

Annual Financial Report

Birkenhead Returned & Services Association (Inc)
For the year ended 30 June 2020

Prepared by REB Group Limited

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INDEPENDENT AUDITOR'S REPORT

To the Members of The Birkenhead Returned Services Association Incorporated

Opinion

We have audited the accompanying annual financial report of Birkenhead Returned Services Association (Inc) on pages 6 to 18, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2020, the statement of financial position as at 30 June 2020, the statement of accounting policies and accompanying notes.

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 annual financial report on pages 6 to 18 presents fairly, in all material respects:

- the entity information for the year ended 30 June 2020;
- the service performance for the year then ended; and
- the financial position of Birkenhead Returned Services Association (Inc) as at 30 June 2020, 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 annual financial 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 Auditor's Responsibilities for the Audit of the Annual Financial Report section of our report. We are independent of Birkenhead Returned Services Association (Inc) 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, Birkenhead Returned Services Association (Inc).

Other Matter

The financial statements of The Birkenhead Returned Services Association (Inc) for the year ended 30 June 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2019.

Executive Committee's Responsibility for the Annual Financial Report

The Executive Committee are responsible on behalf of the entity 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 annual financial 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 annual financial 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 annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial 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.

Auditor's Responsibilities for the Audit of the Annual Financial Report

Our objectives are to obtain reasonable assurance about whether the annual financial 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 annual financial 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 annual financial 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 annual financial 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 financial report, including the disclosures, and whether the annual financial 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.

A further description of the auditor's responsibilities for the audit of the statement of financial performance, statement of financial position and statement of cash flows is located at the XRB's website at www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/.

The engagement partner on the audit resulting in this independent auditor's report is Butch Mawdsley.
Signed:

REB Chartered Accountants
Auckland
21 September 2020

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Entity Information

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2020

Legal Name of Entity

Birkenhead Returned & Services Association (Inc)

Entity Type and Legal Basis

Incorporated Society

Registration Number

221458

Main Sources of Entity's Cash and Resources

The club is able to secure cash and resources from the following sources:

- Subscriptions from members
- Gross profit from sale of consumables
- Profit from operation of gaming machines
- Grants and donations
- Interest and sundry revenue

Entity's Reliance on Volunteers and Donated Goods or Services

The Club is reliant on voluntary services for areas around the governance of the club other than the Secretary/Manager which is a salaried position.

Physical Address

Recreation Drive, Birkenhead, North Shore

Postal Address

PO Box 34076, Birkenhead, Auckland



Statement of Service Performance

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2020

Description and Quantification of the Entity's Outputs

Welfare

Our mission is to remember and care for all those impacted by service for New Zealand.

Our RSA is managed by our executive committee that believes in a nation joined by a heartfelt connection to the Anzac spirit of courage, commitment, comradeship and compassion. Every day the RSA movement helps all service personnel and their families get the support they need. Birkenhead RSA provides welfare advice to members, assists with replacement glasses and hearing aids, and a dedicated team of volunteers provide much needed transport for members to attend hospital, doctor and other specialist services.

Remembrance

Our RSA acknowledges the personal courage and sacrifice of those who were, and are engaged in military service, and police service by activities highlighting and honoring their commitment.

Our annual Poppy Day is held on the Friday before ANZAC day with club members all volunteering their time. All funds raised go towards supporting returned and service personnel, and their families

ANZAC and Armistice days are activities of national remembrance that acknowledges the men who served, been injured and died in service to their country. Unfortunately this year's ANZAC day was unable to be celebrated in the usual fashion this year due to Covid19.

Other Club Activities

We are committed to building a stronger and more vibrant Club by working together to provide our members, and the community, a welcoming environment, well maintained premises and good fellowship.

Entertainment

Quality Live entertainment is provided Friday and Saturday nights throughout the year which continues to be popular with members.

Restaurant

Monarch Catering have the contract to provide meals and catering to members. Lunch provided Wednesday to Friday and Dinner Wednesday to Sunday.

Sporting Sections

By providing quality facilities we enable member participation in various sporting sections within the club including Snooker and Pool, Darts and Indoor Bowls. Members encouraged to participate in Regional and National Tournaments. The Club is also looking to host elite tournaments.

Other Sections

The RSA also include the Women's Section who do a wonderful job catering for various functions including funerals, memorial services and raising money to provide an annual Christmas luncheon for the over 70's members. There is also a Travel Club which actively encourages members to enjoy regular outings.

Additional Output Measures

Our club rooms get advertised for the community to use. Currently we have local clubs including model railway, cubs and scouts hold meetings in the club rooms. A community club have morning tea and games meeting weekly, a community dance group have ballroom dancing open to any member of the community each Wednesday and regular line dancing classes are held throughout the week.

Approval of Financial Report

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2020

The Executive Committee are pleased to present the approved financial report including the historical financial statements of Birkenhead Returned & Services Association (Inc) for year ended 30 June 2020.

APPROVED



President

Date 24/9/20



Treasurer

Date 25.9.20



Statement of Financial Performance

Birkenhead Returned & Services Association (Inc)

For the year ended 30 June 2020

	NOTES	2020	2019
Revenue			
Revenue from Main Activities			
Bar Sales	1	642,207	745,566
Raffles	1	70,875	75,513
Subscriptions from members	1	63,895	67,491
Snooker/Pool Tables	1	10,503	16,494
Rental Income	1	14,447	19,264
Donations & Grants Received	1	303,577	337,317
Interest Revenue	1	26,859	27,013
Club Activities	1	80,729	99,376
Total Revenue from Main Activities		1,213,093	1,388,034
Other Revenue			
Gain on Disposal of Assets	1	1,079	-
Covid-19 Wages Subsidy Received	1	75,837	-
Total Other Revenue		76,916	-
Total Revenue		1,290,008	1,388,034
Expenses			
Expenses - Bar	1	558,329	601,328
Expenses - Raffles	1	52,837	58,173
Expenses - Subscription	1	27,773	22,736
Expenses - Snooker/Pool	1	3,434	8,019
Expenses - Rental	1	4,734	9,538
Expenses - Club Activities	1	602,312	637,544
Total Expenses		1,249,419	1,337,338
Surplus/(Deficit) for the Year		40,590	50,696



The accompanying accounting policies and notes on pages 11-17 form part of the Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.



Statement of Financial Position

Birkenhead Returned & Services Association (Inc)

As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and Bank	2	1,122,976	983,401
Debtors and prepayments		42,095	33,153
Inventory		21,071	26,652
Total Current Assets		1,186,141	1,043,206
Non-Current Assets			
Property, Plant and Equipment	4	714,081	775,630
Total Non-Current Assets		714,081	775,630
Total Assets		1,900,223	1,818,836
Liabilities			
Current Liabilities			
Creditors and accrued expenses	3	142,635	101,839
Total Current Liabilities		142,635	101,839
Total Liabilities		142,635	101,839
Total Assets less Total Liabilities (Net Assets)		1,757,587	1,716,997
Accumulated Funds			
Accumulated surplus	5	1,501,649	1,461,059
Reserves	5	255,938	255,938
Total Accumulated Funds		1,757,587	1,716,997



The accompanying accounting policies and notes on pages 11-17 form part of the Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.



Statement of Cash Flows

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2020

	2020	2019
Cash Flows from Operating Activities		
Donations, fundraising and sundry activities	33,978	41,271
Fees, subscriptions and other receipts from members	62,540	43,907
Receipts from providing goods or services	1,102,504	1,232,267
Interest, dividends and other investment receipts	26,859	27,013
GST	3,459	2,815
Payments to suppliers and employees	(1,049,752)	(1,236,657)
Total Cash Flows from Operating Activities	179,588	110,616
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(40,013)	(65,386)
Receipts from maturity of investments	-	773,828
Payments for investments	(177,847)	(678,303)
Total Cash Flows from Investing and Financing Activities	(217,860)	30,139
Net Increase/(Decrease) in Cash	(38,272)	140,755
Bank Accounts and Cash		
Opening cash	286,328	145,573
Closing cash	248,056	286,328
Net change in cash for period	(38,272)	140,755



The accompanying accounting policies and notes on pages 11-17 form part of the Financial Statements. These Financial Statements should be read in conjunction with the attached Audit Report.

Statement of Accounting Policies

Birkenhead Returned & Services Association (Inc)

For the year ended 30 June 2020

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 Annual Financial Report are reported using the accrual basis of accounting. The Annual Financial Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Rental Income, Donations and Grants received are recognised on receipt.

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

Expenses

Expenses have been classified by their business function.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. 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.

An item of property, plant or equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

Investments (Term Deposits)

Short term deposits have maturities between three months and one year, and longer term deposits that mature within one year of balance date. These are disclosed at their fair value (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.

Income Tax

Birkenhead Returned & Services Association (Inc) 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.

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 Annual Financial Report

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2020

	2020	2019
1. Analysis of Revenue		
Revenue from providing goods or services		
Bar Activities		
Bar Income		
Bar Sales	642,207	745,566
Total Bar Income	642,207	745,566
Bar - Cost of Sales		
Opening Stock	26,302	26,302
Purchases	275,171	326,616
Closing Stock	(20,721)	(26,302)
Total Bar - Cost of Sales	280,752	326,616
Bar - Operating Expenses		
Bar Wages	262,861	260,844
Bar Expenses	9,367	10,798
Total Bar - Operating Expenses	272,229	271,642
Net Surplus from Bar Activities	89,226	147,308
Raffles		
Raffle Income		
Club Raffles	70,875	75,513
Total Raffle Income	70,875	75,513
Raffle - Cost of Sales		
Prizes - Expenses	52,837	58,173
Total Raffle - Cost of Sales	52,837	58,173
Net Surplus from Raffles	18,038	17,340
Subscriptions from members		
Subscription fee received		
Subscription Income	63,895	67,491
Total Subscription fee received	63,895	67,491
Subscription - Cost of Sales		
Capitation	27,773	22,736
Total Subscription - Cost of Sales	27,773	22,736
Net Surplus from Subscriptions	36,122	44,755
Snooker/Pool table		
Snooker/Pool Income		
Pool Table Income	7,584	8,607
Snooker Table Income	2,919	7,887
Total Snooker/Pool Income	10,503	16,494





	2020	2019
Snooker/Pool - Cost of Sales		
Pool Table Expenses	2,880	4,027
Snooker Table Expenses	554	3,992
Total Snooker/Pool - Cost of Sales	3,434	8,019
Net Surplus from Snooker/Pool table	7,069	8,475
Rental Activity		
Rent Received		
Rent Received	14,447	19,264
Total Rent Received	14,447	19,264
Rental Expenses		
Restaurant expenses	4,734	9,538
Total Rental Expenses	4,734	9,538
Net Surplus from Rental Activity	9,713	9,726
Donation & Grant Received		
Auth/Purposes x Gaming	269,599	296,046
Donations & Grants Received	33,978	41,271
Total Donation & Grant Received	303,577	337,317
Club Activities		
Revenue from Club Activities		
ATM Rebates	1,084	1,335
Bowls Income	10,445	13,618
Community Club Income	2,988	2,208
Darts Income	4,844	7,781
Fishing Income	42	42
Golf Income	9,362	9,519
T.A.B Income	45,232	51,726
General Income	65	2,811
Travel Income	6,669	10,336
Total Revenue from Club Activities	80,729	99,376
Costs related to club activities		
Accident Compensation Levy	2,723	3,070
Administration	8,342	-
Advertising	9,652	3,127
Audit & Accountancy Fees	5,219	2,930
Bank Charges	235	847
Bowls Expenses	3,256	5,588
Cleaning & Laundry	45,539	51,819
Computer Expenses	2,817	4,084
Conference Expenses	2,090	3,223
Darts Expenses	4,755	6,438
Depreciation	102,641	120,606
Eftpos Fees	1,780	1,114
Entertainment Deductible	64,968	76,500
General Expenses	4,664	39,569





	2020	2019
Golf Expenses	5,924	5,838
Hospitality	7,103	6,432
Insurance	13,745	12,326
Light Power & Heating	29,897	32,959
Minor Assets	83	-
Plant & Equipment Hire	3,248	3,760
Printing, Stationery & Postage	4,687	7,625
Rent & Rates	7,104	8,887
Repairs & Maintenance	27,311	22,930
Security	41,569	34,150
T.A.B. Expenses	45,596	51,726
Telephone, Tolls & Internet	6,530	6,950
Travel Expenses	3,285	8,744
Van & Shuttle Expenses	5,369	4,242
Wages & Salaries	147,528	115,130
Total Costs related to club activities	607,660	640,614
Total Club Activities	(526,931)	(541,238)
Net Surplus/(Deficit) from Club Activities	(47,416)	23,683
Interest revenue		
Interest Received	26,859	27,013
Total Interest revenue	26,859	27,013
Other revenue		
Gain on Disposal of Assets	1,079	-
Covid-19 Wages Subsidy Received	75,837	-
Total Other revenue	76,916	-

	2020	2019
2. Analysis of Assets		
Bank accounts and cash		
Association Cheque	177,992	167,181
Cash Floats	14,000	14,000
Serious Saver	55,875	104,881
Subs Bank Acc	189	266
Term Deposit - 1010	5,000	5,000
Term Deposit - 1011	19,765	18,770
Term Deposit - 1013	697,675	673,303
Term Deposit - 1014	102,085	-
Term Deposit - 1015	50,395	-
Total Bank accounts and cash	1,122,976	983,401

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



Accounts Payable.	61,032	49,520
GST	981	(2,479)
Subscriptions in Advance	33,631	34,987
Affiliated Activity Sections	-	19,811
Covid-19 Wage Subsidy	29,489	-
Accruals - Gaming	17,503	-
Total Creditors and accrued expenses	142,635	101,839

2020 2019

4. Property, Plant and Equipment

Buildings

Buildings at cost	1,819,434	1,819,434
Accumulated depreciation - buildings	(1,399,944)	(1,347,222)
Buildings - Net Book Value	419,490	472,212

Motor Vehicles

Vehicles owned	30,948	30,948
Accumulated depreciation - vehicles owned	(19,822)	(14,086)
Motor Vehicles - Net Book Value	11,126	16,862

Furniture and Fittings

Furniture and fittings owned	457,668	455,934
Accumulated depreciation - furniture and fittings owned	(261,848)	(248,418)
Furniture and Fittings - Net Book Value	195,820	207,516

Plant and Equipment

Plant and machinery owned	857,005	817,647
Accumulated depreciation - plant and machinery owned	(769,360)	(738,607)
Plant and Equipment - Net Book Value	87,645	79,040

Total Property, Plant and Equipment

2020 2019

5. Accumulated Funds

Accumulated surplus

Opening Balance	1,461,059	1,410,363
Current Year Earnings	40,590	50,696
Total Accumulated surplus	1,501,649	1,461,059

Reserves

Asset Revaluation Reserve	235,938	235,938
House Welfare Fund	20,000	20,000
Total Reserves	255,938	255,938

Total Accumulated Funds

1,757,587 1,716,997

6. Commitments

There are no commitments as at 30 June 2020 (Last year - nil).



7. Contingent Liabilities and Guarantees

There are no contingent liabilities and guarantees as at 30 June 2020 (Last year - nil).

8. Related Parties

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

9. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Annual Financial Report (Last year - nil).

10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

