

Performance Report

Kerikeri Cruising Club Incorporated
For the year ended 30 June 2022

Prepared by BDO Northland Limited

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Entity Information

Kerikeri Cruising Club Incorporated For the year ended 30 June 2022

Legal Name of Entity

Kerikeri Cruising Club Incorporated

Entity Type and Legal Basis

Incorporated Society under the Incorporated Societies Act 1908.

Registration Number

483706

Entity's Purpose or Mission

To provide a venue for the promotion and participation of all boating activities, encourage the sport of sailing, foster a safe marine environment, and encourage the younger members of our community to become active and skilled in this sport.

Main Sources of Entity's Cash and Resources

The Club's activities are funded through a variety of sources, including marina fees, restaurant trading and club subscriptions.

Entity's Reliance on Volunteers and Donated Goods or Services

The Club relies on gifts of volunteer time and expertise to complete work in many essential roles including board and committee governance.

Officers

Commodore - Alastair Wells

Vice Commodore - Mark Turner

Rear Commodore - Dave Keen

Treasurer - Dean Smith

Secretary - Tim Bingham

Officer - Melanie Macdiarmid

Bankers

Bank of New Zealand, Kerikeri
ASB Bank, Kerikeri

Solicitors

Law North Limited, Kerikeri

Auditors

BDO Northland, Kerikeri & Whangarei

Approval of Financial Report

Kerikeri Cruising Club Incorporated For the year ended 30 June 2022

The Committee Members are pleased to present the approved financial report including the historical financial statements of Kerikeri Cruising Club Incorporated for year ended 30 June 2022.

APPROVED

Alastair Wells

Alastair Wells

Commodore

Date **01/02/2023**

Dean Smith

Dean Smith

Treasurer

Date **01/02/2023**

Statement of Service Performance

Kerikeri Cruising Club Incorporated

For the year ended 30 June 2022

Provides a venue for the promotion & participation of all boating activities

- Clubhouse facility (prize-givings for each race & annually, theory training as required)
- Office, Boatshed & Shower/Toilets/Laundry
- Provides marina berths (193), pile moorings (39), dinghy storage (109) & boat ramps (2)

Encourages the sport of sailing

- Provides an annual calendar of keelboat sailing races 57 (2021: 56)
- Provides an annual calendar of centreboard sailing races, Learn to Sail courses and sailing coaching 69 (2021: 66)
- Provides & maintains racing facilities (race office, course buoys)
- Recruits & enables volunteers & race committee to organise & adjudicate races
- Provides an annual calendar of boat cruises 2 (2021: 1)

Fosters a safe marine environment

- Ensures compliance with vessel electrical standards (monthly compliance checks, annual boat electrical warrant inspections co-ordinated by the Club)
- Mandatory public liability cover for all vessels accommodated on the Club's marina & moorings (monthly review of boat insurance status & mandatory insurance requirements applied to berth rentals)
- Maintains a safe marina & pile moorings (conditions audits, regular maintenance, refurbishment & replacement as required)
- Provides a pump out facility, waste oil disposal facility & on-shore boat rubbish & recycling
- Provides a boat haul out facility (reducing anti-foul contamination of the marine environment by extracting it on-shore)

Encourages young members of our community to become active & skilled in this sport

- Provides 6 RIBs for use in youth training & racing
- Provides on-shore venue for theory teaching
- Recruits & enables volunteers & race committee to organise & adjudicate youth races & training.

This statement should be read in conjunction with the Independent Auditors' Report and Note to the Financial Statements.

Statement of Financial Performance

Kerikeri Cruising Club Incorporated

For the year ended 30 June 2022

	NOTES	2022	2021
Revenue			
Donations, fundraising and other similar revenue	1	7,558	10,374
Fees, subscriptions and other revenue from members	1	483,693	399,532
Revenue from providing goods or services	1	397,961	450,268
Interest, dividends and other investment revenue	1	6,399	6,666
Other revenue	1	39,066	59,922
Total Revenue		934,676	926,762
Expenses			
Volunteer and employee related costs	2	249,014	244,437
Costs related to providing goods or service	2	512,226	494,426
Other expenses	2	303,275	371,456
Total Expenses		1,064,515	1,110,319
Surplus/(Deficit) for the Year		(129,839)	(183,558)

This statement should be read in conjunction with the Independent Auditors' Report and Note to the Financial Statements.

Statement of Financial Position

Kerikeri Cruising Club Incorporated

As at 30 June 2022

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Bank accounts and cash	3	1,169,465	1,138,396
Debtors and prepayments	3	35,578	30,670
Inventory	3	9,607	11,080
Other Current Assets	3	418,746	434,866
Total Current Assets		1,633,397	1,615,011
Non-Current Assets			
Property, Plant and Equipment	4	4,976,303	5,207,523
Total Non-Current Assets		4,976,303	5,207,523
Total Assets		6,609,699	6,822,534
Liabilities			
Current Liabilities			
Accounts Payable		166,392	239,146
Employee costs payable		11,659	25,614
Other current liabilities		11,035	7,321
Total Current Liabilities		189,085	272,081
Total Liabilities		189,085	272,081
Total Assets less Total Liabilities (Net Assets)		6,420,614	6,550,453
Accumulated Funds			
Accumulated surpluses or (deficits)	5	6,420,614	6,550,453
Total Accumulated Funds		6,420,614	6,550,453

This statement should be read in conjunction with the Independent Auditors' Report and Note to the Financial Statements.

Statement of Cash Flows

Kerikeri Cruising Club Incorporated For the year ended 30 June 2022

	NOTES	2022	2021
Statement of Cash Flows			
Cash Flows from Operating Activities			
Cash was received from			
Donations, fundraising and other similar receipts		7,558	10,374
Fees, subscriptions and other receipts from members		505,675	399,532
Receipts from providing goods or services		393,763	467,891
Interest, dividends and other investment receipts		5,319	8,551
Goods and Service Tax Received		18,887	5,328
Other Income		35,991	23,365
Total Cash was received from		967,192	915,041
Cash was applied to			
Payments to suppliers and employees		(864,068)	(677,863)
Other payments		(20,743)	(27,304)
Total Cash was applied to		(884,811)	(705,167)
Total Cash Flows from Operating Activities		82,381	209,874
Cash Flows from Investing and Financing Activities			
Cash was received from			
Receipts from the sale of investments		-	6,957
Total Cash was received from		-	6,957
Cash was applied to			
Payments to acquire property, plant and equipment		(51,312)	(60,005)
Total Cash was applied to		(51,312)	(60,005)
Total Cash Flows from Investing and Financing Activities		(51,312)	(53,049)
Net Increase/(Decrease) in Cash		31,069	156,826
Opening Cash Balance			
Bank accounts and cash		1,138,396	981,571
Total Opening Cash Balance		1,138,396	981,571
Closing Cash Balance		1,169,465	1,138,396
Bank Accounts and Cash		1,169,465	1,138,396

Statement of Accounting Policies

Kerikeri Cruising Club Incorporated For the year ended 30 June 2022

Basis of Preparation

The entity 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 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.

Presentation Currency

The Performance Report is presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$.

Revenue Recognition

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

Sale of goods is recorded when the goods are sold (usually when the goods are received by the purchaser).

Donations - Revenue is recorded when the cash is received.

Donated assets - Significant donated assets are recorded on receipt at readily obtainable values. Other donated assets are not recognised as revenue and are detailed in the Notes to the Performance Report.

Commission - Revenue is recorded when the commission is receivable.

Provision of services are recognised on a stage of completion basis.

Rental revenue is recorded on a straight line basis unless another systematic basis is representative of the user's benefit.

Interest income is recorded as it is earned.

Bank Accounts and Cash

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

Inventories

Inventories are recorded at cost and if become impaired, written down to lower of cost and selling price.

Trade Receivables

Trade receivables are initially measured at the amount owed. When it is likely that the amount owed, or some portion, will not be collected, an impairment adjustment is recorded. Interest charged on overdue amounts are added to the individual debtor balance.

Property, Plant and Equipment

Items of property, plant and equipment are initially recognised at cost. Historic cost includes items of expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation when these are incurred. Land, buildings and the marina were historically measured under the revaluation model. With the transition to PBE standards the society ceased to revalue for financial reporting with 1 July 2014 forming the effective date for deemed cost.

Items of property, plant and equipment are subsequently measured under the:

- Cost model: Cost less accumulated depreciation and impairment.

All other repairs and maintenance expenditure is recognised in the Statement of Financial Performance as incurred.

Depreciation is calculated on a straight line for buildings and a diminishing value or straight line bases for plant and equipment, furniture and fittings and office equipment which will write off the costs of the assets over their expected useful lives. The following estimated useful lives have been used:

Land: not depreciated
Buildings: 10 - 40 years
Plant & Equipment: 1 - 18 years
Club Furniture & Fittings: 2 - 5 years
Marina Plant & Equipment: 2 - 18 years
Marina Office Equipments: 2 - 18 years
Property Improvements - Marina: 8 - 50 years
Marina: 15 - 25 years

Investments

Investments are recorded when purchased and are recorded at cost. If it appears that the carrying amount of the investment will not be recovered, it shall be written down to the current market price. Any impairment expense is recorded in the Statement of Financial Performance.

Creditors and Accrued Expenses

Creditors and accrued expenses are recorded at the amount owing at balance date.

Employee Costs Payable

Employee costs payable include wages and salaries, annual leave and PAYE payable at balance date. They are recorded at the amount to be paid.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

No income tax asset or liability has been provided for in the financial statements as the club is an amateur sporting organisation and is exempt from all income tax pursuant to section CW 46 of the Income Tax Act 2007.

Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

Notes to the Performance Report

Kerikeri Cruising Club Incorporated For the year ended 30 June 2022

	2022	2021
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Centreboard Regatta Income	800	1,348
Donations & Grants Received	37	68
Donations & Grants Received for Centreboard Capital Items	273	4,257
Etchel Income inc sailing fees & sponsorship	-	35
Sponsorship - Centreboard	2,500	2,500
Sponsorship - Keelboat	3,948	2,165
Total Donations, fundraising and other similar revenue	7,558	10,374
Fees, subscriptions and other revenue from members		
Annual Marina Fees	327,360	254,478
Entrance Fee	3,913	-
Entry Fees - Keelboat	2,646	2,702
Learn to Sail Fees Income	13,326	14,743
Licence Transfer Fees	12,565	9,217
RIB Boat Use/Maintenance Fee	515	1,857
Subscriptions	122,707	111,868
Waiting List Deposits	-	3,348
Yacht Use Maintenance Fee Charged	661	1,317
Total Fees, subscriptions and other revenue from members	483,693	399,532
Revenue from providing goods or services		
Advertising Sales	3,152	4,309
Berth Rent Received	184,842	185,765
Club Hire	687	768
Haul Out Income	20,448	19,578
House & Social Event Income	-	204
Keelboat Income - Bar	-	69
Rental - Dinghy Storage	7,076	6,877
Rental - Pile Moorings & Trailer Parks	29,466	29,779
Rental Bach	2,640	3,120
Sales - Bar	53,213	64,406
Sales - Food	89,938	128,089
Sales - Ropes & Shackles	1,790	2,430
Sales - Shirts, Badges & Burgees	2,662	626
School Community Sailing Experience Income	1,377	2,561
Visitor Pool Income Received by Club	670	1,687
Total Revenue from providing goods or services	397,961	450,268
Interest, dividends and other investment revenue		
Interest Received	6,399	6,666
Total Interest, dividends and other investment revenue	6,399	6,666

	2022	2021
Other revenue		
Commission on Fuel	1,805	1,909
Gain on Disposal of Fixed Assets	3,075	2,898
Insurance Premiums Received	2,093	3,496
Power recovered	14,870	13,255
Sundry Income	4,643	4,705
Wage Subsidy Received	12,580	33,659
Total Other revenue	39,066	59,922

	2022	2021
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2. Analysis of Expenses

Volunteer and employee related costs

Wages	249,014	244,437
Total Volunteer and employee related costs	249,014	244,437

Costs related to providing goods or services

Advertising	(18)	585
ACC Levy	1,354	1,490
Bank Fees	2,726	3,616
Centreboard Coaching Payments	5,317	-
Centreboard Expenses & Admin	2,736	2,696
Centreboard Regatta Expenses	1,740	393
Cleaning	3,112	2,863
Clubhouse Expenses	1,265	3,202
Etchell Expenses	2,227	4,748
Gas & bottle hire	1,645	2,450
General Expenses	3,351	2,858
House & Social Event Expenses	738	160
Insurance	42,687	54,477
IT, Software, Licenses, EFTPOS	10,317	7,791
Keelboat Prizes	3,623	4,445
Launch & Cruise Expenses	536	211
Learn to Sail Expenses - Fuel & other costs	1,922	1,616
Licenses & Levies	65,458	64,515
Light, Power, Heating	29,022	25,323
Low Value Assets	5,360	2,007
Marina Annual Maintenance	33,714	20,253
Printing, Postage & Stationery	9,213	9,792
Purchases - Bar	22,079	22,826
Purchases - Food	45,743	59,110
Purchases - Ropes & Shackles	235	1,306
Purchases - Rule Books & Safety Regs	-	56
Purchases - Shirts, Badges & Burgees	927	517
Repairs & Maintenance	44,083	20,819
Rates	11,271	11,420

	2022	2021
Refurbishment Expenses	-	17,365
Resource Consent Application Planning & other	-	1,288
Rubbish	13,169	11,470
Security	9,829	1,405
Signage	2,750	1,433
Staff Welfare	3,374	3,591
Telephone	4,383	3,940
Training (Marina Staff)	204	193
Travel	-	205
Valuation Fees	870	-
Visitor Pool Expenses	229	140
Visitor Pool Payments	125,037	120,547
Youth Support & Donations Made	-	1,304
Total Costs related to providing goods or services	512,226	494,426
Other expenses		
Accounting Services	4,190	10,380
Audit of Financial Statements	16,250	23,900
Depreciation	282,532	325,252
IRD Penalties	264	204
Legal Expenses	39	11,720
Total Other expenses	303,275	371,456
	2022	2021

3. Analysis of Assets

Bank accounts and cash

ASB Marina 00 Operating Acc	109,314	80,214
ASB Marina 52 Savings Acc	1,862	46,980
Berth Rentals	220,365	192,581
BNZ 00 Account	107,619	141,356
BNZ 02 Account	1,918	1,988
BNZ 81 Term Deposit Acc - Vila	27,111	26,808
Cash on Hand	512	303
Major Maintenance	88,435	89,765
Marina Trust refurbishment funds - Operating*	21,794	18,237
Marina Trust refurbishment funds - Savings Account*	377,181	326,479
Marina Trust refurbishment funds - Term Deposit 77*	212,292	211,839
Visitor Pool Payments - BNZ 01	1,061	1,847
Total Bank accounts and cash	1,169,465	1,138,396

Debtors and prepayments

Accounts Receivable	13,827	8,539
Accrued Interest	2,005	926
Prepayments	19,746	21,205
Total Debtors and prepayments	35,578	30,670

	2022	2021
Inventory		
Stock on Hand	9,607	11,080
Total Inventory	9,607	11,080
Other current assets		
Bank Deposits		
Marina Trust refurbishment funds -term deposit 75*	400,000	400,000
Total Bank Deposits	400,000	400,000
GST	17,686	33,806
Withholding tax paid	1,060	1,060
Total Other current assets	418,746	434,866

*The Marina Trust Refurbishment Funds identified separately in the Financial Statements are set aside for the refurbishment costs of the marina facilities not otherwise covered by annual maintenance.

In term of the Trust Deed the Trust Board confirms that

- a. Trust and Fair accounts have been prepared for all monies received and expended
- b. The balance of Funds held (\$1,011,267) are adequate.
- c. Net Movement in funds during 2022 (\$54,712)

I. Opening Balance as per July 2021	\$956,555
II. Plus Funds added to the refurbishment account	\$54,752
III. Less Funds expended on Refurbishment	-\$40
IV. Closing Balance as at 30 June 2022	\$1,011,267

	2022	2021
4. Property, Plant & Equipment		
Land		
Opening Carrying Amount	1,948,080	1,948,080
Total Land	1,948,080	1,948,080
Property Improvement - Club		
Opening Carrying Amount	50,882	52,262
Depreciation for the Year	(1,380)	(1,380)
Total Property Improvement - Club	49,502	50,882
Buildings		
Opening Carrying Amount	870,418	914,665
Additions	-	-
Depreciation for the Year	(44,247)	(44,247)
Total Buildings	826,171	870,418
Marina		
Opening Carrying Amount	2,160,582	2,373,548
Additions	-	42,714

	2022	2021
Depreciation for the Year	(210,104)	(255,680)
Total Marina	1,950,478	2,160,582
Property Improvements - Marina		
Opening Carrying Amount	5,351	5,535
Depreciation for the Year	(179)	(184)
Total Property Improvements - Marina	5,172	5,351
Plant and Equipment		
Opening Carrying Amount	155,866	163,788
Additions	19,655	14,706
Disposals	-	(4,059)
Depreciation for the Year	(18,598)	(18,569)
Total Plant and Equipment	156,923	155,866
Marina Plant & Equipment		
Opening Carrying Amount	5,536	6,562
Additions	31,657	450
Depreciation for the Year	(5,357)	(1,476)
Total Marina Plant & Equipment	31,836	5,536
Marina Office Equipment		
Opening Carrying Amount	1,629	826
Additions	-	2,135
Depreciation for the Year	(779)	(1,332)
Total Marina Office Equipment	850	1,629
Club Furniture & Fittings		
Opening Carrying Amount	9,179	11,564
Additions	-	-
Depreciation for the Year	(1,889)	(2,385)
Total Club Furniture & Fittings	7,290	9,179
Total Property, Plant & Equipment	4,976,302	5,207,523
	2022	2021

5. Accumulated Funds

Accumulated Funds		
Opening Balance	6,550,453	6,734,010
Accumulated surpluses or (deficits)	(129,839)	(183,558)
Total Accumulated Funds	6,420,614	6,550,453
Total Accumulated Funds	6,420,614	6,550,453

6. Commitments

There are no commitments as at 30 June 2022 (Last year - nil).

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2022 Last year - nil).

8. Related Parties

The Club is wholly owned by its members and governed by an elected committee of members. Contracted services provided to the Club by elected committee members of the Club staff are at all times on an arms length, commercial basis and approved in advance by the elected committee The following Interests are disclosed:

Committee Member	Organisation / Nature	Value of Transactions	Value of Transactions	Balance Outstanding at Year End
Phil Harris	Wages	Employee	\$931.5 (2021: \$3,676)	Nil (2021: Nil)
Tim Bingham	Northland Sea Safety	Owner	\$249 (2021: \$1,486)	Nil (2021: Nil)

The following committee members hold berth licences with the Club which were transacted on the same terms as all other berth licence holders:-

2022	2021
Lane Ayr	Lane Ayr
Mal Simpson	Mal Simpson (Since Sept 2020)
Paul Pederson	Paul Pederson
Mike Carere	Mike Carere
Phil Harris	Phil Harris
Doug France	Doug France
Dave Keen	Dave Keen
Alaistair Stephenson	Alaistair Stephenson
Kerry Farrand	Kerry Farrand (Since Sept 2020)
Neil Cates	Neil Cates (Since Sept 2020)
Mark Turner	Mark Turner (Since Sept 2020)
Rhys Dempster	
David Brock	

During 2022 the Club received funds from committee members totalling \$24,995 (2021: \$20,055). These were for Marina fees, club subscriptions, pile moorings, private club hire, trailer parks and dinghy locker hire.

During 2021 the Club paid committee members a total of \$4,203 (2021: \$3,676) for visitor pool payments.

There were no other material related party transactions with the Club staff or organisation that the staff have the power to influence.

9. COVID - 19

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. During the 2022-year end, the club experienced the following;

- Increased costs in assessing and implementing additional health and safety measures,
- Reduced patronage of the Club restaurant and bar
- Reduced numbers at Club events both on & off the water
- In addition, the entity was able to take advantage of New Zealand Government wage subsidies.

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERIKERI CRUISING CLUB INCORPORATED**

Report on the Performance Report

Opinions

We have audited the performance report of Kerikeri Cruising Club Incorporated (“the Club”), which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2022, the statement of financial position as at 30 June 2022, and the statement of accounting policies and other explanatory information.

Opinion on the entity information, the statement of service performance, the statement of cash flows and the statement of financial position

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the accompanying performance report presents fairly, in all material respects:
 - the entity information for the year ended 30 June 2022;
 - the service performance for the year then ended; and
 - the financial position of the Club as at 30 June 2022 and its cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Qualified Opinion on the statement of financial performance

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the performance report presents fairly, in all material respects, the financial performance of the Club for the year ended 30 June 2022 in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

In common with other similar organisations, control over cash revenues prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control. Accordingly, the completeness of income from bar and food sales is unable to be determined. Consequently, we were unable to determine whether any adjustments should be made to the reported amounts for income from bar and food sales.

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised) *Assurance*

PARTNERS: Adelle Allbon Greg Atkins Angela Edwards Scott Kennedy Robyn Terlesk



Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE (NZ) 3000 (Revised)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the club in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In our capacity as auditor, we have no relationship with, or interests in, the Club, other than we assist with formatting the financial statements.

Emphasis of Matter - COVID 19

We draw attention to Note 9 in the financial statements, which outlines the Club’s assessment of the effects of the COVID-19 pandemic on the operations of the Club. Our opinion is not modified in respect of this matter.

Responsibilities of the Members for the Performance Report

The Members are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the club which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the Members determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Members are responsible on behalf of the club for assessing the club’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

PARTNERS: Adelle Allbon Greg Atkins Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Members and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Who we Report to

This report is made solely to the club's members, as a body. Our audit work has been undertaken so that we might state those matters which 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 club's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Northland

BDO Northland
Kerikeri
New Zealand
01 February 2023

PARTNERS: Adelle Allbon Greg Atkins Angela Edwards Scott Kennedy Robyn Terlesk