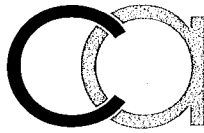


Wellington District Aero Club Incorporated

Financial Report

For the Year Ended 31 March 2016

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CONROY ASSOCIATES

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Partnership Resources Ltd
65 Waterloo Road
PO Box 31000
Lower Hutt 5040

25th July, 2016

Wellington District Aero Club Incorporated
P O Box 14-091
Kilbirnie
WELLINGTON 6241

ATTENTION: Simon Holdsworth and Amy Dreverman

Dear Simon and Amy

Thank you for the opportunity to assist you in providing support with your preparation of the financial statements for Wellington District Aero Club Incorporated, for the year ended 31st March, 2016.

The scope of our assignment was to check that the 2016 trial balance from which the financial statements have been produced, agrees with source documentation supplied. In addition we have reviewed, where possible, the internal measures taken during the year to ensure integrity of the financial information provided.

Therefore, following our review and taking into account the explanations supplied we are satisfied that the information, including electronic files and supporting ledgers, provided to us, reflects Wellington District Aero Club's position as at 31st March, 2016.

We have not carried out an audit on the financial reports, nor otherwise attempted to fully verify the accuracy or completeness of the information and therefore, neither we nor any of our employees accept any responsibility for the accuracy of the information from which the financial statements have been prepared.

Meanwhile, should you have any queries in relation to this matter, please do not hesitate to contact the writer.

Yours faithfully,
CONROY ASSOCIATES

Per:

Chris Conroy
Director

Wellington District Aero Club Incorporated
Statement of Financial Performance
For the Year Ended 31 March 2016

	Note	2016 \$	2015 \$
INCOME			
Contributions from Operations			
Flying, Examinations, Training and Pilot Supplies	2	140,113	93,356
Membership	3	12,525	13,049
Social Club	4	1,272	729
Property	5	(27,419)	(28,800)
Interest Received		19,337	17,688
TOTAL INCOME		145,828	96,022
LESS EXPENSES			
Employee Expenses			
ACC Levy		1,240	947
Salaries and Wages		102,886	70,372
Staff Training		7,009	3,322
Office and Administration			
Office Management		1,715	5,231
Telephone		2,414	2,259
Postage & Stationary		841	843
General Expenses		1,950	1,442
Equipment Rental		2,466	2,946
Computer Expenses		2,704	1,720
Subscriptions		-	2,391
Professional Fees		9,836	4,107
Financial			
Bank Fees & Credit Card Expenses		3,233	3,415
Interest		-	-
TOTAL EXPENSES		136,296	98,995
NET PROFIT / (DEFICIT)		9,532	(2,973)

The Accompanying notes form part of these financial statements

Wellington District Aero Club Incorporated

Statement of Movements in Equity For the Year Ended 31 March 2016

	2016	2015
	\$	\$
EQUITY AT START OF THE YEAR	336,477	339,450
Net Profit / (Deficit) for the Year	9,532	(2,973)
Total recognised revenues & expenses	<u>9,532</u>	<u>(2,973)</u>
Capital Gain on Disposal of Asset	-	-
EQUITY AT END OF THE YEAR	<u><u>346,009</u></u>	<u><u>336,477</u></u>


The accompanying notes form part of these financial statements


Wellington District Aero Club Incorporated

Statement of Financial Position For the Year Ended 31 March 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Stock		2,000	4,584
Debtors - Trade		1,855	5,129
Debtors - Member Accounts		8,879	15,478
Prepayments		1,362	1,391
Paypal Account		11,291	2,526
Bank - Current Account		51,442	31,813
Bank- Term Deposit & Savings		499,521	481,013
Total Current Assets		576,350	541,934
NON CURRENT ASSETS			
Fixed Assets	6	9,243	9,510
Total Non-Current Assets		9,243	9,510
TOTAL ASSETS		585,593	551,444
CURRENT LIABILITIES			
Creditors - Trade		47,502	40,220
Creditors - Member Accounts		20,664	7,090
Salaries and Holiday Pay Accrual		6,450	5,694
GST Payable		24,212	18,290
Income Received in Advance		90,812	93,118
Provision for Refurbishment	7	49,944	50,555
Total Current Liabilities		239,584	214,967
TOTAL LIABILITIES		239,584	214,967
NET ASSETS		346,009	336,477
Represented by:			
Retained Earnings		111,057	101,525
Capital Reserve	8	234,952	234,952
TOTAL EQUITY		346,009	336,476.63

For and on behalf of the Executive Committee:

President 
Date 27/7/16

Treasurer 
Date 27/7/16

The accompanying notes form part of these financial statements

Wellington District Aero Club Incorporated

Notes to the Financial Statements For the Year Ended 31 March 2016

1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These are the financial statements of Wellington District Aero Club Incorporated (the Society). The Society is an Incorporated Society registered under the Incorporated Societies Act 1908.

The financial statements of the Society have been prepared in accordance with generally accepted accounting principles.

The Society qualifies for differential reporting as it is not publicly accountable and is not large as defined in the Framework for Differential Reporting issued by the New Zealand Institute of Chartered Accountants. The Society has taken advantage of all available differential reporting exemptions.

Measurement Base

These financial statements have been prepared on a historical cost basis unless otherwise stated.

Specified Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Membership

Membership subscriptions are recognised on a cash received basis.

Donations

Donations are recognised as revenue at the point when receipt is formally acknowledged by the Society.

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value. Bad debts are written off through the Statement of Financial Performance when they are no longer considered recoverable.

Fixed Assets & Depreciation

Unless otherwise stated, fixed assets are recognised at cost less accumulated depreciation. Depreciation has been calculated using rates permitted by the Income Tax Act 2007. Gains and losses on disposal of fixed assets are taken into account in determining the operating result for the year.

The Society's buildings were effectively sold to Wellington International Airport (WIA) on the 1st of October 2010 when WIA terminated the lease agreements for the land upon which the Society's buildings were situated to construct a new multi-use hanger. The Executive Committee negotiated a settlement with WIA with settlement taking place in May 2013.

At this point the asset revaluation reserve was crystallised, depreciation previously claimed was recovered and the resultant surplus created the capital reserve as shown on the statement of Financial Position.

The rates of depreciation used are as follows:

	Rate	Method
Plant and Equipment	20% - 48%	Diminishing Value
Furniture and Fittings	20%	Diminishing Value

Wellington District Aero Club Incorporated

Notes to the Financial Statements For the Year Ended 31 March 2016

Goods & Services Tax (GST)

The Statement of Financial Performance has been prepared so that all components of revenue and expenses are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of Accounts Receivable and Accounts Payable, which include GST where invoiced.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

Income Tax

The Society is not subject to income tax on any profits derived within the circle of the Society's membership. Therefore, any income received from members, such as subscriptions is not taxable. The income tax exemption does not extend to transactions with non-members that can be clearly distinguished such as interest income. However as a non-profit body, the Society is entitled to a tax deduction for the lesser of \$1,000 or the amount that would be the net income derived from the Society's non-member transactions.

Employee Entitlements

Provision is made in respect of the Society's liability for holiday pay owing as at the reporting date. The holiday pay liability has been calculated on an actual leave entitlement basis at current rates of pay.

Comparative Figures

The comparative figures in the financial statements related to a period of twelve months. Where appropriate, the comparative figures have been restarted in order to conform with this year's presentation.

There have been no other changes in accounting policies during the year.

2 Flying Examinations, Training and Pilot Supplies

	2016	2015
	\$	\$
Income		
Plane Hire and Instruction	422,752	292,761
Fuel Oil Sales	16,573	18,155
En Route Charges and Landing Fees	31,494	23,164
Training Materials, Revenue and Fees	3,245	3,350
Total Income	474,064	337,430
Less Expenses		
Plane Hire	166,526	96,202
Fuel and Oil	87,296	77,096
En Route and Landing Fees	48,201	39,059
Contract Instructors	16,485	19,621
Flight Operation Expenses	7,793	7,885
Training Materials and Pilot Supplies	4,762	2,794
Advertising	2,888	1,417
Total Expenses	333,951	244,074
Net Surplus/Deficit	140,113	93,356

Wellington District Aero Club Incorporated

Notes to the Financial Statements For the Year Ended 31 March 2016

3	Membership	2016	2015
		\$	\$
	Income		
	Members Subscriptions	15,405	15,059
	Total Income	<u>15,405</u>	<u>15,059</u>
	Less Expenses		
	RNZAC Levy Paid	2,880	2,010
	Net Surplus/Deficit	<u><u>12,525</u></u>	<u><u>13,049</u></u>
4	Social Club	2016	2015
		\$	\$
	Income		
	Club Lounge Sales and Function Income	-	50
	Apparel and Miscellaneous Sales	3,468	1,056
	Total Income	<u>3,468</u>	<u>1,106</u>
	Less Expenses		
	Cost of Sales	2,196	377
	Total Expenses	<u>2,196</u>	<u>377</u>
	Net Surplus/Deficit	<u><u>1,272</u></u>	<u><u>729</u></u>
5	Property	2016	2015
		\$	\$
	Income		
	Hanger Rental and Parking Fees	42,600	42,287
	Depreciation Recovered on Disposal of Building	-	-
	Total Income	<u>42,600</u>	<u>42,287</u>
	Less Expenses		
	Cleaning	832	957
	Rent and Rates	49,833	49,833
	Repairs and Maintenance	-	379
	Heat Light & Power	5,070	4,958
	Insurance	5,021	5,021
	Temporary Office Lease	7,022	7,561
	Depreciation - Plant, Furniture and Equipment	2,241	2,378
	Total Expenses	<u>70,019</u>	<u>71,087</u>
	Net Surplus/Deficit	<u><u>(27,419)</u></u>	<u><u>(28,800)</u></u>

Wellington District Aero Club Incorporated

Notes to the Financial Statements For the Year Ended 31 March 2016

6 FIXED ASSETS

2016 \$	Historical Cost/ Valuation	Depreciation	Accumulated Depreciation	Net Book Value
Plant and Equipment	41,011	993	36,757	4,254
Furniture and Fittings	48,673	1,247	43,684	4,989
Total	89,684	2,241	80,441	9,243
2015 \$	Historical Cost/ Valuation	Depreciation	Accumulated Depreciation	Net Book Value
Plant and Equipment	39,037	818	35,763	3,274
Furniture and Fittings	48,673	1,559	42,437	6,236
Total	87,710	2,378	78,200	9,510

7 PROVISION FOR REFURBISHMENT

This provision represents the balance of funds received from Wellington International Airport Limited given to the Society for the maintenance and upkeep of the Hangers occupied by the Society. Costs associated with the upkeep of the Hangers have been applied against this provision for the year amounting to \$611. (2015: \$0)

8 CAPITAL RESERVE

The capital reserve relates to the surplus funds received, above the original cost price of the building previously owned and occupied by the society and sold to Wellington International Airport Limited in May 2013.

9 CONTINGENT LIABILITIES

The Society has entered into a formal lease agreement for the lease of two Tomahawk Aircraft commencing on completion of upgrade and refurbishment work, which is likely to occur in the 2015/16 financial year. These aircraft will be leased on a minimum hireage of 40 hours per month, until September, 2017. The terms of the lease require a 1 year notice period of renewal or withdrawal. This is due by 30 September, 2016.

10 CAPITAL COMMITMENTS

The Society had no capital commitments as at 31 March 2016 (2015: \$Nil)

11 OPERATING COMMITMENTS

The Society had the following lease commitments as at 31 March 2016.

	2016 \$	2015 \$
Current	49,833	49,833
Non-Current	24,917	74,750
	74,750	124,583

The Society also has a letter of credit in favour of MTS payroll in the amount of \$8,000.

Wellington District Aero Club Incorporated

Notes to the Financial Statements

For the Year Ended 31 March 2016

12 RELATED PARTIES

The Society leases Aircraft from Syndicates and Companies which current and former Executive Committee Members have interests in. The lease agreements may include arrangements for the hangerage of the aircrafts. All decisions around aircraft leasing and hangarage were made by Two Executive Committee Members who had no interests in the Aircraft or the other party,

The Society may also utilise the services of members or companies members have interests in from time to time. These transactions are completed on normal trading terms and approved by two Executive Committee Members with no personal interests in the transactions or the other party.