

Performance Report - (Year Ended 31 Oct 2021)

Horowhenua Kapiti Rugby Football Union
For the year ended 31 October 2021

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Entity Information

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2021

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

Legal Name of Entity

Horowhenua Kapiti Rugby Football Union

Entity Type and Legal Basis

Incorporated Society

Registration Number

215687

Entity's Purpose or Mission

To foster, advance, organise and control the game of rugby football and supporters of rugby football at all levels within the boundaries defined by the NZRU.

To uphold the rules of the game of rugby football as prescribed from time to time by the NZRU.

Entity Structure

Then entity structure has a governance board of six members with support from an administration led by the CEO.

Main Sources of Entity's Cash and Resources

Commercial, Trust Grants and NZRU Funding.

Main Methods Used by Entity to Raise Funds

Match Day and Merchandise.

Entity's Reliance on Volunteers and Donated Goods or Services

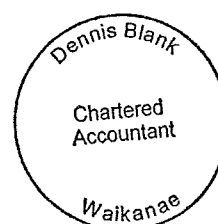
Volunteer services for Coaching, Referees and Club Support.

Physical Address

C/- Horowhenua Motor Company, 15-19 Bristol Street, Levin, New Zealand

Postal Address

PO Box 503, Levin, New Zealand, 5540



Statement of Service Performance

Horowhenua Kapiti Rugby Football Union

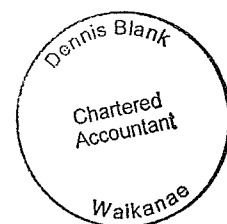
For the year ended 31 October 2021

'What did we do?', 'When did we do it?'

	2021	2020
Description and Quantification of the Entity's Outputs		
Players Aged 0 - 12	3,260	3,168
Players Aged 13 - 18	676	583
Players Aged 19+	546	713
Total Description and Quantification of the Entity's Outputs	4,482	4,464

Description of Entity's Outcomes

The Horowhenua Kapiti Rugby Football Union shares the New Zealand Rugby vision to *Inspire and Unify*, through providing opportunities for all to participate in rugby and represent their communities. This is done through community rugby programmes and representative rugby teams that compete in organised competitions.

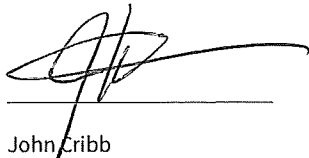


Approval of Financial Report

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2021

The Horowhenua Kapiti Rugby Football Union Board are pleased to present the approved financial report including the historical financial statements of Horowhenua Kapiti Rugby Football Union for year ended 31 October 2021.

APPROVED



John Cribb

Chairman

Date 23/11/2021



Corey Kennett

Chief Executive Officer

Date 23/11/2021

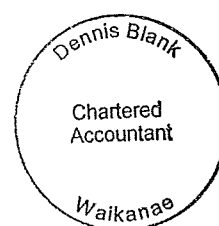
Statement of Financial Performance

Horowhenua Kapiti Rugby Football Union

For the year ended 31 October 2021

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

	NOTES	2021	2020
Revenue			
Donations, fundraising and other similar revenue	1	241,737	179,964
Revenue from providing goods or services	1	631,766	691,311
Interest, dividends and other investment revenue	1	25,061	18,739
Total Revenue		898,564	890,013
Expenses			
Volunteer and employee related costs	2	426,478	410,333
Costs related to providing goods or service	2	348,467	257,592
Grants and donations made	2	500	-
Other expenses	2	5,276	10,490
Total Expenses		780,721	678,415
Surplus/(Deficit) for the Year		117,843	211,599



The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

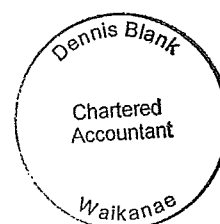
Statement of Financial Position

Horowhenua Kapiti Rugby Football Union

As at 31 October 2021

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 OCT 2021	31 OCT 2020
Assets			
Current Assets			
Bank accounts and cash	3	525,748	454,432
Debtors and prepayments	3	20,401	10,164
Total Current Assets		546,150	464,596
Non-Current Assets			
Property, Plant and Equipment	7	247,277	244,889
Investments	3	341,015	341,015
Total Non-Current Assets		588,291	585,903
Total Assets		1,134,441	1,050,500
Liabilities			
Current Liabilities			
Creditors and accrued expenses	6	129,345	80,177
Other current liabilities	6	167,303	238,834
Total Current Liabilities		296,648	319,011
Total Liabilities		296,648	319,011
Total Assets less Total Liabilities (Net Assets)		837,792	731,488
Accumulated Funds			
Capital contributed by owners or members			
Equity/Members funds		(11,539)	-
Total Capital contributed by owners or members		(11,539)	-
Accumulated surpluses or (deficits)	8	849,332	731,488
Total Accumulated Funds		837,792	731,488



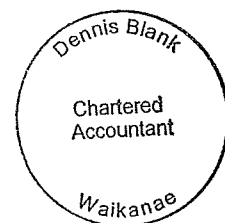
The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

Statement of Cash Flows

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2021

'How the entity has received and used cash'

	2021	2020
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	218,417	208,664
Receipts from providing goods or services	589,510	765,133
Interest, dividends and other investment receipts	21,071	17,694
Cash was applied to:		
Payments to suppliers and employees	(737,980)	(709,890)
Donations or grants paid	(500)	-
Total Cash Flows from Operating Activities	90,519	281,601
Cash Flows from Investing and Financing Activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	(7,664)	(2,499)
Cash Flows from Other Investing and Financing Activities	-	1
Prior Period Adjustment	(11,539)	-
Total Cash Flows from Investing and Financing Activities	(19,203)	(2,498)
Net Increase/ (Decrease) in Cash	71,316	279,102
Cash Balances		
Cash and cash equivalents at beginning of period	764,197	485,094
Cash and cash equivalents at end of period	835,513	764,197
Net change in cash for period	71,316	279,102



The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

Statement of Accounting Policies

Horowhenua Kapiti Rugby Football Union

For the year ended 31 October 2021

'How did we do our accounting?'

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.

Measurement Basis

Unless otherwise stated, the measurement basis adopted is that of historical cost.

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.

Property, Plant and Equipment

Property, Plant and Equipment are valued at cost less aggregated depreciation.

Depreciation

Depreciation has been calculated based on the estimated useful life of the assets. This method is considered appropriate for the Horowhenua Kapiti Rugby Football Union. The rates used are shown on the depreciation schedule forming part of the accounts.

Accounts Receivable

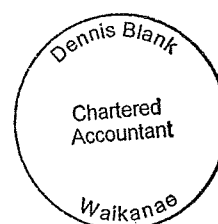
Accounts Receivable are stated at their estimated realisable value.

Income Tax

Horowhenua Kapiti Rugby Football Union 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.



Notes to the Performance Report

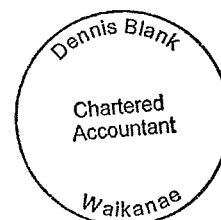
Horowhenua Kapiti Rugby Football Union

For the year ended 31 October 2021

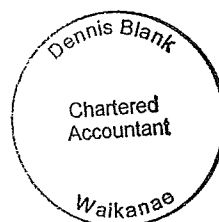
	2021	2020
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Grants - Community Trust	45,000	50,000
Grants - Gaming Trust	196,737	129,964
Total Donations, fundraising and other similar revenue	241,737	179,964
Revenue from providing goods or services		
Gate Income	4,728	-
Grants - Other	13,478	58,580
Grants - RST Funding	-	63,166
Major Cash Sponsor (\$10k+) 1	10,000	6,000
Merchandise Income	443	-
Minor Cash Sponsor (<\$10k) 1	29,781	15,837
NZRU - Administration Funding	190,217	198,333
NZRU - Community Funding	51,599	24,750
NZRU - High Performance/HL Coaching Funding	29,433	11,667
NZRU - KPI Funding	43,040	20,040
NZRU - National Fixture Income	-	2,000
NZRU - RAIS Funding	11,550	23,100
NZRU - Strategic Funding	8,334	36,707
NZRU - Travel Reimbursement	2,618	-
NZRU - Untagged Funding	225,888	212,733
Other Income	5,448	10,922
Other Tournament Income	5,209	-
Tickets Income	-	2,188
Tournament Fees	-	5,287
Total Revenue from providing goods or services	631,766	691,311
Interest, dividends and other investment revenue		
Interest Income	9,436	9,364
Dividend Income	15,625	9,375
Total Interest, dividends and other investment revenue	25,061	18,739
	2021	2020

2. Analysis of Expenses

Volunteer and employee related costs		
ACC	5,131	4,993
Wages and Salaries	421,348	405,340
Total Volunteer and employee related costs	426,478	410,333
Costs related to providing goods or services		
Accommodation	12,674	350
Advertising	630	1,681



	2021	2020
Airfares	4,642	-
Audit Fees	5,200	5,238
Bank Fees	65	65
Board Expenses	320	312
Buses	6,961	326
Catering	35,701	14,819
Cleaning Expenses	1,380	480
Club Distributions	626	9,711
Couriers, Freight and Postage	898	867
Electricity	4,297	4,132
First Aid	3,660	3,482
Functions Other	5,272	5,593
Insurance	8,135	8,015
Entertainment	104	767
IT Support and Software Charges	3,230	2,391
Laundry	2,113	1,889
Lease/Rental - Equipment	2,184	2,184
Lease/Rental - Grounds	7,612	6,906
Lease/Rental - Property	13,079	12,797
Management Expenses	32,000	6,500
Nua Health	5,854	3,042
Medical & Supplies	4,494	11,365
Meetings Expenses	4,685	2,568
Merchandise Expenses	530	-
NZRU - National Fixture Expenses	1,000	6,000
Other A Team Match Day Expenses	1,766	-
Other Expenses	6,390	6,304
Other Non-A Team Match Day Expenses	-	932
Outfitting - Off Field	39,757	25,781
Outfitting - On Field	5,822	-
Photographs	703	2,893
Physiotherapy	2,374	2,003
Player Expenses	17,600	4,400
Printing	1,532	1,525
Professional Services	11,066	3,688
Referee Expenses	4,453	3,954
Rental Cars	25,077	7,043
Repairs and Maintenance - Office	438	194
Repairs and Maintenance - Vehicles	9,579	11,154
Rugby Balls	-	6,058
Rugby Equipment Purchased	11,630	13,727
Security	490	1,116
Sponsorship Servicing and Hosting	2,183	3,299
Stationery	825	1,771
Subscriptions	2,215	1,657



	2021	2020
Team Petty Cash Expenses	3,252	2,300
Telephones and Internet	14,168	16,273
Tickets Purchases	415	2,553
Tournament Delivery Costs	1,200	4,956
Trophies and Medals	1,961	3,966
Vehicle Expenses Including Fuel	15,428	17,572
Website	795	992
Total Costs related to providing goods or services	348,467	257,592
Grants and donations made		
Prizes/Gifts/Koha	500	-
Total Grants and donations made	500	-
Other expenses		
Non deductible IRD Penalties	-	265
Bad Debts	-	2,500
Depreciation	5,276	7,725
Total Other expenses	5,276	10,490
	2021	2020

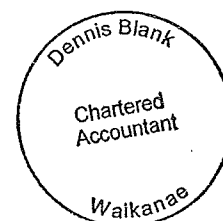
3. Analysis of Assets

Bank accounts and cash		
Eftpos Account	9,400	-
Business Call Account	30,183	30,167
Current Account	486,165	424,265
Total Bank accounts and cash	525,748	454,432
Debtors and prepayments		
Accrued Interest	6,580	2,590
Accounts Receivable	13,821	7,574
Total Debtors and prepayments	20,401	10,164
Investments		
Term Deposit 1	100,000	100,000
Term Deposit 4	100,000	100,000
Term Deposit - Building Fund	109,765	109,765
Total Investments	309,765	309,765
Other non-current assets		
Hurricanes Investment	31,250	31,250
Total Other non-current assets	31,250	31,250

4. Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added as an asset.

5. Investments - Hurricanes



The Rugby Union owns a share of the Hurricanes Super Rugby Club license which cost \$100,000 when purchased in 2013. The license has an eight year term and the Board believed it prudent to amortise this investment on a straight line basis over that period.

In 2019 the Board has reassessed the value of the investment and has changed its policy to not amortise it in further. The Board is confident the investment has a realised value of at least the unamortised balance of \$32,500. This is supported by its receipt of significant dividends from the Hurricanes in recent years.

The effect of not amortising the investment in 2021 and 2020 years is a reduction in annual expenses of \$12,500; and the investment asset balance remains at \$32,500.

	2021	2020
6. Analysis of Liabilities		
Creditors and accrued expenses		
Accounts Payable	129,345	80,177
Total Creditors and accrued expenses	129,345	80,177
Other current liabilities		
GST	10,687	3,003
Employee Costs Payable	62,403	75,882
Income Received in Advance	94,212	159,949
Total Other current liabilities	167,302	238,833
	2021	2020

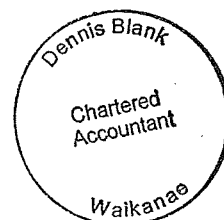
7. Property, Plant and Equipment

Land	222,231	222,231
Motor Vehicles	2,115	2,518
Office Equipment	6,687	4,861
Plant and Equipment	12,653	15,278
Rugby Equipment	3,591	-
Total Property, Plant and Equipment	247,277	244,889

Refer to the Depreciation Schedule for further detail.

	2021	2020
8. Accumulated Funds		
Accumulated Funds		
Opening Balance	731,489	519,889
Prior Period Adjustment	(11,539)	-
Capital contributed by owners or members	-	1
Surplus for the Year	117,843	211,599
Total Accumulated Funds	837,793	731,489
Total Accumulated Funds	837,793	731,489

Prior period adjustment relates to PAYE owing at 31 October 2020, not included in the 2020 accounts.



	2021	2020
9. Breakdown of Reserves		
Reserves		
Term Deposit - Building Fund	(109,765)	(109,765)
Total Reserves	(109,765)	(109,765)

Building Fund reserve for Administration Building at Levin Domain.

10. Commitments

There are no commitments as at 31 October 2021 (Last year - nil)

11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 October 2021 (Last year - nil).

12. Related Parties

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

13. 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).

14. Ability to Continue Operating

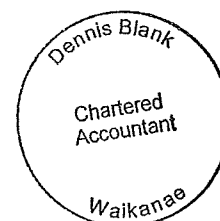
The entity will continue to operate for the foreseeable future.

15. Impact of Covid-19

On 17 August 2021, New Zealand went to Covid-19 level 4 and a nation wide lockdown commenced. The lockdown has since ended and the Horowhenua Kapiti region is currently at level one. The union received two Covid-19 grants totalling \$13,478 during the lockdown period. The overall impact of Covid-19 has been modest for the organisation.

16. Revenue

Revenue comes mainly from NZRU Grants, Charitable Trusts and Sponsorship.



Horowhenua Kapiti Rugby Football Union Inc.

Performance Report for the Year Ended 31 October, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of the Horowhenua Kapiti Rugby Football Union Inc.

Qualified Opinion:

I have audited the performance report of the Horowhenua Kapiti Rugby Football Union Inc., which comprises the statement of entity information, statement of service performance, statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and the notes to the performance report.

In my qualified opinion, except for the possible effects of the matter described in the basis for the Qualified Opinion paragraph, the performance report presents fairly, in all material respects;

- 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 is prepared, in all material respects, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis of the Qualified Opinion

In common with other organisations of a similar nature, control over cash revenues prior to being recorded, is limited and there is no practical audit procedure to determine the effect of the limited control.

Basis of the Opinion

I have conducted the audit in accordance with the International Standards on Auditing (New Zealand). My responsibilities under these standards are further described in the **Auditor's Responsibility** section of this report. I am independent of the Horowhenua Kapiti Rugby Football Union Inc., in accordance with the Professional and Ethical Standards 1 (Revised) Code of Ethics for assurance practitioners issued by the New Zealand Auditing and Assurance Standards Board and I have fulfilled my responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Responsibility of the Board for the Performance Report:

The Board is responsible, on behalf of the Horowhenua Kapiti Rugby Football Union Inc. for the preparation and fair presentation of the performance report which comply with generally accepted accounting practice in New Zealand. The Board is also responsible for such internal control as it determines is necessary to enable the presentation of the performance report that is free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the performance report, whether in printed or electronic form.

Horowhenua Kapiti Rugby Football Union Inc.

Performance Report for the Year Ended 31 October, 2021

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's responsibility for the audit of the Performance Report

My objective is to obtain reasonable assurance about whether the performance report, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the International Standards on Auditing (New Zealand) 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 readers taken on the basis of the performance report.

As part of an audit in accordance with International Standards on Auditing (New Zealand), I exercise professional judgement and maintain professional scepticism throughout the audit. Also, I;

- 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 my 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 Horowhenua Kapiti Rugby Football Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Horowhenua Kapiti Rugby Football Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Horowhenua Kapiti Rugby Football Union 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.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Dennis Blank CA

Qualified Auditor
01 December, 2021
Waikanae