



**2020 Financial Statements**

# Canterbury Hockey Association Incorporated



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For the Year Ended 31 December 2020

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# Canterbury Hockey Association Incorporated



## Directory

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As at 31 December 2020

<b>Nature of Organisation</b>	To administer and develop hockey in Canterbury region
<b>Address</b>	240 Woolldridge Road Harewood Christchurch
<b>Board</b>	Mark Beatson (Chair) Simon Munt (Deputy Chair) Nick Harris (Deputy Chair, retired 28 July 2020) Murray Chesterman Rachel Morrison Penny Gough
<b>Auditors</b>	Ashton Wheelans
<b>Legal Advisors</b>	Simpson Grierson
<b>Bankers</b>	ANZ Bank
<b>IRD Number</b>	52-925-142

# Canterbury Hockey Association Incorporated



## Statement of Financial Performance

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>Operating Revenue</b>			
Affiliation Fees		278,977	344,344
Match and Practice Turf Fees		556,290	664,184
Programme Registrations		52,260	42,036
Representative Player Contributions		9,651	209,782
Sponsorship		36,071	80,643
Grants		173,401	334,756
Interest		4,484	15,075
Sundry Income	2	237,311	73,511
<b>Total Operating Revenue</b>		<b>1,348,445</b>	<b>1,764,330</b>
<b>Operating Expenses</b>			
Administration Expenses		40,856	49,636
Audit Fees		5,425	6,790
Electricity		34,060	41,096
Repairs and Maintenance		19,498	27,777
Functions and Events		8,669	27,750
Hockey NZ Affiliation Fees		82,692	97,676
Insurance		9,033	5,324
Operating Leases		2,805	2,874
Payments to Coaches, Umpires and Supervisors		88,625	139,149
Professional Fees		21,614	1,829
Representative Programme Expenses	3	10,967	375,852
Staff Expenses		477,709	526,935
Turf Leases		295,927	381,591
Vehicles Expenses		10,696	16,978
Sundry Expenses	4	113,094	92,087
<b>Total Operating Expenses before Depreciation</b>		<b>1,221,672</b>	<b>1,793,345</b>
Depreciation	9	35,224	39,069
<b>Operating Surplus</b>		<b>91,549</b>	<b>(68,084)</b>
Hockey Academy South Underwrite	5	44,632	15,965
<b>Surplus (Deficit) for the Year</b>		<b>46,917</b>	<b>(84,048)</b>

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 December 2020

	Note	2020 \$	2019 \$
<b>Opening Equity</b>		<u>1,334,323</u>	<u>1,418,371</u>
Plus Net Surplus		46,917	(84,048)
		46,917	(84,048)
<b>Closing Equity</b>	14	<u>1,381,240</u>	<u>1,334,323</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 December 2020

	Note	2020 \$	2019 \$
<b>Current Assets</b>			
Bank Accounts	6	917,998	676,876
Accounts Receivable	8	59,075	87,828
GST Refund		1,460	23,707
<b>Total Current Assets</b>		<b>978,533</b>	<b>788,410</b>
<b>Non Current Assets</b>			
Advance	11	522,258	522,258
Property, Plant & Equipment	9	166,324	198,469
<b>Total Non Current Assets</b>		<b>688,582</b>	<b>720,727</b>
<b>Total Assets</b>		<b>1,667,115</b>	<b>1,509,137</b>
<b>Current Liabilities</b>			
Accounts Payable	10	157,668	135,180
Undistributed Grant Funding		77,993	4,276
Funds Held	7	50,214	35,358
<b>Total Current Liabilities</b>		<b>285,875</b>	<b>174,815</b>
<b>Total Liabilities</b>		<b>285,875</b>	<b>174,815</b>
<b>Net Assets</b>		<b>1,381,240</b>	<b>1,334,323</b>
<b>Members' Equity</b>			
Equity	14	1,381,240	1,334,323
<b>Total Members' Equity</b>		<b>1,381,240</b>	<b>1,334,323</b>

Approved for and on behalf of the Board on 19 April 2021 by:

Chairman

Board Member

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



For the Year Ended 31 December 2020

**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. These financial statements have been prepared for the members.

**Measurement Base**

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis have been applied.

**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 revenue in the period to which it relates. 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 in the period to which they relate.

**(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 (where applicable).

**(g) Income Tax**

The Association is a Not for Profit Organisation and has been granted an exemption from income tax under CW46 of the Income Tax Act.

**(h) Changes in Accounting Policies**

The policy for recognition of sponsorship and grant revenue without obligation or conditions has changed from recognition on receipt to recognition in the period to which they relate. The financial effect of the change in policy is \$24,220 deferred to the balance sheet as income in advance. The comparative balances have not been restated and are for the year ending 31 December 2019.

All other accounting policies have been applied consistently throughout the year.

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



For the Year Ended 31 December 2020

**2 Sundry Income**

Included in Sundry Income is the fee charged to Hockey Academy South for administration, income from tournaments, income from functions and the wage subsidy.

**3 Representative Programme** **2020** **2019**

Included in the Representative Programme expenses are the following items:

Accommodation	5,043	161,915
Airfares	(287)	97,166
Ground Transport	4,565	26,463

**4 Sundry Expenses**

Included in Sundry Expenses are Masters tournament expenses, development resources, recruitment and board costs.

**5 Hockey Academy South Underwrite**

Other Expense of \$44,632 is the agreed underwrite of the financial activities of Hockey Academy South which was liquidated during the 2020 financial year.

**6 Bank Accounts** **2020** **2019**

**CHA Bank Accounts**

ANZ Operational Account	56,907	19,265
ANZ Business Call Account	521,805	54,394
ANZ Serious Saver Account	1,820	81,568
ANZ Supporters Account	925	1,165
ANZ Supporters Club -Serious Saver Account	98,828	97,936
ANZ Investment 1014	-	132,251
ANZ Investment 1015	-	70,499
ANZ Investment 1021	187,483	184,451
<b>Total CHA Bank Accounts</b>	<b>867,768</b>	<b>641,528</b>

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

ANZ Masters Account	37,982	23,416
ANZ Masters Investment - 1018	-	-
ANZ Masters Investment - 1020	-	-
ANZ Representative Team Accounts	16	(5)
ANZ Umpire Development Trust Account	3	3
ANZ Umpire Development Investment - 1022	12,229	11,934
<b>Total Funds Held on Behalf</b>	<b>50,230</b>	<b>35,347</b>
<b>Total Bank Accounts</b>	<b>917,998</b>	<b>676,876</b>

**7 Funds Held**

Funds held on behalf of others are not available for Canterbury Hockey 's operations. 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.

**8 Accounts Receivable** **2020** **2019**

Accounts Receivable & Accrued Income	33,083	73,225
Sponsorship in Advance	(24,221)	-
Related Party Receivables	-	-
Prepayments	50,213	14,603
	<b>59,075</b>	<b>87,828</b>





For the Year Ended 31 December 2020

**9 Property, Plant and Equipment**

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

	Cost	Depreciation Charged	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
<b>Fixed Assets 2020</b>				
Office Equipment	93,938	12,728	72,067	21,871
Plant & Equipment	172,370	16,431	121,955	50,415
Buildings	145,273	3,654	57,580	87,693
Motor Vehicles	53,155	2,412	46,810	6,345
<b>Total</b>	<b>464,736</b>	<b>35,225</b>	<b>298,412</b>	<b>166,324</b>
<b>Fixed Assets 2019</b>				
Office Equipment	133,528	11,837	99,601	33,928
Plant & Equipment	363,228	20,040	298,803	64,424
Buildings	145,273	3,806	53,926	91,347
Motor Vehicles	53,442	3,386	44,672	8,769
<b>Total</b>	<b>695,471</b>	<b>39,069</b>	<b>497,002</b>	<b>198,469</b>

**10 Accounts Payable**

	2020	2019
Accounts Payables	83,257	100,254
Accruals	32,513	19,859
Employee Entitlements	41,898	15,068
	157,668	135,180

**11 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.

**12 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). Mark Beatson was the Chair of Hockey Academy South which was charged a service fee and was 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.



For the Year Ended 31 December 2020

**13 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:

	<b>2020</b>	<b>2019</b>
Leases Current	2,736	1,916
Leases Non Current	<u>7,068</u>	<u>1,916</u>
	9,804	1,916

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 December 2020 (with clear expectations of its on-going renewal annually), the lease balance payable as at 31 December 2020 was \$0. The agreement with the North West Christchurch Community Sporting Trust for the one turf at Marist Park @ St Bede's College covers the period till 1 April 2025.

Total payments due under agreements for turf leases as at 31 December 2020 are as follows:

	<b>2020</b>	<b>2019</b>
Turf Leases Current	257,100	210,000
Turf Leases Non Current	<u>188,400</u>	<u>-</u>
	445,500	210,000

**14 Equity**

**Accumulated Funds**

	<b>2020</b>	<b>2019</b>
Accumulated Funds as at 1 January 2020	981,631	1,081,427
Operating Surplus for the Year	46,917	(84,048)
Net Transfers between Reserves	-	<u>(15,748)</u>
Accumulated Funds as at 31 December 2020	<u>1,028,548</u>	<u>981,631</u>

**Reserves**

Reserves at 31 December were:

Turf Replacement Reserve	152,691	152,691
Turf Development Reserve	<u>200,000</u>	<u>200,000</u>
	352,691	352,691

<b>Equity as at 31 December</b>	<b><u>1,381,240</u></b>	<b><u>1,334,323</u></b>
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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 6.

Net Transfers Between Reserves were:

	<b>2020</b>	<b>2019</b>
General Reserve to Turf Replacement Reserve	-	15,748

**15 Contingent Liabilities**

There are no contingent liabilities at balance date (2019: Hockey Academy South). Hockey Academy South was the high performance entity that identifies and develops hockey athletes in the Canterbury region. It had a separate board and managed its own financial performance and position. The Association charged a service fee for providing training facilities, administration and office support. The Association also committed to underwriting the financial position of Hockey Academy South so that it can operate with solvency certainty. Hockey Academy South was liquidated on 21 October 2020.

**16 Capital Commitments**

There are no capital commitments at balance date (2019: nil)

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

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**For the Year Ended 31 December 2020**

**18 Impact of COVID-19**

During the reporting period, as a response to the worldwide COVID-19 pandemic, the New Zealand Government imposed a seven week nationwide lockdown for all non-essential businesses effective late March 2020 to restrict the spread of the virus in Zealand.

The effect on the "entity" has been a drop in Affiliation Fees, Umpire Fees, Grant and Sponsorship and Turf Hire. The effects were partially offset with reduced Affiliation Fees charged by Hockey New Zealand, rent relief from CAST, Sport Canterbury's Community Resilience Fund and the wage subsidy.

**19 Going Concern**

New Zealand was at Alert Level One, its lowest levels of restrictions in response to COVID-19, at the date the performance report was approved. The committee has determined that there is no material uncertainty that casts doubt on the entity's ability to continue as a going concern. The entity's operations continue to operate normally with the continued support of grant funding & donations.

**20 Subsequent Events**

No significant events have occurred subsequent to balance date which would have an effect on this performance report.

## **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 (the Association) on pages 3 to 10, which comprise the statement of financial position as at 31 December 2020 and the statement of financial performance and statement of movements 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 the Association for the year ending 31 December 2020 are prepared, in all material respects, in accordance with the Association's 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 provided sponsorship to the Association on the same basis as other sponsors. Except for this matter & other than in our capacity as auditor, we have no relationship with, or interests in, the Association.

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

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The Association has prepared its financial statements in accordance with the accounting policies disclosed. These financial statements have been prepared for the board to report to its members. As a result, the financial statements may not be suitable for another purpose. Our report is not modified in respect of this matter; it is intended solely for the board & the association's members.

### **Board's Responsibility for the Financial Statements**

The Board is responsible for the preparation of the financial statements in accordance with its 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 relating 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.



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Canterbury Hockey Association Incorporated

**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.

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 statements, 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 Association'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 Association'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 financial statements 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 Association to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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 the audit.



ASHTON WHEELANS

Chartered Accountants  
Level 2, 83 Victoria Street  
Christchurch

19 April 2021