

Mercury Bay Aero Club Inc

Financial Statements

FOR THE YEAR ENDED 28 FEBRUARY, 2019

Mercury Bay Aero Club Inc

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For the Year Ended 28 February 2019

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COMPILATION REPORT TO THE MEMBERS OF THE COMMITTEE

Reporting Scope

On the basis of information that you provided we have compiled, in accordance with "Service Engagement Standard Number 2: Compilation of Financial Information", the Financial Statements of Mercury Bay Aero Club Inc for the year ended 28 February 2019 as set out on the following pages.

These statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP) as described in Note 1 to the Financial Statements.

Responsibilities

You are solely responsible for the information contained in the financial statements and have determined that the financial reporting basis stated above is appropriate to meet your needs and for the purpose that the financial statements were prepared. The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information that you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Ownership of Work papers

Material that you provided to us remains yours and will be returned to you when the engagement is completed. Work papers that we create remain our property. However if your affairs at some time in the future are handled by another Chartered Accountant, we will make available, as required by the code of ethics, such information regarding your affairs that is essential to enable your new Chartered Accountant to perform the services we previously provided.

Disclaimer

As mentioned earlier in our reports, we have compiled the financial information based on information provided to us. We have not performed an audit or review on the financial statements and therefore neither we nor our employees accept any responsibility for the accuracy of the material from which the financial statements have been prepared. Further, the financial statements have been prepared at the request of, and for the purposes of, our client and neither we nor any of our employees accept any responsibility on any grounds whatever, including liability in negligence, to any person.

Hart & Associates Limited

Chartered Accountants

HUNTLY

27 March 2019

Mercury Bay Aero Club Inc

Directory

As at 28 February 2019

Nature of Business	Aero Club
Inland Revenue Information	IRD Number 010-560-144 GST Registration Two Monthly/Payment Basis
Accountants	Hart & Associates Limited Chartered Accountants 168 Main Street HUNTLY
Bankers	Bank of New Zealand Whitianga
IRD Number	010-560-144

Mercury Bay Aero Club Inc

Divisional Statement of Financial Performance

For the Year Ended 28 February 2019

Note	2019	2018
	\$	\$
AIRFIELD INCOME		
Operating Revenue		
Hangarage	45,721	39,448
Hire & Dual - less Landing Fees & Instructing	25,994	16,011
Landing Fee/Airway	27,774	18,587
Automatic Weather Station/Airway	900	901
Total Revenue	100,389	74,947
Less Cost of Sales		
Aircraft Fuel	4,715	4,830
Aircraft Insurance	2,927	4,119
Repair & Maintenance - Aircraft	1,944	2,424
Total Cost of Sales	9,586	11,373
Gross Surplus from Trading	90,803	63,574

Mercury Bay Aero Club Inc

Combined Statement of Financial Performance

For the Year Ended 28 February 2019

	Note	2019 \$	2018 \$
Divisional Revenue			
Surplus from Airfield Income		90,803	63,574
Operating Revenue			
Subscriptions		13,403	10,417
Z Energy - Lease & Annual Check		3,040	2,837
Club Room Hire		6,882	12,521
Rent - House		15,600	15,050
Rent - Office		1,259	1,795
Access Right & Utility Easement		-	9,074
Hay & Sileage		9,000	9,000
Speedway Income		420	2,304
Interest Received		11,909	9,919
Sundry Income		341	69
Loss on Sale of Fixed Assets		-	(1,300)
Total Operating Revenue		61,854	71,686
Net Revenue		152,657	135,260
Less Expenses			
Administration Expenses			
Accountancy Fees		2,500	2,500
Advertising		312	120
Bank Fees & Charges		25	-
Computer Expenses		567	312
Legal & Professional Fees		-	995
Printing & Stationery		1,419	867
Subscriptions		2,630	5,145
Telephone & Tolls		1,455	1,486
		8,908	11,425
Overhead Expenses			
Airshow Expenses		-	1,266
Administration		6,288	-
Electricity		(4,030)	8,843
Insurance		7,946	9,021
Tractor Expenses		1,252	914
Repair & Maintenance - Airfield		9,617	4,684
Repair & Maintenance - Buildings		11,724	18,983
Repair & Maintenance - Plant		2,021	269
Rates		4,970	4,347
Security		520	480
		40,308	48,807
Non Cash Expenses			
Depreciation		22,951	22,720
Total Expenses		72,167	82,952
Net Surplus		80,490	52,308

Mercury Bay Aero Club Inc

Statement of Movements in General Funds

For the Year Ended 28 February 2019

	2019	2018
	\$	\$
Revenues and Expenses		
Net Surplus	80,490	52,308
Total Recognised Revenues and Expenses	80,490	52,308
General Funds at the Beginning of the Year	2,884,667	2,832,359
General Funds at the End of the Year	2,965,157	2,884,667

Mercury Bay Aero Club Inc

Statement of Financial Position

As at 28 February 2019

	Note	2019 \$	2018 \$
Current Assets			
Cash	2	50	51
BNZ - 00 Current A/C	2	146,608	13,210
BNZ - Reserve	2	2	9,403
BNZ - Rapid Saver	2	82,247	46,175
BNZ - 26 Aircraft Reserve A/C	2	-	1
Other Receivables	3	22,899	28,098
GST Receivable		-	1,834
Stock on Hand	4	2,626	1,272
Current Investments	5	101,625	201,625
Total Current Assets		356,057	301,669
Non-Current Assets			
Property, Plant & Equipment		2,712,981	2,653,615
Total Assets		3,069,038	2,955,284
Current Liabilities			
Sundry Creditors	7	52,114	13,250
GST Payable		986	-
Received in Advance - MBA Hire	8	7,280	5,167
Other Current Liabilities	9	8,700	8,700
Total Current Liabilities		69,080	27,117
Non-Current Liabilities			
Deferred Income	10	34,800	43,500
Total Liabilities		103,880	70,617
Net Assets		2,965,158	2,884,667
General Funds			
Total General Funds		2,965,158	2,884,667

Mercury Bay Aero Club Inc

Statement of Movements in Equity

For the Year Ended 28 February 2019

	2019	2018
	\$	\$
Owner's Equity		
Opening Balance	2,884,667	2,832,359
Net Surplus	80,491	52,308
	2,965,158	2,884,667
Total Owner's Equity	2,965,158	2,884,667

Mercury Bay Aero Club Inc

Depreciation Schedule

For the Year Ended 28 February 2019

	RATE & TYPE	% PVT USE	Cost on HAND	OPENING WDV	ADDITIONS	DATE of ADDITION	SALE PRICE	PARTSALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	Cost	CAPITAL GAIN/LOSS	DEPN	ACC DEPN	PRIVATE DEPN	ACCUM PRIVATE	CLOSING WDV
Freehold Land - At cost																	
Land	.00D		1,736,000	1,736,000	-	01/03/02	-	-	-	-	-	-	-	-	-	-	1,736,000
Buildings	.00D		350,134	350,134	-	01/03/02	-	-	-	-	-	-	-	-	-	-	350,134
Hangar	.00P		175,040	133,200	-	01/03/02	-	-	-	-	-	-	41,840	-	-	-	133,200
Concrete Pad	.00D		27,143	27,143	-	21/12/11	-	-	-	-	-	-	-	-	-	-	27,143
Carpet & Vinyl - Clubrooms	15.60P		4,645	2,506	-	27/09/12	-	-	-	-	-	725	2,864	-	-	-	1,781
Cafe Fitout & Deck	10.00P		45,168	30,387	-	24/12/12	-	-	-	-	-	4,517	19,298	-	-	-	25,870
Avgas Installation	.00D		10,739	10,739	-	01/11/12	-	-	-	-	-	-	-	-	-	-	10,739
Hangar Fitout	10.00P		18,365	9,044	-	28/02/13	-	-	-	-	-	1,836	11,157	-	-	-	7,208
Car Park	.00D		80,863	51,266	29,596	10/08/15	-	-	-	-	-	-	-	-	-	-	80,863
Concrete Drive	.00D		35,092	35,092	-	11/04/16	-	-	-	-	-	-	-	-	-	-	35,092
T Hangar - Ground Work	.00D		110,013	65,246	44,767	18/07/17	-	-	-	-	-	-	-	-	-	-	110,013
			2,593,203	2,450,758	74,363								7,078	75,159			2,518,044
Plant & Equipment																	
Plant & Equipment	12.50D		33,549	2,210	-	28/01/02	-	-	-	-	-	-	276	31,615	-	-	1,934
Fridge	22.00D		311	9	-	20/02/04	-	-	-	-	-	-	2	304	-	-	7
Fieldmaster Rotary Slasher	39.60D		3,375	5	-	08/02/05	-	-	-	-	-	-	2	3,372	-	-	3
Ride on Mower	48.00D		4,667	3	-	01/02/07	-	-	-	-	-	-	1	4,665	-	-	2
Trailer for Mower	48.00D		373	-	-	28/02/07	-	-	-	-	-	-	-	373	-	-	-
Aviation Radio Set (Office)	24.00D		1,803	193	-	28/01/10	-	-	-	-	-	-	46	1,656	-	-	147
Elba Free Standing Range Stove	25.00D		888	104	-	02/09/10	-	-	-	-	-	-	26	810	-	-	78
Website (www.mbac.co.nz)	60.00D		2,540	1	-	30/01/09	-	-	-	-	-	-	1	2,540	-	-	-
Brother MFC360N	30.00P		245	-	-	23/01/12	-	-	-	-	-	-	-	245	-	-	-
Computer	40.00P		600	-	-	25/11/11	-	-	-	-	-	-	-	600	-	-	-
Security Alarm	21.00P		1,574	-	-	29/05/12	-	-	-	-	-	-	-	1,574	-	-	-
Fuel Tank	7.00P		2,226	1,654	-	17/07/14	-	-	-	-	-	-	156	728	-	-	1,498
Trimac Procut	30.00P		12,465	5,610	-	02/05/16	-	-	-	-	-	-	3,740	10,595	-	-	1,870

Mercury Bay Aero Club Inc

Depreciation Schedule (continued)

For the Year Ended 28 February 2019

	RATE & TYPE	% PVT USE	Cost on HAND	OPENING WDV	ADDITIONS	DATE of ADDITION	SALE PRICE	PARTSALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	Cost	CAPITAL GAIN/LOSS	DEPN	ACC DEPN	PRIVATE DEPN	ACCUM PRIVATE	CLOSING WDV
			64,615	9,789	-		-	-	-		-	-	4,250	59,076	-	-	5,539
Vehicles & Aircraft																	
John Deere 4720 Tractor & Loader	15.60D		42,000	10,397	-	08/12/09	-	-	-		-	-	1,622	33,225	-	-	8,775
RV12 ZK-MBA	10.00P		100,000	67,534	-	08/12/14	-	-	-		-	-	10,000	42,466	-	-	57,534
RV12	.00D		123,089	115,136	7,953	05/07/17	-	-	-		-	-	-	-	-	-	123,089
			265,089	193,067	7,953		-	-	-		-	-	11,622	75,691	-	-	189,398
TOTAL			2,922,908	2,653,615	82,316		-	-	-		-	-	22,950	209,926	-	-	2,712,981

1 Statement of Accounting Policies

Reporting Entity

Mercury Bay Aero Club Inc is a society.

The financial statements of Mercury Bay Aero Club Inc are general purpose financial statements which have been prepared according to the External Reporting Board.

Society is involved in Aero Club.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). They comply with Financial Reporting Standards and other applicable pronouncements, as appropriate for public benefit entities as set out in the External Reporting Board Standard A1: Application of the Accounting Standards Framework.

The accounting principles recognised as appropriate for the measurement and reporting of the Combined Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by society, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest \$.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Combined Statement of Financial Performance and Statement of Financial Position have been applied:

(a) **Income Tax**

Society has charitable status and is exempt from income tax.

The income tax expense charged to the Combined Statement of Financial Performance recognises the current year's provision adjusted for timing and permanent differences between taxable and accounting income. Deferred tax is calculated using the comprehensive basis under the liability method and future tax benefits are not recognised unless realisation of the asset is virtually certain.

Income tax is accounted for using the taxes payable method. The income tax expense recognised in the Combined Statement of Financial Performance is the estimated income tax payable in the current year, adjusted for any differences between the estimated and actual income tax payable in prior years.

(b) **Goods and Services Taxation (GST)**

Revenue and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(c) **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

Mercury Bay Aero Club Inc

Notes to and forming part of the Financial Statements (continued)

For the Year Ended 28 February 2019

2 Cash & Bank Balances	2019	2018
	\$	\$
Cash Balance		
Cash	51	50
Bank Account Balances		
BNZ - 00 Current A/C	146,608	13,211
BNZ - Reserve	1	9,403
BNZ - Rapid Saver	82,247	46,175
BNZ - 26 Aircraft Reserve A/C	-	1
	<u>228,856</u>	<u>68,790</u>
Total Cash & Bank Balances	<u><u>228,907</u></u>	<u><u>68,840</u></u>

3 Other Receivables	2019	2018
	\$	\$
Bills Receivable	22,899	28,098
Total Other Receivables	<u><u>22,899</u></u>	<u><u>28,098</u></u>

All amounts are short-term and have been reviewed for indicators of impairment. The carrying value of trade receivables is considered a reasonable approximation of fair value.

4 Inventories	2019	2018
	\$	\$
Stock on Hand		
Stock on Hand	2,626	1,272
Total Inventories	<u><u>2,626</u></u>	<u><u>1,272</u></u>

5 Current Investments	2019	2018
	\$	\$
NZAF Loan	40,000	40,000
BNZ Term Deposits	61,625	161,625
Total Current Investments	<u><u>101,625</u></u>	<u><u>201,625</u></u>

6 Financial Instruments	Amortised Cost	Cost	Fair Value
	\$	\$	\$
Financial Instruments 2019			
Cash and short-term deposits	228,906	-	-
Trade and other receivables	124,524	-	-
Total Financial Instruments	<u><u>353,430</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

For the Year Ended 28 February 2019

	Amortised Cost	Cost	Fair Value
	\$	\$	\$
Financial Instruments 2018			
Cash and short-term deposits	68,839	-	-
Trade and other receivables	229,723	-	-
Total Financial Instruments	298,562	-	-
7 Payables & Accruals		2019	2018
		\$	\$
Accounts Payable			
Sundry Creditors		52,114	13,250
Total Payables & Accruals		52,114	13,250
8 Provisions		2019	2018
		\$	\$
Received in Advance - MBA Hire			
Opening Balance		5,167	4,852
Movement for period		2,113	315
Closing Balance		7,280	5,167
Total Provisions		7,280	5,167
9 Other Current Liabilities		2019	2018
		\$	\$
Deferred Income Current Portion		8,700	8,700
Total Other Current Liabilities		8,700	8,700
10 Provisions		2019	2018
		\$	\$
Deferred Income			
Opening Balance		43,500	52,200
Movement for period		(8,700)	(8,700)
Closing Balance		34,800	43,500
Total Provisions		34,800	43,500
11 Related Parties			

There were no significant transactions or transactions that were on terms and conditions that are likely to be different from the terms and conditions of transactions in similar circumstances, involving related parties during the financial year. (Last year - Nil)

For the Year Ended 28 February 2019

12 Capital Commitments

The society has no capital commitments as at 28 February 2019, (2018 Nil).

13 Contingent Liabilities

The society has no contingent liabilities and no guarantees as at 28 February 2019. (2018: Contingent Liabilities Nil. Guarantees Nil.)

14 Events Occurring After Balance Date

No significant events have occurred subsequent to balance date.