouts, Plant and equipment	3-13 years	3-13 years

Derecognition

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

Plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Association expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions resulting from the passage of time is recognised in finance costs.

Employee entitlements

- (i) Wages, salaries, annual leave and sick leave expected to be settled within 12 months of the reporting date

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

- (ii) Long service leave and other employee entitlements expected to be settled more than 12 months from the reporting date

The liability for long service leave and other employee entitlements expected to be settled more than 12 months from the reporting date is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible the estimated future cash outflows.

Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Rendering of services

Revenue is recognised when the amount of revenue can be reliably measured, collection is probable, costs incurred or to be incurred can be measured reliably and the right to be compensated for the services is controlled.

- (ii) Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Government grants

A number of the Association's programs are supported by grants received from the state government. If conditions are attached to a grant which must be satisfied before the Association is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end a liability is recognised until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Association obtains control of the funds, economic benefits are probable and the amount can be measure reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

GST

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and
- receivables and payables, which are stated with the amount of GST included.

Commitments are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Income Tax

The association is exempt from Income Tax under Division 50-B of the Income Tax Assessment Act 1997.

Comparative information

Comparative information has been restated where required for consistency with current year disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

3. REVENUE AND EXPENSES

Revenue

	31 December 2017	31 December 2016
Affiliation Fees	25,205	25,545
Penalty Fees	454	6,144
Grants	120,000	120,000
Healthway & Other Sponsorships	35,500	27,636
Merchant Charges Income	654	1,858
Interest Received	35,771	37,683
Awards Levy & Function	20,273	32,209
Miscellaneous Income	329	1,429
Events Income	242,533	275,672
Course Income	5,984	5,123
Licensing Income	196,637	272,899
Sale of Products	149,677	169,157
Reimbursements & Recoveries	-	108

Total Income

833,017	975,463
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Cost of Sales

Cost of Events	28,481	27,933
Cost of Presentations	37,851	43,232
Cost of Courses	8,810	6,940
Cost of Licensing	113,329	148,566
Cost of Products	102,993	96,625

Total Cost of Sales

291,464	323,296
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Gross Profit

541,553	652,167
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Expenses

Advertising & Promotion

Print Media Advertising	-	412
Website/Database	-	8,208
Electronic Media & Advertising	253	640

253	9,260
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Affiliation

Officers & Directors Liability	5,992	6,154
Whole of Sport Review	-	4,000
MA Meetings, Seminars & Miscellaneous	3,390	5,909

9,382	16,063
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

	31 December 2017	31 December 2016
<i>Awards & Functions</i>		
Catering Trophies & Medals	4,234	5,838
	4,234	5,838
<i>Coaching</i>		
Elite Coaching Program	11,315	8,302
Coach Course Presenters & Coaching Miscellaneous	4,635	3,169
	15,950	11,471
<i>Depreciation</i>		
Depreciation	12,091	19,912
	12,091	19,912
<i>Employee Benefits Expense</i>		
Salaries and wages	345,429	356,504
Staff Amenities & Uniforms	2,919	5,742
Superannuation expense	32,841	34,259
Movements in leave provisions	20,081	9,566
Subcontractors & Consultants	26,177	26,073
Workers compensation	5,713	6,096
	433,160	438,240
<i>Officials' Expenses</i>		
Honorariums	4,000	4,000
Badges & Uniforms	841	-
Officials Miscellaneous	100	300
	4,941	4,300
<i>Property Expenses (Maylands)</i>		
Cleaning	3,520	3,920
Council Rates	2,235	1,767
Electricity	6,448	7,122
Repairs, Minor Plant & Improvements	759	8,563
Strata Levies	13,338	16,599
Water Rates	1,658	1,578
Storage & Miscellaneous	880	2,322
	28,838	41,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

	31 December 2017	31 December 2016
<i>Sport Development</i>		
Grant Payments	-	1,308
Drug & Alcohol Testing	1,550	9,960
Club Development, Minikhana & Motosafe	4,983	4,306
Governance, Events, Competitions & Miscellaneous	-	701
	6,533	16,275
<i>Other operating and administrative expenses</i>		
Admin Miscellaneous	50	-
Audit fees	5,900	5,812
Accounting Fees	5,472	5,480
Bank charges	839	604
Computer expenses	8,385	9,011
Courier	1,005	3,215
Dues & Subscriptions	4,030	2,814
Insurance	7,241	6,755
Interest Paid	19	7
Legal Fees	-	1,376
Photocopying	5,771	5,675
Postage	7,888	7,665
Printing and stationery	4,450	9,111
Staff Training & Travel	6,094	15,522
Other Administrative Costs	21,611	10,106
	78,755	83,153
4. CASH AND CASH EQUIVALENTS		
Commonwealth Bank Cheque Account	26,585	10,681
Petty Cash Float	644	410
CBA Term Deposit A/c 50337396	669,733	669,733
CBA Term Deposit A/c 50337353	640,715	640,715
Commonwealth Bank Business Online Saver Account	88,254	101,566
Commonwealth Bank Online Saver Account	9,438	67,892
	1,435,369	1,490,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

	31 December 2017	31 December 2016
5. TRADE AND OTHER RECEIVABLES		
Trade Debtors	39,790	32,526
Prepaid Expenses	-	3,668
Loans to Clubs	44,540	18,333
	84,330	54,527
6. INVENTORY		
One Event Competition Licences	-	2,727
One Event Recreation Licences	-	568
AMB Transponders & Brackets	1,412	1,470
Flags	594	800
AMB Detection Loops	410	409
	2,416	5,974
7. PROPERTY, PLANT AND EQUIPMENT		
25/168 Guildford Road, Maylands - Owner Occupied Property	775,000	775,000
	775,000	775,000
Office Fitout & furniture		
- at cost	28,577	28,577
- accumulated depreciation	(21,645)	(20,391)
	6,932	8,186
Plant & Equipment		
- at cost	171,738	171,448
- accumulated depreciation	(141,509)	(130,672)
	30,229	40,776
Total Carrying Amount at end of year	812,161	823,962
Reconciliation of carrying amount at the beginning and end of the year		
Carrying amount at beginning of year	823,962	835,915
Additions	290	7,959
WDV of Assets Disposed	-	-
Revaluations of Owner Occupied Property 25/168 Guildford Road	-	-
Depreciation expense	(12,091)	(19,912)
Total Carrying amount at end of year	812,161	823,962

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

	31 December 2017	31 December 2016
8. TRADE AND OTHER PAYABLES		
Trade Creditors	14,213	3,174
Sundry Creditors	-	61
CBA Credit Card	3,351	2,850
GST payable	2,872	15,005
PAYG Withheld	4,791	6,658
WA Women Collection Holding Account	2,642	1,058
Accrued Superannuation	-	3,973
Accrued Expenses	11,772	11,780
	39,641	44,559

Trade and other payables are non-interest bearing and generally settled on 30 day terms. Due to their short-term nature, their carrying amount is assumed to approximate their fair value.

9. UNEXPENDED GRANTS & INCOME IN ADVANCE		
Income in Advance	30,500	31,968
Other unexpended grants	60,000	60,000
	90,500	91,968
10. PROVISIONS		
<i>Current</i>		
Long Service Leave	42,624	38,506
Annual leave	36,998	23,330
	79,622	61,836
11. ASSET REVALUATION RESERVE		
Opening Balance	439,334	439,334
Increments	-	-
Closing Balance	439,334	439,334

The asset revaluation reserve is used to record increments and decrements in the value of owner occupied property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

	31 December 2017	31 December 2016
12. CASH FLOW RECONCILIATION		
Reconciliation of surplus to net cash flows from operations		
Net surplus/(deficit) for the year	(52,584)	5,784
Non cash items:		
Depreciation of plant and equipment	12,091	19,912
Changes in assets and liabilities:		
(Increase) / decrease in trade receivables	(7,264)	22,135
(Increase)/ decrease in prepayments	3,668	(3,668)
(Increase)/decrease in inventory	3,558	570
Increase/(decrease) in payables	7,215	(4,633)
Increase/(decrease) in unexpended grants & Income in Advance	(1,468)	1,414
Increase/(decrease) in provisions	27,786	1,174
Increase/(Decrease) in GST liability	(12,133)	1,991
Net cash inflows/(outflows) from operations	(19,131)	44,679

13. FINANCIAL RISK MANAGEMENT

The Association's principal financial instruments comprise receivables, payables, and cash and short-term cash in investment accounts.

Primary responsibility for the identification and control of financial risks rests with the Board of Directors. The Association uses different methods to measure and manage the different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and assessment of market forecasts for interest rates. The Association manages credit risk by only dealing with recognised, creditworthy, sporting clubs. Liquidity risk is monitored by regularly comparing expected payables to cash on hand and placing in investment accounts only those funds which are not required to settle liabilities within the next three months.

Interest rate risk

The Association's current exposure to the risk of changes in market interest rates relate primarily to cash assets and is managed by the Board approved investment policy.

The Association does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

Financial assets		
Cash and cash equivalents	1,435,369	1,490,997

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

13. FINANCIAL RISK MANAGEMENT, CONTINUED

The following table summarises the impact of reasonably possible changes in interest rates for the Association at 31 December 2017. The sensitivity is based on the assumption that interest rate changes by 25 basis points (2016 25 basis points) with all other variables held constant. The 25 basis points sensitivity is based on reasonably possible changes over a financial year.

	31 December 2017	31 December 2016
Impact on profit and equity		
Higher / (lower)		
25 bp increase (2016: 25 bp)	3,588	3,727
25 bp decrease (2016: 25 bp)	(3,588)	(3,727)

Credit risk

Credit risk arises in the event that a counter party will not meet its obligations under a financial instrument leading to financial losses. The Association manages credit risk by trading only with recognised, creditworthy, sporting clubs and private promoters. All short term deposits and investment accounts are held with major banks.

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors.

The Association manages liquidity risk by maintaining sufficient cash to meet the Association's operating requirements and investing excess funds in highly liquid short term investments. The Association's liquidity needs can be met through funding from cash generated from operations and short-term borrowings, if required.

The following table details the Association's financial liabilities according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

	Less than 6 months \$'000	6 months – 12 months \$'000	1-2 years \$'000	> 2 years \$'000
At 31 December 2017				
Trade and other payables	29,336	-	-	-
	29,336	-	-	-
At 31 December 2016				
Trade and other payables	21,838	-	-	-
	21,838	-	-	-

14. RELATED PARTY DISCLOSURES

There were no transactions or balances with related parties during the year. Details relating to key management personnel, including remuneration paid, are included in Note 15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2017

15. KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel during the year were members of the Board, the Executive Director and Board of Directors.

	31 December 2017	31 December 2016
Total remuneration paid to key management personnel in respect of management of the affairs of the Association	116,203	118,681

16. AUDITOR'S REMUNERATION

The auditor of MWA for the year ended 31 December 2017 is Reliance Auditing Services.

	31 December 2017	31 December 2016
Audit fees for audit of the financial report	5,500	5,900
	5,500	5,900

17. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No circumstances or events have arisen subsequent to the end of the year that have had, or are likely to have, a material impact on the operations of the Association or the financial statements.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 31 December 2017

This general purpose financial report has been prepared to satisfy the reporting requirements under the Association's Constitution. The Board of Motorcycling Australia WA Inc. has determined that the accounting policies adopted are appropriate to meet the needs of the members of the Association. The financial statements have been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and other statutory requirements.

In our opinion:

- (i) the financial statements give a true and fair view of the financial position of Motorcycling Western Australia (Inc) as at 31 December 2017 and of its performance for the year ended on that date and comply with the Associations Incorporation Act 2015 WA, the Association's constitution and Australian Accounting Standards; and
- (ii) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become payable.

This declaration has been made in accordance with the Constitution of Motorcycling Australia WA Inc..

For and on behalf of the Board



Peter Clark
President
Perth
23 February 2018