

Partners

INDEPENDENT AUDITORS REPORT

To the Members of The Browns Bay Racquets Club Incorporated

Report on the Financial Statements

We have audited the financial statements of The Browns Bay Racquets Club Incorporated attached, which comprise the balance sheet as at 30 September 2010 and the income statement, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive's Responsibility for the Financial Statements

The executive is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the executive determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 and fair presentation of the financial statements 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 entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall 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 society.

Basis for Qualified Opinion on Financial Position and Financial Performance

Control over the revenues 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.

Qualified Opinion on Financial Position and Financial Performance

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the financial statements attached

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of The Browns Bay Racquets Club Incorporated as at 30 September 2010 and of its financial performance for the year then ended.

DFK Oswin Griffiths

DFK Oswin Griffiths

02 February 2011

Auckland, New Zealand

THE BROWNS BAY RACQUETS CLUB INCORPORATED

TREASURER'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

Surplus Achieved

The club incurred a net surplus of \$10,168 for the year which is a pleasing result compared with the previous year's loss of \$-30,391. This reflects the great work that Fleur has done in the office since her return, addressing the issues the club faced in the 2009 year, particularly in respect of revenue collection.

Total income (excluding grants) at \$258, 934 is up by \$39,200 compared to the previous year's figure of \$219,734.

Grant income shown on the Statement of Financial Performance of \$12,133 is considerably less than the previous year. However the previous year's figure of \$38,848 included \$23,149 of capital grants

Expenses overall are slightly down on the previous year. This is mainly due to the previous year's accounts being impacted by asset write-offs and high repairs and maintenance.

Auditor

Oswin Griffiths DFK Ltd performed the audit again this year.

Capital Expenditure

The club did not undertake any capital improvements during this period. Note that a significant project to upgrade parts of the clubhouse, particularly the deck area, has been undertaken since balance date.

Repairs and Maintenance: (2010 : \$14,195 / 2009 : \$19,732)

The club's assets continue to require ongoing maintenance, although expenditure on this area is down compared to the previous year. This was mainly due to an expensive repair to the tennis court lights in the previous year.

Grants

Grants of \$17,133 were received during the year and applied as per the Schedule in the Financial Statements. Of these, \$12,133 has been recognized in the Statement of Financial Performance.

The remaining \$5,000 was in respect of the deck upgrade and has been deferred to next year to match up with the application of the funds to this project.

Bar


The Bar turnover is down on the previous year. However the margin has improved significantly, giving a greater gross surplus from the bar than the previous year. It is pleasing to see that the margin has returned to a reasonable level after the problems the club experienced in 2009.

Fundraising

Fundraising raised \$1,197 this year, as very little fundraising was carried out. Note that after balance date the club held a successful auction night, the proceeds of which are going towards the clubhouse upgrade.

Mortgage Reduction

The Westpac loan has been completely repaid during the year.



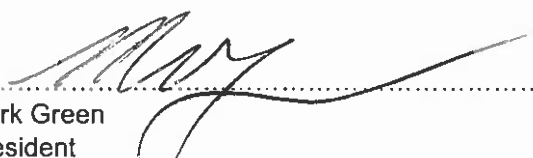
Tony Peat
Treasurer

04 February 2010

THE BROWNS BAY RACQUETS CLUB (INC)
Statement of Financial Performance
For the Year ended 30 September 2010

	<u>This year</u>	<u>2009</u>
	\$	\$
BAR TRADING		
Sales	111,199	122,554
	<hr/>	<hr/>
	111,199	122,554
 <u>Less Cost of Sales</u>		
Opening Stock	7,629	7,294
Purchases	54,147	72,848
Bar expenses	2,162	2,109
	<hr/>	<hr/>
	63,938	82,251
 Less Closing Stock	5,618	7,629
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Cost of Sales	58,320	74,622
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<u>GROSS SURPLUS</u>	<u>52,879</u>	<u>47,932</u>
 GROSS SURPLUS %	48%	39%

I certify that this annual financial statement has been submitted to and approved by the members of The Browns Bay Racquets Club Incorporated at a general meeting in accordance with section 23(2) of the Incorporated Societies Act 1908.



 Mark Green
 President
 2 February 2010

THE BROWNS BAY RACQUETS CLUB (INC)**Statement of Financial Performance****For the Year ended 30 September 2010**

	<u>This year</u>	<u>2009</u>
	\$	\$
<u>INCOME</u>		
Gross Trading Surplus-Bar	52,879	47,932
SUBSCRIPTIONS		
Tennis & Squash	163,888	138,109
Interclub Fees	21,586	6,755
CLUB ACTIVITIES		
Tournament Proceeds	2,020	2,822
Team & Tournament Sponsorship	2,200	3,551
OTHER INCOME		
Court Fees & Hall Hire	11,739	10,908
Fundraising & Donations	1,197	3,522
Sundry	3,371	5,637
Interest Received	54	497
	<hr/>	<hr/>
TOTAL INCOME	258,934	219,734
<u>LESS EXPENSES:</u>		
<u>PLAYERS EXPENSES</u>	\$	\$
Balls & nets	4,405	6,174
Coaching - squash	6,152	8,090
Coaching - tennis	19,580	20,410
Interclub fees	10,922	10,124
Team payments	2,380	3,139
<u>CLUB ACTIVITIES</u>		
Bar Manager's wages	6,918	11,766
Equipment hire	3,667	4,113
Net social expenses	1,102	3,902
Prizes & trophies	347	1,629
Tournament expenses	-	216
<u>OVERHEAD EXPENSES</u>		
ACC levies	1,260	1,174
Audit Fees	3,400	3,544
Advertising & Promotion	599	1,329
Affiliation fees	28,898	31,891
Bank charges	2,807	2,635
Cleaning	21,720	19,898
Depreciation	24,910	28,692
Employee Grievance Settlement	1,500	-
Loss on disposal of fixed assets	-	13,370
Honorarium	667	474
Interest expense	1,066	1,291
Licenses & registrations	560	1,252
Other	7,147	5,132
Power	11,292	11,342
Printing, stationery & postage	2,571	3,107
Repairs and maintenance	14,195	19,732
Insurance & rates	6,379	6,844
Salary - Manager	48,319	54,576
Salaries / Wages - Other	18,680	4,662
Security access expense	4,763	3,046
Telephone, Facsimile & Internet	2,499	3,194
Treasurer Fees	1,320	1,155
Website Maintenance	873	1,067
	<hr/>	<hr/>
Total expenses	260,899	288,973
	<hr/>	<hr/>
Grants received	12,133	38,849
	<hr/>	<hr/>
Net Surplus / - Deficit	10,168	- 30,391
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THE BROWNS BAY RACQUETS CLUB (INC)
Statement of Movements in Equity
For the Year ended 30 September 2010

	<u>This year</u>	<u>2009</u>
	\$	\$
Equity at the start of the period	266,487	296,878
Net Surplus for the period	10,168	- 30,391
	<hr/>	<hr/>
Total recognised Revenues & Expenses for the period	10,168	- 30,391
	<hr/>	<hr/>
	276,655	266,487
	<hr/>	<hr/>
Equity at end of period	276,655	266,487
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THE BROWNS BAY RACQUETS CLUB (INC)
Capital Accounts
For the Year ended 30 September 2010

	<u>This year</u>	<u>2008</u>
	\$	\$
Balance brought forward	266,487	296,878
Share of Surplus	10,168	- 30,391
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	10,168	- 30,391
	<hr/>	<hr/>
CLOSING BALANCE	276,655	266,487
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THE BROWNS BAY RACQUETS CLUB (INC)
Statement of Financial Position as at 30 September 2010

	<u>This year</u>	<u>2009</u>
	\$	\$
Capital - Accumulated funds	276,655	266,487
	<hr/>	<hr/>
	276,655	266,487
	<hr/> <hr/>	<hr/> <hr/>
Represented by:		
<u>Current Assets</u>		
Cash Float	750	750
Westpac Banking Corpn - Trading A/C	37,366	9,478
Westpac Banking Corpn - Savings A/C	-	10,230
Undeposited Funds	5,475	165
Debtors	-	-
Stock on Hand - Bar	5,618	7,630
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Total Current Assets	49,209	28,253
<u>Current Liabilities</u>		
Accrued Expenses	2,500	2,500
Deferred Income	5,000	-
Accounts Payable	15,108	27,089
Current Portion of Westpac Loan	-	7,140
	<hr/>	<hr/>
Total Current Liabilities	22,608	36,729
	<hr/>	<hr/>
Working Capital	26,600	- 8,478
Fixed Assets as per schedule	250,054	274,965
<u>Non Current Liabilities</u>		
Loan Westpac	-	7,140
Less Current Portion	-	7,140
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
	276,655	266,487
	<hr/> <hr/>	<hr/> <hr/>

Mark Green, President



Date

ALLOCATION OF GRANTS RECEIVED DURING THE YEAR ENDED 30 SEPTEMBER 2010

Received From	Amount	Value of	Expense	Description
	received	Fixed Asset	Covered less	
	\$	\$	\$	
Lion Foundation	3,260.00		3,260.00	Jnr Squash Coaching
Pub Charity	4,000.00		4,000.00	Jnr Tennis Coaching
Pub Charity	1,637.00		1,637.00	8 x Tennis Nets
NZCT	1,000.00		1,000.00	Tennis Balls
NZCT	700.00		700.00	Jnr Squash Coaching & Balls
Trillian Trust	1,536.00		1,536.00	Tennis Balls
Bays Club	5,000.00	5,000.00		Lower Deck (Still to be used)
Total Grants received	17,133	5,000	12,133	
Less Deferred to Next Year	- 5,000	- 5,000		
Total Grants Recognised This Year	12,133	-	12,133	

THE BROWNS BAY RACQUETS CLUB (INC)
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 SEPTEMBER 2010

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

The entity is an incorporated society registered under the Incorporated Societies Act 1908. The financial statements have been prepared in accordance with generally accepted accounting practise.

Measurement Base

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

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 (first in first out) 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.

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 receivables and payables, 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) Changes in Accounting Policies

There have been no significant changes in accounting policies this year:

i) Taxation

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

NOTE 2 NATURE OF BUSINESS

The principal activity is that of a community racquets sports club.

NOTE 3 DIFFERENTIAL REPORTING

The Browns Bay Racquets Club is a qualifying entity within the New Zealand Institute of Chartered Accountant's Differential Reporting Framework under the size criteria and has taken advantage of all differential reporting exemptions available.

NOTE 4 BANK OVERDRAFT

Auckland Council (Formerly North Shore City Council) has in the past guaranteed the bank overdraft facility at Westpac Banking Corporation Limited of \$ 20,000. We have not received any advice that this has changed.

NOTE 5 TERM LIABILITIES

The term liability of \$ 0.00 (\$7,140 : 2009) carries an interest rate of nil (10.75%, 9.00% : 2009)

NOTE 6 CAPITAL EXPENDITURE COMMITMENTS

There were no capital expenditure commitments as at balance date (2009 : \$Nil).

NOTE 7 CONTINGENT LIABILITIES

There are no contingent liabilities at balance date (2009 : \$NIL)

NOTE 8 SUBSEQUENT EVENTS

No significant events have occurred after balance date.

THE BROWNS BAY RACQUETS CLUB (INC)
Schedule of Fixed Assets & Depreciation
For the year ended 30 September 2010

	Opening Cost	Opening Accumulated Depreciation	Opening Book Value	Additions (Disposals)	Depreciation Recovered/ (Loss on Disposal)	Capital Gains/Loss	Rate	Current year depreciation	Closing Price	Closing Cost	Closing Accum' Depreciation	Closing Book Value
Leasehold Improvements												
Pavilion & Club Building	407,850	407,850	-	-	-	-	4.00% S	-	407,850	407,850	407,850	-
Permit	1,638	983	655	-	-	-	20.00% S	328	1,638	1,311	1,311	327
Deck	1,511	1,511	-	-	-	-	4.00% S	-	1,511	1,511	1,511	-
Extension Plan	3,650	1,781	1,869	-	-	-	20.00% S	374	3,650	2,155	2,155	1,495
Improvements	11,741	9,786	1,955	-	-	-	4.00% S	470	11,741	10,256	10,256	1,485
Mens Changing Room	16,744	11,276	5,468	-	-	-	4.00% S	670	16,744	11,946	11,946	4,798
Managers Office	4,927	1,465	3,462	-	-	-	2.00% S	99	4,927	1,564	1,564	3,363
Smokers Shade Cover	3,822	930	2,892	-	-	-	4.00% S	153	3,822	1,083	1,083	2,739
Pro shop additions	950	225	725	-	-	-	4.00% S	38	950	263	263	687
Pro shop additions	6,020	1,425	4,595	-	-	-	4.00% S	241	6,020	1,666	1,666	4,354
Kitchen and Bar	58,249	7,475	50,774	-	-	-	4.00% S	2,330	58,249	9,805	9,805	48,444
Downstairs carpets	6,679	1,536	5,143	-	-	-	4.00% S	267	6,679	1,803	1,803	4,876
Change room lino	1,050	237	813	-	-	-	4.00% S	42	1,050	279	279	771
Foyer and upstairs carpet	4,560	988	3,572	-	-	-	4% S	182	4,560	1,170	1,170	3,390
Security Bar (office) (Dec '06)	620	66	554	-	-	-	4.00% S	25	620	91	91	529
New Roof (on half of bldg)	21,436	4,716	16,720	-	-	-	12.00% S	2,572	21,436	7,268	7,268	14,148
Upgrade Men's Changing Rooms (Nov '08)	12,971	357	12,614	-	-	-	3.00% S	389	12,971	746	746	12,225
	564,418	452,607	111,811	0	0	0		8,179	564,418	460,786	460,786	103,632
Plant & Equipment												
Fire Equipment	787	783	4	-	-	-	20.00% D	1	787	784	784	3
Deep Fryer & Hot Plate	796	792	4	-	-	-	20.00% D	1	796	793	793	3
BBQ	411	408	3	-	-	-	60.00% D	2	411	410	410	1
Equipment	2,050	2,044	6	-	-	-	39.60% D	2	2,050	2,046	2,046	4
Cash Register	2,390	2,376	14	-	-	-	39.60% D	6	2,390	2,382	2,382	8
Security System	2,553	2,462	91	-	-	-	26.40% D	24	2,553	2,486	2,486	67
Office computer with PC2 Package with 17inch display (Mar '06)	1,439	1,290	149	-	-	-	60.00% D	89	1,439	1,379	1,379	60
Canon MF3240 Printer	354	285	69	-	-	-	48.00% D	33	354	318	318	36
Microsoft Small Business Software	949	850	99	-	-	-	60.00% D	59	949	909	909	40
Dishwasher	2,600	2,504	96	-	-	-	31.20% D	30	2,600	2,534	2,534	66
Lights/ Tennis	290	249	41	-	-	-	21.60% D	9	290	258	258	32
Hand Basin	318	273	45	-	-	-	21.60% D	10	318	283	283	35
Hot water Heater	1,214	854	360	-	-	-	14.40% D	52	1,214	906	906	308
Microwave Oven	267	253	14	-	-	-	33.00% D	5	267	258	258	9
Gas Heater	1,388	1,354	34	-	-	-	39.60% D	13	1,388	1,367	1,367	21
Tennis Tutor Ball machine	3,196	2,564	632	-	-	-	20.00% D	126	3,196	2,690	2,690	506
Tennis twisl ball machine x 2 plus cover and power supply	1,578	1,265	313	-	-	-	20.00% D	63	1,578	1,328	1,328	250
Access control system	8,000	6,169	1,831	-	-	-	26.40% D	483	8,000	6,652	6,652	1,348
Access control system	4,515	3,424	1,091	-	-	-	26.40% D	288	4,515	3,712	3,712	803
Chiller enhancement	5,500	1,527	3,973	-	-	-	10.00% D	397	5,500	1,924	1,924	3,576
Kitchen Plans (C/S)	2,700	751	1,949	-	-	-	10.00% D	195	2,700	946	946	1,754
Rangerood	4,179	2,039	2,140	-	-	-	20.00% D	428	4,179	2,467	2,467	1,712
Extracor Fan (18/10/06)	1,160	651	509	-	-	-	24.00% D	122	1,160	773	773	387
UPS (12/12/06)	585	417	168	-	-	-	36.00% D	60	585	477	477	108
Customisation on Zeald www - 2nd 50% payment for change spec - admin block booking of courts 7/11/07	550	451	99	-	-	-	60.00% D	59	550	510	510	40
	49,769	36,035	13,734	0	0	0		2,558	49,769	30,593	30,593	11,176

Furniture & Fittings

Glassware	545	25	20.00% D	5	545	525	20
Philips 25" TV (upstairs)	948	26	20.00% D	5	948	927	21
Re-upholster chairs	1,490	41	20.00% D	8	1,490	1,457	33
Carpet mats	250	52	20.00% D	5	250	203	47
Alarm	1,012	6	20.00% D	1	1,012	1,007	5
486s x 33 PC & Software	1,981	63	20.00% D	13	1,981	1,931	50
Office Chair	212	45	10.00% D	5	212	172	41
Filing Cabinets x 2	388	82	10.00% D	8	388	314	74
Chairs	261	17	18.00% D	3	261	247	14
Carpets	400	-	33.00% D	-	400	400	-
Carpets	6,345	41	39.60% D	16	6,345	6,320	25
Carpet in lounge and stairs (Ian Hunt Flooring) 19/2/08	7,148	2,528	48.00% D	1,213	7,148	5,833	1,315
Tiling in lounge and kitchen area (HomeTrends) 30/1/08	886	30	2.00% D	17	886	47	839
Compaq Monitor and HP Computer	2,664	570	20.00% D	114	2,664	2,208	456
3 Drawer Filing cabinet	190	85	10.00% D	9	190	114	77
Venelian Blinds (Manager's office)	1,690	228	26.40% D	60	1,690	1,522	168
Ht Fi unit	2,089	530	20.00% D	106	2,089	1,865	424
Outdoor Umbrella x2	160	37	21.60% D	8	160	131	29
Outdoor chairs x 20	160	37	21.60% D	8	160	131	29
Chairs	1,759	94	26.40% D	25	1,759	1,690	69
Outdoor Furniture	1,733	203	21.60% D	44	1,733	1,574	159
TV and DVD (Tennis Pavilion)	311	113	20.00% D	23	311	221	90
Table Tennis Table	458	151	21.60% D	33	458	340	118
Patio Healers x 2	620	68	39.60% D	27	620	579	41
Surround sound Audio visual	5,184	599	39.60% D	237	5,184	4,822	362
Surround sound Audio visual	680	91	39.60% D	36	680	625	55
Wine rack/shelving	7,234	3,422	21.60% D	739	7,234	4,551	2,683
Dehumidifiers x 3 (Misubishi) (Aug '07)	2,400	1,117	30.00% D	335	2,400	1,618	782
Panasonic Highwall A/C Unit (Aug '07)	4,292	1,912	24.00% D	571	4,292	2,483	1,809
Trophy Cabinet (Feb '07)	4,389	2,498	19.20% D	480	4,389	2,371	2,018
New Website (June '07)	4,515	578	60.00% D	347	4,515	4,284	231
	62,394	45,811	0	4,501	62,394	50,312	12,082

Access/Playing

Floodlights 1992	58,897	8,920	10.00% D	892	58,897	50,869	8,028
Fencing	12,000	280	10.00% D	28	12,000	11,748	252
Decking	1,401	33	10.00% D	3	1,401	1,371	30
Signs	160	-	10.00% D	-	160	160	-
Signs	400	60	10.00% D	6	400	346	54
Volleyboard	500	-	20.00% D	-	500	500	-
Squash Meter Boxes	1,940	316	10.00% D	32	1,940	1,656	284
Sylon Netting	550	89	10.00% D	9	550	470	80
Resurface tennis courts 4, 5 & 6	40,765	21,713	50.00% D	1,003	40,765	22,716	18,049
Signs	920	361	12.00% D	43	920	602	318
Relaying courts 6-8	9,924	7,295	5.00% D	365	9,924	2,994	6,930
Relaying courts 6-8	11,216	2,918	5.00% D	415	11,216	3,333	7,883
Relaying courts 6-8	8,631	2,245	5.00% D	319	8,631	2,564	6,067
Relaying courts 6-8	14,885	3,873	5.00% D	551	14,885	4,424	10,461
Relaying courts 6-8	4,962	1,224	5.00% D	187	4,962	1,411	3,551
Court one resurface (Sept '07)	20,000	2,025	5.00% D	899	20,000	2,924	17,076
Net post and nets	2,595	1,062	10.00% D	153	2,595	1,215	1,380
Court lights	21,430	6,979	10.00% D	1,445	21,430	8,424	13,006
Tennis Court Gate	1,165	243	12.00% D	111	1,165	354	811
Resurface Tennis Courts 2 & 3 (Sept '09)	32,385	270	10.00% S	3,212	32,385	3,482	28,904
	244,726	111,890	0	9,672	244,726	121,562	123,164

921,307	546,343	274,964	0	24,910	921,307	671,253	250,054
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