



It is my pleasure to present AAIR's financial statement for the financial year ending 30 June 2016.

AAIR has engaged the services of Mr Mark R Roach, Chartered Accountant, Port Adelaide to undertake the annual audit of the financial statements. These statements have been calculated on an accrual basis.

AAIR continues to be in a strong position with approximately \$164K in net assets at 30 June 2016. This included approximately \$148K in AAIR's interest bearing investment account. The Association recorded a net current year surplus of approximately \$7K in the 2015/2016 financial year.

The increased reliance on the Association's Executive Officer on a fee for service basis and the consequential increase of approximately \$20K cf 2016 v 2015 in the "Subcontractors" expenditure line of the P&L is noteworthy. It is anticipated that this current level of expenditure for the Executive Officer fee for service will continue at this level for the foreseeable future given the complexity and volume of work required to operationally and strategically support the Association. In my assessment this level can be supported financially however this largest single outlay (outside of the normal cost of running events) will need to be managed. The Executive Officer outlay is considered justified, necessary, and highly valued.

Note that the "Extra-ordinary item – write back debtors" line on the P&L of approximately \$21K is a result of the "Bad Debt" expense line on the 2015 P&L (representing those membership fees that were unpaid as at 1 July 2014 and the 2015 Treasurers report refers). This adjustment simply reconciles the Balance Sheet.

The Auditor previously recommended an annual self-assessment of the Association's not-for-profit income tax exempt status. The Treasurer requests the AGM's endorsement of AAIR as a self-assessed not-for-profit, income tax exempt, "Scientific organisation". That is a "not-for-profit society, association or club established for the encouragement of science."

The anticipated 2014 strategic planning consultancy liability of an exact amount never known (~\$20K?) is now assumed to be null and void. The contractor has declined a number of invitations to invoice the Association over a period of two years. This continues not to be reflected in our statements. The 2016 SIG Forum Events profit of approximately \$10K is also not reflected in these statements.

The Association completed the process of application for a Paypal account to provide a credit card payment option to debtors. Automatic rebalancing (and therefore zero interest) credit card accounts for both the Treasurer and the Executive Officer have also been organised to assist with small expenditure items when convenience is needed. All operational banking elements with the ANZ continue to be a challenge due to the weaknesses in the ANZ imposed systems and processes.

Income streams continue to be highly intensified around the two main forums. This continues to be a financial risk, and the Association is still thinking strategically about the opportunity for other revenue streams.

The Association continues to think about investing an appropriate proportion of its cash reserves more strategically for the benefit of the membership and for the ongoing viability of the Association. The comment above regarding the increased dependence on the Executive Officer is a case in point.

I would like to sincerely thank the rest of the whole Committee for its support. Particularly Dave Marr and Liesha Northover for their help in managing the accounts and other operational aspects of finance.

David De Bellis, Treasurer
treasurer@air.org.au 10 November 2016