

Nelson Rowing Club Incorporated

Performance Report

For the year ended
30 April 2020

Contents

	Page
Non-Financial Information:	
Entity Information	2
Statement of Service Performance	4
Financial Information:	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	9
Audit Report	19

Nelson Rowing Club Incorporated

Entity Information

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

For the year ended
30 April 2020

Legal Name of Entity: *	Nelson Rowing Club Incorporated
-------------------------	---------------------------------

Other Name of Entity (if any):	Golden Edge Nelson Rowing Club
--------------------------------	--------------------------------

Type of Entity and Legal Basis (if any): *	Society incorporated under the Incorporated Societies Act 1908 and Registered Charity under Charities Act 2005
--	--

Registration Number:	Society # 225032 and Charity # CC50715
----------------------	--

Entity's Purpose or Mission: *
To promote the sport and health benefits of Rowing to the community at large. - To Grow the Junior, Novice, Senior, Club and Masters programs - To develop Life Skills in our young rowers as they develop through the ranks - To keep our plant as modern as finances allow

Entity Structure: *
Management Structure We have a six member management committee We have sub committees below this - Regatta Management - Fundraising - Grant Applications - Masters - Safety - Food & Nutrition Operational Structure We have a mix of Contract and Volunteer coaches We have a team of local business who assist us in maintaining our Plant and Equipment

Main Sources of the Entity's Cash and Resources: *
Our main sources of Finances are - Grant Applications for Coaching & Capital purchases - Donations & Sponsorship - Fundraising activities - Subscriptions

Main Methods Used by the Entity to Raise Funds: *
the main methods are - Grant Applications from various entities - Hosting and Training Overseas Rowers - Fundraising - Subscriptions - Donations & Sponsorship

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Entity Information

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

For the year ended
30 April 2020

Entity's Reliance on Volunteers and Donated Goods or Services: *

Volunteers are the life blood of Nelson Rowing Club. The Coaching staff are predominately volunteers. Regattas wouldn't function without Parent helpers, both before and during the event. Our fundraising events are also totally dependant on volunteers. There is a huge number of hours put in each month by volunteers to ensure the successful running of the club

Additional Information: *

Contact details

Physical Address:

Cross Quay, Port Nelson

Postal Address:

P.O. Box 5006, Port Nelson, Nelson, 7043

Phone/Fax:

Email/Website:

www.nelsonrowing.co.nz



Nelson Rowing Club



Tom Sherwood
Auditor

Nelson Rowing Club Incorporated
Statement of Service Performance
 "What did we do?", When did we do it?"
 For the year ended
 30 April 2020

Description of the Entity's Outcomes*:

To foster well rounded young adults who have developed life long skills such as commitment, discipline and teamwork
 Strengthen volunteers through diversity and foster a team environment to spread the workload over more individuals
 Maintain the numbers involved in the Junior, Novice, Senior and Club competitive rowing Programmes
 Strengthen and increase the Masters programme for older rowers of all abilities

	Actual*	Budget	Actual*
Description and Quantification (to the extent practicable) of the Entity's Outputs:*	This Year	This Year	Last Year
Develop disciplined & motivated young adults	56		68
Volunteers & teamwork	16		18
Competitive rowers	46		52
Master rowers	39		38

Additional Output Measures:

Additional Information:

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended

30 April 2020

	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
Revenue				
Fundraising*	1	4,128		85,564
Donations, and other similar revenue*	1	104,714		102,839
Fees, subscriptions and other revenue from members*	1	84,061		130,761
Revenue from providing goods or services*	1	18,136		18,718
Interest, dividends and other investment revenue*	1	217		665
Other revenue	1	10,426		5,918
Total Revenue*		221,682	-	344,465
Expenses				
Expenses related to public fundraising*	2	3,153		84,779
Volunteer and employee related costs*	2	39,000		38,000
Costs related to providing goods or services*	2	49,947		66,433
Regatta & Camp expenses	2	46,416		90,939
Other expenses	2	59,288		50,217
Total Expenses*		197,804	-	330,368
Surplus/(Deficit) for the Year*		23,878	-	14,097

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated
Statement of Financial Position
 "What the entity owns?" and "What the entity owes?"

As at
 30 April 2020

	Note	Actual* This Year \$	Budget This Year \$	Actual* Last Year \$
Assets				
Current Assets				
Bank accounts and cash*	3	16,146		41,177
Debtors and prepayments*	3	21,154		17,004
Inventory*	3	7,438		7,020
GST refund due	3	-		9,659
Total Current Assets		44,738	-	74,860
Non-Current Assets				
Property, plant and equipment*	3,4	632,536		599,338
Investments*				
Other non-current assets				
Total Non-Current Assets		632,536	-	599,338
Total Assets*		677,274	-	674,198
Liabilities				
Current Liabilities				
Bank Overdraft*				
Creditors and accrued expenses*	3	17,499		31,993
Employee costs payable*				
Unused donations and grants with conditions*	3	-		-
Other current liabilities	3	2,113		8,421
Total Current Liabilities		19,612	-	40,414
Non-Current Liabilities				
Loans*	3	-		-
Other non-current liabilities		-		-
Total Non-Current liabilities		-	-	-
Total Liabilities*		19,612	-	40,414
Total Assets less Total Liabilities (Net Assets)*		657,662	-	633,784
Accumulated Funds				
Capital contributed by owners or members*	5	586,274		586,274
Accumulated surpluses or (deficits)*	5	71,388		47,510
Reserves*		-		-
Total Accumulated Funds*		657,662	-	633,784

Signed for and on behalf of the Management Committee



Treasurer

Date 26.08.20


 President

26.08.20

Tom Sherwood
 Auditor

Nelson Rowing Club Incorporated

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended

30 April 2020

	Actual*	Budget	Actual*
	This Year	This Year	Last Year
	\$	\$	\$
Cash Flows from Operating Activities*			
Cash was received from:			
Donations, fundraising and other similar receipts*	108,842		188,403
Fees, subscriptions and other receipts from members*	84,061		149,820
Receipts from providing goods or services*	19,230		26,082
Interest, dividends and other investment receipts*	217		665
Other revenue	10,426		5,918
Net GST			
Cash was applied to:			
Payments to suppliers and employees*	167,340		255,332
Donations or grants paid*			
Net GST	(9,659)		13,159
Net Cash Flows from Operating Activities*	65,095	-	102,397
Cash flows from Investing and Financing Activities*			
Cash was received from:			
Receipts from the sale of property, plant and equipment*			
Receipts from the sale of investments*			
Proceeds from loans borrowed from other parties*			
Capital contributed from owners or members*			
Cash was applied to:			
Payments to acquire property, plant and equipment*	90,126		56,961
Payments to purchase investments*			
Repayments of loans borrowed from other parties*	-		2,557
Capital repaid to owners or members*			
Net Cash Flows from Investing and Financing Activities*	(90,126)	-	(59,518)
Net Increase / (Decrease) in Cash*	(25,031)	-	42,879
Opening Cash*	41,177		(1,702)
Closing Cash*	16,146	-	41,177
This is represented by:			
Bank Accounts and Cash*	16,146	-	41,177

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Statement of Accounting Policies

"How did we do our accounting?"

For the year ended
30 April 2020

Basis of Preparation*

Nelson Rowing Club Incorporated 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 of 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.

Goods and Services Tax (GST)*

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Nelson Rowing Club Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

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.

Revenue Recognition

Grant income is accounted for depending on whether or not it has a "use or return" condition attached. Where no use or return conditions are attached the revenue is recorded as income when the cash is received. Where income includes a use or return condition, it is initially recorded as a liability on receipt. The income is then subsequently recognised within the Statement of Financial Performance as the performance conditions are met.

Donations and fundraising are recorded as income when the cash is received. Donated goods or services are not recognised.

Interest earned is recognised when received.

Fees and subscriptions are recorded when invoiced.

Accounts Receivable and Accounts Payable

Accounts receivable are stated at the estimated realisable amount. Accounts payable are stated at the amount expected to be paid to discharge the obligation.

Property, Plant & Equipment and Depreciation

All PPE are recorded at Cost less Accumulated Depreciation. Depreciation is provided on a diminishing value basis on all property, plant & equipment at rates that will write off the cost of the assets over their useful lives. The depreciation rates associated with major classes of assets have been estimated as follows:

Buildings 2%, Plant & Equipment 10%-50% The club rooms sit upon land leased from Nelson City Council, The club rooms have not been revalued to their current market value.

Loans

Loans are recognised when the amount borrowed has been received.

Changes in Accounting Policies*

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

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Fundraising revenue	Corporate 8	-	13,947
	Coastal tour	120	70,005
	Quiz Night	4,008	1,612
	Fundraising Income		
	Interprofessional Race		
	Total	4,128	85,564

Revenue Item	Analysis	This Year \$	Last Year \$
Donations and other similar revenue	Nelson College	-	1,000
	MRA		
	Tasman Regional Sport	-	3,000
	American Rowers		-
	DC Equipment		-
	Funding Raising Comm		-
	You Realty		-
	Misc Donation	5,779	1,375
	NZ Community Trust	15,000	15,000
	Mainland Foundation	28,500	-
	Rata Foundation	5,000	5,000
	Pub Charity	20,659	-
	Air Rescue Services	7,385	-
	Network Tasman Trust		-
	Lion Foundation	5,000	20,000
	Nelson Pine Industries	17,391	17,391
	Donation Coastal Tour	-	40,073
	Total	104,714	102,839

Revenue Item	Analysis	This Year \$	Last Year \$
Fees, subscriptions and other revenue from members	Fees and subscriptions from members	36,401	36,886
	Regatta Income	47,660	87,966
	Lake Rotorua & Camps		5,552
	Camp at club		357
	Total	84,061	130,761

Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from providing goods or services	Rowing Tools	17,837	18,718
	Rowing tools online	299	
	Total	18,136	18,718

Revenue Item	Analysis	This Year \$	Last Year \$
Interest, dividends and other investment revenue	Bank Interest	217	665
	Total	217	665

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Other revenue	Storage	-	217
	Other Revenue	1,203	5,497
	Insurance Claim	4,484	-
	Water rates	359	204
	Prizegiving Income	4,380	
	Prior Period Adjustment		
	Total	10,426	5,918

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Expenses related to public fundraising	Chchurch Entertainment Book		
	Fundraising Costs	55	44
	Bunnings Stocktake		
	American Rowers		-
	Coastal tour expense	2,760	83,049
	Corporate 8 expense	338	1,686
	Total	3,153	84,779

Expense Item	Analysis	This Year \$	Last Year \$
Volunteer and employee related costs	Contract Coaching	39,000	38,000
	Total	39,000	38,000

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Rowing Tools Cost of Sale	17,341	12,849
	Year end stocktake adjustment	-	1,772
	Adjustment for GST on UK imports	-	1,513
	General Expenses	12,509	24,035
	Club Activity Expenses	20,097	20,853
	Rowers Misc Expenses	-	5,411
	Total	49,947	66,433

Expense Item	Analysis	This Year \$	Last Year \$
Regatta & Camp Expenses	Regatta Expenses	46,416	87,262
	Lake Rotoroa & Camps	-	3,458
	Novice camp expense	-	219
	Total	46,416	90,939

Expense Item	Analysis	This Year \$	Last Year \$
Other expenses	Doubtful debts	-	1,431
	Audit Fee	2,250	1,700
	Bank Fees	110	115
	Depreciation	56,928	46,971
	Total	59,288	50,217

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	NBS - Cheque Account-01	14,714	6,645
	NBS - Regatta Account-02	1,314	-
	NBS - Eftpos Account-03		
	NBS - On Line Saver-30	82	81
	NBS -Coaching On Line Saver-31	4	34,451
	Westpac Visa	32	-
	Total	16,146	41,177

Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Accounts receivable	9,602	17,004
	Prepayments	11,552	
	Total	21,154	17,004

Asset Item	Analysis	This Year \$	Last Year \$
Inventory	Stock on Hand - Rowing tools	7,438	7,020
	Total	7,438	7,020

Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	GST refund due	-	10,957
	Less: imports claimed in error	-	(1,513)
	Add: recovered on doubtful debt	-	215
	Total	-	9,659

Asset Item	Analysis	This Year \$	Last Year \$
Fixed Assets (refer Note 4)	Buildings	292,320	298,800
	Rotorua Lodge (1/2 share)	2,500	2,500
	Furniture & Fittings	18	12
	Oars*	-	23,892
	Rowing Hulls Oars and equipment*	334,908	241,520
	Coaching Boats*	-	22,914
	Ergs & Sliders*	-	2,123
	Rowing Tools*	-	218
	Safety Equipment*	-	2,562
	Road Trailers*	2,790	3,721
	Misc Assets*	-	1,076
	Total	632,536	599,338

Asset Item	Analysis	This Year \$	Last Year \$
Other non-current assets			
	Total	-	-

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	Trade Creditors	14,578	24,935
	Trade Creditors Rowing tools		
	Trade Creditors Regatta		-
	Out of balance		
	GST Payment due	2,921	-
	Westpac Visa		7,058
	Total	17,499	31,993

Liability Item	Analysis	This Year \$	Last Year \$
Employee costs payable			
	Total	-	-

Liability Item	Analysis	This Year \$	Last Year \$
Unused donations and grants with conditions	Receipts in Advance		
	Total	-	-

Liability Item	Analysis	This Year \$	Last Year \$
Other current liabilities	Josh Hannen		
	Regatta fees overpaid	2,113	8,421
	Total	2,113	8,421

Liability Item	Analysis	This Year \$	Last Year \$
Loans		-	
	Total	-	-

Liability Item	Analysis	This Year \$	Last Year \$
Other non-current liabilities			
	Total	-	-

Tom Sherwood
Auditor

For the year ended
30 April 2020

This Year					
	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Asset Class*					
Land*	-			-	-
Clubrooms - Akerson Street	298,800			6,480	292,320
Rotoroa Lodge (1/2 share)	2,500				2,500
Furniture and fixtures*	12			2	10
Oars*	23,892				23,892
Rowing Hulls*	241,520	90,126		49,516	282,130
Coaching Boats*	22,914				22,914
Ergs & Sliders*	2,123				2,123
Rowing Tools*	218				218
Safety Equipment*	2,562				2,562
Road Trailers*	3,721			930	2,791
Misc Assets*	1,076				1,076
Heritage assets	-				-
Total	599,338	90,126	-	56,928	632,536

[illegible]

Last Year					
	Opening Carrying Amount*	Purchases	Sales/Disposals	Current Year Depreciation and Impairment*	Closing Carrying Amount*
Asset Class*					
Land*	-			-	-
Clubrooms - Akerson Street	304,898			6,098	298,800
Rotoroa Lodge (1/2 share)	2,500				2,500
Furniture and fixtures*	14			2	12
Oars*	23,697	3,304		3,109	23,892
Rowing Hulls*	224,892	46,800	-	30,172	241,520
Coaching Boats*	20,585	6,259		3,930	22,914
Ergs & Sliders*	3,459			1,336	2,123
Rowing Tools*	319			101	218
Safety Equipment*	2,533	598		569	2,562
Road Trailers*	4,960			1,239	3,721
Misc Assets*	1,192			116	1,076
Heritage assets	-				-
Total	584,470	56,961	-	46,672	599,338

Significant Donated Assets Recorded - Source and Date of Valuation*	

Significant Donated Assets - Not Recorded*					

Page 14

For the year ended
30 April 2020

This Year				
	Capital Contributed by Owners or Members *	Accumulated Surpluses or Deficits *	Reserves *	Total *
Description *				
Opening Balance	586,274	47,510	-	633,784
Capital contributed by owners or members *	-			-
Capital returned to owners or members *	-			-
Surplus/(Deficit) *		23,878		23,878
Distributions paid to owners or members *		-		-
Transfer to Reserves *		-	-	
Transfer from Reserves *		-	-	
Closing Balance	586,274	71,388	-	657,662

Last Year				
	Capital Contributed by Owners or Members*	Accumulated Surpluses or Deficits*	Reserves*	Total*
Description*				
Opening Balance	586,274	33,413	-	619,687
Capital contributed by owners or members*				-
Capital returned to owners or members*				-
Surplus/(Deficit)*		14,097		14,097
Distributions paid to owners or members*		-		-
Transfer to Reserves*		-	-	
Transfer from Reserves*		-	-	
Closing Balance	586,274	47,510	-	633,784

Breakdown of Reserves		Actual*	Actual*
Name*	Nature and Purpose*	This Year \$	Last Year \$
Total		-	-

Page 15

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Note 6 : Commitments and Contingencies

At balance date
This Year *

At balance date
Last Year *

Commitments

There are no commitments as at balance date (Last Year - nil)

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Notes 7-12

Note 7: Other

Significant Grants and Donations with Conditions which have not been Recorded as a Liability*

Description*	Original Amt*	Not Fulfilled Amt*	Purpose and Nature of the Condition(s)*

Goods or Services Provided to the Entity in Kind*

Description*	Amount*
Nil	

Assets Used as Security for Liabilities*

Nature and Amount of Borrowing*	Nature and Amount of Asset Used as Security*

Note 8: Assets Held on Behalf of Others*

Description of the Assets Held*	Name of Entity of Whose Behalf Assets are Held*

Note 9: Related Party Transactions*

Note 9: Related Party Transactions*		This Year	Last Year	This Year	Last Year
		\$	\$	\$	\$
Description of Related Party Relationship*	Description of the Transaction (whether in cash or amount in kind)*	Value of Transactions*	Value of Transactions*	Amount Outstanding*	Amount Outstanding*
Committee Family Members re-embursement	Loan repaid against regatta expenses		2,815		
Committee Family Members re-embursement	Regatta Expenses paid contra charged against Rowers Expenses & Subs		1,288		
Committee Family Members re-embursement	Regatta Expenses for Club Nationals paid and re-embursed		3,696		
Committee Member coaching fees	Coaching fees paid	17,000			
Committee Member Donation to Club	Cash	900			

Note 10: Events After the Balance Date*

Tom Sherwood
Auditor

Nelson Rowing Club Incorporated

Notes to the Performance Report

For the year ended
30 April 2020

Notes 7-12

Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Note 11: Ability to Continue Operating*

The club is in a good position and will continue to operate

Note 12: Correction of Errors*

Additional Information

Tom Sherwood
Auditor

INDEPENDENT AUDITORS REPORT

To the Members of Nelson Rowing Club Incorporated

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements contained in the performance report of Nelson Rowing Club Incorporated ("the Society") on pages 6 to 18, which comprise the statement of financial position as at 30 April 2020 the statement of financial performance and the Statement of Cash Flows for the year then ended, the statement of accounting policies and other explanatory information.

In our opinion except for the effect of the matter described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 30 April 2020 and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards – Accrual (Not-for-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

In common with organisations of a similar nature, control over cash income, such as Quiz night, Prizegiving Dinner and Donations, prior to its being recorded is limited. There is no system of control over cash receipts on which we could rely for the purpose of our audit and there were no satisfactory audit procedures that we could adopt to confirm independently that all cash receipts are recorded.

We conducted our audit 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 Financial Statements* section of our report. We are independent of the Society 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 opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Society.

Information Other than the Financial Statements and Auditor's Report Thereon

The Committee are responsible for the other information. The other information comprises the entity information and Statement of Service Performance.

Our opinion on the financial statements 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 statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Statements

The Committee are responsible for:

- 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;
- the preparation and fair presentation of the financial statements on behalf of the entity in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Tom Sherwood
Auditor

In preparing the financial statements, the Committee are responsible on behalf of the Society for assessing the Society'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 those charged with governance either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 statements, 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.
- ☐ conclude on the appropriateness of the use of the going concern basis of accounting by the 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 entity'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 financial statements 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 entity to cease to continue as a going concern.
- ☐ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with the 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.



Tom Sherwood
Nelson

Dated this

28th

day of

August

2020

Tom Sherwood
Auditor