

Performance Report

Kerikeri Cruising Club Incorporated
For the year ended 30 June 2021

Entity Information

Kerikeri Cruising Club Incorporated For the year ended 30 June 2021

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 2021

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 2021.

APPROVED



Alastair Wells

Commodore

Date 8/9/2022.....



Dean Smith

Treasurer

Date 8/9/2022.....

Statement of Service Performance

Kerikeri Cruising Club Incorporated

For the year ended 30 June 2021

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 56 (2021: 58)
- Provides an annual calendar of centreboard sailing races, Learn to Sail courses and sailing coaching 66 (2021: 94)
- Provides & maintains racing facilities (race office, course buoys)
- Recruits & enables volunteers & race committee to organise & adjudicate races
- Provides an annual calendar of boat cruises 1 (2021: 2)

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 2021

	NOTES	2021	2020
Revenue			
Donations, fundraising and other similar revenue	1	10,374	19,998
Fees, subscriptions and other revenue from members	1	399,532	390,008
Revenue from providing goods or services	1	450,268	394,329
Interest, dividends and other investment revenue	1	6,666	20,623
Other revenue	1	59,922	69,549
Total Revenue		926,762	894,507
Expenses			
Volunteer and employee related costs	2	244,437	230,873
Costs related to providing goods or service	2	494,426	586,088
Other expenses	2	371,456	348,447
Total Expenses		1,110,319	1,165,408
Surplus/(Deficit) for the Year		(183,558)	(270,901)

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 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Bank accounts and cash	3	1,138,396	981,571
Debtors and prepayments	3	30,670	52,549
Inventory	3	11,080	12,017
Other Current Assets	3	434,866	423,273
Total Current Assets		1,615,011	1,469,410
Non-Current Assets			
Property, Plant and Equipment	4	5,207,523	5,476,829
Total Non-Current Assets		5,207,523	5,476,829
Total Assets		6,822,534	6,946,239
Liabilities			
Current Liabilities			
Accounts Payable		239,146	148,724
Employee costs payable		25,614	23,134
Other current liabilities		7,321	40,371
Total Current Liabilities		272,081	212,228
Total Liabilities		272,081	212,228
Total Assets less Total Liabilities (Net Assets)		6,550,453	6,734,010
Accumulated Funds			
Accumulated surpluses or (deficits)	5	6,550,453	6,734,010
Total Accumulated Funds		6,550,453	6,734,010

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 2021

	NOTES	2021	2020
Statement of Cash Flows			
Cash Flows from Operating Activities			
Cash was received from			
Donations, fundraising and other similar receipts		10,374	19,998
Fees, subscriptions and other receipts from members		399,532	390,008
Receipts from providing goods or services		467,891	334,845
Interest, dividends and other investment receipts		8,551	35,290
Goods and Service Tax Received		5,328	-
Other Income		23,365	-
Total Cash was received from		915,041	780,141
Cash was applied to			
Payments to suppliers and employees		(677,863)	(481,832)
Goods and Services Tax paid		-	(5,657)
Other payments		(27,304)	(228,405)
Total Cash was applied to		(705,167)	(715,894)
Total Cash Flows from Operating Activities		209,874	64,247
Cash Flows from Investing and Financing Activities			
Cash was received from			
Receipts from the sale of investments		6,957	230,000
Total Cash was received from		6,957	230,000
Cash was applied to			
Payments to acquire property, plant and equipment		(60,005)	(29,719)
Payments to purchase investments		-	(400,000)
Total Cash was applied to		(60,005)	(429,719)
Total Cash Flows from Investing and Financing Activities		(53,048)	(199,719)
Net Increase/(Decrease) in Cash		156,825	(135,472)
Opening Cash Balance			
Bank accounts and cash		981,571	1,117,043
Total Opening Cash Balance		981,571	1,117,043
Closing Cash Balance		1,138,396	981,571
Bank Accounts and Cash		1,138,396	981,571

Statement of Accounting Policies

Kerikeri Cruising Club Incorporated For the year ended 30 June 2021

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 2021

	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Centreboard Regatta Income	1,348	748
Donations & Grants Received	68	454
Donations & Grants Received for Centreboard Capital Items	4,257	11,217
Etchel Income inc sailing fees & sponsorship	35	1,029
Sponsorship - Centreboard	2,500	3,002
Sponsorship - Keelboat	2,165	3,548
Total Donations, fundraising and other similar revenue	10,374	19,998
Fees, subscriptions and other revenue from members		
Annual Marina Fees	254,478	254,253
Entry Fees - Keelboat	2,702	2,056
Learn to Sail Fees Income	14,743	9,289
Licence Transfer Fees	9,217	14,826
RIB Boat Use/Maintenance Fee	1,857	5,263
Subscriptions	111,868	101,922
Waiting List Deposits	3,348	1,565
Yacht Use Maintenance Fee Charged	1,317	835
Total Fees, subscriptions and other revenue from members	399,532	390,008
Revenue from providing goods or services		
Advertising Sales	4,309	4,396
Berth Rent Received	185,765	165,253
Club Hire	768	217
Haul Out Income	19,578	15,657
House & Social Event Income	204	4,424
Keelboat Income - Bar	69	315
Rental - Dinghy Storage	6,877	5,636
Rental - Pile Moorings & Trailer Parks	29,779	26,276
Rental Bach	3,120	3,120
Sales - Bar	64,406	54,609
Sales - Food	128,089	95,846
Sales - Ropes & Shackles	2,430	609
Sales - Shirts, Badges & Burgees	626	652
School Community Sailing Experience Income	2,561	1,417
Visitor Pool Income Received by Club	1,687	15,903
Total Revenue from providing goods or services	450,268	394,329
Interest, dividends and other investment revenue		
Interest Received	6,666	20,623
Total Interest, dividends and other investment revenue	6,666	20,623

Other revenue

Commission on Fuel	1,909	1,682
Gain on Disposal of Fixed Assets	2,898	-
Insurance Premiums Received	3,496	2,473
Power recovered	13,255	11,855
Sundry Income	4,705	53,539
Wage Subsidy Received	33,659	-
Total Other revenue	59,922	69,549

2021 2020

2. Analysis of Expenses**Volunteer and employee related costs**

Wages	244,437	230,873
Total Volunteer and employee related costs	244,437	230,873

Costs related to providing goods or services

Advertising	585	575
ACC Levy	1,490	1,510
Bank Fees	3,616	4,059
Centreboard Expenses & Admin	2,696	4,299
Centreboard Regatta Expenses	393	1,074
Cleaning	2,863	3,546
Clubhouse Expenses	3,202	-
Etchell Expenses	4,748	4,648
Gas & bottle hire	2,450	2,112
General Expenses	2,858	5,017
House & Social Event Expenses	160	7,524
Insurance	54,477	53,413
IT, Software, Licenses, EFTPOS	7,791	5,823
Keelboat Prizes	4,445	3,941
Launch & Cruise Expenses	211	328
Learn to Sail Expenses - Fuel & other costs	1,616	1,377
Licenses & Levies	64,515	58,619
Light, Power, Heating	25,323	21,125
Low Value Assets	2,007	1,170
Management Fee paid by Marin	-	16,816
Marina Annual Maintenance	20,253	30,361
Printing, Postage & Stationery	9,792	9,836
Purchases - Bar	22,826	21,299
Purchases - Food	59,110	56,027
Purchases - Ropes & Shackles	1,306	652
Purchases - Rule Books & Safety Regs	56	-
Purchases - Shirts, Badges & Burgees	517	763
Repairs & Maintenance	20,819	16,834
Rates	11,420	11,715
Refurbishment Expenses	17,365	104,059

	2021	2020
Resource Consent Application Planning & other	1,288	527
Rubbish	11,470	10,057
Security	1,405	2,054
Signage	1,433	587
Staff Welfare	3,591	3,002
Telephone	3,940	4,149
Training (Marina Staff)	193	1,476
Travel	205	576
Visitor Pool Expenses	140	125
Visitor Pool Payments	120,547	115,013
Youth Support & Donations Made	1,304	-
Total Costs related to providing goods or services	494,426	586,088
Other expenses		
Accounting Services	10,380	5,430
Audit of Financial Statements	23,900	13,350
Depreciation	325,252	328,257
IRD Penalties	204	1,410
Legal Expenses	11,720	-
Total Other expenses	371,456	348,447
	2021	2020

3. Analysis of Assets

Bank accounts and cash

ASB Marina 00 Operating Acc	80,214	36,098
ASB Marina 52 Savings Acc	46,980	66,952
Berth Rentals	192,581	140,886
BNZ 00 Account	141,356	97,747
BNZ 02 Account	1,988	2,056
BNZ 81 Term Deposit Acc - Vila	26,808	26,433
Cash on Hand	303	502
Major Maintenance	89,765	59,730
Marina Trust refurbishment funds - Operating*	18,237	30,826
Marina Trust refurbishment funds - Savings Account*	326,479	306,988
Marina Trust refurbishment funds - Term Deposit 77*	211,839	211,508
Visitor Pool Payments - BNZ 01	1,847	1,846
Total Bank accounts and cash	1,138,396	981,571

Debtors and prepayments

Accounts Receivable	8,539	28,806
Accrued Interest	926	2,810
Prepayments	21,205	20,933
Total Debtors and prepayments	30,670	52,549

	2021	2020
Inventory		
Stock on Hand	11,080	12,017
Total Inventory	11,080	12,017
Other current assets		
Bank Deposits		
Marina Trust refurbishment funds -term deposit 75*	400,000	400,000
Total Bank Deposits	400,000	400,000
GST	33,806	22,213
Withholding tax paid	1,060	1,060
Total Other current assets	434,866	423,273

*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 (\$956,555) are adequate.
- c. Net Movement in funds during 2021 were \$7,233

I. Opening Balance as per July 2020	\$949,322
II. Plus Funds added to the refurbishment account	\$27,243
III. Less Funds expended on Refurbishment	-\$20,010
IV. Closing Balance as at 30 June 2021	\$956,555

	2021	2020
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	52,262	53,642
Depreciation for the Year	(1,380)	(1,380)
Total Property Improvement - Club	50,882	52,262
Buildings		
Opening Carrying Amount	914,665	944,759
Additions	-	14,153
Depreciation for the Year	(44,247)	(44,247)
Total Buildings	870,418	914,665
Marina		
Opening Carrying Amount	2,373,548	2,629,525
Additions	42,714	-

	2021	2020
Depreciation for the Year	(255,680)	(255,977)
Total Marina	2,160,582	2,373,548
Property Improvements - Marina		
Opening Carrying Amount	5,535	5,724
Depreciation for the Year	(184)	(189)
Total Property Improvements - Marina	5,351	5,535
Plant and Equipment		
Opening Carrying Amount	163,788	178,774
Additions	14,706	7,193
Disposals	(4,059)	-
Depreciation for the Year	(18,569)	(22,179)
Total Plant and Equipment	155,866	163,788
Marina Plant & Equipment		
Opening Carrying Amount	6,562	6,364
Additions	450	1,750
Depreciation for the Year	(1,476)	(1,552)
Total Marina Plant & Equipment	5,536	6,562
Marina Office Equipment		
Opening Carrying Amount	826	1,578
Additions	2,135	-
Depreciation for the Year	(1,332)	(752)
Total Marina Office Equipment	1,629	826
Club Furniture & Fittings		
Opening Carrying Amount	11,564	6,922
Additions	-	6,621
Depreciation for the Year	(2,385)	(1,979)
Total Club Furniture & Fittings	9,179	11,564
Total Property, Plant & Equipment	5,207,523	5,476,830
	2021	2020

5. Accumulated Funds

Accumulated Funds		
Opening Balance	6,734,010	7,004,912
Accumulated surpluses or (deficits)	(183,558)	(270,901)
Total Accumulated Funds	6,550,453	6,734,010
Total Accumulated Funds	6,550,453	6,734,010

6. Commitments

There are no commitments as at 30 June 2021 (Last year - nil).

7. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2021 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	\$3,676 (2020: \$982)	Nil (2020: Nil)
Tim Bingham	Northland Sea Safety	Owner	\$1,486 (2020: Nil)	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:-

2021	2020
Lane Ayr	Lane Ayr
Mal Simpson (Since Sept 2020)	Jim Murdoch (until June 2019)
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 (Since Sept 2020)	
Neil Cates (Since Sept 2020)	
Mark Turner (Since Sept 2020)	

During 2021 the Club received funds from committee members totalling \$20,055 (2020: \$17,422). 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 \$3,676 (2020: \$982) 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 2021-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. Events After the Balance Date

As outlined in Note 9, 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 organisation 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 organisation would not be permitted to operate.

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.

11. 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 2021, the statement of financial position as at 30 June 2021, 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 2021;
 - the service performance for the year then ended; and
 - the financial position of the Club as at 30 June 2021 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 2021 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 & 10 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

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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
Kerikeri
New Zealand
8th September 2022

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

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