

Mercury Bay Aero Club Inc

Financial Statements
FOR THE YEAR ENDED 29 FEBRUARY, 2020

Mercury Bay Aero Club Inc

Contents of Financial Statements

For the Year Ended 29 February 2020

| | |
|---|---------|
| Compilation Report | 2 |
| Directory | 3 |
| Divisional Statements of Financial Performance | 4 |
| Combined Statement of Financial Performance | 5 |
| Statement of Movements in General Funds | 6 |
| Statement of Financial Position | 7 |
| Statement of Movements in Equity | 8 |
| Depreciation Schedule | 9 - 10 |
| Notes to and forming part of the Financial Statements | 11 - 14 |

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 29 February 2020 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

8 April 2020

Mercury Bay Aero Club Inc

Directory

As at 29 February 2020

| | |
|-----------------------------------|---|
| 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 29 February 2020

| Note | 2020 | 2019 |
|---|----------------|----------------|
| | \$ | \$ |
| AIRFIELD INCOME | | |
| Operating Revenue | | |
| Hangarage | 56,356 | 45,721 |
| Hire & Dual - less Landing Fees & Instructing | 20,129 | 25,994 |
| Landing Fee/Airway | 32,413 | 27,774 |
| Automatic Weather Station/Airway | 900 | 900 |
| Total Revenue | 109,798 | 100,389 |
| Less Cost of Sales | | |
| Aircraft Fuel | 3,990 | 4,715 |
| Aircraft Insurance | 2,899 | 2,927 |
| Repair & Maintenance - Aircraft | 3,027 | 1,944 |
| Total Cost of Sales | 9,916 | 9,586 |
| Gross Surplus from Trading | 99,882 | 90,803 |

Mercury Bay Aero Club Inc

Combined Statement of Financial Performance

For the Year Ended 29 February 2020

| | Note | 2020 \$ | 2019 \$ |
|----------------------------------|------|----------------|----------------|
| Divisional Revenue | | | |
| Surplus from Airfield Income | | 99,881 | 90,803 |
| Operating Revenue | | | |
| Subscriptions | | 13,350 | 13,403 |
| Z Energy - Lease & Annual Check | | 3,040 | 3,040 |
| Club Room Hire | | 6,533 | 6,882 |
| Rent - House | | 15,300 | 15,600 |
| Rent - Office | | 3,355 | 1,259 |
| Hay & Silage | | 9,000 | 9,000 |
| Speedway Income | | - | 420 |
| Interest Received | | 6,502 | 11,909 |
| Sundry Income | | (1,083) | 341 |
| Total Operating Revenue | | 55,997 | 61,854 |
| Net Revenue | | 155,878 | 152,657 |
| Less Expenses | | | |
| Administration Expenses | | | |
| Accountancy Fees | | 2,500 | 2,500 |
| Advertising | | 467 | 312 |
| Bank Fees & Charges | | 10 | 25 |
| Computer Expenses | | 619 | 567 |
| Printing & Stationery | | 731 | 1,419 |
| Subscriptions | | 2,442 | 2,630 |
| Telephone & Tolls | | 1,445 | 1,455 |
| | | 8,214 | 8,908 |
| Overhead Expenses | | | |
| Administration | | 6,607 | 6,288 |
| Electricity | | 3,888 | (4,030) |
| General Expenses | | 1,000 | - |
| Insurance | | 8,170 | 7,946 |
| Tractor Expenses | | 1,041 | 1,252 |
| Repair & Maintenance - Airfield | | 9,963 | 9,617 |
| Repair & Maintenance - Buildings | | 2,463 | 11,724 |
| Repair & Maintenance - Plant | | 268 | 2,021 |
| Rates | | 4,638 | 4,970 |
| Security | | 480 | 520 |
| | | 38,518 | 40,308 |
| Non Cash Expenses | | | |
| Depreciation | | 20,868 | 22,951 |
| Total Expenses | | 67,600 | 72,167 |
| Net Surplus | | 88,278 | 80,490 |

Mercury Bay Aero Club Inc

Statement of Movements in General Funds

For the Year Ended 29 February 2020

| | 2020 | 2019 |
|---|------------------|------------------|
| | \$ | \$ |
| Revenues and Expenses | | |
| Net Surplus | 88,278 | 80,490 |
| Total Recognised Revenues and Expenses | 88,278 | 80,490 |
| General Funds at the Beginning of the Year | 2,965,158 | 2,884,667 |
| General Funds at the End of the Year | 3,053,436 | 2,965,157 |

Mercury Bay Aero Club Inc

Statement of Financial Position

As at 29 February 2020

| | Note | 2020 \$ | 2019 \$ |
|----------------------------------|------|------------------|------------------|
| Current Assets | | | |
| Cash | 2 | 50 | 50 |
| BNZ - 00 Current A/C | 2 | 29,077 | 146,608 |
| BNZ - Reserve | 2 | - | 2 |
| BNZ - Rapid Saver | 2 | 5,913 | 82,247 |
| Other Receivables | 3 | 63,129 | 22,899 |
| Stock on Hand | 4 | 1,152 | 2,626 |
| Current Investments | 5 | 241,625 | 101,625 |
| Total Current Assets | | 340,946 | 356,057 |
| Non-Current Assets | | | |
| Property, Plant & Equipment | | 2,788,021 | 2,712,981 |
| Total Assets | | 3,128,967 | 3,069,038 |
| Current Liabilities | | | |
| Sundry Creditors | 7 | 32,900 | 52,114 |
| GST Payable | | 4,326 | 986 |
| Received in Advance - MBA Hire | 8 | 3,505 | 7,280 |
| Other Current Liabilities | 9 | 8,700 | 8,700 |
| Total Current Liabilities | | 49,431 | 69,080 |
| Non-Current Liabilities | | | |
| Deferred Income | 10 | 26,100 | 34,800 |
| Total Liabilities | | 75,531 | 103,880 |
| Net Assets | | 3,053,436 | 2,965,158 |
| General Funds | | | |
| Total General Funds | | 3,053,436 | 2,965,158 |

Date

Mercury Bay Aero Club Inc

Statement of Movements in Equity

For the Year Ended 29 February 2020

| | 2020 | 2019 |
|-----------------------------|------------------|------------------|
| | \$ | \$ |
| Owner's Equity | | |
| Opening Balance | 2,965,158 | 2,884,667 |
| Net Surplus | 88,278 | 80,491 |
| | 3,053,436 | 2,965,158 |
| Total Owner's Equity | 3,053,436 | 2,965,158 |

Mercury Bay Aero Club Inc

Depreciation Schedule

For the Year Ended 29 February 2020

| | 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 | 1,781 | - | 27/09/12 | - | - | - | | - | - | 725 | 3,589 | - | - | 1,056 |
| Cafe Fitout & Deck | 10.00P | | 45,168 | 25,870 | - | 24/12/12 | - | - | - | | - | - | 4,517 | 23,815 | - | - | 21,353 |
| Avgas Installation | .00D | | 10,739 | 10,739 | - | 01/11/12 | - | - | - | | - | - | - | - | - | - | 10,739 |
| Hangar Fitout | 10.00P | | 18,365 | 7,208 | - | 28/02/13 | - | - | - | | - | - | 1,836 | 12,993 | - | - | 5,372 |
| Car Park | .00D | | 80,863 | 80,863 | - | 10/08/15 | - | - | - | | - | - | - | - | - | - | 80,863 |
| Concrete Drive | .00D | | 35,092 | 35,092 | - | 11/04/16 | - | - | - | | - | - | - | - | - | - | 35,092 |
| T Hangar - Project | .00D | | 198,943 | 110,013 | 88,931 | 18/07/17 | - | - | - | | - | - | - | - | - | - | 198,943 |
| | | | 2,682,133 | 2,518,044 | 88,931 | | | | | | | | 7,078 | 82,237 | | | 2,599,896 |
| Plant & Equipment | | | | | | | | | | | | | | | | | |
| Plant & Equipment | 12.50D | | 33,549 | 1,934 | - | 28/01/02 | - | - | - | | - | - | 242 | 31,857 | - | - | 1,692 |
| Fridge | 22.00D | | 311 | 7 | - | 20/02/04 | - | - | - | | - | - | 2 | 306 | - | - | 5 |
| Fieldmaster Rotary Slasher | 39.60D | | 3,375 | 3 | - | 08/02/05 | - | - | - | | - | - | 1 | 3,373 | - | - | 2 |
| Ride on Mower | 48.00D | | 4,667 | 2 | - | 01/02/07 | - | - | - | | - | - | 1 | 4,666 | - | - | 1 |
| Trailer for Mower | 48.00D | | 373 | - | - | 28/02/07 | - | - | - | | - | - | - | 373 | - | - | - |
| Aviation Radio Set (Office) | 24.00D | | 1,803 | 147 | - | 28/01/10 | - | - | - | | - | - | 35 | 1,691 | - | - | 112 |
| Elba Free Standing Range Stove | 25.00D | | 888 | 78 | - | 02/09/10 | - | - | - | | - | - | 20 | 830 | - | - | 58 |
| Website (www.mbac.co.nz) | 60.00D | | 2,540 | - | - | 30/01/09 | - | - | - | | - | - | - | 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 | 1,498 | - | 17/07/14 | - | - | - | | - | - | 156 | 884 | - | - | 1,342 |
| Trimac Procut | 30.00P | | 12,465 | 1,870 | - | 02/05/16 | - | - | - | | - | - | 1,870 | 12,465 | - | - | - |

Mercury Bay Aero Club Inc

Depreciation Schedule (continued)

For the Year Ended 29 February 2020

| | 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 |
|-------------------------------------|----------------|--------------|------------------|------------------|---------------|---------------------|---------------|-------------------|------------------|------------------|------|----------------------|---------------|----------------|-----------------|------------------|------------------|
| Fertilizer Spreader | 10.50P | | 1,190 | - | 1,190 | 27/06/19 | - | - | - | | - | - | 94 | 94 | - | - | 1,096 |
| | | | 65,805 | 5,539 | 1,190 | | - | - | - | | - | - | 2,421 | 61,497 | - | - | 4,308 |
| Vehicles & Aircraft | | | | | | | | | | | | | | | | | |
| John Deere 4720 Tractor & Loader | 15.60D | | 42,000 | 8,775 | - | 08/12/09 | - | - | - | | - | - | 1,369 | 34,594 | - | - | 7,406 |
| RV12 ZK-MBA | 10.00P | | 100,000 | 57,534 | - | 08/12/14 | - | - | - | | - | - | 10,000 | 52,466 | - | - | 47,534 |
| RV12 | .00D | | 128,877 | 123,089 | 5,787 | 05/07/17 | - | - | - | | - | - | - | - | - | - | 128,877 |
| | | | 270,877 | 189,398 | 5,787 | | - | - | - | | - | - | 11,369 | 87,060 | - | - | 183,817 |
| TOTAL | | | 3,018,815 | 2,712,981 | 95,908 | | - | - | - | | - | - | 20,868 | 230,794 | - | - | 2,788,021 |

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 29 February 2020

| 2 Cash & Bank Balances | 2020 | 2019 |
|---------------------------------------|----------------------|-----------------------|
| | \$ | \$ |
| Cash Balance | | |
| Cash | 50 | 51 |
| Bank Account Balances | | |
| BNZ - 00 Current A/C | 29,077 | 146,608 |
| BNZ - Reserve | - | 1 |
| BNZ - Rapid Saver | 5,913 | 82,247 |
| | <u>34,990</u> | <u>228,856</u> |
| Total Cash & Bank Balances | <u><u>35,040</u></u> | <u><u>228,907</u></u> |

| 3 Other Receivables | 2020 | 2019 |
|--------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Bills Receivable | 63,129 | 22,899 |
| Total Other Receivables | <u><u>63,129</u></u> | <u><u>22,899</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 | 2020 | 2019 |
|--------------------------|---------------------|---------------------|
| | \$ | \$ |
| Stock on Hand | | |
| Stock on Hand | 1,152 | 2,626 |
| Total Inventories | <u><u>1,152</u></u> | <u><u>2,626</u></u> |

| 5 Current Investments | 2020 | 2019 |
|----------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| NZAF Loan | - | 40,000 |
| BNZ Term Deposits | 241,625 | 61,625 |
| Total Current Investments | <u><u>241,625</u></u> | <u><u>101,625</u></u> |

6 Financial Assets and Financial Liabilities

Significant Accounting Policies provides a description of each category of financial assets and financial liabilities and the related accounting policy. The carrying amounts in financial assets and financial liabilities in each category are as follows:

| Financial Assets 2020 | Amortised Cost | Cost | Fair Value | Total |
|------------------------------------|-----------------------|-----------------|-----------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Cash and Short-Term Deposits | 35,039 | - | - | 35,039 |
| Trade and Other Receivables | 304,754 | - | - | 304,754 |
| Total Financial Assets 2020 | <u><u>339,793</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>339,793</u></u> |

For the Year Ended 29 February 2020

| Financial Assets 2019 | Amortised Cost | Cost | Fair Value | Total |
|------------------------------------|----------------|----------|------------|----------------|
| | \$ | \$ | \$ | \$ |
| Cash and Short-Term Deposits | 228,906 | - | - | 228,906 |
| Trade and Other Receivables | 124,524 | - | - | 124,524 |
| Total Financial Assets 2019 | 353,430 | - | - | 353,430 |

| 7 Payables & Accruals | 2020 | 2019 |
|--------------------------------------|---------------|---------------|
| | \$ | \$ |
| Accounts Payable | | |
| Sundry Creditors | 32,900 | 52,114 |
| Total Payables & Accruals | 32,900 | 52,114 |

| 8 Provisions | 2020 | 2019 |
|--------------------------------|--------------|--------------|
| | \$ | \$ |
| Received in Advance - MBA Hire | | |
| Opening Balance | 7,280 | 5,167 |
| Movement for period | (3,775) | 2,113 |
| Closing Balance | 3,505 | 7,280 |
| Total Provisions | 3,505 | 7,280 |

| 9 Other Current Liabilities | 2020 | 2019 |
|--|--------------|--------------|
| | \$ | \$ |
| Deferred Income Current Portion | 8,700 | 8,700 |
| Total Other Current Liabilities | 8,700 | 8,700 |

| 10 Provisions | 2020 | 2019 |
|-------------------------|---------------|---------------|
| | \$ | \$ |
| Deferred Income | | |
| Opening Balance | 34,800 | 43,500 |
| Movement for period | (8,700) | (8,700) |
| Closing Balance | 26,100 | 34,800 |
| Total Provisions | 26,100 | 34,800 |

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 29 February 2020

12 Capital Commitments

The society has no capital commitments as at 29 February 2020, (2019 Nil).

13 Contingent Liabilities

The society has no contingent liabilities and no guarantees as at 29 February 2020. (2019: Contingent Liabilities Nil. Guarantees Nil.)

14 Events Occurring After Balance Date

No significant events have occurred subsequent to balance date.