PBE Squash and Tennis Club (Inc)

Financial Statements

For the year ended 30 June 2007

To be presented at the
Annual General Meeting
of the Club.

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The Introduction (refer separate document) explains which financial reporting standards are illustrated in these financial statements.

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Reference NZ IAS 1.8(b) NZ IAS 1.46	**PBE Squash and Tennis Club (Inc)** **Statement of financial performance** **For the year ended 30 June 2007**			
NZ IAS 1.104		**Note**	**2007**	**2006**
NZ IAS 1.81(a), 83				
	Subscriptions		42,814	40,775
	Grants and sponsorship	2	16,882	10,233
	Hire of premises		10,792	14,369
	Bar revenue		4,537	3,727
	Sale club clothing and merchandise		4,248	4,495
	Fundraising revenue		1,131	892
	Total revenue[1]		**80,404**	**74,491**
NZ IFRS 7 – 20(b) NZ IAS 18.35(b)	Interest income		1,240	453
	Total income		**81,644**	**74,944**
	Trading expenses			
NZ IAS 1.88, 91	Change in inventory – bar supplies		346	121
NZ IAS 1.88, 91	Purchases bar supplies		3,057	2,712
NZ IAS 1.88, 91	Change in inventory – club merchandise		30	38
NZ IAS 1.88, 91	Purchases club merchandise		2.901	2,974
	Playing expenses			
	Affiliation fees		2,569	2,501
	Playing equipment		23,996	16,551
	Coaching		1,565	1,129
	Other playing expenses		1,541	1,468
	Administrative expenses			
	Advertising		230	169
NZ IAS 1.NZ94.1	Audit fees (for audit of the financial statements)		625	600
	Bank charges		359	368
	Bar licensing		1,301	1,108
	Cleaning		803	716
NZ IAS 1.88,91	Depreciation	3	21,500	18,454
	EFTPOS charges		732	746
	Electricity		3,212	3,488
	General		371	372
	Ground maintenance		6,533	7,245
NZ IAS 24.16	Honorarium to Club Secretary	5	500	500
	Insurance		2,254	2,100
NZ IAS 17.35(c)	Lease payments	6	1,000	1,000
	Postage and stationery		499	597
	Rates and water		4,193	3,967
	Repairs and maintenance		387	406
	Security		426	370
	Telephone and internet		1,077	1,026
	Total expenses		**82,007**	**70,666**
NZ IAS 1.81(f)	**Surplus/ (deficit)**		**(363)**	**4,278**

The accompanying notes form an integral part of these financial statements.
This statement presents detailed information on income and expenses. It is also possible to limit disclosure to those items specifically required by standards, including NZ IAS 1.

[1] Qualifying entities are not required to disclose each significant category of revenue.

Reference NZ IAS 1.8(c) NZ IAS 1.46	**PBE Squash and Tennis Club (Inc)** **Statement of changes in equity[2]** **For the year ended 30 June 2007**			
NZ IAS 1.104		**Note**	**2007**	**2006**
NZ IAS 1.97(c)	**Balance at beginning of year**		**122,226**	**117,948**
NZ IAS 1.96(a)	Net surplus/(deficit) for the year		(363)	4,278
NZ IAS 1.96(c)	**Balance at end of year[3]**		**121,863**	**122,226**

Reference NZ IAS 1.8(a) NZ IAS 1.46	**PBE Squash and Tennis Club (Inc)** **Statement of financial position** **As at 30 June 2007**			
NZ IAS 1.104 NZ IAS 1.71		**Note**	**2007**	**2006**
NZ IAS 1.57	**Current assets**			
NZ IAS 1.68(i)	Cash and cash equivalents		2,820	6,684
NZ IAS 1.68(h)	Subscriptions receivable		2,141	2,039
NZ IAS 1.68(h)	GST receivable		2,129	1,277
NZ IAS 1.57	Current portion of term deposits		2,670	–
NZ IAS 1.68(g) NZ IAS 2.36(b)	Club clothing and merchandise		631	601
NZ IAS 1.68(g) NZ IAS 2.36(b)	Bar supplies		2,623	2,277
NZ IAS 1.69	**Total current assets**		**13,024**	**12,878**
NZ IAS 1.60	**Current liabilities**			
NZ IAS 1.68(j)	Accounts payable		4,970	5,844
NZ IAS 1.69	**Total current liabilities**		**4,970**	**5,844**
	Working capital		**8,054**	**7,034**
NZ IAS 1.57	**Non-current assets**			
NZ IAS 1.68(a)	Property, plant and equipment	3	95,809	94,522
NZ IAS 1.68(d)	Term deposits		18,000	20,670
NZ IAS 1.69	**Total non-current assets**		**113,809**	**115,192**
	Net assets		**121,863**	**122,226**
NZ IAS 1.75(e)	**Members' funds[4]**	4	**121,863**	**122,226**

The accompanying notes form an integral part of these financial statements.

Alternative layouts for the statement of financial position are permitted.

[2] In certain circumstances NZ IAS 1 (revised 2007) allows public benefit entities not to present a statement of changes in equity. Early adoption of this standard is permitted. These statements illustrate the requirements of NZ IAS 1 (issued 2004).
[3] The Club's equity consists solely of members' funds. Therefore, some of the disclosures required by NZ IAS 1 paragraphs 96 and 97 are not relevant.
[4] Alternative terms for "members' funds" include "retained earnings" and "accumulated funds".

PBE Squash and Tennis Club (Inc)
Notes to the financial statements
for the year ended 30 June 2007

NZ IAS 1.8(e) NZ IAS 1.108(b) NZ IAS 1.110	**Note 1 Statement of accounting policies for the year ended 30 June 2007[5]**
NZ IAS 1.46(a),(b) NZ IAS 1.126(a),(b) NFP Guide 2	**Reporting entity** The PBE Squash and Tennis Club (Inc) is an incorporated society registered under the Incorporated Societies Act 1908. The Club offers coaching and recreational facilities and organises competitions in squash and tennis. The Club also provides opportunities for members to socialise.[6] PBE Squash and Tennis Club (Inc) PO Box 9999 29 Sports Club Road Auckland
NZ IAS 10.17 NZ IAS 1.46(c)	**Date of authorisation** The financial statements of the Club are for the year ended 30 June 2007. The financial statements were authorised for issue by the Committee on 30 September 2007.
NZ IAS 1.NZ13.1(a)-(d) NFP Guide 1	**Statement of compliance and basis of preparation** The Club is required by its rules to prepare general purpose financial statements. For the purposes of financial reporting, the Club is classified as a public benefit entity. The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to IFRSs (NZ IFRSs) and other applicable Financial Reporting Standards, as appropriate for public benefit entities that qualify for, and apply, differential reporting concessions.
NZ IAS 8.NZ12.1 NZ IAS 1.NZ13.1(c) NFP Guide 1, Appendix 2	The Club qualifies for differential reporting due to its size and because it has no public accountability. All available differential reporting exemptions allowed under the *Framework for Differential Reporting for Entities Applying New Zealand Equivalents to IFRSs Reporting Regime*, have been applied except for the following: ▪ NZ IAS 1.124B(a): the Club has disclosed information about what it manages as capital and its objectives in managing capital; ▪ NZ IAS 12.NZ5.3: the Club has not used the rates of depreciation permitted for income tax purposes; ▪ NZ IAS 18.NZ6.1: the Club's financial statements are prepared on a GST exclusive basis; and ▪ NZ IAS 18.35(b):the Club has disclosed each significant category of revenue.
NZ IAS 1.46(d),(e) NZ IAS 1.103(a) NZ IAS 1.108(a)	The financial statements are prepared on the historical cost basis and presented in New Zealand Dollars (NZD) rounded to the nearest dollar.
NZ IFRS 1.3 NZ IFRS 1.38	These are the Club's first financial statements prepared in accordance with NZ IFRSs and NZ IFRS 1 has been applied. Because the adoption of NZ IFRSs has had no material impact on the financial statements no reconciliation of previous NZ GAAP to NZ IFRS is provided.
NZ IFRS 1.7	The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS statement of financial position at 1 July 2005 for the purposes of the transition to NZ IFRSs.

[5] These accounting policies are based on standards and interpretations in force as at 1 June 2007. Refer to the Introduction to these statements for a description of the standards which have been illustrated.

[6] The Club has not registered as a charity with the Charities Commission. However, any organisation that considers it has charitable purposes and is established for "public benefit" (not just for the benefit of its members) may apply for registration with the Commission.

NZ IAS 16.73(a) NZ IAS 16.77(b) NFP Guide 4 NZ IAS 16.6, 73(b)(c) NFP Guide 4,5	**Property, plant and equipment** Items of property, plant and equipment are stated at cost, less accumulated depreciation and any impairment losses. Any donated assets are recorded at their fair value at the date of acquisition. Depreciation is calculated using the following estimated useful lives: Clubrooms 10 years Court surfaces 10 years Furniture and fittings 5 years Office equipment 3 years Sports equipment 3 years
NZ IAS 36.9, 59, 60 NFP Guide 4	**Impairment of assets** *Property, plant and equipment* Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through use or sale. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.
NZ IAS 17.33	**Leases** Lease payments for operating leases are recognised as expenses in the periods in which they are incurred.
NZ IAS 39.45,46 NZ IFRS 7.21	**Investments** Short term deposits have maturities between three months and one year. Investments in deposits are measured at amortised cost using the effective interest method. At balance date the Club assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the income statement.
NZ IAS 2.36(a) NZ IAS 2.9 NZ IAS 2.25 NFP Guide 4	**Inventories** Club clothing held for sale and bar supplies are measured at the lower of cost and net realisable value. Any write down of inventories is recognised in the statement of financial performance. Cost is determined on a first in, first out basis.
NZ IAS 7.45 NFP Guide 4	**Cash and cash equivalents** Cash and cash equivalents comprises the balance in the cheque account. Deposits are included when they have a maturity of three months or less from the date of acquisition.
NFP Guide 5 NZ IAS 18.35(a) NZ IAS 18.20 NZ *Framework*	**Income** *Subscriptions* Membership subscriptions income is recognised as income in the year to which it relates. *Grants and donations* Grant and donation income is recognised as income when it becomes receivable unless the Club has a liability to repay the grant if the requirements of the grant or donation are not fulfilled. A liability is recognised to the extent that such conditions are unfulfilled at the end of the reporting period. Details of grants relating to special purposes are disclosed in the notes.

Good practice	**Income tax and goods and services tax** The Club is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for this exemption. The financial statements have been prepared on a Goods and Services Tax exclusive basis.
NFP Guide 5 NZ *Framework*	**Volunteer services and other donated goods and services** The value of volunteer services and goods and services provided at a discount is not recognised. Donated services and other forms of assistance provided to the Club are acknowledged elsewhere in the annual report.

	Note 2 Grants and sponsorship
Good practice	The Club received a grant of $8,000 in 2007 (2006: nil) from a Community Trust to resurface the courts. The resurfacing was completed in accordance with the requirements of the grant.

	Note 3 Property, plant and equipment				
NZ IAS 16.73(d), (e) NZ IAS 16,NZ5.5		**Cost**	**Current year depreciation**	**Accumulated depreciation**	**Carrying amount**
	2007				
	Clubrooms	108,290	5,414	37,526	70,764
	Court surfaces	33,144	2,567	25,075	8,069
	Furniture and fittings	3,579	1,343	2,001	1,578
	Office equipment	9,569	985	5,807	3,762
	Sports equipment	42,679	11,191	31,043	11,636
		197,261	**21,500**	**101,452**	**95,809**
	2006				
	Clubrooms	108,290	5,414	32,112	76,178
	Court surfaces	25,067	2,500	22,508	2,559
	Furniture and fittings	4,028	1,200	2,057	1,971
	Office equipment	9,000	985	7,808	1,192
	Sports equipment	33,574	8,355	20,952	12,622
		179,959	**18,454**	**85,437**	**94,522**

	Note 4 Objectives for managing capital[7]
NZ IAS 1.124A	The Club seeks to maintain sufficient members' funds to enable it to manage its ongoing operations and obligations. In order to do this the Club aims to operate at a surplus and maintain the level of working capital and term deposits. These objectives have been agreed by the Club Committee. No requirements on the level or use of the Club's capital have been externally imposed.

[7] Qualifying entities are not required to comply with NZ IAS 1 paragraph 124B(a).

	Note 5 Related party transactions
NZ IAS 24.16-18	During the year the Club had the following related party transactions: ▪ The Club Secretary was paid an honorarium of $500 (2006 $500). ▪ The contract for resurfacing of the courts was awarded to Hotmix and Drainage Services. The Vice President of the Club is a director of Hotmix and Drainage Services. The contract was for $8,077 and was awarded based on tenders received by the Club Committee. The Vice President did not participate in this decision. There were no amounts outstanding at year end relating to these transactions.

	Note 6 Other matters
NZ IAS 37.86	As at 30 June 2007 there were no contingent liabilities for which the Club may be liable (2006: nil).
NZ IAS 16.74(c)	As at 30 June 2007 there were no capital commitments (2006: nil).
NZ IAS 17.35(a)	The Club buildings are on land leased from the XYZ Council. The lease is for 10 years with a right of renewal for another ten years. The non-cancellable operating lease commitments are as follows.

	2007	**2006**
Not later than one year	1,000	1,000
Later than one year and not later than five years	4,000	4,000
Later than five years	2,000	3,000
Total non-cancellable operating lease commitments	**7,000**	**8,000**

NZ IAS 10.21	On 21 July 2007 the clubrooms suffered water damage due to a storm. The cost of repairs is covered by insurance. There were no known subsequent events impacting on the financial statements reported for the year ended 30 June 2006.