

# **Wellington District Aero Club Incorporated**

## **Financial Report**

**For the Year Ended 31 March 2017**

<b>Contents</b>	<b>Page</b>
Accountants' Statement	1
Statement of Financial Performance	2
Statement of Movements in Equity	3
Statement of Financial Position	4
Notes to the Financial Statements	5



CONROY ASSOCIATES

Ph: 04 939 5426  
Fax: 04 939 5429

Email: office@conroy.net.nz

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

29<sup>th</sup> July, 2017

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

ATTENTION: Amy Dreverman and Amanda Robertshawe

Dear Amy and Amanda

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 31<sup>st</sup> March, 2017.

The scope of our assignment was to check that the 2017 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 31<sup>st</sup> March, 2017.

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 2017

	Note	2017 \$	2016 \$
<b>INCOME</b>			
<b>Contributions from Operations</b>			
Flying, Examinations, Training and Pilot Supplies	2	137,289	140,113
Membership	3	10,923	12,525
Social Club	4	(709)	1,272
Property	5	(21,111)	(27,419)
Interest Received		14,783	19,337
<b>TOTAL INCOME</b>		<b>141,174</b>	<b>145,828</b>
<b>LESS EXPENSES</b>			
<b>Employee Expenses</b>			
ACC Levy		1,740	1,240
Salaries and Wages		127,810	102,886
Staff Training		6,408	7,009
<b>Office and Administration</b>			
Office Management		1,671	1,715
Telephone		3,012	2,414
Postage & Stationary		1,064	841
General Expenses		657	1,950
Equipment Rental		1,230	2,466
Computer Expenses		2,252	2,704
Subscriptions		-	-
Professional Fees		10,899	9,836
<b>Financial</b>			
Bank Fees & Credit Card Expenses		3,155	3,233
Interest		-	-
<b>TOTAL EXPENSES</b>		<b>159,897</b>	<b>136,296</b>
<b>NET PROFIT / (DEFICIT)</b>		<b>(18,723)</b>	<b>9,532</b>

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 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>EQUITY AT START OF THE YEAR</b>	394,166	384,634
Net Profit / (Deficit) for the Year	(18,723)	9,532
<b>Total recognised revenues &amp; expenses</b>	<b>(18,723)</b>	<b>9,532</b>
Capital Gain on Disposal of Asset	-	-
<b>EQUITY AT END OF THE YEAR</b>	<b>375,443</b>	<b>394,166</b>

*The accompanying notes form part of these financial statements*

# Wellington District Aero Club Incorporated

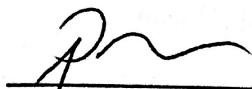
## Statement of Financial Position

For the Year Ended 31 March 2017

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Stock		1,700	2,000
Debtors - Trade		3,180	1,855
Debtors - Member Accounts		8,419	8,879
Prepayments		1,976	1,362
Paypal Account		3,352	11,291
Bank - Current Account		12,164	51,442
Bank- Term Deposit & Savings		497,680	499,521
<b>Total Current Assets</b>		<b>528,471</b>	<b>576,350</b>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	6	7,395	9,243
<b>Total Non-Current Assets</b>		<b>7,395</b>	<b>9,243</b>
<b>TOTAL ASSETS</b>		<b>535,866</b>	<b>585,593</b>
<b>CURRENT LIABILITIES</b>			
Creditors - Trade		36,455	47,502
Creditors - Member Accounts		23,741	20,664
Salaries and Holiday Pay Accrual		10,005	6,450
GST Payable		18,571	24,212
Income Received in Advance		86,464	90,812
Provision for Refurbishment	7	33,344	49,944
<b>Total Current Liabilities</b>		<b>208,580</b>	<b>239,584</b>
<b>TOTAL LIABILITIES</b>		<b>208,580</b>	<b>239,584</b>
<b>NET ASSETS</b>		<b>327,286</b>	<b>346,009</b>
<b>Represented by:</b>			
Retained Earnings		92,334	111,057
Capital Reserve	8	234,952	234,952
<b>TOTAL EQUITY</b>		<b>327,286</b>	<b>346,009</b>

For and on behalf of the Executive Committee:

President



Date

31/7/17

Treasurer



Date

31/7/17

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 2017

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### 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 2017

### 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 lessor 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

	2017 \$	2016 \$
<b>Income</b>		
Plane Hire and Instruction	349,022	422,752
Fuel Oil Sales	15,324	16,573
En Route Charges and Landing Fees	32,959	31,494
Training Materials, Revenue and Fees	1,443	3,245
<b>Total Income</b>	<b>398,748</b>	<b>474,064</b>
<b>Less Expenses</b>		
Plane Hire	126,865	166,526
Fuel and Oil	71,389	87,296
En Route and Landing Fees	43,356	48,201
Contract Instructors	6,120	16,485
Flight Operation Expenses	8,666	7,793
Training Materials and Pilot Supplies	2,594	4,762
Advertising	2,470	2,888
<b>Total Expenses</b>	<b>261,460</b>	<b>333,951</b>
<b>Net Surplus/Deficit</b>	<b>137,289</b>	<b>140,113</b>

# Wellington District Aero Club Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2017

3	<b>Membership</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
	<b>Income</b>		
	Members Subscriptions	13,623	15,405
	<b>Total Income</b>	<b>13,623</b>	<b>15,405</b>
	<b>Less Expenses</b>		
	RNZAC Levy Paid	2,700	2,880
	<b>Net Surplus/Deficit</b>	<b>10,923</b>	<b>12,525</b>
4	<b>Social Club</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
	<b>Income</b>		
	Club Lounge Sales and Function Income	-	-
	Apparel and Miscellaneous Sales	2,389	3,468
	<b>Total Income</b>	<b>2,389</b>	<b>3,468</b>
	<b>Less Expenses</b>		
	Cost of Sales	3,098	2,196
	Total Expenses	3,098	2,196
	<b>Net Surplus/Deficit</b>	<b>(709)</b>	<b>1,272</b>
5	<b>Property</b>	<b>2017</b> <b>\$</b>	<b>2016</b> <b>\$</b>
	<b>Income</b>		
	Hanger Rental and Parking Fees	41,348	42,600
	Depreciation Recovered on Disposal of Building	-	-
	<b>Total Income</b>	<b>41,348</b>	<b>42,600</b>
	<b>Less Expenses</b>		
	Cleaning	1,009	832
	Rent and Rates	51,155	49,833
	Repairs and Maintenance	-	-
	Heat Light & Power	3,541	5,070
	Insurance	4,906	5,021
	Temporary Office Lease	-	7,022
	Depreciation - Plant, Furniture and Equipment	1,849	2,241
	<b>Total Expenses</b>	<b>62,459</b>	<b>70,019</b>
	<b>Net Surplus/Deficit</b>	<b>(21,111)</b>	<b>(27,419)</b>



# Wellington District Aero Club Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2017

### 6 FIXED ASSETS

2017

\$

Plant and Equipment

Furniture and Fittings

Total

Historical Cost/ Valuation	Depreciation	Accumulated Depreciation	Net Book Value
41,011	851	37,608	3,403
48,673	998	44,682	3,991
<b>89,684</b>	<b>1,849</b>	<b>82,290</b>	<b>7,395</b>

2016

\$

Plant and Equipment

Furniture and Fittings

Total

Historical Cost/ Valuation	Depreciation	Accumulated Depreciation	Net Book Value
41,011	993	36,757	4,254
48,673	1,247	43,684	4,989
<b>89,684</b>	<b>2,240</b>	<b>80,441</b>	<b>9,243</b>

### 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 \$16,600. (2016: \$611)

### 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 a formal lease agreement for the lease of two Tomahawk Aircraft.

These aircraft are leased on a minimum hireage of 40 hours per month, until September, 2017. The terms of the lease required a 1 year notice period of renewal or withdrawal. Notice has been issued to withdraw from the lease.

### 10 CAPITAL COMMITMENTS

The Society had no capital commitments as at 31 March 2017 (2016: \$Nil)

### 11 OPERATING COMMITMENTS

The Society had the following lease commitments as at 31 March 2017.

	2017 \$	2016 \$
Current	24,917	49,833
Non-Current	-	24,917
	<b>24,917</b>	<b>74,750</b>

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 2017**

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### **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 hangarage 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.