

Annual Accounts

Motorcycling New Zealand Inc
For the year ended 31 December 2019

Prepared by Luca Accountants Limited

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Directory

Motorcycling New Zealand Inc For the year ended 31 December 2019

1. Nature of Business

Governing body for Motor Cycle Sport

2. Registered Office

211 Main Street, Huntly, New Zealand, 3740

3. IRD Number

024682900

4. President

Noel May

5. Board Members

Off Road (North Island)	Mac McLeod
Off Road (South Island)	Vacant
Road (North Island)	Hamish Barham
Road (South Island)	Vacant
North Island Representative	Scott Wilkins
South Island Representative:	Dean James

6. Bankers

ANZ Bank Limited

7. Solicitors

Gibson Sheat

8. Accountant

Luca Accountants Limited
Hamilton

9. Auditors

PKF

Hamilton

Statement of Financial Performance

Motorcycling New Zealand Inc For the year ended 31 December 2019

	NOTES	2019	2018
Trading Income			
Income from Members			
Licences - Domestic		491,891	487,782
One Event Licences		132,335	144,196
FIM International Licences		20,473	12,810
Club Affiliation Fees		10,200	10,200
On Line Entries		-	976
Special Event Upgrade Licence		2,152	4,422
International Meeting Number		87	348
Permits		58,389	49,720
Corporate Membership		-	435
Total Income from Members		715,526	710,888
Outside Funding			
Sport NZ	8	50,000	50,000
Sky Sport		30,000	-
Grants		-	15,764
Total Outside Funding		80,000	65,764
Misc. Income			
TAB Income		1,903	779
Coaching - income		-	326
AGM		1,273	-
Other Income	9	5,921	5,957
Interest received		27,252	28,083
Total Misc. Income		36,348	35,146
Total Trading Income		831,875	811,798
Gross Profit		831,875	811,798
Other Income			
Profit on Sale of Fixed Assets		-	2,171
Cash back on Credit Card		970	-
Total Other Income		970	2,171
Expenses			
Administration Expenses			
Accident Compensation Levies		945	1,199
Accounting Fees		1,650	6,706
Accounting Software Subscriptions		1,175	-
Audit costs		9,785	9,665
Bad Debts		-	174
Bank fees		217	301
Computer support costs		6,073	10,093

These financial statements should be read in conjunction with the attached Independent Auditors Report

	NOTES	2019	2018
Depreciation Expense		49,878	58,734
Doubtful Debts		-	(3,193)
Electricity		3,376	2,891
Flowers & Gifts		4,835	4,571
General Expenses		-	89
Insurance - admin		14,074	24,967
Interest		23	-
Legal Fees Retainer & admin		-	13,418
Motor Vehicle Running		7,721	6,528
Motor Vehicle FBT		6,063	3,147
On Line Subscriptions		2,900	7,152
On Line Voting		3,950	-
Penalties		169	-
Petty cash costs		603	417
Photocopier copy fees		10,858	13,858
Postage & Courier Fees	10	9,526	9,792
Printing and Stationery	11	36,208	35,687
Rates		3,819	3,792
Repairs & maintenance		7,430	13,350
Telephone, tolls & fax		7,292	10,129
Total Administration Expenses		188,570	233,468
Staff Expenses			
Wages & Salaries		361,634	330,692
Other Employer Expenses		13,156	7,375
Sub Contractor Payments		-	37,224
Board Clothing		145	453
Board Costs		22,046	20,163
Board Assistance		2,719	2,551
Life Member Jackets		36	-
GM Operations		11,881	13,460
Commissioner Meetings		4,657	8,431
Commissioners Clothing		143	1,249
AGM Non Recoverable		-	15
Total Staff Expenses		416,416	421,613
Sport Operating Expenses			
Rider Death Payment		10,000	-
Coroners Hearings		-	770
Coaching Expenses	12	2,592	-
Health & Safety		3,780	1,815
Drug Testing		5,321	2,386
FIM Licences		19,548	8,017
FIM Travel	13	8,933	7,227
Safety		-	327
Sky Sport - Exp.		6,000	-

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	NOTES	2019	2018
Carnet	14	-	425
Subscriptions & Affiliations		1,083	1,716
FIM Membership exp.		-	4,179
FIM Officials Training		115	-
Trophies		-	548
Rider Funding		15,293	17,451
Judiciary Exp		1,880	-
Coaching		1,552	4,866
Website Hosting		1,285	1,060
QR App		16,540	14,332
Officials Training - general		7,772	15,693
Officials Training Pathway		15,979	-
Officials Insurance		-	(100)
Officials Review Committee		4,421	-
Total Sport Operating Expenses		122,095	80,712
Events Running			
Promotion & Media		35,275	30,073
Awards Dinner Exp		10,440	27,751
Hall of Fame		4,921	1,966
Conference	15	17,347	19,219
Total Events Running		67,983	79,008
Disciplines			
Motocross		(24,821)	27,241
Road Race		(39,842)	(34,516)
Trials		(26,979)	1,430
Cross Country		3,866	4,213
Enduro		4,748	3,073
ATV		3,399	1,000
Junior Worlds		-	10,078
Supercross		12,204	-
Total Disciplines		(67,424)	12,518
Total Expenses		727,640	827,320
Net Surplus (Deficit) from Operations		105,205	(13,351)
Non Deductible Capital Expenses			
Capital Loss on Investments		-	6,751
Total Non Deductible Capital Expenses		-	6,751

These financial statements should be read in conjunction with the attached Independent Auditors Report

The Discipline Trading Accounts

Motorcycling New Zealand Inc For the year ended 31 December 2019

	NOTES	2019	2018
Disciplines			
Motorcross			
Income			
MX Nationals Income		-	50,480
MX of Nations Income		66,417	36,917
MX Senior Championship		170,716	-
Total Income		237,134	87,398
Expenses			
MX Commission		(4,642)	(277)
MX Nationals Exp		-	(70,029)
MX of Nations Exp		(33,350)	(44,333)
MX Senior Championship Expenses		(174,321)	-
Total Expenses		(212,313)	(114,638)
Motorcross Surplus/(Deficit)		24,821	(27,241)
Road Race			
Income			
Road Race Nationals Income		292,221	233,668
Road Race Other Events		1,921	-
Total Income		294,143	233,668
Expenses			
Road Race Nationals Costs Exp		(254,301)	(199,152)
Total Expenses		(254,301)	(199,152)
Road Race Surplus/(Deficit)		39,842	34,516
Trials			
Income			
FIM Oceania income		-	15,672
Trail Ride Levies		-	4,144
Trail Rides		11,963	-
FIM - Extraordinary Grant		19,271	-
Total Income		31,234	19,816
Expenses			
FIM Oceania - Expenses		(2,018)	(17,101)
Trail Rides Exp.		(900)	(2,500)
Moto Trials Exp.		(1,338)	(1,645)
Total Expenses		(4,255)	(21,246)
Trials Surplus/(Deficit)		26,979	(1,430)

These financial statements should be read in conjunction with the attached Independent Auditors Report

	NOTES	2019	2018
Cross Country			
Income			
Cross Country Nationals Income		4,866	5,243
Total Income		4,866	5,243
Expenses			
Cross Country Nationals Exp		(8,732)	(8,956)
Cross Country Commissioner		-	(500)
Total Expenses		(8,732)	(9,456)
Cross Country Surplus/(Deficit)		(3,866)	(4,213)
Enduro			
Income			
Enduro Nationals Income		9,060	967
Enduro Nationals - Sponsorship		-	3,000
Total Income		9,060	3,967
Expenses			
Enduro Commissioner		(800)	-
Enduro Nationals Exp		(13,009)	(7,040)
Total Expenses		(13,809)	(7,040)
Enduro Surplus/(Deficit)		(4,748)	(3,073)
ATV			
Expenses			
ATV Commissioner		(3,399)	(1,000)
Total Expenses		(3,399)	(1,000)
ATV Surplus/(Deficit)		(3,399)	(1,000)
Junior World			
Income			
Income - Junior Worlds		-	8,243
Total Income		-	8,243
Expenses			
Junior Worlds		-	(18,321)
Total Expenses		-	(18,321)
Junior World Surplus/(Deficit)		-	(10,078)
Supercross			
Income			
Supercross Nationals		2,152	-
Total Income		2,152	-
Expenses			
Supercross Nationals Exp		(14,356)	-
Total Expenses		(14,356)	-
Total Supercross		(12,204)	-

These financial statements should be read in conjunction with the attached Independent Auditors Report

Statement of Changes in Equity

Motorcycling New Zealand Inc For the year ended 31 December 2019

	2019	2018
Equity		
Opening Balance	1,182,512	1,202,615
Increases		
Profit for the Period	105,205	(20,103)
Total Increases	105,205	(20,103)
Total Equity	1,287,718	1,182,512

These financial statements should be read in conjunction with the attached Independent Auditors Report

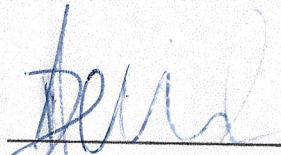
Statement of Financial Position


Motorcycling New Zealand Inc As at 31 December 2019

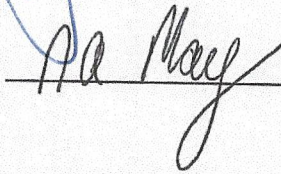
	NOTES	31 DEC 2019	31 DEC 2018
Assets			
Current Assets			
Cash and Bank			
Cheque Account		49,553	81,105
Savings Accounts	1	149,074	41,609
Total Cash and Bank		198,627	122,715
Trade and Other Receivables		93,733	91,735
GST Receivable		5,735	944
Accruals & Prepayments	3	2,885	3,452
Prepaid Expenses	3	18,539	47,128
Term Deposits	2	899,161	893,716
Petty Cash		13	20
Total Current Assets		1,218,694	1,159,710
Non-Current Assets			
Property, Plant and Equipment	4	166,845	197,771
Total Non-Current Assets		166,845	197,771
Total Assets		1,385,539	1,357,481
Liabilities			
Current Liabilities			
Bank			
Credit Card		3,484	(3,183)
Total Bank		3,484	(3,183)
Leave Accrual		22,506	19,290
Prepaid Permits		4,565	4,425
Income in Advance		8,996	94,830
Accrued Expenses		16,668	6,900
Trade and Other Payables		41,602	47,990
One Day Licences with Clubs		-	4,717
Total Current Liabilities		97,822	174,969
Total Liabilities		97,822	174,969
Net Assets		1,287,718	1,182,512
Equity			
Retained Earnings		1,287,718	1,182,512
Total Equity		1,287,718	1,182,512

Signed as authorised:

These financial statements should be read in conjunction with the attached Independent Auditors Report


_____ Chairperson




_____ Board Member

These financial statements should be read in conjunction with the attached Independent Auditors Report

Notes to the Financial Statements

Motorcycling New Zealand Inc For the year ended 31 December 2019

Statement of Accounting Policies

Motorcycling New Zealand Inc ("The Incorporation") is an organisation incorporated under the Incorporated Societies Act 1908. It was established in 1916 to represent the interest of all motorcyclists and to provide opportunities for elite sports people to excel in global competition.

The financial statements of Motorcycling New Zealand Inc are special purpose financial statements.

The financial statement of Motorcycling New Zealand Inc have been prepared in accordance with the stated accounting policies.

Basis of Preparation

The financial statements of Motorcycling New Zealand Inc ("The Incorporation") are special purpose financial statements. These have been prepared in accordance with the incorporation constitution. The accounting policies have been adopted from NZ International Financial Reporting Standard PBE (NZ IFRS PBE Diff Rep) that formed part of NZ GAAP until 31 December 2015. NZ IFRS PBE (Diff Rep) are no longer in effect and do not form part of NZ GAAP.

The measurement basis adopted is that of historical cost. Reliance is placed on the fact that the entity is a going concern.

All policies have been applied on a basis consistent with those used in previous years. The currency is New Zealand dollars.

Functional Currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except where otherwise indicated.

Specific Accounting Policies

The following specific accounting policies that materially effect the measurement of profit and financial position have been adopted.

Accounts Receivable

Receivables are stated at expected realizable value, after providing against debt where collection is doubtful. Bad debts are written off during the period in which they are identified.

Goods and Services Tax

The financial statements have been prepared using GST exclusive figures with the exception of receivables and payables which are stated GST inclusive.

Property, Plant and Equipment and Investment Property

All owned items of property, plant and equipment are initially recorded at cost and, except for land, depreciated as outlined below. Initial cost includes the purchase consideration, or fair value in the case of a donated asset and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. These costs include, where appropriate, site preparation costs and installation costs. Costs cease to be capitalised when substantially all the activities necessary to bring an asset to the location and condition for its intended use are complete. All feasibility costs are expensed as incurred.

Subsequent expenditure relating to an item of property, plant and equipment is added to its gross carrying amount when such expenditure either increased the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and if that expenditure would have been included in the initial cost of the item had it been incurred at that time.

Items of property, plant or equipment are written down immediately if an impairment in the value of the asset causes its recoverable amount to fall below its carrying amount. The impairment is recognised in the statement of financial performance.

Where an item of property, plant or equipment is disposed off, the gain or loss recognised in the statement of financial performance is calculated as the difference between the net sale price and the carrying amount of the asset.

Depreciation

All Property, Plant and Equipment have been depreciated at the following depreciation rates:

	Method	Rate
Motor vehicle at cost	Diminishing Value (100%)	30%
Furniture and fittings at cost	Diminishing Value (100%)	12% - 24%
Office Equipment at Cost	Diminishing Value (100%)	9.6% - 40%
Computer Equip at Cost	Diminishing Value (100%)	40% - 50%
Computer Software at cost	Diminishing Value (100%)	50%
Land & Buildings at cost	Diminishing Value (100%)	4%
Plant & Miscellaneous Equipment	Diminishing Value (100%)	10% - 48%
Land & Buildings at cost	No Depreciation	%

Income Tax

Motorcycling New Zealand Inc is a sporting body exempt from paying income tax under section CW46 of the Income Tax Act 2007.

Revenue

Revenue is measured at the fair value of consideration received or receivable for the sale of goods and services, to the extent it is possible that the economic benefits will flow to the Incorporated and revenue can be reliably measured.

Income is recognised in the year it is received unless there is a contractual obligation to repay the income if a condition is not met.

Interest Income

Interest received is recognised as interest accrues.

Grant Income

Grants received are recognised as revenue unless specific conditions attach to a grant and repayment of the grant is required where conditions are not met. In these cases a grant is treated as a liability until conditions have been met.

	2019	2018
1. Savings Accounts		
MNZ Self Insurance	40,040	40,388
MNZ ATV Champs (closed)	-	615

	2019	2018
MNZ Premium Call Account	109,034	607
Total Savings Accounts	149,074	41,609

2. Term Deposits

Current	2019	2018
Deposit 1134	123,168.51	119,095.30
Deposit 1138	172,823.37	167,126.90
Deposit 1140	315,603.06	305,200.41
Deposit 1141	-	302,293.15
Deposit 1141	287,566.24	-

ANZ Bank has a letter of security for \$ 9,000 over term deposits. (2018:ANZ Bank has a letter of security of \$ 4,000 over term deposits as security for Carnet facilities.)

3. Accruals and Prepayments

At balance date Motorcycling New Zealand Inc had prepaid expenses and accruals as follows:

Accruals

	2019	2018
Accrued Bank Interest	2,885	3,452

Prepayments

No provision has been made for prepaid expenses or income in advance as the Board has determined.

(2018: All expenses in relation to the 2019 MX Champs and Road Race event have been treated as prepayments regardless of whether or

they are refundable if the event is cancelled. This is to report the total cost of the national events in the period that the event takes place.)

In 2019 the Board has decided to treat all income as received in the year of receipt unless there was a condition attached to the income.

	2019	2018
Prepaid Expenses	18,539	47,128

	2019	2018
4. Property, Plant and Equipment		

Buildings

Buildings at cost	107,656	107,656
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	2019	2018
Accumulated depreciation - buildings	(33,814)	(32,508)
Total Buildings	73,841	75,147
Plant and Equipment		
Plant and machinery owned	59,267	58,949
Accumulated depreciation - plant and machinery owned	(51,924)	(50,260)
Total Plant and Equipment	7,342	8,689
Furniture and Fittings		
Furniture and fittings owned	20,676	19,307
Accumulated depreciation - furniture and fittings owned	(16,438)	(15,811)
Total Furniture and Fittings	4,238	3,495
Vehicles		
Vehicles owned	44,981	44,981
Accumulated depreciation - vehicles owned	(16,357)	(4,089)
Total Vehicles	28,625	40,892
Other Fixed Assets		
Owned fixed assets	201,906	184,641
Accumulated depreciation - fixed assets owned	(149,108)	(115,095)
Total Other Fixed Assets	52,798	69,547
Total Property, Plant and Equipment	166,845	197,771

5. Accrued Expenses

	2019	2018
Audit Fees	9,000	5,000
FBT Payable	6,063	-

6. Capital Lease Commitments

Capital Commitments

There are no capital commitments as at 31 December 2019. (2018: Nil)

Operating Commitments

There are no operating commitments as at 31 December 2019. (2018: Nil)

7. Contingent Liabilities

There are no known contingent liabilities during the 2019 year. (2018: nil)

8. Sport NZ Investment

Sport NZ investment in Motorcycling New Zealand Inc was agreed at \$ 50,000 for the 12 month period 1 January 2019 to 31 December 2019 paid in four instalments. (2018: \$ 50,000)

	2019	2018
9. Other Income		
Fines	(4,109)	(1,100)
Member Benefits	(400)	(292)
Awards Dinner	(1,412)	(4,565)
Total Other Income	(5,921)	(5,957)
	2019	2018
10. Postage & Courier		
Courier	(12,299)	(11,713)
Postage & Courier fees	21,825	21,506
Total Postage & Courier	9,526	9,792
	2019	2018
11. Printing & Stationery		
Printing & Stationery - admin	35,634	31,265
Annual Report	618	-
100 Year Book	(43)	2,997
Design	-	1,425
Total Printing & Stationery	36,208	35,687
	2019	2018
12. Coaching Expenses		
Coaching - Junior High Performance Pathway	717	-
MX Coaching - Club Pathway	1,875	-
Total Coaching Expenses	2,592	-
	2019	2018
13. FIM Travel		
FIM Travel	(1,576)	-
FIM Travel Exp.	10,509	7,227
Total FIM Travel	8,933	7,227
	2019	2018
14. Carnet		
Carnet income	(620)	-
Carnet costs	620	425
Total Carnet	-	425
15. Conference Expenses		

The conference costs balance of \$ 17,347 in the Statement of Financial Performance includes income and expenses as per the table below.

	2019	2018
Conference Income	44,115	44,268
Conference Expenses	61,462	63,487
Total Conference Cost	17,347	19,219

16. Guarantees

Motorcycling New Zealand Inc is not guarantor for any bank indemnities for the year ended 2019. (2018: Nil)

17. Subsequent Events

The last two rounds of NZSBK have been postponed and all sponsors have been made aware and have paid all the invoices.

The country moved to Level 4 alert level, in response to the COVID-19 pandemic, in March 2020. As a result of that, scheduled events have been postponed and/or cancelled at the date of this report. The Board acknowledges that the impact of COVID-19 could be significant for the organisation but is not in a position to quantify that at is at this stage.

18. Investment in Subsidiaries

No Investment in subsidiaries as at balance date.

(2018:Riders Division New Zealand (RDNZ) was established on 04 April 2012 by Motorcycling New Zealand Inc to promote recreational motorcycling activities. RDNZ is 100 percent owned by Motorcycling New Zealand Inc. Carmen Davidson is a director of RDNZ.

RDNZ has not been consolidated in to Motorcycling New Zealand Inc as RDNZ has not had any activity since it was established therefore consolidation would not have a material effect to the financial statement of Motorcycling New Zealand Inc.

RDNZ was removed from the Companies Office register on 23/01/2018.

The investment has been written off during the year 2018.)