

# Performance Report

Kerikeri Cruising Club Incorporated  
For the year ended 30 June 2018

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# Entity Information

## Kerikeri Cruising Club Incorporated For the year ended 30 June 2018

### 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 - Peter Wilson (Sep 2017)

Rear Commodore - Dave Keen (Sep 2017)

Treasurer - Dean Smith

Secretary - Tim Bingham (Sep 2017)

### Statutory Supervisor

Trustee Executors Limited  
Queen Street, Auckland

### 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 2018

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 2018.

APPROVED

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Peter Wilson

Commodore

Date .....

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Dean Smith

Treasurer

Date .....

# Statement of Service Performance

## Kerikeri Cruising Club Incorporated

For the year ended 30 June 2018

### 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 (24/7 access enables participation in all boating activities)
- Provides marina berths (193), pile moorings (39), dinghy storage (109) & boat ramps (2) for use by Club

### Encourages the sport of sailing

- Provides an annual calendar of keelboat sailing races 60 (2017: 57)
- Provides an annual calendar of centreboard sailing races 23 (2017: 11)
- 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 (2017: 1)
- Provides Learn to Sail courses and sailing coaching and holiday programmes 81 (2017: 48)

### 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 (to enable replacement as required)
- Provides a boat haul out facility (reducing anti-foul contamination of the marine environment by extracting it on-shore)
- Host Coastguard Education courses at the Club & promotes these to club members

### 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.

# Statement of Financial Performance

## Kerikeri Cruising Club Incorporated For the year ended 30 June 2018

	NOTES	2018	2017
<b>Trading income</b>			
Sales - Bar		71,331	70,358
Sales - Food		132,447	115,643
Sales - Ropes & Shackles		2,117	912
Sales - Rule Books & Safety Regs		7	-
Sales - Shirts, Badges & Burgees		1,030	669
<b>Total Trading income</b>		<b>206,933</b>	<b>187,582</b>
<b>Cost of sales</b>			
<b>Purchases</b>			
Purchases - Bar		34,221	32,147
Purchases - Food		72,229	66,555
Purchases - Ropes & Shackles		633	1,197
Purchases - Shirts, Badges & Burgees		752	521
Other Cost of Sales		6,119	6,164
<b>Total Purchases</b>		<b>113,954</b>	<b>106,584</b>
<b>Total Cost of sales</b>		<b>113,954</b>	<b>106,584</b>
<b>Gross profit</b>		<b>92,979</b>	<b>80,998</b>
<b>Other income</b>			
<b>Sales of Service</b>			
Advertising Sales		3,683	4,639
Annual Marina Fees		236,391	244,995
Club Activities		19,320	10,738
Coastguard Course Fees Received		1,458	503
Entry Fees - Keelboat		3,007	2,145
Haul Out		13,600	13,171
Learn to Sail & Holiday Programme Fees Income		20,735	11,870
Licence Transfer Fees		15,478	11,696
Sponsorship - Keelboat		5,365	4,765
Sponsorship General		-	1,043
Sponsorship - Centreboard		1,304	2,000
Vava'u 2017 - Sponsorship & Registrations		-	1,716
Subscriptions		95,263	91,266
Yacht Use Maintenance Fee Charged		1,033	-
<b>Total Sales of Service</b>		<b>416,637</b>	<b>400,548</b>
<b>Commission &amp; Royalties</b>			
Commission on Fuel		1,651	1,827
<b>Total Commission &amp; Royalties</b>		<b>1,651</b>	<b>1,827</b>
<b>Rents</b>			
Club Hire		868	1,475

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

	NOTES	2018	2017
Rental Bach		3,120	3,120
Rental - Dinghy Storage		4,061	4,262
Rental - Pile Moorings & Trailer Parks		24,197	22,840
Mooring & Berth Fees Received		42,608	29,878
Participatory Security Licence Income		482,897	473,361
Visitor Pool Income Received by Club		13,115	18,668
<b>Total Rents</b>		<b>570,865</b>	<b>553,605</b>
<b>Other Operating Income</b>			
Donations & Grants Received		414	61,889
Donations & Grants Received - Centreboard		1,200	8,500
Gain on Disposal of Fixed Assets		1,405	-
Interest Received		16,096	26,354
Sundry Income		21,386	25,333
<b>Total Other Operating Income</b>		<b>40,501</b>	<b>122,075</b>
Sponsorship - LTS		4,000	-
<b>Total Other income</b>		<b>1,033,654</b>	<b>1,078,055</b>
<b>Total income</b>		<b>1,126,633</b>	<b>1,159,054</b>
<b>Expenses</b>			
Audit of Financial Statements		13,494	13,350
Accounting Services		5,077	5,130
Depreciation		330,105	333,768
Insurance		35,450	31,912
Legal Expenses		24,832	18,545
Licences & Levies		53,505	40,171
Light, Power & Heating		30,527	31,670
Loss on Disposal of Fixed Assets		-	292
Marina Annual Maintenance		26,977	27,643
Printing & Stationary		13,821	13,486
Refurbishment Expenses		4,527	-
Repairs & Maintenance		51,242	15,176
Statutory Supervisor Fees		3,997	21,125
Wages		235,794	200,120
Other expenses		94,658	77,162
<b>Total Expenses</b>		<b>924,004</b>	<b>829,550</b>
<b>Surplus / (Deficit) for the Year</b>		<b>202,629</b>	<b>329,504</b>

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 2018

	NOTES	30 JUN 2018	30 JUN 2017
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	1	417,663	470,176
Debtors and prepayments	1	48,916	44,994
Inventory	1	9,144	6,684
Other Current Assets	1	887,139	783,745
<b>Total Current Assets</b>		<b>1,362,862</b>	<b>1,305,598</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	6,035,543	6,349,420
Other non-current assets	1	-	5,561
<b>Total Non-Current Assets</b>		<b>6,035,543</b>	<b>6,354,981</b>
<b>Total Assets</b>		<b>7,398,405</b>	<b>7,660,579</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	3	167,497	152,759
Employee costs payable	3	17,757	12,400
Other current liabilities	3	126,864	491,037
<b>Total Current Liabilities</b>		<b>312,118</b>	<b>656,195</b>
<b>Non-Current Liabilities</b>			
Other non-current liabilities	3	-	120,726
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>120,726</b>
<b>Total Liabilities</b>		<b>312,118</b>	<b>776,921</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>7,086,288</b>	<b>6,883,658</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	5	7,086,288	6,883,658
<b>Total Accumulated Funds</b>		<b>7,086,288</b>	<b>6,883,658</b>

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 2018

Cash Basis

	NOTES	2018	2017
<b>Statement of Cash Flows</b>			
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from</b>			
Receipts from providing goods or services		782,857	751,653
Interest, dividends and other investment receipts		22,996	33,441
Goods and Services Tax received		-	-
<b>Total Cash was received from</b>		<b>805,853</b>	<b>785,094</b>
<b>Cash was applied to</b>			
Goods and Services Tax Paid		(8,784)	(10,066)
Payments to suppliers		(464,187)	(458,372)
Payments to employees		(230,437)	(197,244)
<b>Total Cash was applied to</b>		<b>(703,408)</b>	<b>(665,682)</b>
<b>Total Cash Flows from Operating Activities</b>		<b>102,445</b>	<b>119,412</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<b>Cash was applied to</b>			
Payments to acquire property, plant and equipment		(64,804)	(16,182)
Purchase of Investments		(90,154)	(22,709)
<b>Total Cash was applied to</b>		<b>(154,958)</b>	<b>(38,891)</b>
<b>Total Cash Flows from Investing and Financing Activities</b>		<b>(154,958)</b>	<b>(38,891)</b>
Net Increase/(Decrease) in Cash		(52,513)	80,521
<b>Opening Cash Balance</b>			
Bank accounts and cash		470,176	389,655
<b>Total Opening Cash Balance</b>		<b>470,176</b>	<b>389,655</b>
Closing Cash Balance		417,663	470,176
Bank Accounts and Cash		417,663	470,176

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

# Statement of Accounting Policies

## Kerikeri Cruising Club Incorporated For the year ended 30 June 2018

### 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

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, except where there are use or return conditions, in which case the revenue recorded as the conditions are met.

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.

Participatory Securities - The participatory securities are the licences to use marina berths within the Marina. The full value of the licences was received as an upfront payment at the time they were originally sold, and was recorded as income in advance. The revenue is recognised on a straight line basis over the term of the licences, which expire 21 September 2018. There is no obligation for the club to purchase the Marina Berth Licences on the 21st of September 2018 from the licencees.

Royalties - Revenue is recorded when royalties are 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 (or fair value for items acquired through non-exchange transactions) 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 2018

2018 2017

### 1. Analysis of Assets

#### Bank accounts and cash

ASB Marina 00 Operating Acc	11,707	51,831
ASB Marina 52 Savings Acc	71,440	81,368
Berth Rentals	179,403	142,914
BNZ 00 Account	29,283	21,795
BNZ 02 Account	3,789	38,779
Cash on Hand	595	503
Major Maintenance	23,164	30,034
Refurbishment Account	96,440	94,893
Vavau Race	-	7,500
Visitor Pool Payments - BNZ 01	1,842	559
<b>Total Bank accounts and cash</b>	<b>417,663</b>	<b>470,176</b>

#### Debtors and prepayments

Accounts Receivable	24,394	15,985
Accrued Interest	9,768	16,668
Prepayments	14,754	12,340
<b>Total Debtors and prepayments</b>	<b>48,916</b>	<b>44,994</b>

#### Inventory

Stock on Hand	9,144	6,684
<b>Total Inventory</b>	<b>9,144</b>	<b>6,684</b>

#### Other current assets

##### Bank Deposits

BNZ 81 Term Deposit Acc - Vila	30,561	20,311
Marina Refurbishment - Term Deposits	830,000	750,096
GST Receivable	19,957	1,158
Marina Unclaimed GST - current portion	5,561	11,120
Withholding tax paid	1,060	1,060
<b>Total Other current assets</b>	<b>887,139</b>	<b>783,744</b>

#### Other non-current assets

Marina Unclaimed GST	-	5,561
<b>Total Other non-current assets</b>	<b>-</b>	<b>5,561</b>

2018 2017

### 2. Property, Plant & Equipment

#### Land

Opening Carrying Amount	1,948,080	1,948,080
<b>Total Land</b>	<b>1,948,080</b>	<b>1,948,080</b>

	2018	2017
<b>Property Improvement - Club</b>		
Opening Carrying Amount	56,401	57,781
Depreciation for the Year	(1,380)	(1,380)
<b>Total Property Improvement - Club</b>	<b>55,021</b>	<b>56,401</b>
<b>Buildings</b>		
Opening Carrying Amount	1,031,359	1,073,710
Depreciation for the Year	(42,351)	(42,351)
<b>Total Buildings</b>	<b>989,008</b>	<b>1,031,359</b>
<b>Marina</b>		
Opening Carrying Amount	3,131,909	3,388,629
Additions	-	-
Disposals	-	-
Depreciation for the Year	(256,446)	(256,720)
<b>Total Marina</b>	<b>2,875,463</b>	<b>3,131,909</b>
<b>Property Improvements - Marina</b>		
Opening Carrying Amount	6,123	6,334
Depreciation for the Year	(203)	(211)
<b>Total Property Improvements - Marina</b>	<b>5,920</b>	<b>6,123</b>
<b>Plant and Equipment</b>		
Opening Carrying Amount	150,307	109,457
Additions	17,952	69,035
Disposals	(1,726)	(4,230)
Depreciation for the Year	(23,575)	(23,955)
<b>Total Plant and Equipment</b>	<b>142,958</b>	<b>150,307</b>
<b>Marina Plant &amp; Equipment</b>		
Opening Carrying Amount	9,189	10,808
Additions	-	-
Depreciation for the Year	(1,454)	(1,619)
<b>Total Marina Plant &amp; Equipment</b>	<b>7,735</b>	<b>9,189</b>
<b>Marina office Equipment</b>		
Opening Carrying Amount	5,042	9,681
Additions	-	-
Disposals	-	-
Depreciation for the Year	(2,412)	(4,639)
<b>Total Marina office Equipment</b>	<b>2,630</b>	<b>5,042</b>
<b>Club Furniture &amp; Fittings</b>		
Opening Carrying Amount	11,010	13,904
Additions	-	-
Depreciation for the Year	(2,284)	(2,894)
<b>Total Club Furniture &amp; Fittings</b>	<b>8,726</b>	<b>11,010</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>6,035,541</b>	<b>6,349,420</b>

	2018	2017
<b>3. Analysis of Liabilities</b>		
<b>Creditors and accrued expenses</b>		
<b>Accounts Payable</b>		
Accounts Payable	167,497	152,759
<b>Total Accounts Payable</b>	<b>167,497</b>	<b>152,759</b>
<b>Total Creditors and accrued expenses</b>	<b>167,497</b>	<b>152,759</b>
<b>Employee costs payable</b>		
Employee Benefits Accrued	17,757	12,400
<b>Total Employee costs payable</b>	<b>17,757</b>	<b>12,400</b>
<b>Other current liabilities</b>		
Income Received in Advance	6,140	6,220
Junior Sailing Fund	-	1,920
Participatory Securities - Current Portion	120,724	482,897
<b>Total Other current liabilities</b>	<b>126,864</b>	<b>491,037</b>
<b>Other non-current liabilities</b>		
Participatory Securities - Non Current Portion	-	120,726
<b>Total Other non-current liabilities</b>	<b>-</b>	<b>120,726</b>

#### 4. Participatory Securities

The Participatory Securities are governed by a Deed of Participation, both of which will come to an end in September 2018.

	2018	2017
<b>5. Accumulated Funds</b>		
<b>Accumulated Funds</b>		
Opening Balance	6,883,658	6,554,154
Accumulated surpluses or (deficits)	202,630	329,504
<b>Total Accumulated Funds</b>	<b>7,086,288</b>	<b>6,883,658</b>
<b>Total Accumulated Funds</b>	<b>7,086,288</b>	<b>6,883,658</b>

#### 6. Commitments

There are no commitments as at 30 June 2018 (Last year - nil).

#### 7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2018 (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	Position	Value of Transactions	Balance Outstanding at Year End
R McCready	Scottronic	Owner	\$2,445 (2017: \$983)	Nil (2017: Nil)
Phil Harris	Wages	Employee	\$1,801 (2017: \$6,068)	Nil (2017: Nil)
Tim Bingham	Northland Sea Safety	Owner	\$1,137 (2017: \$766)	Nil (2017: Nil)
K Staff			\$64 (2017: Nil)	Nil (2017: Nil)

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

2018	2017
Lane Ayr	Phil Harris
Peter Williams	Jim Murdoch
Jim Murdoch	Tony Dalbeth-Hudson
Paul Pederson	Mike Carere (resigned May 2017)
Tony Dalbeth-Hudson	Kit Staff
Mike Carere (appointed September 2017)	Trixie Brown
Phil Harris	Doug France
Doug France	Pete Woods
Kit Staff	Phil Stocker
Peter Wilson	Cheryl Rymer (resigned June 2017)
Dave Keen	Lane Ayr (appointed Sept 2016)
Phil Stocker	Peter Williams (appointed Sept 2016)
	Paul Pederson (appointed Sept 2016)

During 2018 the Club received funds from committee members totaling \$18,343 (2017: \$24,361). These were for Marina fees, club subscriptions, pile moorings, private club hire, trailer parks and dinghy locker hire.

During 2018 the Club paid committee members a total of \$1,801 (2017: \$2,869) for visitor pool payments.

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

## **9. Events After the Balance Date**

Kerikeri Cruising Club Incorporated continues to negotiate with the Far North District Council regarding a land swap situated near to the Cruising Club buildings. Should this negotiation proceed it is not expected to have a material impact on the value of the society land.

The Club is continuing to work through the process of putting in place an alternative to the Deed of Participation, see Note 4 for further details.

There were no other events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

## **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

**Opinion**

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 date, the statement of financial position as at date, and the statement of accounting policies and other explanatory information.

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 2018;
  - the service performance for the year then ended; and
  - the financial position of the Club as at 30 June 2018, and its financial performance, and 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.

**Basis for Opinion**

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 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 (Revised) *Code of Ethics for Assurance Practitioners* 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 opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Club other than we format the financial statements of the incorporation.

**Other Information**

The General Committee is responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the annual report, but does not include the performance report and our auditor's report thereon.

Our opinion on the performance report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the General Committee for the Performance Report**

The General Committee is 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 General Committee determines 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 General Committee is 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 General Committee either intends to liquidate the Club or to cease operations, or has 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 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 General Committee 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 General Committee 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  
Kerikeri  
New Zealand  
27 September 2018