

Annual Financial Report

Birkenhead Returned & Services Association (Inc)
For the year ended 30 June 2021

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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 2021, the statement of financial position as at 30 June 2021, 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 2021;
 - the service performance for the year then ended; and
 - the financial position of Birkenhead Returned Services Association (Inc) as at 30 June 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).

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).

Restriction on Responsibility

This report is made solely to the Members, as a body, in accordance with the registered rules of The Birkenhead Returned Services Association Incorporated. Our audit work has been undertaken so that we might state to the Members those matters 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

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

_____ 2021

Entity Information

Birkenhead Returned & Services Association (Inc) **For the year ended 30 June 2021**

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 2021

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.

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 2021

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 2021.

APPROVED


President
Date 1/11/21


Treasurer
Date 7-12-21

Statement of Financial Performance

Birkenhead Returned & Services Association (Inc) For the year ended 30 June 2021

	NOTES	2021	2020
Revenue			
Revenue from Main Activities			
Bar Sales	1	759,361	642,207
Raffles	1	72,511	70,875
Subscriptions from members	1	53,297	63,895
Snooker/Pool Tables	1	13,906	10,503
Rental Income	1	15,180	14,447
Donations & Grants Received	1	361,119	303,577
Interest Revenue	1	15,604	26,859
Club Activities	1	84,634	80,729
Total Revenue from Main Activities		1,375,612	1,213,093
Other Revenue			
Gain on Disposal of Assets	1	-	1,079
Total Other Revenue		-	1,079
Total Revenue		1,375,612	1,214,172
Expenses			
Expenses - Bar	1	621,149	558,329
Expenses - Raffles	1	56,316	52,837
Expenses - Subscription	1	31,841	27,773
Expenses - Snooker/Pool	1	10,266	3,434
Expenses - Rental	1	1,356	4,734
Expenses - Club Activities	1	611,958	526,475
Total Expenses		1,332,885	1,173,582
Surplus/(Deficit) for the Year		42,726	40,590

The accompanying accounting policies and notes on pages 12-18 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 2021

	NOTES	30 JUN 2021	30 JUN 2020
Assets			
Current Assets			
Cash and Bank	2	186,651	192,181
Debtors and prepayments		15,403	42,095
Inventory		26,103	21,071
Total Current Assets		228,158	255,347
Non-Current Assets			
Property, Plant and Equipment	5	703,896	714,081
Term deposits		956,358	930,794
Total Non-Current Assets		1,660,254	1,644,876
Total Assets		1,888,412	1,900,223
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	88,098	142,635
Total Current Liabilities		88,098	142,635
Total Liabilities		88,098	142,635
Total Assets less Total Liabilities (Net Assets)		1,800,314	1,757,587
Accumulated Funds			
Accumulated surplus	6	1,544,376	1,501,649
Reserves	6	255,938	255,938
Total Accumulated Funds		1,800,314	1,757,587

The accompanying accounting policies and notes on pages 12-18 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 2021

	2021	2020
Cash Flows from Operating Activities		
Donations, fundraising and sundry activities	35,685	33,978
Fees, subscriptions and other receipts from members	19,666	62,540
Receipts from providing goods or services	1,292,685	1,085,001
Interest, dividends and other investment receipts	15,604	26,859
GST	(2,481)	3,459
Payments to suppliers and employees	(1,305,039)	(1,032,249)
Total Cash Flows from Operating Activities	56,119	179,588
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	(36,085)	(40,013)
Increase in Term Deposits	(25,564)	(128,840)
Total Cash Flows from Investing and Financing Activities	(61,649)	(168,854)
Net Increase/(Decrease) in Cash	(5,530)	10,734
Bank Accounts and Cash		
Opening cash	192,181	181,447
Closing cash	186,651	192,181
Net change in cash for period	(5,530)	10,734

The accompanying accounting policies and notes on pages 12-18 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 2021

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 2021

	2021	2020
1. Analysis of Revenue		
Revenue from providing goods or services		
Bar Activities		
Bar Income		
Bar Sales	759,361	642,207
Total Bar Income	759,361	642,207
Bar - Cost of Sales		
Opening Stock	20,721	26,302
Purchases	322,580	275,171
Closing Stock	(26,103)	(20,721)
Total Bar - Cost of Sales	317,198	280,752
Bar - Operating Expenses		
Bar Wages	286,442	268,210
Bar Expenses	17,509	9,367
Total Bar - Operating Expenses	303,951	277,577
Net Surplus from Bar Activities	138,212	83,878
Raffles		
Raffle Income		
Club Raffles	72,511	70,875
Total Raffle Income	72,511	70,875
Raffle - Cost of Sales		
Prizes - Expenses	56,316	52,837
Total Raffle - Cost of Sales	56,316	52,837
Net Surplus from Raffles	16,195	18,038
Subscriptions from members		
Subscription fee received		
Subscription Income	53,297	63,895
Total Subscription fee received	53,297	63,895
Subscription - Cost of Sales		
Capitation	31,841	27,773
Total Subscription - Cost of Sales	31,841	27,773
Net Surplus from Subscriptions	21,457	36,122
Snooker/Pool table		
Snooker/Pool Income		
Pool Table Income	6,514	7,584
Snooker Table Income	7,392	2,919
Total Snooker/Pool Income	13,906	10,503

	2021	2020
Snooker/Pool - Cost of Sales		
Pool Table Expenses	7,589	2,880
Snooker Table Expenses	2,677	554
Total Snooker/Pool - Cost of Sales	10,266	3,434
Net Surplus from Snooker/Pool table	3,640	7,069
Rental Activity		
Rent Received		
Rent Received	15,180	14,447
Total Rent Received	15,180	14,447
Rental Expenses		
Restaurant expenses	1,356	4,734
Total Rental Expenses	1,356	4,734
Net Surplus from Rental Activity	13,824	9,713
Donation & Grant Received		
Auth/Purposes x Gaming	325,435	269,599
Donations & Grants Received	35,685	33,978
Total Donation & Grant Received	361,119	303,577
Club Activities		
Revenue from Club Activities		
All Sports/Fun Day Income	2,000	-
ATM Rebates	1,108	1,084
Bowls Income	8,805	10,445
Community Club Income	2,134	2,988
Darts Income	3,386	4,844
Fishing Income	22	42
Golf Income	9,331	9,362
T.A.B Income	41,684	45,232
General Income	-	65
Travel Income	16,164	6,669
Total Revenue from Club Activities	84,634	80,729
Costs related to club activities		
All Sports Expenses	2,735	-
Administration	7,475	8,342
Advertising	8,646	9,652
Audit & Accountancy Fees	14,281	5,219
Bank Charges	2,149	235
Bowls Expenses	6,312	3,256
Cleaning & Laundry	45,537	45,539
Computer Expenses	9,485	2,817
Conference Expenses	1,967	2,090
Darts Expenses	5,240	4,755
Depreciation	46,271	102,641

	2021	2020
Eftpos Fees	3,325	1,780
Entertainment Deductible	76,722	64,968
General Expenses	12,493	4,664
Golf Expenses	6,291	5,924
Hospitality	11,248	7,103
Insurance	19,755	13,745
Light Power & Heating	37,656	29,897
Minor Assets	2,480	83
Plant & Equipment Hire	750	3,248
Printing, Stationery & Postage	7,117	4,687
Rent & Rates	9,712	7,104
Repairs & Maintenance	31,563	27,311
Security	61,665	41,569
T.A.B. Expenses	41,692	45,596
Telephone, Tolls & Internet	7,077	6,530
Travel Expenses	14,030	3,285
Van & Shuttle Expenses	5,275	5,369
Wages & Salaries	161,687	144,903
Wage Subsidy Received	(48,676)	(75,837)
Total Costs related to club activities	611,958	526,475
Total Club Activities	(527,324)	(445,745)
Net Surplus/(Deficit) from Club Activities	27,122	12,652
Interest revenue		
Interest Received	15,604	26,859
Total Interest revenue	15,604	26,859
Other revenue		
Gain on Disposal of Assets	-	1,079
Total Other revenue	-	1,079

	2021	2020
2. Analysis of Assets		
Bank accounts and cash		
Association Cheque	171,590	177,992
Cash Floats	14,000	14,000
Subs Bank Acc	1,061	189
Total Bank accounts and cash	186,651	192,181

	2021	2020
3. Term Deposits		
Term Deposit - 1011	20,135	19,765
Term Deposit - 1010	5,000	5,000
Term Deposit - 1014	104,293	102,085

Term Deposit - 1015	51,053	50,395
Term Deposit - 1013	719,591	697,675
Serious Saver	56,286	55,875
Total Term Deposits	956,358	930,794
	2021	2020

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable.	61,598	61,032
GST	(1,500)	981
Subscriptions in Advance	-	33,631
Covid-19 Wage Subsidy	-	29,489
Accruals - Gaming	28,000	17,503
Total Creditors and accrued expenses	88,098	142,635
	2021	2020

5. Property, Plant and Equipment

Buildings		
Buildings at cost	1,819,434	1,819,434
Accumulated depreciation - buildings	(1,412,086)	(1,399,944)
Buildings - Net Book Value	407,348	419,490
Motor Vehicles		
Vehicles owned	30,948	30,948
Accumulated depreciation - vehicles owned	(21,929)	(19,822)
Motor Vehicles - Net Book Value	9,019	11,126
Furniture and Fittings		
Furniture and fittings owned	468,196	459,613
Accumulated depreciation - furniture and fittings owned	(268,963)	(261,848)
Furniture and Fittings - Net Book Value	199,233	197,765
Plant and Equipment		
Plant and machinery owned	881,174	855,060
Accumulated depreciation - plant and machinery owned	(792,877)	(769,360)
Plant and Equipment - Net Book Value	88,296	85,700
Total Property, Plant and Equipment	703,896	714,081
	2021	2020

6. Accumulated Funds

Accumulated surplus		
Opening Balance	1,501,649	1,461,059
Current Year Earnings	42,726	40,590
Total Accumulated surplus	1,544,376	1,501,649

	2021	2020
Reserves		
Asset Revaluation Reserve	235,938	235,938
House Welfare Fund	20,000	20,000
Total Reserves	255,938	255,938
Total Accumulated Funds	1,800,314	1,757,587

7. Commitments

There are no commitments as at 30 June 2021 (Last year - nil).

8. Contingent Liabilities and Guarantees

There are no contingent liabilities and guarantees as at 30 June 2021 (Last year - nil).

9. Related Parties

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

10. 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).

11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.