

Karori United Tennis Club

Performance Report

For the year ended:
31 May 2023

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Karori United Tennis Club

Entity Information

"Who are we?", "Why do we exist?"

For the year ended

31 May 2023

Legal name:	Karori United Tennis Club Incorporated
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Type of entity and legal basis:	Incorporated Society incorporated under the Incorporated Societies Act 1908 on 3 December 1946
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Registration number:	215913
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<p>Our Vision, Our Purpose and Our Values:</p> <p>Our Vision: More kids and adults enjoying tennis and having a life-long love of the game</p> <p>Our Purpose: To support, strengthen and promote tennis in our community</p> <p>Our Values: Teamwork: to be supportive, passionate and encouraging Excellence in all that we do Network: to be inclusive and keep our members and stakeholders engaged Nurture the game with purpose and innovation Integrity: to treat our members and stakeholders with respect Service the needs of our members and the community</p>

<p>Entity structure:</p> <p>The Committee is charged with governance and management of the Club. The following members were re-elected to the Committee at the Annual General Meeting held on 24th July 2022:</p> <ul style="list-style-type: none">• President - Peter Browne• Secretary - Sharon Cottrell• Membership Secretary - Seth Campbell• Club Captain - Rosstan Mazey• Treasurer - Annie Zhang (resigned 27/05/23)• Other Committee Members- Shelley Best, Simon Richardson, & Susie Tocker (resigned 13/03/23). <p>New appointees elected to the Committee at this AGM were: Adam Pryor & John Hughes.</p> <p>There were three members from the previous Committee who retired at this AGM: Kevin Wilson, Megan Healy & Gretchen Elliott.</p>
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Karori United Tennis Club

Entity Information

"Who are we?", "Why do we exist?"

For the year ended

31 May 2023

Main sources of cash and resources:

We are heavily reliant on membership subscriptions and interclub fees but also receive one-off grants and donations, interest on funds in the savings account/held on term deposit, and key income.

Membership subscriptions and interclub fees (incl. GST) for the 2022/23 season:

Senior membership - \$290, interclub \$80

Midweek membership - \$215, interclub \$60

Junior membership - \$130, interclub \$40

Little Ace membership - \$80

Tertiary student membership - \$155

Family membership A \$580 (Capped) excluding interclub fees

Family membership B \$525 excluding interclub fees.

Fees were also pro-rated 50% when members joined post-Christmas. Discounts applied to Family memberships A or B will depend on the number of people in the family joining for the year.

This year we received a \$3,780 grant from the New Zealand Community Trust towards coaching juniors on our Friday junior club night. Shortly before the end of the financial year we received a grant of \$1,500 from the Four Winds Foundation specifically towards the purchase of a defibrillator. The details of the brand of defibrillator we intended to install were still being finalised at year end, therefore this grant has been treated as a current liability in our financial statements at 31/5/23 and will be recognised in the next financial year's income. This year we received \$6,500 from our various sponsors who have advertising profiles on the driveway and fences at our club. We also recognised interest income of \$1,451 and key income of \$235.

Main methods used by the club to raise funds:

We raise funds through membership fees, interclub fees, grants, sponsorship, and interest.

Our reliance on volunteers and donated goods or services:

We place heavy reliance on volunteers' time and donated goods or services. No value has been recorded in the accompanying financial statements for this time although it is estimated to be a significant amount of volunteer hours. The Club recognises that the reliance on volunteers places the Club at risk from the standpoint that reduced volunteerism could lead to paying for services or reduction in services. We are mitigating this risk by pro-actively recruiting volunteers to serve on the Committee and to carry out specific tasks/projects. The Committee members donate their time and therefore receive an honorary senior subscription for the duration they are present on the Committee. Not all Committee members take up this offer. We also receive an honorary independent assurance review from John Healy.

Karori United Tennis Club

Entity Information

"Who are we?", "Why do we exist?"

For the year ended

31 May 2023

Financial performance for the year explained:

We ended the year with \$55,921 in the bank/term deposit, \$13,454 greater than we started with. We made an accounting deficit of \$15,115. The difference between the cash surplus and the accounting deficit is largely due to 1) depreciation of \$23,786, which is a non-cash item, 2) the timing of grants and the associated expenditure and 3) the expenditure on new fixed assets which are depreciated over time and not expensed in the year of purchase. We aim to break-even in accounting terms to ensure that we build up enough reserves (through depreciation) to replace or renovate assets (such as the club house, courts, fences and flood lights) as required, without having to rely solely on community and grant funding. There was a significant reduction in repairs and maintenance expenditure again this financial year due to the major work undertaken in prior years. Insurance costs were similar to last year after the premiums had doubled in the previous year, as happened in many areas of Wellington.

There were no major items of capital expenditure this year - last year we received a \$55,000 grant from NZCT of which the \$87,399 associated expenditure was capitalised. Removing that one-off item showed a normalised accounting deficit of \$8,012 last year. The increase in the accounting deficit of \$15,115 this financial year compared with last year's normalised deficit of \$8,012 is due largely to the increased charge for depreciation at 31 May 2023 as our fixed assets grew from the significant fencing project completed just prior to the end of May 2022.

	Actual This Year	Actual Last Year
	\$	\$
Surplus/(deficit) for the year	(15,115)	46,988
Removal of one-off items:		
Grant to fund the replacement of capitalised assets	-	(55,000)
Normalised surplus/(deficit) for the year	(15,115)	(8,012)

Contact details

Physical address:	16 Campbell Street, Karori, Wellington
Postal address:	PO Box 17 043, Karori, Wellington 6147
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Facebook	www.facebook.com/karoritennis
Instagram	www.instagram.com/karoriunitedtennisclub

Karori United Tennis Club
Statement of Service Performance
"What did we do?", "When did we do it?"
For the year ended
31 May 2023

Description of our outcomes:

Prior to the commencement of the 2021/22 season, we moved our membership records to ClubSpark. Registration for new and existing members is much easier with ClubSpark and we introduced a facility to pay membership and interclub fees by debit and credit card via "Stripe". We are pleased to report our membership has increased from the previous year, which we hope is indicative of the perceived value of the club to the local community. The main area of growth has been due to the sale of more Family packages - a total of 26 this year compared with 16 last year. KUTC continues to offer a wide range of coaching programmes for our junior members and our coaching contractor, Cyperus Tennis + Fitness, is looking to introduce new sessions for senior players to further encourage new memberships and to provide a better service to our existing members.

We have made a significant investment in our club grounds and facilities over the past two years and these projects have been capitalised as fixed assets and will be depreciated over the coming years. The result of this capital expenditure is reflected in a premium tennis experience at our club. There has been no major capital expenditure this financial year, only our normal maintenance costs. Our current and savings account balances of \$25,921 plus term deposit of \$30,000 show an increase from the previous year and provide a cash position from which to move forward with other projects as they arrive.

Membership and Interclub Numbers:

	Actual This Year	Actual Last Year
Number of members - Senior	119	119
Number of members - Midweek	17	22
Number of members- Junior	117	102
Number of members - Little Ace	35	27
Number of members - Tertiary	2	3
Total number of members	290	273

Note that the above membership numbers include Committee members, honorary life members, and coaches who regularly play interclub for the club. All of these are entitled to complimentary membership but not all accept it.

	Actual This Year	Actual Last Year
Number of interclub teams - Senior	8	9
Number of interclub teams - Premier Senior	1	1
Number of interclub teams - Midweek	3	3
Number of interclub teams - Junior	9	11
Number of interclub teams - Winter	5	3
Total interclub teams	26	27

Karori United Tennis Club
Statement of Financial Performance
 "How was it funded?" and "What did it cost?"
 For the year ended
 31 May 2023

	Note	Actual This Year \$	Actual Last Year \$
Revenue			
Grants, sponsorship and donations	1	10,280	67,200
Membership & Interclub fees	1	45,133	42,689
Interest		1,451	568
Court hire income		1,000	-
Key income	4	235	52
Other income		63	226
Total revenue		58,162	110,735
Expenses			
Affiliation fees - Tennis Central		11,190	10,680
Catering and food		1,734	1,855
Cleaning and rubbish removal		2,074	2,277
Coaching		3,780	3,780
Court Hire - (Samuel Marsden Courts)		480	670
Depreciation	3	23,786	16,427
Electricity		1,331	1,283
General expenses		2,913	2,007
Insurance		6,455	6,737
Internet		1,241	832
Interclub fees		3,557	3,645
Rates		4,774	3,407
Repairs and maintenance		3,728	3,807
Stripe credit card processing fee		1,183	957
Tennis balls		4,331	4,888
Trophies and engraving		720	495
Total expenses		73,277	63,747
Surplus/(deficit) for the year		(15,115)	46,988
Other comprehensive revenue and expenses			
Gain on revaluation of property, plant and equipment	3	-	1,283,200
Total other comprehensive revenue and expense for the year		-	1,283,200
Total comprehensive revenue and expense for the year		(15,115)	1,330,188

The accompanying notes form part of these financial statements

Karori United Tennis Club
Statement of Financial Position
"What do we own?" and "What do we owe"

As at:
31 May 2023

	Note	Actual This Year \$	Actual Last Year \$
Current assets			
Cash and cash equivalents	2	25,921	12,467
Term deposit		30,000	30,000
Prepayments		3,293	3,296
Tennis balls on hand		3,578	7,909
GST receivable/(payable)		871	1,899
Total current assets		63,663	55,571
Non-current assets			
Property, plant and equipment	3	2,888,680	2,911,909
Total non-current assets		2,888,680	2,911,909
Total assets		2,952,343	2,967,480
Current liabilities			
Payables		2,173	4,536
Grants received in Advance		1,500	-
Membership revenue in advance	1	10,055	9,154
Total current Liabilities		13,728	13,690
Non-current liabilities			
Key deposits	4	1,380	1,440
Total non-current liabilities		1,380	1,440
Total liabilities		15,108	15,130
Total net assets (accumulated funds)	5	2,937,235	2,952,350

The accompanying notes form part of these financial statements

For and on behalf of the Committee

Peter Browne - President
31st October 2023

Sharon Cottrell - Secretary
31st October 2023

Karori United Tennis Club
Statement of Cash Flows
"How have we received and used cash?"
For the year ended
31 May 2023

	Actual This Year \$	Actual Last Year \$
Cash flows from operating activities		
Cash was provided from:		
Grants, sponsorship and donations	10,280	67,200
Membership fees	46,034	42,331
Grants received in advance	1,500	-
Interest	1,451	574
Court hire	1,000	-
Other income	238	379
Cash was applied to:		
Net GST	(1,029)	(1,777)
Payments to suppliers	47,522	52,789
Net cash flows from operating activities	14,010	59,472
Cash flows from investing and financing activities		
Cash was provided from:		
Term deposits	-	18,000
Cash was applied to:		
Payments to acquire property, plant and equipment	556	87,399
Payments for term deposits	-	-
Net cash flows from investing and financing activities	(556)	(69,399)
Net increase / (decrease) in cash	13,454	(9,927)
Opening cash and cash equivalents	12,467	22,394
Closing cash and cash equivalents	25,921	12,467
This is represented by:		
Cash and cash equivalents	25,921	12,467

The accompanying notes form part of these financial statements

Karori United Tennis Club
Statement of Accounting Policies
"How did we do our accounting?"

For the year ended
31 May 2023

Basis of preparation

We have elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that we do not have public accountability and have total annual expenses of equal to or less than \$2,000,000. All transactions in the financial statements are reported using the accrual basis of accounting. The financial statements are prepared under the assumption that we will continue to operate for the foreseeable future.

Goods and services tax (GST)

All amounts are shown exclusive of GST.

Income tax

We are wholly exempt from New Zealand income tax (under Section CW 46 of the Income Tax Act 2007, which applies to bodies promoting amateur games and sports) having fully complied with all statutory conditions for these exemptions.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows comprise bank balances (including short term deposits) with original maturities of 90 days or less.

Revenue

Member subscriptions income is recognised on an accruals basis. Our membership year runs to 31 August so a liability for 3 months of membership revenue received in advance is recorded at year end.

Interest income is recognised in the period received. Any interest receivable at year end is accrued for.

Grants, sponsorships and donations income is recognised when it becomes receivable unless we have 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 are disclosed in the notes.

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

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 this report. No significant donated assets were received during the period (last year - nil).

Property, plant and equipment

i. Recognition and measurement

We apply a capitalisation threshold of \$500. Any amounts below this amount are expensed.

Items of property plant and equipment are initially measured at cost and then subsequently measured either under the:

- Cost model: cost less accumulated depreciation and impairment.
- Revaluation model: current rateable value, less accumulated depreciation and accumulated impairment losses recognised after the date of the most recent revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Gains and losses on revaluation are recognised in other comprehensive revenue and presented in the revaluation reserve within net assets/equity. Any revaluation losses in excess of the revaluation reserve are recognised as an impairment.

The accompanying notes form part of these financial statements

Karori United Tennis Club
Statement of Accounting Policies
"How did we do our accounting?"

For the year ended
31 May 2023

Property, plant and equipment (continued)

i. Recognition and measurement (continued)

All of our items of property plant and equipment are subsequently measured in accordance with the cost model, except for land and buildings, which are subsequently measured in accordance with the revaluation model.

Cost includes expenditure that is directly attributable to the acquisition of the asset. We have no self-constructed assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the Statement of Financial Performance.

Upon disposal of any revalued item of property, plant and equipment, any associated gain or loss on revaluation of that item is transferred from the revaluation surplus to accumulated surplus.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the club. Ongoing repairs and maintenance is expensed as incurred.

iii. Depreciation

For plant and equipment, depreciation is based on the cost of an asset, and for buildings is based on the revalued amount. For significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in the Statement of Financial Performance on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. We do not have any leased assets. Land is not depreciated. Assets under construction are not subject to depreciation.

The straight-line depreciation rates and the estimated useful lives are:

- Buildings - 2% straight-line (useful life 50 years)
- Buildings fit-out - 7% straight-line (useful life 14.29 years)
- Furniture and fittings - 15% straight-line (useful life 6.67 years)
- Lighting equipment - 10% straight-line (useful life 10 years)
- Tennis equipment - 10-20% straight-line (useful life 5-10 years)
- Tennis courts and fences - 10% straight-line (useful life 10 years)

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate.

Tier 2 PBE accounting standards applied

We have applied PBE IPSAS 17 Property Plant and Equipment. PBE SFR-A (NFP) states that if an entity wishes to revalue an asset, it shall apply the relevant requirements of PBE IPSAS 17, except that the entity may use the current rateable or government valuation (rather than fair value as required by PBE IPSAS 17) when revaluing. We revalue our land and buildings and the source and date of the valuation is disclosed in note 3.

Changes in accounting policies

There have been no changes in accounting policies during the financial year (last year: no changes).

The accompanying notes form part of these financial statements

Karori United Tennis Club

Notes to the Financial Statements

For the year ended
31 May 2023

Note 1: Analysis of revenue / expenses

Revenue item	Analysis	This Year \$	Last Year \$
Grants, sponsorship and donations	NZCT grant towards coaching fees	3,780	3,700
	NZCT grant towards the fencing/courts projects	-	55,000
	New Zealand Racing Board grant for tennis balls	-	3,500
	Other donations and sponsorships	6,500	5,000
		-	
	Total	10,280	67,200

Revenue item	Analysis	This Year \$	Last Year \$
Membership & Interclub fees	Senior membership subscriptions	30,117	27,176
	Midweek membership subscriptions	3,340	4,087
	Junior membership subscriptions	12,600	11,165
	Little Ace membership subscriptions	2,244	1,908
	Tertiary membership subscriptions	297	378
	Interclub fees	5,816	5,714
	Committee discounts	(2,270)	(2,114)
	Coach discounts	(252)	(235)
	Life member discounts	(187)	(174)
	Honorary discounts	(252)	-
	Family and part-year discounts	(6,318)	(5,216)
	Total	45,135	42,689

Our membership year runs from 1 September to 31 August, whereas our financial year runs from 1 June to 31 May. So we adjust our membership fees and record a liability for membership revenue received in advance.

Types of discounts include:

- Committee discounts - the Committee members donate their time and therefore receive an honorary senior subscription for the duration they are present on the Committee. Not all Committee members take up this offer. This year 9 Committee members received honorary memberships (last year: 9). This year 1 Committee member elected to pay for their membership (last year: 3).
- Coach discounts - any coaches actively playing at the Club receive an honorary membership. This year 1 coach received a discount (last year: 1).
- Life member discounts - we have 1 life member receiving an honorary midweek membership (last year: 1).
- Honorary discounts - we have 1 member that the Committee resolved should receive an honorary senior membership (last year: 0).
- Family and part-year discounts - for further details, refer to page 3.

The accompanying notes form part of these financial statements

Karori United Tennis Club
Notes to the Financial Statements

For the year ended
31 May 2023

Note 2: Analysis of cash and cash equivalents

Item	This Year		Last Year	
			\$	\$
Current account			10,507	12,462
Savings account			15,414	5
Total			25,921	12,467

Note 3: Property, plant and equipment

This Year						
Asset class	Original cost	Opening carrying amount	Purchases	Depreciation and impairment	Revaluation Adjustment	Closing carrying amount
Land	1,600	2,520,000	-	-	-	2,520,000
Buildings	8,238	250,000	-	5,000	-	245,000
Buildings fit-out	6,659	5,455	-	466	-	4,989
Furniture and fittings	11,239	111	557	175	-	493
Lighting equipment	38,060	17,707	-	2,560	-	15,147
Tennis equipment	8,452	1,548	-	407	-	1,141
Tennis courts and fences	239,178	117,088	-	15,178	-	101,910
Total	313,426	2,911,909	557	23,786	-	2,888,680

Last Year						
Asset class	Original cost	Opening carrying amount	Purchases	Depreciation and impairment	Revaluation Adjustment	Closing carrying amount
Land	1,600	1,270,000	-	-	1,250,000	2,520,000
Buildings	8,238	221,400	-	4,600	33,200	250,000
Buildings fit-out	6,659	5,921	-	466	-	5,455
Furniture and fittings	11,239	322	-	211	-	111
Lighting equipment	38,060	20,267	-	2,560	-	17,707
Tennis equipment	8,452	2,537	-	989	-	1,548
Tennis courts and fences	151,779	37,290	87,399	7,601	-	117,088
Total	226,027	1,557,737	87,399	16,427	1,283,200	2,911,909

The accompanying notes form part of these financial statements

Karori United Tennis Club

Notes to the Financial Statements

For the year ended
31 May 2023

Note 3: Property, plant and equipment (continued)

(i) There are no securities held over any items of property, plant and equipment.

(ii) Land and buildings were revalued last year using the relevant notice at that time of rating valuation by the Wellington City Council (WCC). The effective date was deemed to be 31 May 2022 for financial reporting purposes. The valuation is a result of a General Revaluation. New Zealand councils must keep up-to-date the information they use to allocate rates. Generally, every three years the WCC will contract a service provider, in this case Quotable Value (QV), to reassess the rating values in the council area. QV's valuers consider all of the market sales in the local area that occurred around the date of the current revaluation as part of the revaluation process. From this information they establish market trends for all value types and apply this to similar properties in the area.

Breakdown of the rating valuation:

Land value	2,520,000
Value of improvements	250,000
Capital value	2,770,000

Note 4: Key deposits

This Year	
Description	Total
Opening balance	1,440
Deposits received	210
Deposits recognised as revenue	(235)
GST on deposits recognised as revenue	(35)
Total	1,380

Last Year	
Description	Total
Opening balance	1,340
Deposits received	160
Deposits recognised as revenue	(52)
GST on deposits recognised as revenue	(8)
Total	1,440

Members may obtain a key to provide court and clubhouse access. There is a refundable deposit of \$10. Many members do not receive their \$10 refund when they leave the club. For this reason, the key deposit liability has been gradually increasing each year.

We limited the liability to current senior, midweek and tertiary members. This is a total of 138 members as per the statement of service performance (last year: 144 members). The balance of \$235 has been recognised as income, and \$35 as GST payable.

Refer to note 6 for details on our contingent liability for past members.

The accompanying notes form part of these financial statements

Karori United Tennis Club Notes to the Financial Statements

For the year ended
31 May 2023

Note 5: Accumulated funds

This Year			
Description	Accumulated surpluses	Revaluation reserve	Total
Opening balance	159,788	2,792,562	2,952,350
Surplus/(deficit)	(15,115)	-	(15,115)
Total	144,673	2,792,562	2,937,235

Last Year			
Description	Accumulated surpluses	Revaluation reserve	Total
Opening balance	112,800	1,509,362	1,622,162
Surplus/(deficit)	46,988	1,283,200	1,330,188
Total	159,788	2,792,562	2,952,350

Accumulated funds consist solely of accumulated surpluses, and a revaluation reserve. The nature and purpose of these reserves are to enable us to continue operating for the foreseeable future.

Note 6: Commitments and contingencies

There are no commitments or guarantees as at balance date (last year: nil). We have a contingent liability for key deposits (no change from last year). This is for all past members who paid a \$10 refundable deposit but have not received their deposit back. At any time, they could return their key and we would have to refund their \$10. This would be rare and has not happened in the past five years. The maximum contingent liability is \$6,550 including GST (last year: \$6380 including GST).

Note 7: Related party disclosures

Other than the Committee discounts disclosed in "Note 1", there were no transactions involving related parties during the financial year (last year: nil).

No events occurred after balance date that would have a material impact on the Financial Statements (last year: nil).

The accompanying notes form part of these financial statements