

# Performance Report

Horowhenua Kapiti Rugby Football Union  
For the year ended 31 October 2023

Prepared by Spicer Accounting Limited

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## Entity Information

### Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

'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

Incorporated Society

#### 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

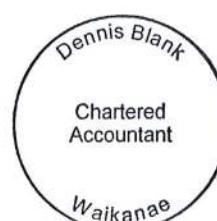
Volunteer Services for Coaching, Referees, Governance and Club Support

#### Physical Address

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

#### Postal Address

PO Box 503, Levin, New Zealand, 5540



# Compilation Report

## Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

Compilation Report to the Horowhenua Kapiti Rugby Football Union.

### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Horowhenua Kapiti Rugby Football Union for the year ended 31 October 2023.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

### Responsibilities

Horowhenua Kapiti Rugby Football Union are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

### No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedure by us. No audit or review engagement has been performed and accordingly no assurance is expressed by us. However, Fluker Denton Chartered Accountants are separately engaged to perform an audit.

### Independence

We have no involvement with Horowhenua Kapiti Rugby Football Union other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement by us. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.



**Spicer Accounting Limited**

Chartered Accountants

Levin

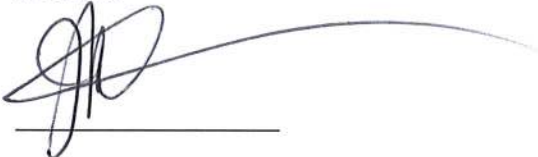
Dated: 29 November 2023

## Approval of Financial Report

### Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

The Horowhenua Kapiti Rugby Union are pleased to present the approved financial report including the historical financial statements of Horowhenua Kapiti Rugby Football Union for year ended 31 October 2023.

APPROVED



John Cribb

Chairman

Date 1/12/23

1/12/23

Corey Kennett

Chief Executive Officer



Date .....

## Statement of Service Performance

### Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

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

#### 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.

	2023	2022
<b>Description and Quantification of the Entity's Outputs</b>		
Players Aged 12 and Below	3,455	3,202
Players Aged 13 - 18	395	568
Players Aged 19 +	724	491
<b>Total Description and Quantification of the Entity's Outputs</b>	<b>4,574</b>	<b>4,261</b>





# Statement of Financial Performance

## Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

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

	NOTES	2023	2022
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	250,711	153,469
Revenue from providing goods or services	1	1,259,156	1,274,226
Interest, dividends and other investment revenue	1	32,704	4,137
<b>Total Revenue</b>		<b>1,542,571</b>	<b>1,431,832</b>
<b>Expenses</b>			
Volunteer and employee related costs	2	574,959	478,864
Costs related to providing goods or service	2	606,065	343,530
Grants and donations made	2	3,858	750
Other expenses	2	10,039	7,818
<b>Total Expenses</b>		<b>1,194,921</b>	<b>830,962</b>
<b>Surplus/(Deficit) for the Year</b>		<b>347,649</b>	<b>600,870</b>



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

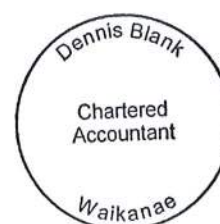
# Statement of Financial Position

**Horowhenua Kapiti Rugby Football Union**

**As at 31 October 2023**

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

	NOTES	31 OCT 2023	31 OCT 2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	746,918	1,093,760
Debtors and prepayments	3	16,348	32,234
<b>Total Current Assets</b>		<b>763,266</b>	<b>1,125,994</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	856,521	281,868
Investments	3	409,765	409,765
<b>Total Non-Current Assets</b>		<b>1,266,285</b>	<b>691,633</b>
<b>Total Assets</b>		<b>2,029,551</b>	<b>1,817,627</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	6	17,634	55,179
Other current liabilities	6	145,316	243,496
<b>Total Current Liabilities</b>		<b>162,950</b>	<b>298,675</b>
<b>Total Liabilities</b>		<b>162,950</b>	<b>298,675</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>1,866,601</b>	<b>1,518,951</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	8	1,866,601	1,518,951
<b>Total Accumulated Funds</b>		<b>1,866,601</b>	<b>1,518,951</b>



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

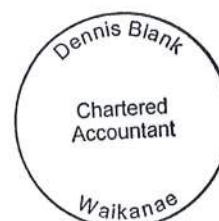


# Statement of Cash Flows

## Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

'How the entity has received and used cash'

	2023	2022
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Donations, fundraising and other similar receipts	289,161	148,089
Receipts from providing goods or services	1,147,609	1,236,177
Interest, dividends and other investment receipts	33,420	5,372
<b>Cash was applied to:</b>		
Payments to suppliers and employees	1,228,481	778,466
Donations or grants paid	3,859	750
<b>Total Cash Flows from Operating Activities</b>	<b>237,849</b>	<b>610,421</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was applied to:</b>		
Payments to acquire property, plant and equipment	584,691	42,410
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(584,691)</b>	<b>(42,410)</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>(346,842)</b>	<b>568,012</b>
<b>Bank Accounts and Cash</b>		
Opening cash	1,403,525	835,513
Closing cash	1,056,683	1,403,525
<b>Net change in cash for period</b>	<b>(346,842)</b>	<b>568,012</b>



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 2023

'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 accumulated depreciation.

### Property Development

Horowhenua Kapiti Rugby Football Union commenced construction on the new building at the Levin Domain in the 2022 Financial Year. Costs have been combined for the whole financial year and entered as one amount under the Buildings asset class. As at the 31st October 2023 the building was 70% completed. The final stages will be completed in the 2024 Financial year.

### 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 various rates of depreciation are provided by the New Zealand Inland Revenue Department and are shown below:

Asset Class	Rate	Method
Buildings	None	None
Office Equipment	50%-67% 8.5%-33%	Diminishing Value Straight Line
Plant & Equipment	10%-67% 10%-25%	Diminishing Value Straight Line
Rugby Equipment	30%-50%	Straight Line
Vehicles	16%-31.20%	Diminishing Value

### 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.

### **Investments**

Term deposit investments with maturities over 90 days are recorded at cost.

The investment in the Hurricanes Super Rugby licence is recorded at historical cost. The Hurricane's licence is part of a partnership arrangement between the NZ Rugby Union and the Horowhenua Kapiti Rugby Football Union.

### **Income in Advance**

When grant income is received with a "use or return" feature applying after the annual balance date, then the relevant income is then recorded as income in advance in the statement of financial position.

### **Changes in Accounting Policies**

There have been no changes in accounting policies. All other accounting policies have been applied on a consistent basis with the previous reporting year.



# Notes to the Performance Report

## Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2023

	2023	2022
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Grants - Community Trust	45,000	45,000
Grants - Gaming Trust	205,711	108,469
<b>Total Donations, fundraising and other similar revenue</b>	<b>250,711</b>	<b>153,469</b>
<b>Revenue from providing goods or services</b>		
Gate Income	6,803	7,864
Grants - Other	215,000	16,870
Major Cash Sponsor (\$10k+) 1	75,000	65,000
Merchandise Income	52	1,538
Minor Cash Sponsor (<\$10k) 1	33,314	33,597
NZRU - Community Participant Funding	178,095	680,789
NZRU - Club SSI Funding	110,000	20,000
NZRU - Community Funding VIF - Reward	35,042	91,260
NZRU - Competition Funding	40,000	39,220
NZRU - Heartland Development Program Funding	50,000	41,667
NZRU - Heartland Growth And Retention Funding	13,450	-
NZRU - Strategic Alignment Funding - Seed	214,936	-
NZRU - Travel Reimbursement	850	7,288
NZRU - Tiered Community	260,000	263,121
Other Income	5,953	6,013
Other Tournament Income	19,500	-
Tickets Income	1,160	-
<b>Total Revenue from providing goods or services</b>	<b>1,259,156</b>	<b>1,274,226</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	32,704	4,137
<b>Total Interest, dividends and other investment revenue</b>	<b>32,704</b>	<b>4,137</b>
	2023	2022

## 2. Analysis of Expenses

<b>Volunteer and employee related costs</b>		
ACC	4,735	4,100
Volunteer Expenses	3,910	-
Wages and Salaries	566,314	474,764
<b>Total Volunteer and employee related costs</b>	<b>574,959</b>	<b>478,864</b>
<b>Costs related to providing goods or services</b>		
Accommodation	17,418	16,100
Advertising	1,129	702
Airfares	4,295	3,697
Audit Fees	5,500	3,500





	2023	2022
Bank Fees	58	65
Board Expenses	143	298
Buses	8,200	7,940
Catering	33,510	30,027
Cleaning Expenses	2,027	1,249
Club Distributions	-	687
Coaching Courses	920	-
Couriers, Freight and Postage	278	338
Electricity	3,914	4,422
Entertainment	1,846	1,433
First Aid	7,528	5,944
Functions Other	11,341	3,965
Insurance	8,096	8,071
IT Support and Software Charges	4,771	2,749
Laundry	3,600	2,485
Lease/Rental - Equipment	8,310	2,184
Lease/Rental - Grounds	6,345	6,789
Lease/Rental - Property	13,233	11,683
Management Expenses	32,000	32,000
Nua Health	4,125	5,369
Medical & Supplies	23,377	2,255
Meetings Expenses	9,241	5,488
Merchandise Expenses	-	1,472
NZRU - SSI Club Distribution	110,000	20,000
Other A Team Match Day Expenses	3,273	957
Other Expenses	14,295	9,196
Outfitting - Off Field	35,334	18,345
Outfitting - On Field	32,909	5,822
Photographs	3,122	5,676
Physiotherapy	4,722	950
Professional Development	25,507	13,066
Player Expenses	18,400	18,250
Printing	6,104	2,130
Professional Services	5,145	1,827
Referee Expenses	6,382	4,939
Rental Vans & Cars	33,290	20,086
Repairs and Maintenance - Equipment	2,488	-
Repairs and Maintenance - Buildings	4,163	1,181
Repairs and Maintenance - Vehicles	16,856	10,275
Rugby Equipment Purchased	16,358	1,148
Security	609	411
Sponsorship Servicing and Hosting	2,188	2,268
Stationery	1,470	1,314
Subscriptions	3,678	1,321
Team Petty Cash Expenses	1,639	1,368



	2023	2022
Telephones and Internet	12,657	11,088
Tickets Purchases	1,890	701
Trophies and Medals	3,753	4,425
Vehicle Expenses Including Fuel	27,835	25,030
Website	795	846
<b>Total Costs related to providing goods or services</b>	<b>606,065</b>	<b>343,530</b>
<b>Grants and donations made</b>		
Prizes/Gifts/Koha	3,858	750
<b>Total Grants and donations made</b>	<b>3,858</b>	<b>750</b>
<b>Other expenses</b>		
Depreciation	10,039	7,818
<b>Total Other expenses</b>	<b>10,039</b>	<b>7,818</b>
	2023	2022

### 3. Analysis of Assets

<b>Bank accounts and cash</b>		
Business Call Account	31,010	30,305
Eftpos Card Account	9,872	7,921
Main Current Account	705,535	1,055,534
Cash Floats	500	-
<b>Total Bank accounts and cash</b>	<b>746,918</b>	<b>1,093,760</b>
<b>Debtors and prepayments</b>		
Accrued Interest	4,629	5,345
Accounts Receivable	11,719	26,889
<b>Total Debtors and prepayments</b>	<b>16,348</b>	<b>32,234</b>
<b>Investments</b>		
Term Deposit - Building Fund	109,765	109,765
Term Deposit 1	100,000	100,000
Term Deposit 4	100,000	100,000
Hurricanes Investment	100,000	100,000
<b>Total Investments</b>	<b>409,765</b>	<b>409,765</b>

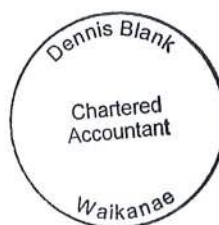
### 4. Investments

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 licence which cost \$100,000 when purchased in 2013. The licence has an eight-year term and the Board believed it prudent to amortise this investment on a straight-line basis over that period.

In 2021 the Board approved to reassess the value of the investment and has changed its policy to reinstate the original cost price of \$100,000 in the 2022 year, by reversing the previously entered amortisation of \$68,750.





2023

2022

## 6. Analysis of Liabilities

### Creditors and accrued expenses

Accounts Payable	17,634	55,179
<b>Total Creditors and accrued expenses</b>	<b>17,634</b>	<b>55,179</b>

### Other current liabilities

Employee Costs Payable	76,836	67,316
GST	(44,535)	88,164
Income Received in Advance	113,016	88,016
<b>Total Other current liabilities</b>	<b>145,316</b>	<b>243,496</b>

## 7. Property Plant & Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation	Closing Carrying Amount
Buildings	254,511	573,067			827,578
Motor Vehicles	1,775			284	1,491
Office Equipment	11,333	1,112		5,345	7,100
Plant & Equipment	11,763	10,512		3,305	18,970
Rugby Equipment	2,486			1,105	1,381
<b>TOTAL</b>	<b>281,868</b>	<b>584,691</b>		<b>10,039</b>	<b>856,520</b>

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation	Closing Carrying Amount
Buildings	222,231	32,280			254,511
Motor Vehicles	2,114			339	1,775
Office Equipment	6,687	8,210		3,564	11,333
Plant & Equipment	12,654	1,920		2,811	11,763
Rugby Equipment	3,591			1,105	2,486
<b>TOTAL</b>	<b>247,276</b>	<b>42,410</b>		<b>7,818</b>	<b>281,868</b>

2023

2022

## 8. Accumulated Funds

### Accumulated Funds

Opening Balance	1,518,952	837,793
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	2023	2022
Hurricane Amortisation Reversal	-	68,750
Prior Period Adjustment	(1)	11,539
Accumulated surpluses or (deficits)	347,649	600,870
<b>Total Accumulated Funds</b>	<b>1,866,601</b>	<b>1,518,952</b>
<b>Total Accumulated Funds</b>	<b>1,866,601</b>	<b>1,518,952</b>

2022 prior period adjustment relates to GST owing at 31 October 2020, not recorded in accounts.

	2023	2022
<b>9. Breakdown of Reserves</b>		
<b>Reserves</b>		
Term Deposit - Building Fund	109,765	109,765
<b>Total Reserves</b>	<b>109,765</b>	<b>109,765</b>

Building Fund reserve for Administration Building at Levin Domain.

## 10. Commitments

The building project has further work to be completed after 31 October 2023 annual balance date and this commitment is estimated to be about \$400,000. Apart from this item, there are no other commitments to be reported.

## 11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 October 2023 (Last year - nil).

## 12. Related Parties

An inter-entity related party relationship exists between the NZ Rugby Union and the Horowhenua Kapiti Rugby Football Union. The revenue from the NZRU is specified in the analysis of revenue notes to the Performance Report. The NZRU influences the direction of activity for the Horowhenua Kapiti Rugby Football Union. Apart from this relationship, there are no other related party relationships to be reported.

## 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

For the 2022 and 2021 years New Zealand has been affected by various Covid-19 restrictions. These restrictions have since ended.

The union received three Covid-19 grants from the Inland Revenue Department in the 2022 year.

The union received two Covid-19 wage subsidies from the Ministry of Social Development and one grants from the Inland Revenue Department in the 2021 year.

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 2023

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of the Horowhenua Kapiti Rugby Football Union

I have audited the accompanying performance report of the Horowhenua Kapiti Rugby Football Union Inc, 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 October 2023, the statement of financial position as at 31 October 2023, the statement of accounting policies and other explanatory information.

### In my 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 represents fairly, in all material respects,

- the entity information for the year ended 31 October 2023,
- the service performance for the year then ended; and
- the financial position of the Horowhenua Kapiti Rugby Football Union Inc. as at 31 October 2023, and its financial performance, and cash flows for the year then ended in accordance with the requirements of the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard, issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP)).

### Basis for Opinion

I conducted my 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 service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS1) "The Audit of Service Performance Information". My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of my report. I am independent of the Horowhenua Kapiti Rugby Football Union Inc. 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 I have fulfilled my other ethical 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 opinion.

Other than in my capacity as auditor I have no relationship with, or interests in, the Horowhenua Kapiti Rugby Football Union.

## **The Board's Responsibility for the Performance Report**

The Board is responsible on behalf of the entity for:

(a) service performance criteria that are suitable in order to prepare service performance information in accordance with the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP));

(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 PBE SFR-A (NFP), and

(c) for such internal control as the Board 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 Board is 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 Board either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

The Board is also responsible on behalf of the entity for determining that the PBE SFR-A (NFP) framework is acceptable in the entity's circumstances.

## **Auditor's Responsibilities for the Audit of the Performance Report**

My 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS1 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), I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the PBE SFR-A (NFP) framework.
- 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 entity'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 performance report 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 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.

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  
11 December 2023  
Waikanae*