

Performance Report

Kerikeri Cruising Club Incorporated
For the year ended 30 June 2020

Entity Information

Kerikeri Cruising Club Incorporated For the year ended 30 June 2020

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 - Dave Keen

Vice Commodore - Alastair Wells

Rear Commodore - Peter Wilson

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 2020

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 2020.

APPROVED



~~Peter Wilson~~ DAVE KEEN

Commodore

Date 22 Sept 2021



Dean Smith

Treasurer

Date 22 September 2021

Statement of Service Performance

Kerikeri Cruising Club Incorporated

For the year ended 30 June 2020

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

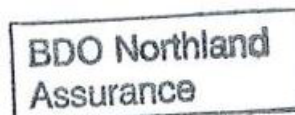
- Provides an annual calendar of keelboat sailing races 58 (2019: 58)
- Provides an annual calendar of centreboard sailing races 33 (2019: 33)
- Provides & maintains racing facilities (race office, course buoys)
- Recruits & enables volunteers & race committee to organise & adjudicate races
- Provides an annual calendar of boat cruises 2 (2019: 2)
- Provides Learn to Sail courses and sailing coaching and holiday programmes 61 (2019: 61)

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 2020

	NOTES	2020	2019
Trading income			
Sales - Bar		54,609	68,439
Sales - Food		95,846	131,277
Sales - Ropes & Shackles		609	409
Sales - Shirts, Badges & Burgees		652	495
Keelboat Income - Bar		315	1,475
Total Trading income		152,031	202,094
Cost of sales			
Purchases			
Purchases - Bar		21,299	29,769
Purchases - Food		56,027	64,456
Purchases - Ropes & Shackles		652	818
Purchases - Shirts, Badges & Burgees		763	391
Other Cost of Sales		5,114	7,050
Total Purchases		83,855	102,484
Total Cost of sales		83,855	102,484
Gross profit		68,176	99,610
Other income			
Sales of Service			
Advertising Sales		4,396	3,496
Annual Marina Fees		254,253	250,379
Club Activities		10,434	14,074
Coastguard Course Fees Received		-	155
Entry Fees - Keelboat		2,056	2,440
Etchel Income inc sailing fees & sponsorship		1,029	652
Haul Out Income		15,657	13,322
Learn to Sail & Holiday Programme Fees Income		9,289	13,473
Licence Transfer Fees		14,826	20,696
School Community Sailing Experience Income		1,417	1,670
Sponsorship - Keelboat		3,548	6,565
Sponsorship - Centreboard		3,002	-
Sponsorship - LTS		-	2,000
Subscriptions		101,922	95,096
Yacht Use Maintenance Fee Charged		835	1,535
Total Sales of Service		422,663	425,552
Commission			
Commission on Fuel		1,682	1,698
Total Commission		1,682	1,698
Rents			

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

	NOTES	2020	2019
Club Hire		217	875
Rental Bach		3,120	3,000
Rental - Pile Moorings & Trailer Parks		26,276	27,132
Rental - Dinghy Storage		5,636	4,722
Mooring & Berth Fees Received		50,085	25,387
Participatory Security Licence Income		-	120,724
Visitor Pool Income Received by Club		15,903	15,511
Total Rents		101,237	197,351
Other Operating Income			
Donations & Grants Received		454	3,507
Donations & Grants Received for Centreboard Capital Items		11,217	53,400
Gain on Disposal of Fixed Assets		-	217
Interest Received		20,623	29,538
Sundry Income		69,433	27,176
Total Other Operating Income		101,726	113,839
Total Other income		627,308	738,440
Total income		695,485	838,050
Expenses			
Audit of Financial Statements		13,350	15,449
Accounting Services		5,430	6,085
Depreciation		328,257	329,405
Insurance		53,413	43,621
Legal Expenses		-	7,540
Licences & Levies		58,619	56,202
Light, Power & Heating		21,125	22,880
Marina Annual Maintenance		30,361	17,974
Printing & Stationary		9,836	10,808
Refurbishment Expenses		104,059	51,166
Repairs & Maintenance		16,834	37,471
School & Community Sailing Experience/Course Expenses		-	720
Wages		230,873	236,567
Premises expenses		1,636	-
Other expenses		92,592	83,539
Total Expenses		966,386	919,426
Surplus / (Deficit) for the Year		(270,901)	(81,376)

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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 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Bank accounts and cash	1	981,571	1,117,043
Debtors and prepayments	1	52,549	49,235
Inventory	1	12,017	9,527
Other Current Assets	1	423,273	247,609
Total Current Assets		1,469,410	1,423,414
Non-Current Assets			
Property, Plant and Equipment	2	5,476,829	5,775,368
Total Non-Current Assets		5,476,829	5,775,368
Total Assets		6,946,239	7,198,782
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	148,724	166,096
Employee costs payable	3	23,134	20,666
Other current liabilities	3	40,371	7,109
Total Current Liabilities		212,229	193,870
Total Liabilities		212,229	193,870
Total Assets less Total Liabilities (Net Assets)		6,734,010	7,004,912
Accumulated Funds			
Accumulated surpluses or (deficits)	4	6,734,010	7,004,912
Total Accumulated Funds		6,734,010	7,004,912

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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 2020

Cash Basis

	NOTES	2020	2019
Statement of Cash Flows			
Cash Flows from Operating Activities			
Cash was received from			
Receipts from providing goods or services		744,851	800,301
Interest, dividends and other investment receipts		35,290	21,829
Goods and Services Tax received		-	10,417
Total Cash was received from		780,141	832,547
Cash was applied to			
Interest Paid		-	-
Goods and Services Tax Paid		(5,657)	-
Payments to suppliers		(481,832)	(460,838)
Payments to employees		(228,405)	(233,658)
Total Cash was applied to		(715,894)	(694,496)
Total Cash Flows from Operating Activities		64,247	138,051
Cash Flows from Investing and Financing Activities			
Cash was received from			
Sale of investments		230,000	860,563
Total Cash was received from		230,000	860,563
Cash was applied to			
Payments to acquire property, plant and equipment		(29,719)	(69,234)
Purchase of Investments		(400,000)	(230,000)
Total Cash was applied to		(429,719)	(299,234)
Total Cash Flows from Investing and Financing Activities		(199,719)	561,329
Net Increase/(Decrease) in Cash		(135,472)	699,380
Opening Cash Balance			
Bank accounts and cash		1,117,043	417,663
Total Opening Cash Balance		1,117,043	417,663
Closing Cash Balance		981,571	1,117,043
Bank Accounts & Investments			
Bank Accounts and Cash	1	981,571	1,117,043
Total Bank Accounts & Investments		981,571	1,117,043

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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 2020

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, 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 expired 21 September 2018. There was no obligation for the club to purchase the Marina Berth Licences on the 21st of September 2018 from the licencees.

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.

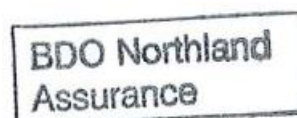
Inventories

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)

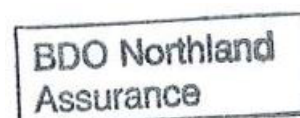
The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

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

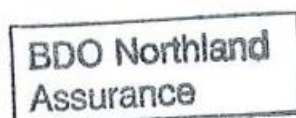
There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.



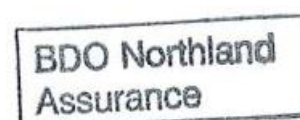
Notes to the Performance Report

Kerikeri Cruising Club Incorporated For the year ended 30 June 2020

	2020	2019
1. Analysis of Assets		
Bank accounts and cash		
ASB Marina 00 Operating Acc	36,098	52,868
ASB Marina 52 Savings Acc	66,952	66,894
Berth Rentals	140,886	172,539
BNZ 00 Account	97,747	39,095
BNZ 02 Account	2,056	2,125
Cash on Hand	502	535
Major Maintenance	59,730	38,872
Marina Trust Operating	30,826	20,802
Marina Trust Savings Account	306,988	88,706
Marina Trust Term Deposit 75	-	400,000
Marina Trust Term Deposit 76	-	207,100
Marina Trust Term Deposit 77	211,508	-
Visitor Pool Payments - BNZ 01	1,846	1,844
BNZ 81 Term Deposit Acc - Vila	26,433	25,664
Total Bank accounts and cash	981,571	1,117,043
Debtors and prepayments		
Accounts Receivable	28,806	12,861
Accrued Interest	2,810	17,477
Prepayments	20,933	18,897
Total Debtors and prepayments	52,549	49,235
Inventory		
Stock on Hand	12,017	9,527
Total Inventory	12,017	9,527
Other current assets		
Bank Deposits		
Marina Trust Term Deposit 75	400,000	-
Marina Trust Term Deposit 74	-	230,000
Total Bank Deposits	400,000	230,000
GST Receivable	22,213	16,549
Withholding tax paid	1,060	1,060
Total Other current assets	423,273	247,609
	2020	2019
2. Property, Plant & Equipment		
Land		
Opening Carrying Amount	1,948,080	1,948,080
Total Land	1,948,080	1,948,080



	2020	2019
Property Improvement - Club		
Opening Carrying Amount	53,642	55,021
Depreciation for the Year	(1,380)	(1,379)
Total Property Improvement - Club	52,262	53,642
Buildings		
Opening Carrying Amount	944,759	989,008
Additions	14,153	-
Depreciation for the Year	(44,247)	(44,249)
Total Buildings	914,665	944,759
Marina		
Opening Carrying Amount	2,629,525	2,875,463
Additions	-	10,125
Disposals	-	-
Depreciation for the Year	(255,977)	(256,063)
Total Marina	2,373,548	2,629,525
Property Improvements - Marina		
Opening Carrying Amount	5,724	5,920
Depreciation for the Year	(189)	(196)
Total Property Improvements - Marina	5,535	5,724
Plant and Equipment		
Opening Carrying Amount	178,774	142,958
Additions	7,193	58,864
Disposals	-	-
Depreciation for the Year	(22,179)	(23,048)
Total Plant and Equipment	163,788	178,774
Marina Plant & Equipment		
Opening Carrying Amount	6,364	7,735
Additions	1,750	-
Depreciation for the Year	(1,552)	(1,371)
Total Marina Plant & Equipment	6,562	6,364
Marina office Equipment		
Opening Carrying Amount	1,578	2,630
Additions	-	244
Disposals	-	-
Depreciation for the Year	(752)	(1,296)
Total Marina office Equipment	826	1,578
Club Furniture & Fittings		
Opening Carrying Amount	6,922	8,726
Additions	6,621	-
Depreciation for the Year	(1,979)	(1,804)
Total Club Furniture & Fittings	11,564	6,922
Total Property, Plant & Equipment	5,476,830	5,775,368



2020 2019

3. Analysis of Liabilities**Creditors and accrued expenses**

Accounts Payable	148,724	166,096
Total Creditors and accrued expenses	148,724	166,096

Employee costs payable

Employee Benefits Accrued	23,134	20,666
Total Employee costs payable	23,134	20,666

Other current liabilities

MSD Wage Subsidy Received	33,659	-
Income Received in Advance	6,712	7,109
Total Other current liabilities	40,371	7,109

2020 2019

4. Accumulated Funds**Accumulated Funds**

Opening Balance	7,004,912	7,086,288
Accumulated surpluses or (deficits)	(270,901)	(81,376)
Total Accumulated Funds	6,734,010	7,004,912

Total Accumulated Funds	6,734,010	7,004,912
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5. Commitments

There are no commitments as at 30 June 2020 (Last year - nil).

6. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2020 (Last year - nil).

7. Related Parties

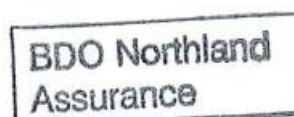
The Club is wholly owned by its members and governed by an elected committee of members.

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
Phil Harris	Wages	Employee	\$982 (2019: \$982)	Nil (2019: Nil)
Tim Bingham	Northland Sea Safety	Owner	\$ (2019: \$1,254)	Nil (2019: Nil)
Royce Clark	Roycom Ltd	Owner	\$ (2019: \$1,000)	Nil (2019: Nil)

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



2020	2019
Lane Ayr	Lane Ayr
Jim Murdoch (until Jul 2019)	Peter Williams (until Sep 2018)
Paul Pederson	Jim Murdoch
Mike Carere	Paul Pederson
Phil Harris	Tony Dalbeth-Hudson
Doug France	Mike Carere (appointed September 2017)
Dave Keen	Phil Harris
Phil Stocker (until March 2020)	Doug France
Alaistair Stephenson	Dave Keen
	Phil Stocker
	Alaistair Stephenson

During 2020 the Club received funds from committee members totaling \$17,422 (2019: \$15,906). These were for Marina fees, club subscriptions, pile moorings, private club hire, trailer parks and dinghy locker hire.

During 2020 the Club paid committee members a total of \$982 (2019: \$982) 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.

8. 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 2020 year-end, the club was closed due to lockdown restrictions which resulted to restaurant and bar income and haul out income to reduce significantly. However there was no impact on marina annual fees income and marina berth rental has had minimal impact.

In addition, the entity was able to take advantage of New Zealand Government wage subsidies.

9. Events After Balance Date

As outlined in Note 8, as a result of the COVID-19 pandemic, the New Zealand Government imposed various restrictions on the Club's ability to operate at various times throughout the 2020 financial year. As a result of those restrictions, at the reporting date COVID-19 was present in the community and there were restrictions on the activities of individuals or organisations within New Zealand, with substantial restrictions remaining at the border.

In mid-August 2021, following the detection of COVID-19 in the community, the New Zealand Government ordered an economy-wide lockdown, during which all non-essential businesses and organisations would not be permitted to operate. The lockdown is still in effect at the time of signing these financial statements, with the remainder of New Zealand remaining at Alert level 2.

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At this time, the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to Kerikeri Cruising Club Incorporated.

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

BDO Northland
Assurance

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

Report on the Performance Report

Opinions

We have audited the statement of financial performance and statement of cash flows for the year ended 30 June 2020, the statement of financial position as at 30 June 2020, and the statement of accounting policies and other explanatory information ("the financial information") in the performance report of Kerikeri Cruising Club Incorporated ("the Club").

Opinion on the statement of cash flows and the statement of financial position

In our opinion, the accompanying performance report presents fairly, in all material respects, the financial position of the Club as at 30 June 2020, 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 2020 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 financial information in the performance report in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). 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.



Other Information

The General Committee is responsible for the other information. The other information obtained at the date of this auditor's report is the entity information and the statement of service performance, which are included in the performance report.

Our opinion on the financial information in 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 financial information in 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 financial information in 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 determine/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 intend/intends to liquidate the Club or to cease operations, or have/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 financial information in 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) 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 the financial information in this performance report.

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

- Identify and assess the risks of material misstatement of the financial information in 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 financial information in the performance report, including the disclosures, and whether the financial information in the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

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
22 September 2021