



2017 Financial Statements

Canterbury Hockey Association Incorporated



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For the Year Ended 31 October 2017

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Canterbury Hockey Association Incorporated



Directory

As at 31 October 2017

Nature of Organisation	To administer and develop hockey in Canterbury region
Address	240 Wooldridge Road Harewood Christchurch
Board	Mark Beatson (Chairman) Nick Harris (Vice Chairman) Murray Chesterman Lyndal Marshall Rachel Morrison
Auditors	Ashton Wheelans
Legal Advisors	Simpson Grierson
Bankers	ANZ Bank
IRD Number	52-925-142

Canterbury Hockey Association Incorporated



Statement of Financial Performance

For the Year Ended 31 October 2017

	Note	2017 \$	2016 \$
Operating Revenue			
Affiliation Fees		308,576	300,668
Match and Practice Turf Fees		573,654	533,266
Programme Registrations		102,235	109,081
Representative Player Contributions		232,795	207,628
Sponsorship		83,049	66,736
Grants		372,746	375,338
Interest		18,439	21,664
Sundry Income	2	80,824	94,438
Total Operating Revenue		1,772,317	1,708,819
Operating Expenses			
Administration Expenses		38,525	32,111
Audit Fees		7,000	6,675
Electricity		48,107	45,237
Repairs and Maintenance		31,882	32,486
Functions and Events		25,792	29,482
Hockey NZ Affiliation Fees		93,883	91,139
Insurance		3,958	4,356
Operating Leases		2,874	2,679
Payments to Coaches, Umpires and Supervisors		131,895	120,516
Professional Fees		13,144	3,025
Representative Programme Expenses	3	380,126	374,421
Staff Expenses		477,532	425,181
Turf Leases		360,277	329,480
Vehicles Expenses		19,411	13,637
Sundry Expenses	4	74,081	96,252
Total Operating Expenses before Depreciation		1,708,487	1,606,679
Depreciation	9	42,145	37,705
Net Operating Surplus		21,684	64,436
Other Income	5	113	9,022
Other Expense	6	21,218	25,147
Net Surplus		579	48,310

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Canterbury Hockey Association Incorporated



Statement of Movements in Equity

For the Year Ended 31 October 2017

	Note	2017 \$	2016 \$
Opening Equity		<u>1,547,461</u>	<u>1,499,151</u>
Plus Net Surplus		579	48,310
		579	48,310
Closing Equity	15	<u>1,548,040</u>	<u>1,547,461</u>

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.

Canterbury Hockey Association Incorporated

Statement of Financial Position



As at 31 October 2017

	Note	2017 \$	2016 \$
Current Assets			
Bank Accounts	7	885,600	843,782
Accounts Receivable	8	135,796	166,678
GST Refund		23,415	26,991
Total Current Assets		1,044,811	1,037,452
Non Current Assets			
Advance	12	522,258	522,258
Property, Plant & Equipment	9	202,892	212,652
Total Non Current Assets		725,150	734,910
Total Assets		1,769,961	1,772,362
Current Liabilities			
Accounts Payable	10	140,162	120,371
Undistributed Grant Funding		3,021	20,901
Funds Held	11	78,738	83,628
Total Current Liabilities		221,921	224,900
Total Liabilities		221,921	224,900
Net Assets		1,548,040	1,547,461
Members' Equity			
Equity	15	1,548,040	1,547,461
Total Members' Equity		1,548,040	1,547,461

Chairman

Board Member

These financial statements were approved, for and on behalf of the Board, on 22nd January 2018

These financial statements are to be read in conjunction with the accompanying Notes. These statements have been audited.



For the Year Ended 31 October 2017

1 Statement of Accounting Policies

The Association is an incorporated society, incorporated under the Incorporated Societies Act 1908. The financial statements of the Association are a special purpose financial report which have been prepared in accordance with the association's accounting policies.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

(a) Revenue

Revenue is recognised in the year in which it is earned. Sponsorship is recognised as paid. Grants which are conditional are initially recorded in the Statement of Financial Position, but are transferred and recognised as revenue in the year the condition upon which the grant is obtained is met. Any grants unspent are held until the relevant expenditure is incurred or are returned to the original donor. Grants which have no obligations or conditions attached are recognised as revenue upon receipt.

(b) Expenses

Expenses have been classified by their function to the Association.

(c) Inventories

Inventories are recognised at lower of cost and net realisable value, determined on a first-in first out-basis.

(d) Accounts Receivables

Accounts receivable have been recorded at their expected realisable value.

(e) Property, Plant & Equipment

Fixed assets are recorded at cost less accumulated depreciation.

Depreciation is calculated based on the expected useful life of the assets, using the diminishing value method. The rates applied are as follows:

Office Equipment, 10% - 50%;
Motor Vehicles, 16% - 30%
Plant & Equipment, 10% - 50%;
Buildings, 4%.

(f) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST, with the exception of trade payables and trade receivables.

Canterbury Hockey Association Incorporated
Notes to and forming part of the Financial Statements



For the Year Ended 31 October 2017

(g) Income Tax

The Association is a Not for Profit Organisation and has been granted an exemption from income tax.

(h) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with last year. Some comparative balances have been restated to conform to the current year's presentation.

2 Sundry Income

Included in Sundry Income are the fee charged to Hockey Academy South for administration, income from tournaments, income from functions and the Turf Replacement Levy charged to clubs and schools

3 Representative Programme

Included in the Representative Programme expenses are the following items:

	2017	2016
Accommodation	145,077	149,523
Airfares	104,790	77,341
Ground Transport	38,400	41,029

4 Sundry Expenses

Included in Sundry Expenses are tournament expenses and the Clubmark rebates paid to clubs.

5 Other Income

Included in Other Income is the sale of Striking Gold books donated. In the prior year the amount also included a donation from the Supporters Club.

6 Other Expense

Other Expense of \$ 21,218 is the agreed underwrite of the financial activities of Hockey Academy South.

7 Bank Accounts

	2017	2016
CHA Bank Accounts		
ANZ Operational Account	26,105	26,240
ANZ Business Call Account	67,707	47,527
ANZ Serious Saver Account	247,165	243,641
ANZ Supporters Account	1,171	1,406
ANZ Supporters Club -Serious Saver Account	97,692	95,229
ANZ Investment 1014	121,845	117,778
ANZ Investment 1015	65,778	63,610
ANZ Investment 1021	169,624	165,638
	797,086	761,069

Bank Accounts Held on Behalf of Masters, Representative Teams and Umpire Development Trust

ANZ Masters Account	20,603	9,939
ANZ Masters Investment - 1016	-	13,485
ANZ Masters Investment - 1018	14,046	13,580
ANZ Masters Investment - 1020	18,630	18,000
ANZ Representative Team Accounts	24,062	16,889
ANZ Umpire Development Trust Account	3	643
ANZ Umpire Development Investment - 1022	11,170	10,178
	88,513	82,713
Total Bank Accounts	885,600	843,782



For the Year Ended 31 October 2017

8 Accounts Receivable	2017	2016
Accounts Receivable	103,598	150,752
Related Party Receivables	23,772	10,350
Prepayments	8,427	5,576
	135,796	166,677

9 Property, Plant and Equipment

Fixed Assets and Depreciation are set out in the following schedule:

	Cost \$	Depreciation Charged \$	Accumulated Depreciation \$	Closing Book Value \$
Fixed Assets 2017				
Office Equipment	107,648	9,843	83,945	23,703
Motor Vehicles	325,591	21,195	265,168	60,423
Plant & Equipment	145,273	4,159	45,462	99,811
Buildings	58,225	6,990	39,270	18,954
Total	636,737	42,188	433,846	202,892

Fixed Assets 2016

Office Equipment	107,124	8,528	78,057	29,067
Motor Vehicles	55,181	9,167	32,280	22,901
Plant & Equipment	300,687	14,640	243,973	56,714
Buildings	145,273	4,314	41,303	103,970
Total	608,265	36,650	395,613	212,652

10 Accounts Payable	2017	2016
Accounts Payables	74,349	78,015
Accruals	37,000	21,941
Employee Entitlements	28,813	20,414
	140,162	120,370



For the Year Ended 31 October 2017

11 Funds Held

Funds held on behalf of Masters, Representative Teams and Umpire Development Trust are recorded as a current liability in the Balance Sheet. They relate to the bank accounts which are not under the control of the Association.

12 Advance

This advance to Canterbury Artificial Surfaces Trust is unsecured, interest free and repayable on demand. However, repayment is not expected to be required within the next twelve months.

13 Related Party Transactions

Nick Harris is a Trustee of Canterbury Artificial Surfaces Trust (CAST). During the year the Association leased turfs from CAST and also held an advance in relation to CAST (see Note 12). Nick is a Trustee of North West Christchurch Community Sporting Trust from whom the Association leases Marist Park. Mark Beatson is the Chair of Hockey Academy South which is charged a service fee and is underwritten financially by the Association.

Some board members and their immediate family members have connections with individual clubs. These relationships are recorded in an interest register and should involvement with a decision be considered a conflict of interest the board member would remove themselves from the voting process.

14 Operating Leases

Payments made under operating leases are recognised in the Statement of Financial Performance on a straight line basis over the term of the lease. Non cancellable operating lease rentals for the photocopier used by the Association are payable as follows:

	2017	2016
Leases Current	2,874	2,874
Leases Non Current	<u>5,270</u>	<u>8,145</u>
	8,144	11,019

The Association has lease agreements in place for the use of the artificial surface hockey turfs in the province. The agreement with Canterbury Artificial Surfaces Trust in relation to the three turfs at Nunweek Park runs through to 31 October 2018 (with clear expectations of its on-going renewal annually) and the lease balance payable as at 31 October 2017 was \$ 17,500. The agreement with the North West Christchurch Community Sporting Trust for the one turf at Marist Park @ St Bede's College runs through to 31 March 2020.

Total payments due under agreements for turf leases as at 31 October 2017 are as follows:

	2017	2016
Turf Leases Current	274,340	272,770
Turf Leases Non Current	<u>93,708</u>	<u>158,048</u>
	368,048	430,818



For the Year Ended 31 October 2017

15 Equity	2017	2016
Accumulated Funds		
Accumulated Funds as at 1 November	1,240,100	1,205,820
Operating Surplus for the Year	579	48,310
Net Transfers between Reserves	<u>(14,337)</u>	<u>(14,030)</u>
Accumulated Funds as at 31 October	1,226,342	1,240,100
Reserves		
Reserves at 31 October were:		
Turf Replacement Reserve	121,697	107,361
Turf Development Reserve	<u>200,000</u>	<u>200,000</u>
	321,697	307,361
Equity as at 31 October	<u>1,548,040</u>	<u>1,547,461</u>

The Reserves are intended to fund the development and on-going surface replacement of artificial turfs at Nunweek Park and any additional sites that may be developed with artificial surface hockey fields. The related funds are included within the cash balances disclosed in note 7.

Net Transfers Between Reserves were:

	2017	2016
General Reserve to Turf Replacement Reserve	14,337	14,030

16 Contingent Liabilities

The Association has guaranteed a loan with Rata Foundation held by Canterbury Artificial Surfaces Trust. The balance as at 30 September 2017 was \$29,849 (2016: \$54,621). All terms and conditions of the loan are currently being met.

Hockey Academy South is the high performance entity that identifies and develops hockey athletes in the Canterbury region. It has a separate board and manages its own financial performance and position. The Association charges a service fee for providing training facilities, administration and office support. The Association also has committed to underwriting the financial position of Hockey Academy South so that it can operate with solvency certainty.

17 Capital Commitments

There are no capital commitments at balance date (2016: nil)

18 Subsequent Events

There have been no transactions subsequent to balance date that would have a material affect on the financial position of the Association (2016: nil)

INDEPENDENT AUDITOR'S REPORT

To the Members of Canterbury Hockey Association Incorporated

Opinion

We have audited the special purpose financial statements of Canterbury Hockey Association Incorporated (Association) on pages 3 to 10, which comprise the statement of financial position as at 31 October 2017 and the statement of financial performance and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Canterbury Hockey Association Incorporated for the year then ended on 31 October 2017 are prepared, in all material respects, in accordance with the Association's statement of accounting policies.

Basis for Opinion

We conducted our audit 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 financial statements* section of our report. We are independent of the Association 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.

Ashton Wheelans provides sponsorship for signage. Other than in our capacity as auditor we have no relationship with, or interests in, Canterbury Hockey Association Incorporated.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

There is no statutory obligation to prepare financial statements in accordance with generally accepted accounting practice (Public Benefit Entity Standards). The Association has prepared its financial statements as required by its rules based on the statement of accounting policies disclosed. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board & the members of the Association. Our report is not modified in respect of this matter.

Board's Responsibility for the Financial Statements

The Board is responsible for the preparation of the financial statements in accordance the Association's statement of accounting policies and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association'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 Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

A description of the auditor's responsibilities for the audit of the financial statements can be viewed on the website of the External Reporting Board.

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Description_Auditors_responsibilities.aspx

A handwritten signature in blue ink that reads "Ashton wheelans".

ASHTON WHEELANS
Chartered Accountants
Level 2, 83 Victoria Street
Christchurch
22 January 2018