

Mount Maunganui Bridge Club Inc

Financial Report

Year Ended 31 December 2021

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 accounts 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 2021.

In my opinion, these financial statements present fairly the financial position of the Club as at 31 December 2021 and the results on performance for the 12-month period ending 31 December 2021.

Graham Brown

21/01/2022

Honorary Auditor

Treasurer's Report

The 2021 financial reports cover a 12-month period 1 January 2021 to 31 December 2021. The 2020 figures have been included for comparison.

Like the previous year, 2021 was an unusual year when we were required to close the club mid August due to COVID-19. We lost approximately three months of bridge play. Once we opened, social bridge was offered for two weeks before we resumed playing against the 2021 program for the final three weeks of the year. Last year we did not offer bridge for approximately 5 months.

The Club was also required to cancel two of the four tournaments usually scheduled each year. Last year, we were required to cancel three of the four tournaments.

Both Membership income and Sponsor income increased over previous years. However, the reduced table money has meant that income was approximately 85% of what would be budgeted under 'normal circumstances i.e. reduced by 15%. (Last year it was approximately 71% of what would be budgeted under 'normal' circumstances i.e. reduced by 29%).

The reported net loss (\$96k) took a large non-cash related hit (108k) due to the write-off of the former club rooms and air conditioning units. Removing these non-operating costs, the net **profit** would be \$12k compared to a net **loss** of \$10k for 2020.

The increase in profit over last year is largely related to the buy back of the TILT shares. It is also due to a reduction of expenses associated with the temporary club rooms. For example, we saved on insurance, cleaning, water and internet services. The reduced depreciation on the reduced assets is also a contributing factor.

Shares in TILT were subject to buy back and a realised capital gain profit of \$9k has been realised. Shares in Trust Power have decreased slightly in value from last December by \$1.2k.

In 2021 there was a positive cash flow from both operating activities (\$19k) and investing activities (\$12k). These inflows are offset by financing activities including Member's prepayments (\$9.9k).

OPINION

The Club continues to face 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 \$48k and term investments worth \$75k (and shares currently worth \$15k).

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):
 - 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. All funds are invested with Heartland Bank and include designated monies: \$1,800 F Shrimpton and \$3,200 Veterans.
2. Unusual item: The Club's buildings, including the air-conditioning units were demolished this year to make way for the new premises of the Club being constructed on the existing site in terms of the conditions of the Heads of Agreement to sub-license with Omanu Beach Charitable Trust. The book value of these assets has been written off being a 'loss' in the Profit & Loss Statement for this financial year (\$108,447).

Profit & Loss Statement

Mount Maunganui Bridge Club Inc.

1 January 2021 to 31 December 2021

Account	Current Year	2020
Trading Income		
Donations	459	801
Hire of Room	0	87
House Tournament Profit	2,657	1,797
Interest & Dividends	1,746	2,961
Joining Fees	278	122
Lesson Fees (Net of Cost)	(161)	235
Sponsor Advertising	1,310	1,125
Sponsors	3,412	2,047
Sponsor & Member accounts written-off	(374)	(500)
Subscriptions-membership	15,035	12,584
Sundry Income	4	0
Table Money	25,416	21,624
Table Money: Golf Club	1,317	958
Visitor Table Money	410	179
Total Trading Income	51,509	44,019
Gross Profit	51,509	44,019
Other Income		
Capital Gain on Shares Sold (TILT)	9,213	0
Total Other Income	9,213	0
Operating Expenses		
Administration	6,000	4,000
Accounts Review fee	100	100
Advertising	80	0
Book-keeping	6,000	5,500
Bridge Supplies	15	257
Cleaning	2,854	3,864
Copier	1,434	1,630
Depreciation	5,811	8,113
Directors	4,278	3,896
Electricity	756	1,627
External Tournament Expenses	157	157
Gain/Loss on Asset disposals (Note 2)	108,447	5,023
Honoraria	500	1,000
Insurance	846	2,340
Land Rent	1,322	1,640
Levies NZ Bridge: Master Points	2,218	1,217
Levies NZ Bridge: Membership	4,330	4,315
Library Purchases	24	(9)

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Merchant Fees	75	38
Printing, Postage & Stationary	2,226	4,057
Prizes & Trophies	2,433	2,108
Phones, Internet & PO Box	875	1,269
Pen Promo	0	481
Repairs & Maintenance	2,849	2,311
Social Events	320	902
Sundry Expenses	80	234
Software Fees	921	627
Teamaking	1,602	1,754
Water Charges	118	417
Web Hosting Fees	334	292
Total Operating Expenses	157,004	59,158
Net Profit / (Loss)	(96,282)	(15,139)

Balance Sheet

Mount Maunganui Bridge Club Inc.

As at 31 December 2021

Account	31 Dec 2021	31 Dec 2020
Assets		
Bank		
Westpac 01 Account	4,782	11,020
Westpac Operating Account	43,278	9,855
Total Bank	48,060	20,874
Current Assets		
Bar Stock	0	189
Petty Cash Account	458	1,023
Total Current Assets	458	1,213
Fixed Assets		
Building Enhancements	0	3,850
Clubhouse	0	75,604
Furniture & Fittings	5,330	15,702
Office Equipment	1,482	3,052
Plant & Equipment	5,558	28,420
Total Fixed Assets	12,370	126,628
Non-current Assets		
Shares -Trustpower	15,103	26,773
Term Deposits - Heartlands (Note 1)	75,028	74,398
Total Non-current Assets	90,131	101,171
Total Assets	151,019	249,885
Liabilities		
Current Liabilities		
Accruals	600	600
GST	850	-1,136
Member Accounts (COMPAS\$)	9,964	6,648
Prepaid Table Money Vouchers	149	345
Total Current Liabilities	11,562	6,457
Total Liabilities	11,562	6,457
Net Assets	139,457	243,428
Equity		
Opening Retained Earnings	243,428	233,175
Unrealised Capital Movement	-7,689	13,809
Grants Received	0	11,920
	235,739	258,904
Prior year adjustments	0	-337
Current Years Earnings/ -Losses	-96,282	-15,139
Closing Retained Earnings	139,457	243,428