

**Mount Maunganui Bridge Club Inc**  
**Financial Report**  
**Year Ended 31 December 2020**

## Auditor's Report

Mount Maunganui Bridge Club (Inc) is registered under the provisions of the Incorporated Societies Act 1908. Entities so registered are not compelled to have their annual financial accounts audited, however the Constitution of the Mount Maunganui Bridge Club (Inc) does require their annual account to be audited.

There is no requirement for the annual accounts to be publicly accountable, but the club has elected to report on an accrual basis. The Accounting Reporting Standards provide that the annual accounts need to comply with the requirements of Tier 3 of the Financial Reporting Standards.

I can report that I have examined the financial statements and records of the Mount Maunganui Bridge Club (Inc) for the twelve months ended 31 December 2020.

In my opinion, these financial statements present fairly the financial position of the Club as at 31 December 2020 and the results on performance for the 12-month period ending 31 December 2020.

Graham Brown

21/01/2021

Honorary Auditor

## Treasurer's Report

The 2020 financial reports cover a 12-month period 1 January 2020 to 31 December 2020. The 2019 figures have been included for comparison.

2020 was an unusual year in that we lost approximately five months of bridge play due to COVID shutdowns. The Club was also required to cancel three of the four tournaments usually scheduled each year. Income was approximately 71% of what was budgeted under 'normal' circumstances i.e., reduced by 29%.

Income from Sponsorship increased slightly, however, we lost a key sponsor \$500 for tournaments which largely offset this gain. Overall, sponsorship funds covered 100% of cash prizes distributed in 2020 because of the reduction in session and tournament prizes. In previous years, Club funds are allocated to cover some cash prizes (\$1,208 in 2019).

Charity week continues to under-perform in terms of our \$1,000 target. We did not make a distribution this year and funds have remained with the club (\$775).

The reported net loss (\$15k) took a large non-cash related hit (5k) due to the write-off of the old air-conditioning units and depreciation (8.1k). Removing these non-operating costs, the net **loss** would be \$2k compared to a net **profit** of \$9k for 2019.

Expenses were approximately 74% of what was budgeted under 'normal' circumstances. Notable decreases in operating costs, in line with the reduced 'activity', were R &M, Prizes, Bookkeeping,

Accounting, Directing Fees and NZ Bridge session/tournament levies. However, despite circumstances, 100% of NZ Bridge membership levies were required to be paid \$4.3k (\$4k in 2019). The introduction of COMPASS has minimal impact on reported expenses (\$160).

Shares in Trust Power and TILT have seen a significant increase in value over this period (by 6.8k). No shares have been sold in 2020 but there was a buyback of TILT shares (\$1.2k was banked). This reduced the number of shares held from 2025 to 1642. However, these shares contributed mostly to the significant increase in value (5.7k of the 6.8k). These are an unrealised gain, and the economic market is an unprecedented risk due to COVID.

The Term Investments have reduced over this year due to the transfer of \$20k to the operating bank account to cover the second air-conditioning unit. During this period, investments were rolled over on maturity with low earning terms.

In 2020 there was a negative cash flow of \$25k arising from movements in operating activities (-12k) and the cost of a second air conditioning unit (-13k). The impact of these outflows has been offset by financing activities including the transfer of term deposits (20k), and investing activities including a grant (6.5k) and Member's prepayments (6.9k).

#### OPINION

The Club faces an uncertain future in terms of earning sufficient table money to cover operating costs given the uncertainty of COVID and how that will affect the Club's ability to offer bridge sessions. In my opinion, it is in a sound financial position to cover further operating losses that may arise in the medium term because it has cash in the bank of \$20,574 and term investments worth \$74,398 (and shares currently worth \$26,773). The decision to move to a new building as a sub-licensee alleviates previously reported concerns around the Club's ability to pay for building maintenance and required upgrade projects in addition to any further losses.

Jane Dekker

21/01/2021

Treasurer

## Statement of Accounting Policies

The entity is a not-for-profit charity providing members and guests with the opportunity to play Bridge. The entity is not publicly accountable and not classified as large.

The Club has elected to comply with Tier 3 of the Financial Reporting Standards in the preparation of these general-purpose financial statements. The measurement system adopted is historical cost. Accrual accounting has been used in the current report to include all material expenses and revenues in the year being reported.

### Specific Accounting Policies

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

1. Investments are stated at market value determined as at balance date by reference to prevailing share market rates on the NZ stock exchange.
2. Depreciation rates (unchanged from 2014 are as follows):
  - Club rooms 1.5% on original cost
  - Equipment 12.5% on diminishing value
  - Furniture and Fixtures 10% on diminishing value
  - Office Equipment 20% on diminishing value
3. The Club is registered for GST on a cash basis i.e. all account values are exclusive of any GST except the Accruals account. Of note is the Prepaid Member Account balances which are reported as GST exclusive amounts.

## Notes to the Financial Statements

1. The original \$20,000 invested in Westpac Term Deposits was transferred to the Westpac Operating Account at the end of its 6-month term. All funds are invested with Heartland Bank and include designated monies \$1,800 F Shrimpton and \$3,200 Veterans.
2. The Club owns the building with a long-term lease on the Land which is owned by Tauranga City Council. The current lease of land expires on 30 June 2031 with the right of renewal for a further term of 21 years.
3. Contingent Liability: On the 13 January 2021, a resolution was passed that the President and Committee of the Club are authorised to enter into and sign the heads of agreement and lease agreement necessary to give effect to the proposal to establish new premises of the Club to be constructed on its existing site generally in accordance with the terms and conditions of Heads of Agreement to Sub-Licence as presented by the Omanu Beach Charitable Trust to the Club. Additional costs (estimated at 6k per annum) are expected to arise as the Club's share of operating expenses associated with the new facility.

**Profit and Loss**  
**Mount Maunganui Bridge Club Inc.**  
**1 January 2020 to 31 December 2020**

	<b>31 Dec 20</b>	<b>31 Dec 19</b>
<b>Income</b>		
Donations	801	-54
Hire of Room	87	0
House Tournament-Bar (net)	94	334
House Tournament-Entry Fees	2,210	4,577
House Tournament-Raffles	230	499
House Tournament-Sponsorships	761	800
Improver lessons	0	507
Interest & Dividends	2,961	5,378
Joining Fees	122	313
Lesson Fees	1,104	1,661
Sponsor Advertising	1,125	1,065
Sponsors	2,047	1,677
less Lost Sponsorship	-500	0
Subscriptions: Associate Members	1,903	2,478
Subscriptions: Full Members	10,438	9,670
Subscriptions: Part Year Members	243	209
Sundry Income	0	34
Table Money	21,624	37,611
Table Money: Golf Club	958	1,870
Visitor Table Money	179	0
<b>Total Income</b>	<b>46,387</b>	<b>68,629</b>
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<b>Gross Profit</b>	<b>46,387</b>	<b>68,629</b>
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<b>Less Operating Expenses</b>		
Accounts Review fee	100	87
Administration	4,000	2,625
Book keeping	5,500	6,000
Bridge Supplies	257	2,342
Cleaning	3,864	3,053
Copier	1,630	1,582
Depreciation	8,113	6,133
Directors	3,896	6,209
Electricity	1,627	2,587
External Tournament Expenses	157	157
Gain/Loss on Asset disposals	5,023	1,017
Honoraria	1,000	500
Insurance	2,340	2,334
Land Rent	1,640	1,436
Lesson Costs	870	1,232
Levies NZBridge: Master Points	1217	3,325

Mount Maunganui Bridge Club Inc Financial Report Year Ended December 2020

Levies NZBridge: Membership	4315	4,045
Library Purchases	-9	257
Merchant Fees	38	0
Pen Promo	481	0
Phones, Internet & PO Box	1,269	1,231
Printing, Postage & Stationary	4,057	3,205
Prizes & Trophies	2,108	3,090
Repairs & Maintenance	2,311	5,062
Social Events	902	943
Software Fees	627	614
Sundry Expenses	234	853
Teamaking	1,755	2,250
Tournament Catering	68	221
Tournament Dir Fees	100	348
Tournament Expenses-Other	83	202
Tournament Prize Monies	930	1,661
Tournament Scorer Fees	100	348
Tournaments Master Pts	217	457
Travelling Expenses	0	597
Water Charges	417	652
Web Hosting Fees	292	250
<b>Total Operating Expenses</b>	<b>61,526</b>	<b>66,904</b>
<b>Net Profit</b>	<b>-15,139</b>	<b>1,725</b>
	This Year	Last Year

# Balance Sheet

Mount Maunganui Bridge Club Inc.

As at 31 December 2020

Account	31 Dec 2020	31 Dec 2019
<b>Assets</b>		
<b>Bank</b>		
Westpac Receipts Account 01	11,020	5,940
Westpac Operating Account 00	9,855	10,027
<b>Total Bank</b>	<b>20,874</b>	<b>15,968</b>
<b>Current Assets</b>		
Bar Stock	189	201
Petty Cash Account	1,023	545
Prepayments	0	1,925
Voucher Sales Change Float	0	50
<b>Total Current Assets</b>	<b>1,213</b>	<b>2,721</b>
<b>Fixed Assets</b>		
Building Enhancements	3,850	0
Clubhouse Original Cost	109,782	109,782
Less: Accumulated Depreciation: Clubhouse original cost	-34,178	-32,531
Furniture & Fittings	37,589	37,589
Less: Accumulated Depreciation: Furniture & Fittings	-21,886	-20,072
Office Equipment	17,910	17,910
Less: Accumulated Depreciation: Office Equipment	-14,859	-13,063
Plant & Equipment	37,152	41,930
Less: Accumulated Depreciation: Plant & Equipment	-8,732	-18,453
<b>Total Fixed Assets</b>	<b>126,628</b>	<b>123,092</b>
<b>Non-current Assets</b>		
Shares: Trustpower/Tilt	26,773	19,945
Term Deposits (Heartlands) Note 1	74,398	93,082
<b>Total Non-current Assets</b>	<b>101,171</b>	<b>113,027</b>
<b>Total Assets</b>	<b>249,885</b>	<b>254,808</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accruals	600	1,500
GST	-1,136	624
Member Account Liability	6,993	8,354
<b>Total Current Liabilities</b>	<b>6,457</b>	<b>10,478</b>
<b>Total Liabilities</b>	<b>6,457</b>	<b>10,478</b>
<b>Net Assets</b>	<b>243,428</b>	<b>244,330</b>
<b>Equity</b>		
Current Year Earnings	-15,139	1,725
Grants Received	11,920	5,703
Prior year adjustments	-337	-337
Retained Earnings	233,175	231,450
Unrealised Capital Profit	13,809	5,789
<b>Total Equity</b>	<b>243,428</b>	<b>244,330</b>