

**The Browns Bay Racquets Club (Inc)**  
**Performance Report**  
**For the Year Ended 30th September 2016**

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## INDEPENDENT AUDITORS REPORT

### To the Members of The Browns Bay Racquets Club Incorporated.

#### Report on the Performance Report

We have audited the financial statements of The Browns Bay Racquets Club Incorporated on pages 5 to 15, which comprises the statement of financial position as at 30 September 2016, and the statement of financial performance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Executive Committee's Responsibility for the Financial Statements*

The Executive Committee is responsible for the preparation and fair presentation of financial statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit), and for such internal control as the Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, The Browns Bay Racquets Club Incorporated.

#### *Basis for Qualified Opinion on Financial Performance, Financial Position and Cash Flows*

Control over revenues from fundraisers, cash donations and bar revenue prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. In this respect alone we have not obtained all the information and explanations that we have required.

#### *Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements on pages 5 to 15 present fairly the financial position of The Browns Bay Racquets Club Incorporated as at 30 September 2016 and of its financial performance and cash flows for the year ended on that date in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) relevant to reporting financial position, financial performance and cash flows.

*We make it happen!*

**Restriction on responsibility**

This report is made solely to the members, as a body, in accordance with the constitution of The Browns Bay Racquets Club Incorporated. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the club and the members as a body, for our work, for this report, or for the opinions we have formed.

*DFK Oswin Griffiths Carlton*  
**DFK Oswin Griffiths Carlton**  
Chartered Accountants  
23 March 2017  
Auckland, New Zealand

# The Browns Bay Racquets Club (Inc)

## Entity Information

As at 30th September 2016

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Legal Name of Entity	The Browns Bay Racquets Club (Inc)
Entity Type and Legal Basis	The entity is an incorporated society registered under the Incorporated Societies Act 1908.
Registration Number	221582
Entity Purpose	To be a significant contributor to the local community through the pursuit and promotion of tennis and squash activities, striving for excellence in our facilities, and in the broad range of activities offered, to cater for athletes of all skill levels whether competitive or social, from junior to senior.
Entity Structure	<pre>graph TD; President --- VP_Squash[Vice President Squash]; President --- Club_Manager[Club Manager]; President --- VP_Tennis[Vice President Tennis]; VP_Squash --- Club_Captain_Squash[Club Captain Squash]; VP_Tennis --- Club_Captain_Tennis[Club Captain Tennis];</pre>
Office Holders	Allister Zimmerman, President
Physical Address	Freyberg Park 4 Woodlands Crescent Browns Bay, Auckland
Postal Address	Freyberg Park 4 Woodlands Crescent Browns Bay, Auckland
Phone	09 478 6469
E-mail	<a href="mailto:info@bbrc.org.nz">info@bbrc.org.nz</a>
Website	<a href="http://www.bbrc.org.nz">www.bbrc.org.nz</a>
Auditors	DFK Oswin Griffiths Carlton
Accountants	Peat Accounting Limited 44 Silverdale Street Silverdale Auckland

**The Browns Bay Racquets Club (Inc)**  
**Statement of Service Performance**  
**For the Year Ended**  
**30th September 2016**

**Description of the Entity's Outcomes:**

- 1) To promote participation on sport within the local community.
- 2) Reach out to schools and the community to provide junior coaching and training for tennis and squash at no charge (relying on funding to assist with costs).
- 3) Provide an environment to facilitate competitive and social tennis and squash at all levels.
- 4) Pursue success in interclub competitions.
- 5) Provide special memberships and sessions for veterans.
- 6) Hold weekly club days to support junior participation and development.

	Actual	Budget	Actual
<b><u>Description and Quantification (to the extent practicable) of the Entity's Outputs:</u></b>	This Year	This Year	Last Year
Number of Senior Members	334		144
Number of Junior Members	99		48
Number of Intermediate Members	30		26
Number of Veterans Members	12		1
Number of Interclub Teams - Tennis	21		14
Number of Interclub Teams - Squash	14		15
Number of Club Days Held	7		3
Number of School Programmes Run	12		11

**Additional Output Measures:**

Development of players' and teams' ability in terms of interclub competition results.

Continuous improvement of club facilities, and ongoing investigation into ways to start working together with other sporting codes.

Schools returning year on year for junior coaching and training programmes.

Strong presence in the local interclub community.

**Additional Information:**

The Browns Bay Racquets Club is in a unique position of being able to offer two racquets sports within the same club, providing a wider choice for members, some of whom play in both codes.

**The Browns Bay Racquets Club (Inc)**  
**Trading Account**  
**For the Year Ended 30th September 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
Sales	75,978	63,753
<b>RAW MATERIALS USED</b>		
Opening Stock	3,103	3,881
Closing Stock	(3,562)	(3,103)
<b>Total</b>	<u>(459)</u>	<u>778</u>
<b>LESS COST OF SALES</b>		
Purchases	31,896	31,540
Bar Expenses	5,668	1,309
<b>Total</b>	<u>37,564</u>	<u>32,849</u>
<b>GROSS SURPLUS FROM TRADING</b>	<u><u>\$38,873</u></u>	<u><u>\$30,126</u></u>
<b>GROSS SURPLUS MARGIN</b>	51.2%	47.3%

*The accompanying notes form part of these financial statements.*

**The Browns Bay Racquets Club (Inc)**  
**Statement of Financial Performance**  
**For the Year Ended 30th September 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b><u>INCOME</u></b>		
<b>Surplus from Trading</b>	38,873	30,126
<b>SUBSCRIPTIONS</b>		
Subscriptions	128,073	113,424
Interclub Fees	9,934	11,108
<b>CLUB ACTIVITIES</b>		
Tournament Proceeds	3,639	6,051
Team & Tournament Sponsorship	3,388	10,520
<b>OTHER INCOME</b>		
Court Fees & Hall Hire	5,760	5,270
Fundraising & Donations	5,251	12,173
Sundry Income	2,452	14,907
Interest Received	19	328
Maintenance Levy	5,546	5,736
Rent Received	5,270	-
<b>GRANTS</b>		
Grants Received	5,680	83,289
<b>Total Income</b>	<b>213,885</b>	<b>292,932</b>
<b>Less Expenses</b>		
<b>PLAYERS EXPENSES</b>		
Balls, Nets & Grips	6,623	1,076
Coaching - Squash	3,682	4,097
Coaching - Tennis	7,276	8,245
Interclub Fees	7,935	12,154
First Aid Supplies	311	501
<b>CLUB ACTIVITIES</b>		
Prizes & Trophies	549	217
Tournament Expenses	300	7,138
<b>OVERHEAD EXPENSES</b>		
ACC Levies	723	2,431
Accountancy Fees	1,500	-
Audit Fees	2,843	2,700
Advertising & Promotion	78	527
Affiliation Fees	24,576	19,839
Bank Charges	3,360	3,520
Cleaning	18,686	13,905
Depreciation	20,490	20,482
Honorarium	261	478
Interest Expense	3,138	2,816
Licenses & Registration	354	597
Other Expenses	3,924	8,788
Penalties	-	639

*The accompanying notes form part of these financial statements.*

**The Browns Bay Racquets Club (Inc)**  
**Statement of Financial Performance**  
**For the Year Ended 30th September 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Power	10,639	9,833
Printing, Stationery & Postage	648	854
Repairs & Maintenance	11,244	36,091
Insurance & Rates	5,758	7,003
Salary - Club Manager	51,788	36,302
Salaries / Wages - Other	15,433	31,241
Security / Access Expenses	3,693	3,943
Telephone, Fax & Internet	1,449	1,531
Treasurer Fees	175	525
Website Maintenance	1,053	2,536
<b>Total Expenses</b>	<b>208,489</b>	<b>240,009</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$5,396</b>	<b>\$52,923</b>

*The accompanying notes form part of these financial statements.*

**The Browns Bay Racquets Club (Inc)**  
**Allocation of Grants Received**  
**For the Year Ended 30 September 2016**

<b>Received From</b>	<b>Amount Received</b>	<b>Value of Fixed Asset Less GST</b>	<b>Expense Covered Less GST</b>	<b>Purpose</b>
The Southern Trust	1,500	-	1,500	Junior Club Night
Trillian Trust	1,871	-	1,871	Junior Club Night
Four Winds Foundation	4,000	-	4,000	Junior Club Night
<b>Total Grants Received</b>	<b>7,371</b>		<b>7,371</b>	
Less Deferred	(1,691)		(1,691)	
<b>Total Grants Recognised This Year</b>	<b>5,680</b>		<b>5,680</b>	

*The accompanying notes form part of these financial statements.*

**The Browns Bay Racquets Club (Inc)**  
**Statement of Movements in Equity**  
**For the Year Ended 30th September 2016**

	<i>Note</i>	<b>2016</b> \$	<b>2015</b> \$
<b>SOCIETY EQUITY AT START OF YEAR</b>		349,322	296,399
<b>REVENUE</b>			
Net Surplus for the Year		5,396	52,923
<b>Total Recognised Revenues and Expenses for the Year</b>		<u>5,396</u>	<u>52,923</u>
<b>SOCIETY EQUITY AT END OF YEAR</b>		<u><u>\$354,718</u></u>	<u><u>\$349,322</u></u>

*The accompanying notes form part of these financial statements.*


**The Browns Bay Racquets Club (Inc)**  
**Statement of Financial Position**  
**As at 30th September 2016**

	<i>Note</i>	<b>2016</b>	<b>2015</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		12,505	849
GST Refund Due		-	2,149
Trade and other receivables		-	875
Inventories		3,562	3,103
<b>Total Current Assets</b>		<u>16,067</u>	<u>6,976</u>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets as per Schedule		385,871	401,637
<b>Total Non-Current Assets</b>		<u>385,871</u>	<u>401,637</u>
<b>TOTAL ASSETS</b>		<u>401,938</u>	<u>408,613</u>
<b>CURRENT LIABILITIES</b>			
Westpac Trading Account		9,396	19,830
GST Due for payment		75	-
Trade and other payables		37,749	39,461
<b>Total Current Liabilities</b>		<u>47,220</u>	<u>59,291</u>
<b>TOTAL LIABILITIES</b>		<u>47,220</u>	<u>59,291</u>
<b>NET ASSETS</b>		<u>\$354,718</u>	<u>\$349,322</u>
Represented by;			
<b>CAPITAL - ACCUMULATED FUNDS</b>		<u>\$354,718</u>	<u>\$349,322</u>

For and on behalf of the Trustees;

Allister Zimmerman, President

Date

  
20 / 3 / 17

*The accompanying notes form part of these financial statements.*

# The Browns Bay Racquets Club Inc

## Statement of Cash Flows

For the year ended  
30th September 2016

	Actual This Year \$	Actual Last Year \$
<b><u>Cash Flows from Operating Activities</u></b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts	10,931	95,462
Fees, subscriptions and other receipts from members	147,192	136,319
Receipts from providing goods or services	93,723	97,025
Interest, dividends and other investment receipts	19	328
Net GST	2,224	(2,484)
<b>Cash was applied to:</b>		
Payments to suppliers and employees	227,275	328,807
<b>Net Cash Flows from Operating Activities</b>	<b>26,814</b>	<b>(2,157)</b>
<b><u>Cash flows from Investing and Financing Activities</u></b>		
<b>Cash was received from:</b>		
Receipts from the sale of property, plant and equipment	-	16,711
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	4,724	149,957
<b>Net Cash Flows from Investing and Financing Activities</b>	<b>(4,724)</b>	<b>(133,246)</b>
<b>Net Increase / (Decrease) in Cash</b>	<b>22,090</b>	<b>(135,403)</b>
<b>Opening Cash</b>	<b>(18,980)</b>	<b>116,423</b>
<b>Closing Cash</b>	<b>3,110</b>	<b>(18,980)</b>
<b>This is represented by:</b>		
Bank Accounts and Cash	3,110	(18,980)

# The Browns Bay Racquets Club (Inc)

## Depreciation Schedule

### For the Year Ended 30th September 2016

Asset	Cost Price	Book Value 01/10/2015	Additions Disposals	Gain/Loss on Disposal	Capital Profit	---- Depreciation ----			Accum Deprec 30/09/2016	Book Value 30/09/2016
						Mth	Rate	\$		
<b>LEASEHOLD IMPROVEMENTS</b>										
Pavilion & Club Building	407,850						4.0% CP	0	407,850	0
Permit	1,638						20.0% CP	0	1,638	0
Deck	1,511						4.0% CP	0	1,511	0
Extension Plan	3,650						20.0% CP	0	3,650	0
Improvements	11,741						4.0% CP	0	11,741	0
Men's Changing Room	16,744	1,448				12	4.0% CP	670	15,966	778
Manager's Office	4,927	2,868				12	2.0% CP	99	2,158	2,769
Smokers Shade Cover	3,822	1,974				12	4.0% CP	153	2,001	1,821
Pro Shop Additions	950	497				12	4.0% CP	38	491	459
Pro Shop Additions	6,020	3,149				12	4.0% CP	241	3,112	2,908
Kitchen & Bar	58,249	36,794				12	4.0% CP	2,330	23,785	34,464
Downstairs Carpets	6,679	3,541				12	4.0% CP	267	3,405	3,274
Change Room Lino	1,050	561				12	4.0% CP	42	531	519
Foyer & Upstairs Carpet	4,560	2,480				12	4.0% CP	182	2,262	2,298
Security Bar (Office)( Dec '06)	620	529				12	0.0% CP	0	91	529
New Roof (On Half of Bldg)	21,436	1,288				7	12.0% CP	1,288	21,436	0
Upgrade Men's Changing Rooms	12,971	10,280				12	3.0% CP	389	3,080	9,891
Upgrade Deck / Viewing Area	68,496	61,988				12	2.0% CP	1,370	7,878	60,618
Glass Handrail for Stairs	2,187	1,989				12	2.0% CP	44	242	1,945
Hot Water Cylinder	1,245	927				12	8.5% CP	106	424	821
Coach's Office Upgrade	4,341	4,070				12	3.0% CP	130	401	3,940
Upgrade to Bar Area and Decking	145,567	143,869				12	2.0% CP	2,911	4,609	140,958
New Office in Pavilion			1,739			7	0.0% CP	0	0	1,739
<b>Sub-Total</b>	<b>786,254</b>	<b>278,252</b>	<b>1,739</b>					<b>10,260</b>	<b>518,262</b>	<b>269,731</b>
<b>FURNITURE &amp; FITTINGS</b>										
Glassware	545	6				12	20.0% DV	1	540	5
Phillips TV 25" (Upstairs)	948	7				12	20.0% DV	1	942	6
Re-upholster Chairs	1,490	11				12	20.0% DV	2	1,481	9
Carpet Mats	250	28				12	10.0% DV	3	225	25
Alarm	1,012	2				12	20.0% DV	0	1,010	2
486s x 33 PC & Software	1,981	17				12	20.0% DV	3	1,967	14
Office Chair	212	23				12	10.0% DV	2	191	21
Filing Cabinets x 2	388	44				12	10.0% DV	4	348	40
Chairs	261	5				12	18.0% DV	1	257	4
Carpets	400					12	33.0% DV	0	400	0
Carpets	6,345	2				12	39.6% DV	1	6,344	1
Carpet in Lounge & Stairs 19/02/08	7,148	50				12	48.0% DV	24	7,122	26
Tiling in Lounge & Kitchen Area	886	759				12	2.0% DV	15	142	744
(Hometrends) 30/01/08										
Compaq Monitor & HP Computer	2,664	150				12	20.0% DV	30	2,544	120
3 Drawer Filing Cabinet	190	44				12	10.0% DV	4	150	40
Venetian Blinds (Manager's Office)	1,690	36				12	26.4% DV	10	1,664	26
Hi Fi Unit	2,089	139				12	20.0% DV	28	1,978	111
Outdoor Umbrellas x 2	160	9				12	21.6% DV	2	153	7
Outdoor Chairs x 20	160	9				12	21.6% DV	2	153	7
Chairs	1,759	15				12	26.4% DV	4	1,748	11
Outdoor Furniture	1,733	47				12	21.6% DV	10	1,696	37
TV & DVD (Tennis Pavilion)	311	30				12	20.0% DV	6	287	24
Table Tennis Table	458	35				12	21.6% DV	8	431	27
Patio Heaters x 2	620	3				12	39.6% DV	1	618	2
Surround Sound Audio Visual	5,184	29				12	39.6% DV	11	5,166	18
Surround Sound Audio Visual	680	4				12	39.6% DV	2	678	2
Wine Rack / Shelving	7,234	795				12	21.6% DV	172	6,611	623
Dehumidifiers (Mitsubishi) x 3 (Aug '07)	2,400	132				12	30.0% DV	40	2,308	92
Panasonic Highwall A/C Unit	4,292	458				12	24.0% DV	110	3,944	348
Trophy Cabinet	4,389	696				12	19.2% DV	134	3,827	562
New Website (June '07)	4,515	2				12	60.0% DV	1	4,514	1
Vertical Blinds Above Squash Court 1	688	277				12	25.0% DV	69	480	208
Carpet - Lounge / Bar Areas	3,506	3,331				12	30.0% DV	999	1,174	2,332
Laptop	884	795				12	40.0% DV	318	407	477
<b>Sub-Total</b>	<b>67,472</b>	<b>7,990</b>						<b>2,018</b>	<b>61,500</b>	<b>5,972</b>

The accompanying notes form part of these financial statements.

# The Browns Bay Racquets Club (Inc)

## Depreciation Schedule

### For the Year Ended 30th September 2016

Asset	Cost Price	Book Value 01/10/2015	Additions Disposals	Gain/Loss on Disposal	Capital Profit	---- Depreciation ---- Mth Rate \$	Accum Deprec 30/09/2016	Book Value 30/09/2016
<b>ACCESS / PLAYING</b>								
Floodlights 1992	58,897	4,740				12 10.0% DV 474	54,631	4,266
Fencing	12,000	149				12 10.0% DV 15	11,866	134
Decking	1,401	18				12 10.0% DV 2	1,385	16
Signs	160					12 10.0% DV 0	160	0
Signs	400	32				12 10.0% DV 3	371	29
Volleyboard	500					12 20.0% DV 0	500	0
Squash Meter Boxes	1,940	167				12 10.0% DV 17	1,790	150
Sylon Netting	550	47				12 10.0% DV 5	508	42
Resurface Tennis Court 6	13,588	4,655				12 5.0% DV 233	9,166	4,422
Signs	920	167				12 12.0% DV 20	773	147
Relaying Courts 6 - 8	9,924	5,362				12 5.0% DV 268	4,830	5,094
Relaying Courts 6 - 8	11,216	6,100				12 5.0% DV 305	5,421	5,795
Relaying Courts 6 - 8	8,631	4,695				12 5.0% DV 235	4,171	4,460
Relaying Courts 6 - 8	14,885	8,095				12 5.0% DV 405	7,195	7,690
Relaying Courts 6 - 8	4,962	2,747				12 5.0% DV 137	2,352	2,610
Court One Resurface	20,000	13,213				12 5.0% DV 661	7,448	12,552
Net Post and Nets	2,595	814				12 10.0% DV 81	1,862	733
Court Lights	21,430	7,680				12 10.0% DV 768	14,518	6,912
Tennis Court Gate	1,165	429				12 12.0% DV 51	787	378
Resurface Tennis Courts 2 & 3 (Sept '09)	32,385	17,068				12 10.0% DV 1,707	17,024	15,361
Resurface Tennis Courts 4 & 5	38,646	33,715				12 5.0% DV 1,686	6,617	32,029
<b>Sub-Total</b>	<b>256,195</b>	<b>109,893</b>				<b>7,073</b>	<b>153,375</b>	<b>102,820</b>
<b>PLANT &amp; EQUIPMENT</b>								
Fire Equipment	787	2				12 20.0% DV 0	785	2
Deep Fryer & Hot Plate	796	2				12 20.0% DV 0	794	2
BBQ	411					12 60.0% DV 0	411	0
Equipment	2,050	1				12 39.6% DV 0	2,049	1
Cash Register	2,390	1				12 39.6% DV 0	2,389	1
Security System	2,553	14				12 26.4% DV 4	2,543	10
Computer With PC2	1,439	1				12 60.0% DV 1	1,439	0
Package & 17 Inch Display								
Canon MF3240 Printer	354	2				12 48.0% DV 1	353	1
Microsoft Small Business Software	949					12 60.0% DV 0	949	0
Dishwasher	2,600	10				12 31.2% DV 3	2,593	7
Lights / Tennis	290	10				12 21.6% DV 2	282	8
Hand Basin	318	10				12 21.6% DV 2	310	8
Hot Water Heater	1,214	141				12 14.4% DV 20	1,093	121
Microwave Oven	267	1				12 33.0% DV 0	266	1
Gas Heater	1,388	2				12 39.6% DV 1	1,387	1
Tennis Tutor Ball Machine	3,196	166				12 20.0% DV 33	3,063	133
Tennis Twist Ball Machine	1,578	82				12 20.0% DV 16	1,512	66
x 2 Plus Cover & Power Supply								
Access Control System	8,000	291				12 26.4% DV 77	7,786	214
Access Control System	4,515	174				12 26.4% DV 46	4,387	128
Chiller Enhancement	5,500	2,110				12 10.0% DV 211	3,601	1,899
Kitchen Plans (CJS)	2,700	1,036				12 10.0% DV 104	1,768	932
Ranghood	4,179	562				12 20.0% DV 112	3,729	450
Extractr Fan (18/10/06)	1,160	97				12 24.0% DV 23	1,086	74
UPS	585	12				12 36.0% DV 4	577	8
Customisation on Zeald	550					12 60.0% DV 0	550	0
www - 50% Admin Block								
Booking of Courts								
Lan Isolator Units x 2	799	316				12 20.0% DV 63	546	253
Dell Laptop	1,829	457				12 50.0% DV 229	1,601	228
Dehumidifier			2,985			3 25.0% DV 187	187	2,798
<b>Sub-Total</b>	<b>52,397</b>	<b>5,500</b>	<b>2,985</b>			<b>1,139</b>	<b>48,036</b>	<b>7,346</b>
<b>TOTAL</b>	<b>1,162,318</b>	<b>401,635</b>	<b>4,724</b>			<b>20,490</b>	<b>781,173</b>	<b>385,869</b>

The accompanying notes form part of these financial statements.

# **The Browns Bay Racquets Club (Inc)**

## **Notes to the Performance Report**

### **For the Year Ended 30th September 2016**

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#### **1. STATEMENT OF ACCOUNTING POLICIES**

##### **Basis of Preparation**

These are the financial statements of The Browns Bay Racquets Club (Inc).

The Browns Bay Racquets Club (Inc) is an incorporated society registered under the Incorporated Societies Act 1908.

The Browns Bay Racquets Club (Inc) has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

##### **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

##### **Specific Accounting Policies**

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

##### **a) Accounts Receivable**

Accounts receivable are valued at anticipated realisable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year-end. Bad debts are written off during the period in which they are identified. Subscriptions are not recognised in Accounts Receivable, as they are recognised only when received.

##### **b) Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

##### **c) Fixed Assets**

Fixed assets are recorded at cost less accumulated depreciation.

Depreciation of property, plant and equipment is calculated at rates as allowed by the Inland Revenue Department.

Gains and losses on disposal or scrapping of property, plant and equipment are taken into account in determining the statement of financial performance for the year.

##### **d) Leases**

Operating leases

Leases that are not finance leases are classified as operating leases. Operating lease payments are recognised as an expense in the periods the amounts are payable.

*The accompanying notes form part of these financial statements.*

# **The Browns Bay Racquets Club (Inc)**

## **Notes to the Performance Report**

### **For the Year Ended 30th September 2016**

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#### **e) Goods and Services Tax ("GST")**

The statement of financial performance has been prepared so that all components 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 Payable, which include GST invoiced.

#### **f) Revenue**

Goods and services

Revenue comprises the amount received and receivable for goods and services supplied to customers in the ordinary course of business. Membership Subscriptions are recognised as revenue when received.

#### **g) Grants**

Grants received are recognised in the statement of financial performance over the periods necessary to match them with related expenditure.

#### **h) Taxation**

The Club is exempt from income tax pursuant to section CW 46 of the income Tax Act 2007.

#### **NOTE 2 CAPITAL EXPENDITURE COMMITMENTS**

There were no capital expenditure commitments as at balance date (2015: \$Nil).

#### **NOTE 5 CONTINGENT LIABILITIES**

There are no contingent liabilities at balance date (2015: \$Nil)

#### **NOTE 6 SUBSEQUENT EVENTS**

At the time of writing this report, there have been no significant financial events after balance date.