

Performance Report

Raglan Club Inc
For the year ended 31 March 2019

Prepared by Bizworx Consultancy Limited

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Approval of Financial Report

Raglan Club Inc

For the year ended 31 March 2019

The Executive Committee are pleased to present the approved financial report including the financial statements of Raglan Club Inc for year ended 31 March 2019.

APPROVED

Debbie Dalbeth

President

Date

Maxine Picard

Treasurer

Date 22/07/19

Entity Information

Raglan Club Inc

For the year ended 31 March 2019

Legal Name of Entity

Raglan Club Incorporated

Entity Type and Legal Basis

Raglan Club Inc is a Chartered Club, incorporated under the Incorporated Societies Act 1908.

Registration Number

213523

Entity's Purpose or Mission

The objects for which Raglan Club Inc is established are:

- To establish, maintain and conduct a chartered club of a non-religious, non-commercial or non-racial character and to promote the social, recreational, sporting, educational and cultural interest of the members of the Club.
- To conduct, administer and maintain a Chartered Club for its members and for such persons as are authorised from time to time in accordance with the terms of any license granted to the Club.
- To provide amenities and cultural activities and promote sport and generally provide an atmosphere where the members may meet and enjoy companionship with one another.

Entity Structure

Governance of the Raglan Club Incorporated is vested in the Executive Committee. The Executive Committee is comprised of:

- A President
- A Vice-President
- An Executive Secretary
- A Treasurer
- A maximum of seven committee members

Staff are employed to attend to the day-to-day operations of the Club.

Adjuncts are represented on the Executive by a nominated Executive Committee member.

Main Sources of Entity's Cash and Resources

The main sources of cash and resources are Club members, their guests, and the community.



Main Methods Used by Entity to Raise Funds

The Raglan Club Incorporated raises funds through:

- Trading
- Sport, social, and entertainment activities
- Gaming
- Membership fees
- Fundraising activities
- Sponsorship and donations

Entity's Reliance on Volunteers and Donated Goods or Services

The Executive Committee of Raglan Club Incorporated is comprised of volunteers. The Adjuncts are run by volunteers. The Club is reliant on volunteer help to run sport, social, and entertainment activities, fundraising, and some day-to-day tasks.

Physical Address

22 Bow Street, Raglan, Raglan, New Zealand, 3225

Postal Address

PO Box 53, Raglan, Raglan, New Zealand, 3265



Statement of Service Performance

Raglan Club Inc

For the year ended 31 March 2019

Description of Entity's Outcomes

Outcome: To provide a venue for people to gather to engage in fellowship, sports and other activities

	Actual 2019	Budget 2019	Actual 2018
Crop Swop Vegetable swop meet	26	26	18
Care and Craft Craft meet	52	52	6
Coast Guard Bar Crossing Training	3	3	3
Markets Stalls for public and members	9	7	5
Travel Club Trips away for members	6	7	3
Fishing Club Fishing trips	8	10	7
Darts and Snooker adjuncts	40	50	34
Indoor bowls	35	32	32
Outdoor bowls Includes social bowls	125	110	108
500 Card	50	50	48
Womens' Wellness	36	36	-



Statement of Financial Performance

Raglan Club Inc

For the year ended 31 March 2019

	NOTES	2019	2018
Revenue			
Donations, fundraising and other similar revenue	1	15,523	7,744
Fees, subscriptions and other revenue from members	1	29,686	28,730
Revenue from providing goods or services	1	823,103	748,631
Interest, dividends and other investment revenue	1	81	37
Total Revenue		868,393	785,142
Expenses			
Expenses - Current Year			
Volunteer and employee related costs	2	167,667	273,971
Costs related to providing goods or services	2	522,758	570,623
Grants and donations made	2	261	3,053
Other expenses	2	979	160
Total Expenses - Current Year		691,664	847,806
Prior Period Adjustment	12	5,000	-
Total Expenses		696,664	847,806
Surplus/(Deficit) for the Year		171,729	(62,664)



This statement should be read in conjunction with the accompanying Notes and attached Audit Report

Statement of Financial Position

Raglan Club Inc

As at 31 March 2019

	NOTES	31 MAR 2019	31 MAR 2018
Assets			
Current Assets			
Bank accounts and cash	3	94,112	83,925
Debtors and prepayments	3	21,332	33,028
Inventory	3	11,678	10,842
Total Current Assets		127,123	127,795
Non-Current Assets			
Property, Plant and Equipment	5	1,448,421	1,472,337
Total Non-Current Assets		1,448,421	1,472,337
Total Assets		1,575,543	1,600,133
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	35,361	90,093
Other current liabilities	4	22,352	64,614
Total Current Liabilities		57,713	154,707
Non-Current Liabilities			
Loans	4	-	102,874
Total Non-Current Liabilities		-	102,874
Total Liabilities		57,713	257,581
Total Assets less Total Liabilities (Net Assets)		1,517,830	1,342,552
Accumulated Funds			
Capital contributed by owners or members	9	48,151	44,603
Accumulated surpluses or (deficits)	9	835,596	663,867
Reserves	9	634,083	634,083
Total Accumulated Funds		1,517,830	1,342,552



This statement should be read in conjunction with the accompanying Notes and attached Audit Report

Statement of Cash Flows

Raglan Club Inc

For the year ended 31 March 2019

	2019	2018
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	15,349	7,918
Fees, subscriptions and other receipts from members	29,686	28,730
Receipts from providing goods or services	822,920	748,409
Interest, dividends and other investment receipts	81	37
GST	(1,176)	(100)
Payments to suppliers and employees	(686,807)	(774,151)
Donations or grants paid	(261)	(3,053)
Cash flows from other operating activities	(5,000)	-
Total Cash Flows from Operating Activities	174,793	7,791
Cash Flows from Investing and Financing Activities		
Proceeds from loans borrowed from other parties	98,410	368,289
Net movements in Adjunct accounts for year	1,864	2,830
Payments to acquire property, plant and equipment	(19,988)	(7,010)
Repayments of loans borrowed from other parties	(243,546)	(319,359)
Cash flows from other investing and financing activities	(1,346)	(3,731)
Total Cash Flows from Investing and Financing Activities	(164,606)	41,018
Net Increase/(Decrease) in Cash	10,187	48,808
Bank Accounts and Cash		
Opening cash	83,925	35,116
Closing cash	94,112	83,925
Net change in cash for period	10,187	48,808



This statement should be read in conjunction with the accompanying Notes and attached Audit Report

Statement of Accounting Policies

Raglan Club Inc

For the year ended 31 March 2019

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.

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

Raglan Club Incorporated is required to return income tax on income earned from non-exempt activities and sources.

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.

Inventory

Inventory is stated at the lower of cost, determined on a first in first out basis, and net realisable value. Due allowance has been made for obsolete or damaged stock.

Property, plant and equipment

With the exception of Land and Buildings, all owned property, plant and equipment are recorded at cost less depreciation, where applicable. The Land and Buildings were brought into the accounts at registered valuation, and subsequent additions are recorded at cost less depreciation.

Depreciation

Depreciation has been calculated using rates which are expected to write off the asset over the term of its useful life.

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

Raglan Club Inc

For the year ended 31 March 2019

	2019	2018
1. Analysis of Revenue		
Revenue from providing goods or services		
1-A: Lounge Trading Account		
Sales		
Bar Sales	562,425	468,413
Bowling Club Bar	40,273	30,326
Bar Meals	427	34
Total Sales	603,125	498,773
Cost of Sales		
Opening Stock - Bar	-	(14,506)
Purchases - Lounge	(214,575)	(188,657)
Rebates Received	6,507	6,212
Closing Stock - Bar	-	10,842
Total Cost of Sales	(208,068)	(186,109)
Less: Direct Expenses		
Bar Licences	(1,607)	(3,107)
Bar Meals	(355)	-
R & M - Bar	(4,419)	(4,448)
Replacements	(1,731)	(875)
Sundry Bar Expenses	-	(1,791)
Wages - Bar	(101,968)	(129,861)
Direct Expenses	(110,080)	(140,082)
Net Lounge Income	284,978	172,583
1-B: Cigarettes Trading Account		
Sales	2	4,949
Cost of Sales		
Opening Stock - Cigarettes	-	(993)
Cigarette Purchases	-	(3,684)
Total Cost of Sales	-	(4,677)
Net Cigarettes Income	2	272
1-C: Kitchen Trading Account		
Sales		
Kitchen Contract Income	4,983	1,000
Kitchen Income	-	46,838
Total Sales	4,983	47,838
Cost of Sales		
Opening Stock - Kitchen	-	(1,338)



	2019	2018
Kitchen Food Purchases	-	(23,001)
Total Cost of Sales	-	(24,340)
Direct Expenses		
Kitchen Licences	-	(665)
Kitchen Expenses	-	(544)
R & M Kitchen	(3,618)	(1,490)
Wages - Kitchen	-	(20,847)
Total Direct Expenses	(3,618)	(23,547)
Net Kitchen Income (Expense)	1,366	(48)
1-D: Transportation Trading Account		
Courtesy Bus Donations	6,217	5,996
Direct Expenses		
Depreciation - Courtesy Bus	(294)	(415)
Fuel Courtesy Bus	(2,973)	(2,982)
R & M-Courtesy Bus	(3,218)	(3,827)
Wages - Courtesy Bus	(102)	(7,838)
Total Direct Expenses	(6,587)	(15,061)
Net Transportation Income (Expense)	(370)	(9,065)
1-E: Coffee Trading Account		
Sales	1,454	1,158
Direct Expenses		
Coffee Expenses	(747)	(530)
Coffee Machine Lease	(1,479)	(3,003)
Total Direct Expenses	(2,226)	(3,533)
Net Coffee Income (Expense)	(772)	(2,375)
1-F: Gaming Machines Trading Account		
Income		
Interest on Gaming Account	24	18
Sales	169,669	172,614
Total Income	169,694	172,631
Direct Costs		
Depreciation - Gaming Machines	(6,648)	(11,080)
Electronic Monitoring Expenses	(3,905)	(14,928)
Gaming Duty	(39,024)	(39,701)
Gaming Licences	(23,505)	(13,367)
Gaming Machine Repairs & Maintenance	(12,810)	(10,903)
Problem Gambling Levy	(2,537)	(2,581)
Training Expenses	(1,131)	(565)
Total Direct Costs	(89,559)	(93,124)
Other Expenses		
Accounting Fees	(1,168)	(958)
Audit Fees	(280)	(290)
Electricity	(1,580)	(1,214)
Wages	(5,350)	(9,871)



Insurance	(924)	(700)
Total Other Expenses	(9,302)	(13,033)
Gross Operating Surplus from Gaming Machines	70,833	66,474
Other Revenue from providing goods or services		
Dump Station Income	26	157
Entertainment	2,052	-
Hire Income	9,320	3,077
Market Income	8,896	940
Motorhome Income	10,519	13,122
Sundry Income	5,714	9
TAB Commission	1,127	-
Total Other Revenue from providing goods or services	37,653	17,303
Net Revenue from providing goods or services	393,689	245,143
Donations, fundraising and other similar revenue		
Raffles		
Raffle Income	7,632	4,662
Raffle Expenses	(4,568)	(2,181)
Net Raffle Income	3,064	2,481
Other donations and fundraising revenue		
Donations	2,800	300
Sponsorship	5,091	2,783
Total Other donations and fundraising revenue	7,891	3,083
Total Donations, fundraising and other similar revenue	10,955	5,564
Fees, subscriptions and other revenue from members		
Subscriptions	29,686	28,730
Total Fees, subscriptions and other revenue from members	29,686	28,730
Interest, dividends and other investment revenue		
Interest Income	57	19
Total Interest, dividends and other investment revenue	57	19
Net revenue after Cost of Sales and Direct Expenses	434,387	279,455
Add back Cost of Sales and Direct Expenses	(434,007)	(505,687)
Total Revenue	868,393	785,142
	2019	2018

2. Analysis of Expenses

Costs related to providing goods or services

Accident Compensation Levies	1,677	1,904
Accountancy Fees	10,880	8,622
Advertising	1,157	3,293
Audit Fees	2,820	2,610
Bank Charges	2,135	2,030
Catering Hospitality	528	444
Clubs NZ Membership Fee	3,731	3,260
Consultancy	(35)	2,198



	2019	2018
Depreciation	35,984	37,733
EFTPOS Expenses	2,610	2,595
Entertainment Expenses	1,337	6,775
Freight	320	207
General Expenses	3,545	5,477
Hospitality	1,060	4,941
Insurance	17,623	13,270
Interest Paid	10,459	10,863
Jackpots	4,375	11,850
Laundry & Cleaning	4,342	3,807
Lease Costs	3,257	3,777
Legal Fees	2,507	32,545
Licences	2,540	1,707
Member Purchases	3,061	14
Power - Electricity & Gas	30,043	23,258
Presentations & Bereavements	99	163
Printing, Stationery, and Photocopying	4,941	9,016
Purchases - Clothing & Insignia	-	214
Repairs & Maintenance	11,289	8,879
Rates	13,536	8,439
Rubbish Removal	3,636	3,835
Security	3,566	4,769
Sky TV Expenses	7,702	9,497
Staff Expenses	1,442	850
Subscriptions	72	52
TAB Licences, Fees, and Expenses	1,304	-
Telephone, Tolls & Internet	4,307	6,306
Uniforms	-	56
Wages	58,570	103,649
Total Costs related to providing goods or services	256,418	338,907
Grants and donations made		
Donations Paid	-	43
Scholarship Grants	-	500
Sponsorship	261	2,509
Total Grants and donations made	261	3,053
Other expenses		
Loss on Disposal of Fixed Assets	979	160
Total Other expenses	979	160
Total Expenses Excluding Cost of Sales and Direct Expenses	257,658	342,120
Add Back Cost of Sales and Direct Expenses	434,007	505,687
Total Expenses	691,664	847,806



2019 2018

3. Analysis of Assets**Bank accounts and cash****Bank accounts**

Westpac Cheque Account	16,405	25,263
Westpac Gaming Account	30,831	17,290
Westpac Kitchen Cheque Acct	441	368
Westpac Online Bonus Saver	2,281	22
Westpac Online Saver Account	16,009	15,100
Westpac TAB Account	-	490
Total Bank accounts	65,967	58,533

Cash Floats

Bowling Club Float	400	400
Gaming Float	12,237	9,003
Lounge Float	2,000	2,000
TAB Float	-	442
Deposits on Hand not yet banked	13,508	13,546
Total Cash Floats	28,145	25,391

Total Bank accounts and cash	94,112	83,925
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Debtors and prepayments

Trade Receivables	666	320
Accrued Interest	-	4,689
Income Tax	12	6
Prepayments	18,269	18,547
TAB Bond	-	5,000
Unexpired Interest - Abbots	1,407	1,428
Unexpired lease interest	978	3,038
Total Debtors and prepayments	21,332	33,028

Inventory

Inventory	11,678	10,842
Total Inventory	11,678	10,842

Other non-current assets

Fixed Assets	1,448,421	1,472,337
Total Other non-current assets	1,448,421	1,472,337

2019 2018

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

Accrued expenses	9,496	22,048
GST	(5,075)	(14,120)
Trade Creditors	30,940	82,164
Total Creditors and accrued expenses	35,361	90,093

Other current liabilities

Flexirent - Current Portion	3,172	6,560
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Abbott Premium Finance	18,680	22,757
Kitchen Bond	500	500
Westpac Loans - Current Portion	-	34,797
Total Other current liabilities	22,352	64,614

Non-Current Loans

Flexirent	-	3,172
Westpac Loans		
Westpac Term Loan - 91	-	32,037
Westpac Term Loan - 94	-	37,461
Less: Westpac Loans - Current Portion	-	(34,797)
Total Westpac Loans	-	34,702
Members' Loans	-	65,000
Total Non-Current Loans	-	102,874

2019 2018

5. Property, Plant and Equipment

Land	422,675	422,675
Buildings and Improvements		
Buildings and Improvements	918,975	913,856
Accumulated depreciation - buildings	(432,828)	(411,094)
Total Buildings and Improvements	486,147	502,762
Office Equipment		
Office Equipment	103,485	103,485
Accumulated depreciation - equipment	(98,798)	(96,985)
Total Office Equipment	4,687	6,500
Furniture and Fittings		
Furniture and fittings	481,502	470,345
Accumulated depreciation - furniture and fittings	(412,611)	(405,325)
Total Furniture and Fittings	68,891	65,021
Gaming Machines		
Gaming Machines	619,024	619,024
Less Accumulated Depreciation - Gaming Machines	(609,052)	(602,405)
Total Gaming Machines	9,972	16,619
Motor Vehicles		
Motor Vehicles	24,862	24,862
Accumulated depreciation - vehicles	(24,141)	(23,848)
Total Motor Vehicles	721	1,015
Bowling Club assets		
Bowling Club Assets	574,827	573,159
Accumulated depreciation - Bowling Club assets	(119,498)	(115,414)
Total Bowling Club assets	455,329	457,745
Total Property, Plant and Equipment	1,448,421	1,472,337



Depreciation has been calculated using rates which are expected to write off the asset over the term of its useful life.

Buildings and improvements	1% to 7.5% SL and 3.6% to 11.4% DV
Office equipment	7.5% to 60% DV
Furniture and fittings	1.6% to 60% DV
Gaming machines	39.6% DV
Vehicles	26% to 31.2% DV
Bowling Club	1% to 3% SL and 4% to 80.4% DV

Land and buildings were brought into the accounts at registered valuation, and subsequent additions are recorded at cost less depreciation where applicable. Government valuations at 1 September 2015 are:

22-24 Bow Street	\$1,480,000
19 James Street	\$675,000
15B Wallis Street	\$245,000
19A Wallis Street	\$260,000

6. Loans and Finance Leases

Flexirent Loans

Asset	Current portion	Term portion	Loan matures	Monthly repayment
Deep fryer	427	0	May 2019	\$213.73
Dishwasher	1,863	0	December 2019	\$206.95
Pager system	882	0	October 2019	\$126.00

Abbotts Premium Finance

	Current portion	Term portion	Loan matures	Monthly repayment
Insurance	18,680	0	March 2020	\$1,868.02

Members' Loans

All Members' loans were repaid in full by 31 March 2019. (2018: Members' loans are for an undefined period, and are subject to review after twelve months (March / April 2019). Interest rates vary from 0% to 5%, and is paid monthly. A further sum of \$20,300 in members loans was paid into the Raglan Club Incorporated Westpac bank account during April 2018).

Westpac Loans

Both Westpac loans were repaid in full during March 2019. The security over the Bow Street property had not been discharged as at 31 March 2019.



7. Authorised Purpose Payments

	This Year \$	Last Year \$
Repairs and Maintenance incl wages	6,869	1,091
Scholarship Grants	0	500
Rates	7,155	2,158
Security	2,951	441
Sky TV and Entertainment Expenses	3,612	7,003
Telephone	1,457	3,176
Cleaning including cleaning wages	7,270	2,952
Accounting fees	3,466	5,528
Advertising	380	870
Bank charges	581	0
Bus fuel	868	0
General expenses	42	0
Insurance	7,432	6,846
Electricity	17,452	13,716
Administration wages	8,035	21,459
Bus wages	61	0
Printing, Stationery, Photocopying	1,668	65
Total	\$69,299	\$65,805

8. Gaming Reserve

Included in Accumulated Funds

	This Year \$	Last Year \$
Opening balance	6,669	6,000
Plus: Net surplus from gaming	70,833	66,474
Less: Authorised Purpose Payments	(69,299)	(65,805)
Closing balance	8,203	6,669
Net movements in Gaming Reserve for year	1,534	669

2019

2018

9. Accumulated Funds

Accumulated Funds

Opening Balance

663,867

726,531



	2019	2018
Accumulated surpluses or (deficits)		
Current year earnings	171,729	(62,664)
Total Accumulated surpluses or (deficits)	171,729	(62,664)
Total Accumulated Funds	835,596	663,867
Reserves		
Revaluation reserves		
Building Revaluation Reserve	316,819	316,819
Land Revaluation Account	317,264	317,264
Total Revaluation reserves	634,083	634,083
Total Reserves	634,083	634,083
Trust Accounts		
60s Club	-	2,768
Darts Club	5,665	3,924
Fishing Club	1,779	358
Indoor Bowls Club	6,722	7,198
Outdoor Bowls Club	23,682	20,948
Punters Club	-	1
Services Club	-	327
Snooker Club	2,997	2,483
Travel Club	7,307	6,597
Total Trust Accounts	48,151	44,603
Total Accumulated Funds	1,517,830	1,342,552

10. Commitments

Raglan Club Incorporated leased a Coffee Machine through Flexirent. The lease term was 36 months, commencing 1 June 2015, at a rate of \$279.21 per month. The lease expired during the year ended 31 March 2019, and was not renewed.

Raglan Club Incorporated leases EFTPOS machinery through Technology Holdings. The leases were rolled over in November 2016 for a period of 36 months. The Club's commitment to expenditure on these leases as at 31 March 2019 is estimated to be \$1,268.

There were no contracts for capital expenditure at balance date. **(2018: Nil)**

11. Contingent Liabilities and Guarantees

There were no contingent liabilities or guarantees as at 31 March 2019. **(2018: A performance guarantee of \$5,000 was issued on behalf of New Zealand Racing Board on 21 November 2005. This guarantee expired during the year ended 31 March 2019.)**

12. Prior Period Adjustment

The TAB payments as shown in the statement of financial position for prior years were recorded in the 2006 (\$3,000) and 2009 (\$2,000) audited financial statements of the Club. There is no subsequent record of the bond being repaid but TAB have confirmed that they no longer hold the bond. It has been determined to write the bond off in the current financial year.

13. Related Parties

There were no transactions involving related parties during the financial year.



14. Events After the Balance Date

There were no significant events occurring after balance date that will have a material effect on these financial statements. (2018: Raglan Club Incorporated carried out a Strategic Planning process and consultation with members. The decision of the members was not to sell the property, but to explore other options. The first part of the Strategic Plan has been implemented, with positive trading results in the first quarter of the current financial year.)

15. Ability to Continue Operating

The Executive Committee with the support of the members of Raglan Club Inc implemented strategies to improve operations during the year. The achievement of an operating surplus for the year ended 31 March 2019 enabled the Club to clear all long term debt, resulting in a positive cash flow, and a financial position where the current ratio (cash assets, inventory and receivables divided by current liabilities) was 2.2. (2018: The Club traded at a loss for the year, but the trading results were an improvement over the previous year. The Executive Committee is running the Club in a manner that ensures that all suppliers and stakeholders are paid and the Club will continue to operate for the next 12 months. The Club's Executive Committee have prepared a Budget, and have already undertaken some of the strategies arising from the Strategic Plan which have produced improved financial outcomes for the first quarter of the current financial year. The Executive Committee will continue to implement the longer term strategies to secure the future of the Club.)



INDEPENDENT AUDITORS' REPORT

To the Members of Raglan Club Incorporated

Opinion

We have audited the accompanying performance report of Raglan Club Incorporated on pages 4 to 20, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2019, profit and loss statement- gaming, and the statement of financial position as at 31 March 2019, the statement of accounting policies and other explanatory information.

In our opinion:

- a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b) the performance report on pages 4 to 20 presents fairly, in all material respects:
 - the entity information for the year ended 31 March 2019;
 - the service performance for the year then ended; and
 - the financial position of Raglan Club Incorporated as at 31 March 2019, and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting Accrual (Not-For-Profit).

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Performance Report section of our report. We are independent of Raglan Club Incorporated in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Other than in our capacity as auditor we have no relationship with, or interests in, Raglan Club Incorporated.

Executive Committees' Responsibility for the Performance Report

The Executive Committee are responsible on behalf of the entity for determining that the Public Benefit Entity Simple Format Reporting Accrual (Not-For-Profit) framework is acceptable in the entity's circumstances and, 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 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 in New Zealand by the New Zealand Accounting Standards Board, and
- (c) for such internal control as the Executive Committee determine is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Executive Committee are responsible on behalf of the entity for assessing the entity'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 Executive Committee either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of 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 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 Executive 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 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 entity 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 Executive 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.

Restriction on use of our Report

This report is made solely to the Members of Raglan Club Incorporated as a collective body. Our audit work has been undertaken so that we might state to the Members, as a collective body, 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 Raglan Club Incorporated and the Members, as a collective body, for our audit work, for this report or for the opinion we have formed.

Jefferies Nock

Jefferies Nock & Associates
Hamilton
22 July 2019