



Swimming Southland Incorporated

Performance Report for the year ended 30 April 2021

Swimming Southland Incorporated

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For the year ended 30 April 2021

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Legal name of entity	Swimming Southland Incorporated
Type of entity and legal basis	Incorporated Society
Registration number	971232

Purpose or mission

Swimming Southland's purpose is to support the growth and performance of competitive swimming in Southland. We provide development opportunities for Swimmers, Coaches and Officials of all levels from throughout Southland. Whether it be an affiliated Club's Learn to Swim Classes, entry level club swimmers, national representatives, volunteer Coaches or Officials we strive to provide them all the support and development opportunities they need to reach their full potential.

Structure

The structure of Swimming Southland consists of a Governance Board made up of six members including the Chair who oversee Swimming Southland. The Board supervise the Executive Officer, a paid staff member.

Operations are managed by the Executive Officer, Sue Wilson, with other employees being the Development Officer and contracted Coaching to H2O Dreams with Head Coach Jeremy Duncan.

Main source of cash and resources

Swimming fees and events.

Grant funding from Community Trust South, Invercargill Licensing Trust and ILT Foundation.

Funding from the Sport NZ Community Resilience Fund.

Funds are used to pay staff salaries, travel and accommodation for team managers and other operating costs, also where necessary, fund the purchase of new assets.

Main methods used to raise funds

The main fundraising activities are holding swim events, receiving grants and affiliation fees.

Reliance on volunteers and donated goods and services

We rely on volunteers to officiate at meets, and there is also a reliance on volunteers to make up our Governance Board.

Swimming Southland Incorporated
STATEMENT OF SERVICE PERFORMANCE
FOR THE YEAR ENDED 30 APRIL 2021

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Swimming Southland outcomes

Swimming Southland's purpose is to support the growth and performance of competitive swimming in Southland. We provide development opportunities for Swimmers, Coaches and Officials of all levels from throughout Southland. Whether it be an affiliated Club's Learn to Swim Classes, entry level club swimmers, national representatives, volunteer Coaches or Officials we strive to provide them all the support and development opportunities they need to reach their full potential.

Swimming Southland outputs

Meet entries - Swimming	\$	14,434	\$	26,782
Meet entries - Clubs	\$	1,745	\$	-
Recoveries - Team travel	\$	24,663	\$	37,591
Recoveries - Talent ID programme	\$	604	\$	96

Teams travelled from Southland from various clubs for 4 events during the year (2020:7) supporting all ages of competitive swimmers.

Swimming Southland Incorporated
 STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 30 APRIL 2021

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	Notes	2021 \$	2020 \$
<hr/>			
Revenue			
Donations, fundraising and other similar revenue	4	76,274	111,154
Fees, subscriptions and other revenue from members	5	9,034	10,746
Revenue from providing goods or services	6	49,093	78,781
Interest, dividends and other investment revenue		1,372	600
Other revenue	7	226	6,900
Total revenue		<u>135,999</u>	<u>208,181</u>
Expenses			
Costs related to providing goods or services	8	93,252	118,229
Grants and donations made	9	4,687	11,499
Volunteer and employee related costs	10	62,795	69,302
Other expenses	11	11,794	15,534
Total expenses		<u>172,527</u>	<u>214,564</u>
Surplus / (deficit) for the year		<u>(36,528)</u>	<u>(6,383)</u>
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Swimming Southland Incorporated
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 APRIL 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Bank accounts and cash	12	32,907	48,394
Debtors and prepayments	13	23,381	13,701
Investments	14	37,367	67,870
Other current assets	15	26,810	25,449
Total current assets		<u>120,465</u>	<u>155,414</u>
Non current assets			
Property, plant and equipment	3	49,339	56,647
Total non current assets		<u>49,339</u>	<u>56,647</u>
Total assets		<u>169,804</u>	<u>212,061</u>
LIABILITIES			
Current liabilities			
Creditors and accrued expenses	16	11,193	14,468
Employee costs payable	17	1,145	3,599
Other current liabilities	18	23,270	23,270
Total current liabilities		<u>35,608</u>	<u>41,337</u>
Total liabilities		<u>35,608</u>	<u>41,337</u>
Total assets less total liabilities (net assets)		<u>134,196</u>	<u>170,724</u>
ACCUMULATED FUNDS			
Accumulated surpluses or (deficits)		134,196	170,724
Total accumulated funds		<u>134,196</u>	<u>170,724</u>

This performance report has been approved by the Board, for and on behalf of Swimming Southland Incorporated:



Roger Eagles
 Chairperson Swimming Southland Management Board

17.10.21

Date 4pa

Name
 Board Member

17.10.21

Date

Swimming Southland Incorporated
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 APRIL 2021

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	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash was received from:		
Donations, fundraising and other similar receipts	67,874	111,154
Fees, subscriptions and other receipts from members	9,034	10,745
Receipts from providing goods or services	37,343	89,322
Interest, dividends and other investment receipts	1,372	600
Cash was applied to:		
Payments to suppliers and employees	(153,673)	(189,932)
Interest and penalties	(330)	-
Donations or grants paid	(4,687)	(11,499)
Net GST	(1,560)	5,413
Net cash flows from / (used in) operating activities	<u>(44,628)</u>	<u>15,803</u>
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES		
Cash was received from:		
Receipts from the sale of investments	30,503	(13,529)
Cash was applied to:		
Payments to purchase investments	(1,362)	(39)
Net cash flows from / (used in) investing and financing activities	<u>29,141</u>	<u>(13,468)</u>
Net increase / (decrease) in cash	(15,487)	2,335
Opening Cash	48,394	46,059
Closing Cash	<u>32,907</u>	<u>48,394</u>
This is represented by:		
Cash and bank accounts	32,907	48,394
	<u>32,907</u>	<u>48,394</u>

1 Basis of preparation

Swimming Southland 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.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The Society reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The Society believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date.

The information presented is in New Zealand dollars. All values are rounded to the nearest \$.

2 Summary of significant accounting policies

(a) Goods and services tax (GST)

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

(b) Income tax

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

(c) 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.

(d) Changes in accounting policies

The Society transitioned 1 May 2020 from preparation of special purpose financial statements in accordance with the Special Purpose Financial Reporting Framework as published by Chartered Accountants Australia and New Zealand to financial reporting in accordance with PBE SRF-A (NFP). The transition had minimal impact on the accounting policies of the Society. All accounting policies have been applied consistently during the year.

(e) Revenue recognition

Revenue from the sale of goods and provision of services is recognised when the significant risks and rewards are transferred to the buyer and is probable that the economic benefits will flow to the seller.

Affiliation fees and event revenue

Affiliation fees and event revenue is recognised over the period that the fees or revenue relate to.

Interest income

Interest income is recognised as interest accrues, gross of tax credits received.

Donation, grant and sponsorship revenue

Donation revenue is recognised upon receipt. Grant and sponsorship revenue is recognised when the conditions to the grant or sponsorship have been complied with. Where there are unfulfilled conditions attached to the grant or sponsorship, the amount relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Entry fee and member contributions

Entry fee and member contributions are recognised as revenue upon receipt, unless it relates to a specific event which it is then recognised in the year the event is delivered.

(f) Accounts receivable

Accounts receivable are stated at expected realisable value.

(g) Accounts payable

Accounts payable represents liabilities for goods and services provided to the Society prior to the end of the financial year which are unpaid. Accounts payable are recorded at the amount required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Property, plant and equipment

Assets are recorded at historical cost less accumulated depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred. All other repairs and maintenance are recognised in the Statement of Financial Performance in the financial period in which they are incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset either using depreciation rates published by the Inland Revenue or based on estimates by management. The following estimated depreciation rates / useful lives have been applied:

Computers	3 - 5 years
Plant and equipment	10 years

Gains and losses on disposal of assets are recognised in the Statement of Financial Performance.

3 Property, plant and equipment	<i>Opening carrying value</i>	<i>Purchases</i>	<i>Sales (disposals)</i>	<i>Depreciation</i>	<i>Closing carrying value</i>
	\$	\$	\$	\$	\$
2021					
Plant and equipment					
AOD Timing Machine	1,793			352	1,441
Omega Start Box + 4 speakers/cables	4,043			690	3,353
4 x Omega Speakers / Cables	2,150			368	1,782
2 x Omega Backstroke Ledges	1,645			281	1,364
10 x Omega TouchPads	26,362			3,515	22,847
Omega Start Box (Second/backup)	3,383			379	3,004
Omega Quantum (Control Room Gear)	17,160			1,925	15,235
	<u>56,536</u>	<u>-</u>	<u>-</u>	<u>7,510</u>	<u>49,026</u>
Computer equipment					
Development Officer Laptop	534			221	313
	<u>534</u>	<u>-</u>	<u>-</u>	<u>221</u>	<u>313</u>
Balance at 30 April 2021	<u>57,070</u>	<u>-</u>	<u>-</u>	<u>7,731</u>	<u>49,339</u>
Reversal of audit adjustment from 2020				(420)	
Depreciation expense per statement of financial performance				<u>7,311</u>	
2020					
Plant and equipment					
AOD Timing Machine	2,145			352	1,793
Omega Start Box + 4 speakers/cables	4,733			690	4,043
4 x Omega Speakers / Cables	2,518			368	2,150
2 x Omega Backstroke Ledges	1,926			281	1,645
10 x Omega TouchPads	29,877			3,515	26,362
Omega Start Box (Second/backup)	3,473 *			379	3,094
Omega Quantum (Control Room Gear)	19,044 *			1,925	17,119
Swimming Southland Banner	184		(157)	27	-
	<u>63,900</u>	<u>-</u>	<u>(157)</u>	<u>7,537</u>	<u>56,206</u>
Computer equipment					
Development Officer Laptop	662 *			221	441
Meets Laptop (Acer)	151			151	-
Meets Printer (Brother all in one)	128		(62)	66	-
	<u>941</u>	<u>-</u>	<u>(62)</u>	<u>438</u>	<u>441</u>
	<u>64,841</u>	<u>-</u>	<u>(219)</u>	<u>7,975</u>	<u>56,647</u>
Opening carrying value disclosure error in prior year note*	420			-	420
Audit adjustment	-			420	(420)
Balance at 30 April 2020 - reported	<u>65,261</u>	<u>-</u>	<u>(219)</u>	<u>8,395</u>	<u>56,647</u>
				2021	2020
				\$	\$
4 Donations, fundraising and other similar revenue					
Donation - Invercargill Licensing Trust				9,500	10,000
Donation - ILT - Elite Development				-	9,000
Grant - Community Trust South				16,350	16,550
Grant - ILT Foundation				35,000	70,000
Sponsorship - SBS Bank				-	92
Scholarships - SBS Bank - Wayne Evans				-	5,000
Donation / gifts / other				-	512
Grant - Covid 19 Wage Subsidy				8,400	-
Sport NZ Community Resilience Fund				7,024	-
				<u>76,274</u>	<u>111,154</u>
5 Fees, subscriptions and other revenue from members					
Affiliation fees - Club Swimmers				529	337
Affiliation fees - Competitive Swimmers				5,419	7,371
Affiliation fees - Coaches				98	-
Affiliation fees - Club to Competitive Swimmer				70	1,160
Affiliation fees - Clubs				2,311	1,204
Equipment levies				607	674
				<u>9,034</u>	<u>10,746</u>
6 Revenue from providing goods or services					
Meet entries - Swimming Southland				14,434	26,782
Meet entries - Clubs				1,745	-
Recoveries - Team travel - note 20				24,663	37,591
Recoveries - Talent ID programme				604	96
Hosting - National / South Island meets				7,647	9,564
Pool hire				-	1,106
Merchandise				-	3,642
				<u>49,093</u>	<u>78,781</u>
7 Other revenue					
Prize giving recoveries				-	2,874
Representative photos				-	1,063
Uniforms				-	1,422
Cap sales				226	796
Swimming New Zealand AGM travel recovery				-	645
Sundry plant sales				-	100
				<u>226</u>	<u>6,900</u>

	2021	2020
	\$	\$
8 Costs related to providing goods or services		
Accounting software	480	475
Advertising	861	-
Audit fees	4,672	7,095
Bank fees	24	31
Computer consumables	468	1,313
Computer software	869	554
Computer expenses	717	395
General expense	-	45
Insurance	1,219	1,472
Legal fees	586	-
Printing, postage and stationery	553	387
Repairs and maintenance	270	801
Website expense	390	330
Cap purchases	715	1,389
Hosting - National / South Island meets	7,434	2,167
Meet entries - Clubs	1,744	2,361
Meet medals, ribbons and prizes	5,147	4,458
Merchandise	814	2,414
Other meet expenses	-	2,095
Pool hire	32	6,266
Prize giving / AGM	429	3,911
Professional development	-	266
Professional coaching expense	35,000	35,000
Representative photos	-	1,121
Swimming New Zealand AGM travel expense	-	830
Talent ID Programme	269	-
Team travel - note 20	30,188	41,104
Uniforms	370	1,949
	<u>93,252</u>	<u>118,229</u>
9 Grants and donations made		
SBS Bank - Wayne Evans Scholarship - NZ Opens	704	55
SBS Bank - Wayne Evans Scholarship - NZ Short Course	883	115
SBS Bank - Wayne Evans Scholarship - NZ Age Group	-	1,000
SBS Bank - Wayne Evans Scholarship - Para	1,000	-
SBS Bank - Wayne Evans Scholarship - NZ Div II's	-	750
SBS Bank - Wayne Evans Scholarship - Junior Festival	250	250
Scholarships - Elite Development	1,850	9,329
	<u>4,687</u>	<u>11,499</u>
10 Volunteer and employee related costs		
Salary - Executive Officer	34,149	38,747
Salary - Development Officer	27,586	29,209
ACC	338	205
Gifts	52	591
Telephone and internet	670	550
	<u>62,795</u>	<u>69,302</u>
	2021	2020
	\$	\$
11 Other expense		
Affiliation fees - Club Swimmers	481	672
Affiliation fees - Competitive Swimmers	3,465	6,248
Affiliation fees - Coaches	98	-
Affiliation fees - Officials	109	-
Equipment write off	-	219
IRD - interest and penalties	330	-
Depreciation	7,311	8,395
	<u>11,794</u>	<u>15,534</u>

12 Bank accounts and cash				
SBS Star Transactional		13,153		21,619
SBS ILT T.A.F		13,384		5,463
SBS travel		674		-
SBS deposit account #2 - Plant account		5,021		5,134
SBS Open Water		677		673
Westpac travel		-		15,505
		<u>32,907</u>		<u>48,394</u>
13 Debtors and prepayments				
Accounts receivable		10,551		3,503
Prepayments		4,682		3,612
GST		8,148		6,586
		<u>23,381</u>		<u>13,701</u>
14 Investments				
SBS deposit account #1		-		30,503
SBS deposit account #3		37,367		37,367
		<u>37,367</u>		<u>67,870</u>
15 Other current assets				
Southland Springboard Diving Association - note 22		26,810		25,449
		<u>26,810</u>		<u>25,449</u>
16 Creditors and accrued expenses				
Accounts payable		2,863		2,270
Income in advance		4,542		8,400
Accrued expenses		3,788		3,798
		<u>11,193</u>		<u>14,468</u>
17 Employee costs payable				
Staff accruals		1,145		692
Holiday accruals		-		1,975
PAYE tax payable		-		932
		<u>1,145</u>		<u>3,599</u>
18 Other current liabilities				
Southland Springboard Diving Association - note 22		23,270		23,270
		<u>23,270</u>		<u>23,270</u>
19 Changes in accumulated funds				
		<i>Accumulated surpluses or (deficits)</i>		<i>Total</i>
		\$		\$
At 1 May 2019		177,107		177,107
Surplus/ (deficit) for the year		(6,383)		(6,383)
At 30 April 2020		<u>170,724</u>		<u>170,724</u>
At 1 May 2020		170,724		170,724
Surplus/ (deficit) for the year		(36,528)		(36,528)
At 30 April 2021		<u>134,196</u>		<u>134,196</u>
20 Team travel				
		2021		2020
		<i>Recoveries</i>	<i>Expenses</i>	<i>Recoveries</i>
				<i>Expenses</i>
New Zealand Opens	4,598	6,486	2,192	4,226
New Zealand Short Course	9,527	11,700	7,935	11,409
New Zealand Age Groups	2,850	3,156	3,219	2,526
New Zealand Division II's	-	-	387	-
Makos Junior Festival	7,688	8,847	5,742	8,460
Makos South Island Short Course	-	-	8,509	8,508
Makos South Island Country & Town	-	-	6,141	1,735
International - Victoria Age Championships	-	-	4,240	4,240
	<u>24,663</u>	<u>30,188</u>	<u>38,365</u>	<u>41,104</u>

2021
\$

2020
\$

21 Commitments and contingencies

Swimming Southland has no commitments or contingent liabilities as 30 April 2021 (2020: Contingent Liabilities Nil. Guarantees Nil.)

22 Assets held on behalf of others

(a) Southland Springboard Diving Association

Swimming Southland has a contractual arrangement to hold funds for the Southland Springboard Diving Association for a time of five years, or until such time where their association starts running again. Timeframe being, November 2016 to November 2021.

The funds were transferred into Swimming Southland's custodianship upon the Southland Springboard Diving Association's wind up, if after five years (November 2021) the Association has no intention to be re-established, Swimming Southland may absorb the principal and use as it sees fit. Swimming Southland is permitted to use any interest generated in the interim.

23 Related parties

Swimming Southland may deal with general members, swimming clubs and members of management in transactions of various kinds. Transactions with members and members of management are generally of a reimbursement nature. Certain revenue and charges for services (e.g. travel) are made to affiliated clubs.

Jeremy Duncan, Head Coach of Swimming Southland, is a director/shareholder of H2O Dreams Ltd. Professional coaching fees were paid to H2O Dreams Ltd during the year totalling \$35,000 (2020: \$35,000).

24 Events after balance date

As outlined in Note 25, as a result of the COVID-19 pandemic, the New Zealand Government imposed various restrictions on the Society's ability to operate at various times throughout the 2021 financial year. As a result of those restrictions, at the reporting date COVID-19 was not present in the community and there were no restrictions on the activities of individuals or organisations within New Zealand, although substantial restrictions remained at the border.

In mid-April 2021, quarantine-free travel commenced between New Zealand and Australia. However, that arrangement has since been amended or suspended on a number of occasions, and, at the time of signing these financial statements, is suspended.

In mid-August 2021, following the detection of COVID-19 in the community, the New Zealand Government ordered an economy-wide lockdown, during which all non-essential businesses and organisations would not be permitted to operate. The lockdown has since lifted for Southland at the time of signing these financial statements. During the lockdown period, the Society's management staff were able to work from home, however, the Society was unable to operate at full capacity during the lockdown period, and has taken advantage of New Zealand Government wage subsidies where qualifying.

25 COVID- 19 pandemic

In December 2019, a new virus, COVID-19, was detected in Wuhan, China. The virus was soon common in other countries and on 11 March 2020 the World Health Organization declared that the outbreak should be considered a pandemic.

The result of this pandemic has been a substantial reduction in economic activity throughout the world, as governments have introduced measures (such as the closure of national borders, the closure of non-essential businesses, the cancellation of public events and the imposition of restrictions on individuals) in an attempt to reduce transmission of the virus.

The key COVID-19 related events in New Zealand in the 2021 financial year were:

In late March 2020, the New Zealand Government ordered a four-week lockdown, during which non-essential businesses and organisations were not allowed to operate and individuals (other than essential workers or those undertaking essential business) were required to stay at home. As a result of the lockdown, community transmission of COVID-19 was eliminated. In late April 2020, the lockdown period ended and the New Zealand Government started gradually easing the restrictions that had been placed on businesses, organisations and individuals. All restrictions within New Zealand were lifted by early June 2020, although substantial restrictions remained at the border.

In mid-February 2021, New Zealand commenced a COVID-19 vaccination program. It is intended that the vaccination program will be completed by the end of 2021.

In mid-April 2021, quarantine-free travel commenced between New Zealand and Australia. However, that arrangement has since been amended or suspended on a number of occasions.

At the reporting date, COVID-19 was not present in the community and there were no restrictions on the activities of individuals, organisations or businesses within New Zealand, although substantial restrictions remained at the border.

During the initial four-week lockdown period, the Society was unable to operate, which resulted in revenue falling below forecast levels. Since the end of that lockdown period, the Society has been able to operate, but has experienced reduced operations and revenue due to the overall reduction in economic activity caused by the COVID-19 pandemic.

As with similar not-for-profit organisations, the Society is highly reliant on community funders to continue operating. Grant and donations funding have significantly reduced from prior years, however the Board believe that grant and donation funding in the Southland region will continue. Although the Society has seen reduced activities during the reporting year grant and donation funding are expected to provide the funds to ensure that its operating costs are covered. In the worse case scenario, where a significant reduction of community funding is provided, the Board believes the Society has the cash and cash equivalents to cover operational costs for the next 12 months. This is based on cash flow forecasts prepared with various scenarios considered. If no grant funding is obtained, the Board will review all expenditure and cut costs where appropriate.

Accordingly, although the Society has been impacted by COVID-19, the board has concluded that the Society will be able to continue operating for at least 12 months from the date of signing these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SWIMMING SOUTHLAND INCORPORATED

Report on the Performance Report

Opinion

We have audited the statement of financial performance and statement of cash flows for the year ended 30 April 2021, the statement of financial position as at 30 April 2021, and the statement of accounting policies and other explanatory information ("the financial information") in the performance report of Swimming Southland Incorporated ("the Society").

In our opinion the financial information in the accompanying performance report presents fairly, in all material respects, the financial position of the Society as at 30 April 2021, 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) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial information in the performance report 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 Performance Report* 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.

Other Information

The board is responsible for the other information. The other information obtained at the date of this auditor's report is the entity information and the statement of service performance, which are included in the performance report.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Performance Report

The Board is responsible for:

- a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- b) the preparation and fair presentation of the performance report on behalf of the Society which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board; and

- c) such internal control as the Board determines is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is 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 the Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the financial information in 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) 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 the financial information in 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 financial information in 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 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 Society'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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information in the performance report, including the disclosures, and whether the financial information in the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Who we Report to

This report is made solely to the Society's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Invercargill

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Invercargill
New Zealand
17 October 2021