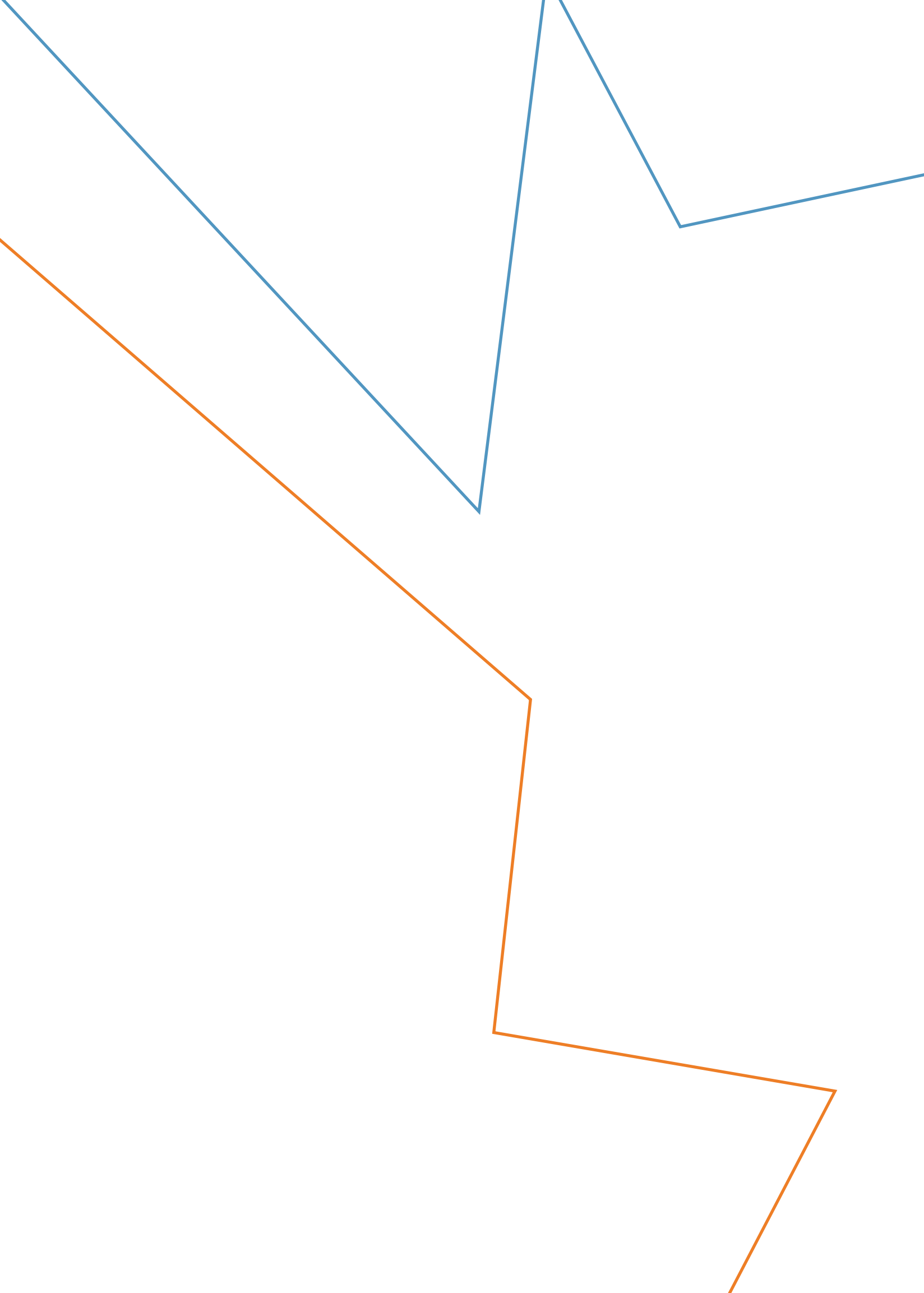


CLUBS NEW ZEALAND

2019 ANNUAL REPORT







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MISSION STATEMENT

CLUBS NEW ZEALAND

The mission of Clubs New Zealand is to promote and safeguard the interests, rights and privileges of member clubs.

Our Vision and values

Clubs New Zealand's vision is to lead a sustainable club industry that makes a growing contribution to New Zealand and its communities. In fulfilling this vision, Clubs New Zealand upholds the following values;

We Maintain high standards of honesty and integrity in our work and in dealing with others.

We Communicate openly with each other and our members.

We Take Responsibility for our performance, decisions and actions.

We Respect the views of clubs and members and value their contributions.

We Encourage our people to show initiative, exhibit leadership and think progressively.

We Promote teamwork and diversity among our staff to leverage experience, knowledge and skills.

We Treat members equally and their well-being is our main concern.

Our Focus

Clubs New Zealand supports member clubs with guidance and education to help generate benefits and services that assist clubs in becoming successful commercial businesses.

We work to develop the club community through sports tournaments, conferences, area meetings and other activities. As well, we seek to represent member's interests at national and local government level.

We share and communicate the community good derived from clubs and club members which has evolved over time to become a critical contributor to many communities' health and wellbeing.

Clubs New Zealand has a rich heritage of providing hospitality to members for over 120 years, with a network of clubs stretching from Kaitaia to Bluff. We celebrate the achievements and uniqueness of our members while uniting the network of clubs through the use of technology, so that they may share and leverage off each other's success.



“WE HAVE A VIBRANT AND EFFECTIVE NATIONAL OFFICE TEAM COVERING THE COUNTRY PROVIDING MORE HANDS-ON ADVICE THAN EVER.”

PRESIDENTS REPORT BRYAN FERGUSON

Once again, I am pleased to report a surplus for the 2018 financial year. Even more importantly I am very happy to advise that, along with a strong balance sheet, we have enjoyed growth in membership, a big investment in digital technology, including a gaming assist programme for members, and several other strategic operational improvements. I feel safe in saying we have had a stellar 2018.

I wish to pay tribute to my board and deputy Terry Ray for the fantastic support during the year, particularly Terry who stood in for me for a few weeks while I was in Europe last year. We have a good mix of governance and operational people and everyone just gets on with it. Each area has a unique way of communicating and no one system is better than the other. I am conscious that our industry is under the pump, in some areas more than others, but I still get the feeling when I travel around that the club spirit is very much alive.

We have a vibrant and effective national office team covering the country providing more hands-on advice than ever. The team will continue to achieve great things and offer an ever-growing range of services to members. The number of operational audits and training courses being completed is growing exponentially. Dave and Keith are reaching more clubs than ever before and completing some sterling work, which is supported by Larry, Lucy, Kate, Michelle and Regan. These services are certainly worth considering, however, clubs must be proactive and seek assistance early - too many clubs are leaving it far too late to ask for help.

Early in 2018 the board reviewed and updated the Clubs New Zealand strategic plan for the next five years. This has solidified our commitment to exploring and implementing digital technology, ensuring we are focused on our core objectives of promoting and safeguarding the interests, rights and privileges of member clubs, while also asking the tough questions related to our governance and fee structures to ensure that they are fit for purpose and future proof.

Technology is moving forward faster than it ever has before and we cannot afford to sit and watch the opportunities pass us by. Traditionally we are reactive, it is not uncommon to hear people mention that the club industry is twenty to thirty years behind the rest of the world. We must embrace technology in order to make our lives in governance, management and service easier while also providing greater levels of service, consistency and experience to our members, who after all are why we do what we do.

Advocacy and supporting club interests continues to be at the forefront of what we do at Clubs New Zealand. Throughout 2018 several submissions were made on behalf of members including:

- Advertising Standards Authority Draft Gambling Advertising Code
- Messara Report into the New Zealand Racing Industry
- Problem Gambling Levy
- 2018 Land Transport Rule Regulatory Stewardship Omnibus
- Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill

We also continued to forge strong relationships with key individuals and groups to ensure that the united voice of clubs is heard and understood.

I am looking forward to catching up with you over a beer at the conference. Have a safe year and thank you again for your support.

Bryan Ferguson
President, Clubs New Zealand



CEO REPORT LARRY GRAHAM

It is always good to report a year-end financial surplus to members. The flip side for us is the challenge of deciding how these funds should best be spent to maximise the benefit to as many of our diverse clubs as possible. While we recognise we have 140 member clubs with no gaming, an area of particular focus currently is to assist the 169 clubs who do have pokies to help them remain financially viable in the face of declining machine numbers. There are key factors involved in gaming, and we are providing a variety of solutions via our Gaming Assist program to enable these clubs to become sustainable long term.

2019 Annual Conference

The Clubs New Zealand Annual Conference will continue to be the cornerstone for financial members across the country. This is the only occasion where any financial member can come along and enjoy the hospitality and conversations of likeminded people from other clubs. We spend a lot of time brainstorming ideas for useful topics and new speakers, and this year a slight change in format will provide fresh contributions and insightful subjects that we know you will enjoy.

Our staff are our greatest asset

Our national office staff travel across the country frequently and we all recognise there have been notable changes to the culture of clubs over the last couple of years. This is probably a result of the many personnel changes to committee's including an unprecedented lack of managers available to fill vacant jobs - currently we are at least seven managers short in the South Island and likely to be more in the North. The turnover of senior positions in clubs is concerning and while there are several areas that need attention, I am appalled at the lack of respect and support for club staff. One major issue that is constant, based on what we are hearing and seeing on our travels, is that our club industry is not exempt from bullying. We can and have assisted clubs when these issues arise, but the reality is we need to get better at managing and supporting our people working in our clubs. They are a key part of the experience for members and must be valued.

Reviewing our board structure

During the year the board has been thinking about whether our current board structure, which has served us well, remains fit for purpose. They have considered several options including the status quo which Ferg, our president, will discuss further at the AGM as any change will require a remit and member consensus. This matter is not about now being a time for change but about being responsible and forward thinking. If we are suggesting to clubs that they review their own structures then we should do the same.

Training for club staff

Our commitment to staff and committee training continues to be a focus each year and while we tweak the content from time to time, we will look to upskill more folk through our courses in both islands. This is our third year of running manager courses with a total of 14 courses and approximately 104 participants. This continues to be a valuable training programme and will remain in the budget. There are long-term benefits for our industry including keeping our new people and their clubs up to speed on the ever-changing legislation and law.

Get behind our insurance scheme

Our shareholding in Clubs New Zealand Insurance Services continues to be a great asset and it is always worth reminding people that this income continues to keep your capitation at a minimum. The board are frequently looking at ways of rewarding those who are in the scheme, and at the 2018 December board meeting resolved to further reward participation in our scheme. Options to be presented at the AGM.

Board and staff

I have recognised that above all else, clubs want long term certainty, contented staff and robust business practices. After 10 years as your CEO I have witnessed a change towards achieving this in the National Office and it has happened without compromising the bottom line in the balance sheet. Our board, ably led by Ferg, has allowed problems to be dealt with swiftly, a good democratic process to flow which ultimately has influenced the behaviours of each of us. Thanks to Ferg and the board. You are a pleasure to work alongside. We have achieved a great deal together and our team is cohesive and fun to be part of.

At national office, Regan Gubb replaces Hannah in the design area otherwise the staff remains the same. We work hard to cover the country and 2018 proves there is no substitute for face to face operational assistance. Thanks to Dave, Keith, Lucy, Michelle, Kate and Regan.

Larry Graham
CEO, Clubs New Zealand



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“THE SOONER YOU ASK FOR HELP THE BETTER YOUR CHANCES OF A POSITIVE OUTCOME, DON'T BE SHY!”

NORTHERN REPORT

DAVE TILLEY

The past twelve months have been busy as usual, as clubs seek out our services for a huge variety of reasons.

Operational audits

We have seen more clubs recognising that they are facing a tough battle, and more than 12 of our clubs have sought our advice via operational audits as a means to improve their financial position.

The audit focus is to improve revenue and reduce expenses. Most clubs that implement our findings get some respite from their difficulties, perhaps not immediately, but certainly obvious improvements after 6 – 12 months. Most clubs who take part in the audit process embrace the recommendations, and certainly do better than those that choose to only pay lip service to the suggested changes.

Liquor licensing

Licensing matters still demand a significant portion of our time. Some DLA's interpretation of various parts of the Sale and Supply of Alcohol Act create great confusion and what was acceptable up until now is no longer getting approval. Additional conditions are being attached to some special licences that are granted, and in some cases those conditions appear to be plain outrageous. We have challenged plenty of such conditions over the past twelve months and the greatest frustration amongst many is the variations in interpretation of the same clause between DLAs. What is perfectly acceptable in Wanganui is totally unacceptable in Auckland. We are lucky to have Lucy and Keith who are as passionate about this stuff as I try to be. We keep each other sane!

Human resources

This has been a year of consolidation for a lot of clubs and for a few a year in which they decided to clean house. I've been involved in a couple of eye-opening Employment Court mediation hearings, and thankfully saw some positive results for the clubs involved.

Remember, if you need assistance please ask sooner rather than later and your chances of a positive result are incrementally better.

If you see things happening in your club with regards to staffing that are clearly unfair or not what a reasonable person would accept, then please speak up. Don't ignore it - what you see is probably the tip of the iceberg.

Contact us

Remember, we are here to help. BUT we are not miracle workers. The sooner you ask for help the better your chances of a positive outcome, don't be shy!

Sometimes a simple ClubSmart course to remind committee members of their roles is all that's required to straighten things out, sometimes it's more than that. Whatever the issues, please talk them through with us.

Dave Tilley
General Manager (Northern), Clubs New Zealand



“AS A TEAM WE WILL CONTINUE TO DEVELOP RELATIONSHIPS WITH INDIVIDUALS, GOVERNMENT DEPARTMENTS AND INDUSTRY SUPPLIERS SO THAT WE CAN PROVIDE SOLUTIONS AND OPTIONS FOR OUR CLUBS.”

SOUTHERN REPORT

KEITH BALLANTYNE

The year has flown by and I have been on a great learning curve getting to know and understand the issues surrounding our clubs, particularly in the regions. Through training sessions, area meetings and general house calls, I now have a great insight into how we can best support and guide clubs as issues arise. I am sure Dave, Larry and the team from national office will agree, there is nothing better than face to face assistance.

A focus for 2019 will be to continue the training aspects of Harm Minimisation, Armed Hold up (H&S), ClubSmart and delivering other relevant industry assistance to the regions. Having nearly completed the South Island, it may well be a concerted effort by the whole team to complete the regions in the North. Through my travels in the South I have noticed a couple of issues that are plaguing our industry and there will be emphasis placed on developing solutions, namely club managers and lack of suitable applicants, along with developing better governance training particularly for presidents and vice presidents.

From employment, gaming, accounting, liquor compliance to club design we are making connections that will result in positive outcomes for our clubs.

Hospitality is an ever-changing beast and compliance issues are ever-increasing. We are only a phone call away and although we may not have the silver bullet, we will understand the issues and may be able to assist or give alternatives. There is never a dumb question only silly answers, but, even then, sometimes you need to look outside the square.

To President Bryan Ferguson and his board, well done on setting an example, even if there is no change to our structure, you have had the foresight to look at the issues and to the future. Many club executives could benefit from a similar approach. Thanks Larry and the rest of the team, it's great working with people that are enthusiastic, passionate and have the club movement at heart.

I look forward to catching up with many of you again this year as I travel the island.
Cheers to a great 2019.

Keith Ballantyne JP
General Manager (Southern), Clubs New Zealand



“IT IS ESSENTIAL WE PROVIDE THIS OPPORTUNITY TO EXPOSE NEW MANAGERS TO THE “BRICKS AND MORTAR” OF GOOD PRACTICE AND COMPLIANCE.”

CLUB MANAGERS REPORT

LEE DAVIS

We continue to be very proud of our annual conference, taking it as a measure of success that club managers are contacting us well in advance offering to host the event and AGM. With the support and assistance of Clubs New Zealand, we continue to deliver a first class conference that is now looked forward to as a permanent fixture on the diary and touted as a ‘must attend’ if you are wishing to broaden your skills and knowledge on club management.

Our Timaru conference last October delivered just that, with conference content that was very different from the previous year’s at Mount Manganui. It was good grass roots stuff that we need to remember is the backbone to sound club management. It is essential we provide this opportunity to expose new managers to the “bricks and mortar” of good practice and compliance.

It is a changing market and it is clear the governing bodies that work closely with us appreciate the effort that clubs are making with the key issues facing the country. This was evident with the proactive presentation made on behalf of the New Zealand Police and the non-member access issues facing clubs. It is important that we continue to foster these relationship and the well-earned benefits that they provide to the club movement.

Gaming, food, liquor, employment, design and compliance all featured and their presentations are available via the Clubs New Zealand website. We were treated to a humorous video about guests “signing in” that was shown as a part of the New Zealand Police presentation – this would be a great way to wrap up the agenda at your next committee meeting and can be viewed via YouTube (search for The Fan Brigade)

2019 is the Australian leg of our conference where we align our AGM with the Australasian Gaming Expo over the 13/14/15 August 2019 in Sydney. Even if you have been before, it is an amazing and worthwhile experience (and most likely cheaper than getting to Timaru). In 2020 we are back in the North Island and have received interest from the Whangamata Club to host.

Finally, although he was unable to attend our conference, I thank Bryan Ferguson and Board for continuing to support our group, and of course Larry and his expanding team of experienced and dedicated staff for the professional way they conduct our business and support our group.

Lee Davis
Club Managers Group President, Clubs New Zealand



“AGAIN, A MASSIVE THANK YOU TO THE VOLUNTEERS IN OUR CLUBS WHO MAKE MANY OF OUR SPORTING EVENTS WHAT THEY ARE.”

SPORTS REPORT

KATE SMITH

2018 has seen a total of 54 Clubs New Zealand tournaments. It has been a fantastic year of sport and I always love hearing how much fun the players have had, catching up with old friends and sharing a few stories over a drink - this is what our club sporting activity is all about.

World-class bowls centre

In April the Bowls Premier League (BPL) made its second visit to New Zealand, hosted by the Naenae Bowling Club in Lower Hutt. The club's new \$6.25 million indoor facility was transformed with temporary seating, flashing electronic advertising hoardings, music and camera crews recording live to New Zealand and Australian audiences. The event featured eight teams of three stacked with some of the world's best bowlers including several gold medallists from the recent Commonwealth Games. This facility is one of the best in the country and certainly did the club very proud and rated very highly by all competitors. The BPL is returning again in April 2019 for its seventh instalment across the television screens of Australia and New Zealand. Another opportunity to show off this fantastic club, which again will be hosting some of the world's best bowlers.

New merchandise for our players

Sport is so important to the club industry and I'm excited that we are recognising this by investing in some resources for participants. We have some wonderful products in stock and trialled these at a few tournaments towards the end of 2018 - the National 8 Ball (Cashmere Club), South Island Women's Outdoor Bowls (Oamaru Club), North Island Men's Golf (Club Metro) and the North Island Women's Outdoor Bowls (Tokoroa Club). I'm really proud of this merchandise, and the team here at National Office did a great job selecting it with the players in mind. I have had some lovely feedback from players which is always appreciated, and we will continue to keep stocks current so we can make items available at more tournaments throughout 2019.

A sincere thank you to our volunteers

Again, a massive thank you to the volunteers in our clubs who make many of our sporting events what they are. These people are extremely valuable and deserving of considerable praise and recognition in the club industry. We

have an amazing bunch of volunteers in the club family and I can't emphasise enough how grateful and lucky we are to have such wonderful community driven people.

As always, please continue to encourage junior membership at your club, it's an important way to keep it vibrant now and successful in the future. Don't forget we have sponsorship money set aside to help the young ones along, so do keep an eye out for talented young people in your area.

Congratulations on a wonderful year and I look forward to working with you to ensure 2019 is another great one.

Kate Smith
Sports co-ordinator, Clubs New Zealand



“AS AN INDUSTRY WE SHOULD BE INCREDIBLY PROUD OF WHAT WE ARE ACHIEVING, AND I WOULD LIKE TO TAKE THE OPPORTUNITY TO THANK THOSE CLUBS THAT HAVE EMBRACED THE DIGITAL REVOLUTION.”

OPERATIONS REPORT LUCY WATERREUS

CRM and getting serious about data

Development of our new Customer Relationship Management System (CRM) has been the major focus for 2018, in particular, implementation of a data strategy has been key. The quality of the information we input to the CRM will determine its success so although at times it has felt like something of a step back, time spent on ensuring the accuracy and consistency of the member information we collect is essential. We can invest in applications and platforms, however these will only be as good as the data we load into them.

Specifically, the data strategy will help guide us and ultimately clubs in what data is collected, how it is stored and updated, what security is needed to protect it and how we use it.

Thanks to individual members signing up for the app or through clubs sharing their databases, we hold records for more than 25,000 club members. This is a fantastic start but we are finding much of the data is incomplete or contains errors which will take time to rectify. Clubs and members can help by ensuring careful data entry when creating new memberships and responding to requests from us for further information. Collectively we can tackle this data transformation, so while 2018 was the year that we got serious about data, 2019 needs to be the year that together we do something about it!

Clubs New Zealand App

The app is growing in popularity and there is a continual stream of club members looking to sign in and take their membership digital. At the time of writing this report all development work is complete which will allow us time to sit back and enjoy it, for the time being at least. There are plans already underway for future development which will focus on enhancing the digital membership card.

Clubs New Zealand website

Another piece in the digital transformation puzzle is the development of a new Clubs New Zealand website, due to be launched March 2019. The development is aimed at building on the success of the existing site, while also

incorporating new technologies and integrations that will result in a modern, easy to use website for clubs and members.

As an industry we should be incredibly proud of what we are achieving, and I would like to take the opportunity to thank those clubs that have embraced the digital revolution.

Lucy Waterreus
Operations Manager, Clubs New Zealand



FINANCIAL REPORT

BRYAN FERGUSON

For year ended 31 December 2018

The past twelve months have been very successful in terms of services, in particular ClubSmart courses and operational audits completed. This has been made even more satisfying by achieving a very good financial result for the year, despite putting additional resources directly into assisting clubs. As with last year, this has come about by prudent spending and close monitoring of our expenditure on a very vigorous basis.

Conference and AGM revenue improved over the previous year, and expenses were held under budget. We achieved a surplus of \$25,501 from our conference and AGM activities, which is a new and positive result.

Subscription Income was \$14,976 under budget, however insurance commissions were \$95,053 over budget due to premium adjustments following yet more earthquakes, including the severe Wellington shake.

Overall, income received was \$84,999 over budget.

Expenses were \$4,101 under budget, creating a healthy surplus of \$83,878 for the year.

We are more than satisfied with the levels of service we can now provide, and despite additional costs in doing so we stand by our decision to appoint staff in northern and southern regions to provide practical and professional advice in a timely manner - this has proven to be a real bonus for clubs seeking our assistance.

Bryan Ferguson
President, Clubs New Zealand

Independent Auditor's Report

To the Members of Clubs New Zealand Incorporated

Opinion

We have audited the financial information in the accompanying performance report of Clubs New Zealand Incorporated (the 'Association'), which comprises the statement of financial position as at 31 December 2018, and the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information in notes 1 to 8.

In our opinion, the financial information in the performance report presents fairly, in all material respects, the financial position of the Association as at 31 December 2018 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 ('PBE SFR – A (NFP)').

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 performance report in accordance with International Standards on Auditing ('ISAs') and 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) ('ISAE (NZ) 3000 (Revised)'). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the entity 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 the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements

Other than in our capacity as auditor and the provision of taxation compliance services, we have no relationship with or interests in the Association.

Other information

The Board is responsible on behalf of the Association for the other information. The other information comprises the entity information and the statement of service performance on page 13, that accompanies the financial information included in the performance report and the audit report

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information, and consider whether it is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

The Board's responsibilities for the performance report

The Board is responsible on behalf of the Association for:

- 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;
- the preparation and fair presentation of the performance report on behalf of the Association in accordance with PBE SFR – A (NFP), and
- for such internal control as the Board determines is necessary to enable the preparation of a 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 Association 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 intends to liquidate the Association 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 as a whole 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 and 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 this performance report.

As part of an audit in accordance with ISAs and 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.
- 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.
- 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 the Board.
- 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 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 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 Association 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.

Restriction on use

This report is made solely to the Members, as a body, in accordance with Section 18.1 of the Constitution. Our audit 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.

Deloitte Limited

Wellington, New Zealand
16 February 2019

CLUBS NEW ZEALAND INCORPORATED

ENTITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

Legal Name: Clubs New Zealand Incorporated
Type of Entity: Incorporated Society
Registration Number: 218850

Entity Mission:

(a) Our Mission Statement is:
 "The Mission of Clubs New Zealand Incorporated is to promote and safeguard the interests and privileges of Member Clubs".

(b) Objectives:

- i. To promote membership of the Association to Clubs within New Zealand.
- ii. Generally to take all necessary steps to promote, develop, maintain and safeguard the interests, rights and privileges of Member Clubs.
- iii. To review all matters relating to or arising from Legislation; to consider existing statutes and their effect on Members; to originate and promote such beneficial amendments as may from time to time be found.
- iv. To promote and facilitate sporting activities between members at provincial, island and national inter-club levels.

Entity Structure:

(a) Board Structure:

The regulation and government of the Association shall be vested in:

- i. A Board of Management; and
- ii. Such other committee or committees as may be created by the Association in General Meeting.

(b) Operational Structure:

Our operations are managed by a team of seven paid employees. We employ a Chief Executive, General Manager - Northern, General Manager - Southern, PA / Finance Manager, Sports Advisor, Membership Services Coordinator and Designer.

Main Source of Entity's Cash and Resources:

Clubs New Zealand's main income is a Annual Subscription fee set at the General meeting each year.

Contact Details:

Physical address: Level 5 ANZAC House, 181 Willis Street, Wellington
 Postal Address: PO BOX 11749, Manners Street, Wellington
 Phone / Fax: 04 815 9007 / 04 499 7222
 Email: enquires@clubsnz.com
 Website: www.clubsnz.org.nz
 Facebook: www.facebook.com/clubsnz
 Twitter: https://twitter.com/clubsnz

CLUBS NEW ZEALAND INCORPORATED

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2018

DESCRIPTION OF CLUBS NEW ZEALAND'S OUTCOMES			
Clubs New Zealand is tasked with enhancing and promoting all aspects of Club business.			
DESCRIPTION AND QUANTIFICATION (TO THE EXTENT PRACTICABLE) OF THE ASSOCIATION'S OUTPUTS			
	ACTUAL	BUDGET	ACTUAL
	THIS YEAR	THIS YEAR	LAST YEAR
CLUBS SMART TRAINING – GOVERNANCE COURSE FOR CLUB EXECUTIVES	8	10	7
BEING A RESPONSIBLE GAMBLING HOST FOR CLUB STAFF	29	20	21
BACK TO BASICS COURSE – CLUB MANAGERS TRAINING	3	3	2
E-NEWSLETTER'S SENT TO MEMBERS - WEEKLY AND UPDATE E-NEWSLETTERS	231	100	142
SUPPORT TO CLUBS NEW ZEALAND SPORTS TOURNAMENTS	\$38,544	\$42,500	\$18,130
SALES FORCE DATABASE IMPLEMENTED	\$4,761	\$5,000	\$53,430
INTERNAL CLUB AUDITS - ASSISTING WITH RESTRUCTURING, POLICIES	14	10	8
GOVERNMENT SUBMISSIONS	3	5	2

CLUBS NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	2018	2018	2017
		\$	\$	\$
		AUDITED	UNAUDITED	AUDITED
		ACTUAL	BUDGET	
OPERATING REVENUE				
BAD DEBTS RECOVERED		-	-	37,411
CONFERENCE & AGM INCOME		142,396	156,300	123,344
TECHNOLOGY DEVELOPMENT		81,283	81,000	16,150
INSURANCE COMMISSIONS	5, 6	305,053	210,000	133,343
INTEREST RECEIVED		3,442	4,000	3,725
MEMBER SUBSCRIPTIONS		1,098,426	1,113,402	1,079,308
OTHER INCOME		53,411	32,000	38,257
SKY TV COMMISSION		16,115	18,000	16,879
VTNZ REBATE INCOME		15,576	16,000	16,257
TOTAL OPERATING REVENUE		1,715,701	1,630,702	1,464,675

LESS OPERATING EXPENSES				
ADVERTISING AND PUBLICITY		19,210	16,000	10,572
BOARD EXPENSES AND HONORARIA		168,824	154,000	140,279
BODY CORPORATE FEES AND RENT		36,024	37,000	33,716
CLUBS ADVISORY		25,613	30,000	17,001
CLUBSMART EXPENSES		4,613	7,500	1,266
COMPUTER & WEBSITE COSTS		72,151	39,000	34,542
CONFERENCE & AGM EXPENSES		116,895	144,000	119,923
DEPRECIATION		43,777	35,000	36,838
FEES PAID TO DELOITTE - OTHER SERVICES		6,500	3,000	3,000
FEES PAID TO DELOITTE - AUDIT SERVICES		15,500	18,000	15,500
INSURANCE AND ACC LEVIES		14,591	15,000	11,824
LEGAL EXPENSES & GOVT SUBMISSIONS		9,601	20,000	4,790
MARKETING AND PROMOTION		32,922	25,000	23,559
OTHER EXPENSES		134,297	187,300	113,538
GAMING ASSIST PROGRAM		26,652	20,000	0
SPORTS AWARDS AND PROMOTIONS		38,544	42,500	19,000
STAFF REMUNERATION		690,607	682,350	601,826
STAFF TRAVEL AND TRAINING		106,354	82,500	83,299
VTNZ REBATE PAYMENT TO CLUBS		15,576	16,000	365
TOTAL OPERATING EXPENSES		1,578,251	1,574,150	1,270,840

SURPLUS FOR YEAR BEFORE TAX		137,451	56,552	193,835
TAX EXPENSE		53,573		2,975
SURPLUS FOR THE YEAR AFTER TAX		83,878	56,552	190,860

The accompanying notes on pages 17-18 form part of the Performance Report

CLUBS NEW ZEALAND INCORPORATED

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$ AUDITED	2017 \$ AUDITED
OPENING ACCUMULATED FUNDS AT 1 JANUARY	914,338	723,478
SURPLUS FOR THE YEAR AFTER TAX	83,878	190,860
CLOSING ACCUMULATED FUNDS AT 31 DECEMBER	998,216	914,338

CLUBS NEW ZEALAND INCORPORATED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	2018 \$ AUDITED	2017 \$ AUDITED
ACCUMULATED FUNDS		998,216	914,338
REPRESENTED BY:			
CURRENT ASSETS			
ACCOUNTS RECEIVABLE	5,6	227,812	119,166
ACCRUED INTEREST		22	22
CASH AND BANK ACCOUNTS		272,533	356,913
INVESTMENT IN CLUBS INSURANCE SERVICES LTD	5	5,518	5,518
OTHER CURRENT ASSETS		17,189	18,991
TERM DEPOSITS - BANK		100,000	100,000
GST RECEIVABLE		8,156	17,836
TOTAL CURRENT ASSETS		631,230	618,444
NON-CURRENT ASSETS	4	566,065	553,168
TOTAL ASSETS		1,197,295	1,171,612
CURRENT LIABILITIES			
ACCOUNTS PAYABLE AND OTHER CREDITORS		88,097	57,882
INCOME TAX LIABILITY		31,906	12,999
LIABILITIES TO CLUBS	5,6	79,077	186,301
TOTAL CURRENT LIABILITIES		199,080	257,182
NET ASSETS		998,216	914,338

The accompanying notes on pages 17-18 form part of the Performance Report

LARRY GRAHAM
CHIEF EXECUTIVE OFFICER



DATE: 16 FEBRUARY 2019

BRYAN FERGUSON
PRESIDENT



DATE: 16 FEBRUARY 2019

CLUBS NEW ZEALAND INCORPORATED
STATEMENT OF CASH FLOW
 FOR THE YEAR ENDED 31 DECEMBER 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	2018 \$ AUDITED	2017 \$ AUDITED
CASH WAS RECEIVED FROM:		
GRANTS/DONATIONS	81,283	16,150
INSURANCE COMMISSIONS	207,429	209,235
FEES, SUBSCRIPTIONS AND OTHER RECEIPTS FROM MEMBERS	1,225,934	1,170,078
RECEIPTS FROM PROVIDING GOODS OR SERVICES	61,535	87,043
INTEREST INCOME	3,442	3,725
	1,579,623	1,486,231
CASH WAS APPLIED TO:		
PAYMENTS TO SUPPLIERS AND EMPLOYEES	(1,523,078)	(1,154,544)
INSURANCE REBATES PAID	(49,037)	(48,721)
GRANTS/DONATIONS	-	(18,131)
OTHER	(35,214)	(25,044)
	(1,607,329)	(1,246,440)
NET CASH FLOWS TO OPERATING ACTIVITIES	(27,706)	239,791
CASH FLOWS TO INVESTING AND FINANCING ACTIVITIES:		
CASH WAS RECEIVED FROM:		
REPAYMENT OF TERM DEPOSIT	-	-
CASH WAS APPLIED TO:		
PAYMENTS FOR FIXED ASSETS	(56,674)	(84,769)
PAYMENTS TO PURCHASE INVESTMENTS	-	-
NET CASH FLOWS TO INVESTING AND FINANCING ACTIVITIES:	(56,674)	(84,769)
NET DECREASE IN CASH	(84,380)	155,022
OPENING CASH	356,913	201,891
CLOSING CASH	272,533	356,913
THIS IS REPRESENTED BY:		
CASH AND BANK ACCOUNTS	272,533	356,913

CLUBS NEW ZEALAND INCORPORATED

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Statement of Accounting Policies

a. Reporting Entity

Clubs New Zealand Incorporated (the "Association") is a society registered under the Incorporated Societies Act 1908.

b. 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 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.

c. Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position of the Association on a historical basis are followed by the Association.

d. Particular Accounting Policies

The following is a summary of the particular accounting policies adopted by the Association in the preparation of the financial statements.

(1) Goods and Services Tax

The financial statements have been prepared exclusive of Goods & Services Tax with the exception of Accounts Receivable and Accounts Payable.

(2) Accounts Receivable

Accounts Receivable are stated at their estimated net realisable value.

(3) Joint Ventures

Joint ventures are accounted for using the equity method, in accordance with PBE IPSAS 8.

(4) Revenue

Subscription and commission revenues are recognised as earned over the 12 month period to 31 December 2018.

(5) Bank Deposits

Bank Deposits are stated at cost.

(6) Interest Income

Interest Income is recognised using the effective interest rate method.

(7) Income Tax

Income tax is calculated using the taxes payable method.

e. Changes in Accounting Policies

There have been no changes in accounting policies and all policies have been applied on a consistent basis with the previous reporting period.

2. Nature of Business

The principle objectives of the Association are to advance the interests of and provide services to member clubs

3. Taxation

The Association is liable for income tax on earnings outside its membership activities.

	2018 \$ AUDITED	2017 \$ AUDITED
PROFIT FOR YEAR BEFORE TAX	137,451	193,835
ADD BACK: SURPLUS FROM MEMBER ACTIVITIES	87,368	(183,386)
TAXABLE PROFIT FROM NON-MEMBER ACTIVITIES	224,819	10,449
TAX AT 28%	62,948	2,975
ADJUSTMENT TO PRIOR YEARS	(9,376)	-
NET TAXABLE INCOME / (ASSESSED LOSS)	53,572	2,975
TAX EXPENSE	53,573	2,975

CLUBS NEW ZEALAND INCORPORATED

NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4. Property, Plant & Equipment and Intangibles

	COST AUDITED \$	DEPRECIATION EXPENSE AUDITED \$	ACCUMULATED DEPRECIATION AUDITED \$	BOOK VALUE AT YEAR END AUDITED \$
AS AT 31/12/18				
PROPERTY PLANT & EQUIPMENT				
BUILDING	250,000	5,000	22,917	227,083
OTHER	329,851	16,764	211,782	118,069
INTANGIBLES				
CLIENT RELATIONSHIP MANAGEMENT SYSTEM	258,865	22,014	37,953	220,912
	838,716	43,778	2,726,512	566,064

AS AT 31/12/17				
PROPERTY PLANT & EQUIPMENT				
BUILDING	250,000	5,000	17,917	232,083
OTHER	323,564	18,023	195,017	128,639
INTANGIBLES				
CLIENT RELATIONSHIP MANAGEMENT SYSTEM	208,385	13,816	15,939	192,446
	781,949	36,839	228,873	553,168

5. Clubs Insurance Limited

The Association holds a 50% share in Clubs New Zealand Insurance Services Limited, a company formed to facilitate the distribution of insurance commission. During the year the Clubs Insurance Limited distributed \$305,053 (2017: \$133,343) to the Association.

There are no significant profits or equity retained in Clubs Insurance Limited, and hence there is no equity investment balance reflected on Statement of Financial Position of the Association.

6 Related Party Transactions

As a member body subscriptions are charged annually to each member club. Where the club insures through Clubs New Zealand Insurance Ltd rebates may be paid.

RECEIVABLE AND PAYABLE BALANCES IN RELATION TO THESE TRANSACTIONS INCLUDE:

	2018 \$ AUDITED	2017 \$ AUDITED
CLUBS RECEIVABLE FOR SUBSCRIPTIONS	82,310	78,939
CLUBS INSURANCE RECEIVABLE FOR COMMISSIONS	119,129	21,505
PAYABLES TO CLUBS	17,908	15,892

7. Commitments & Contingencies

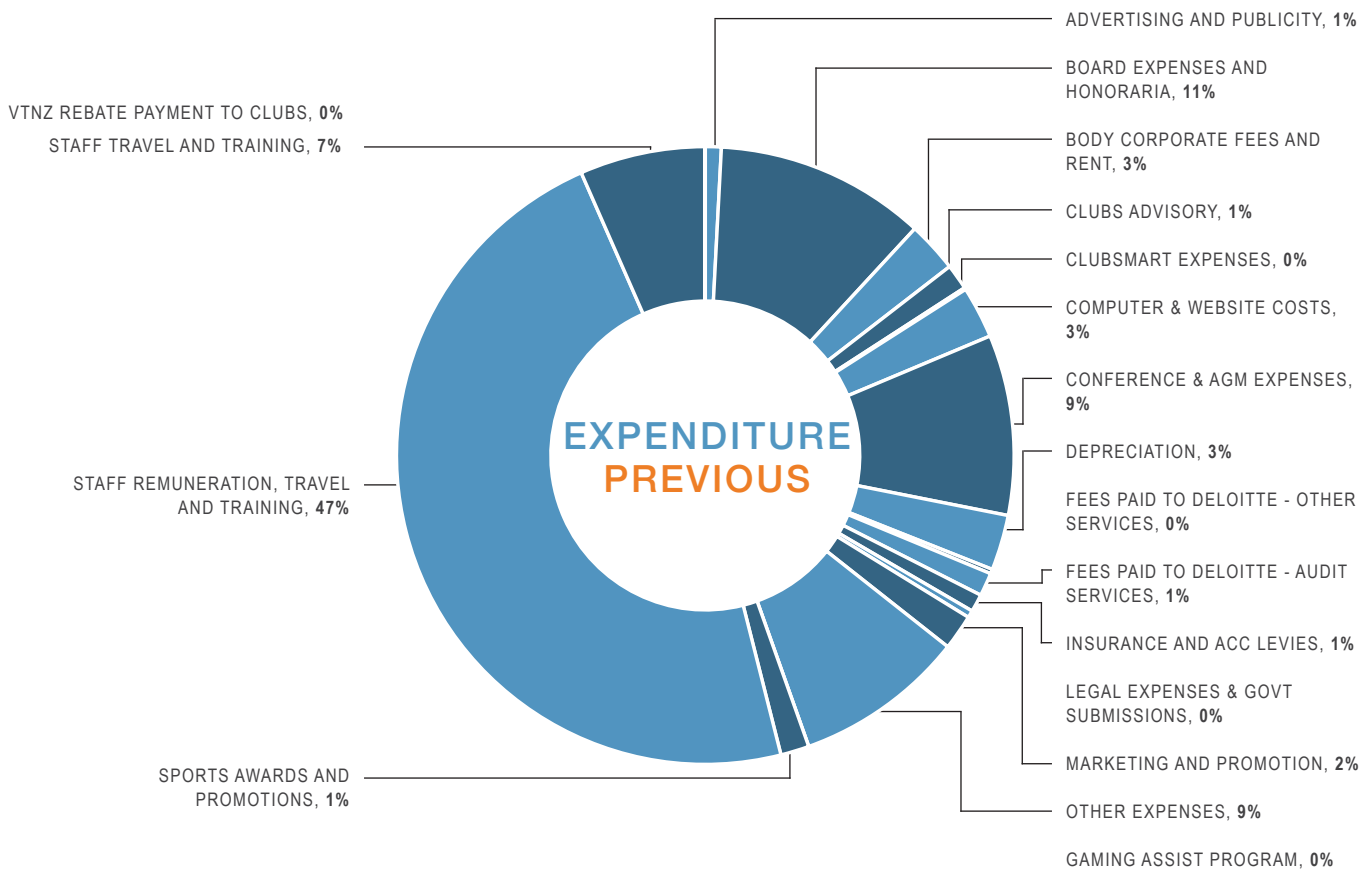
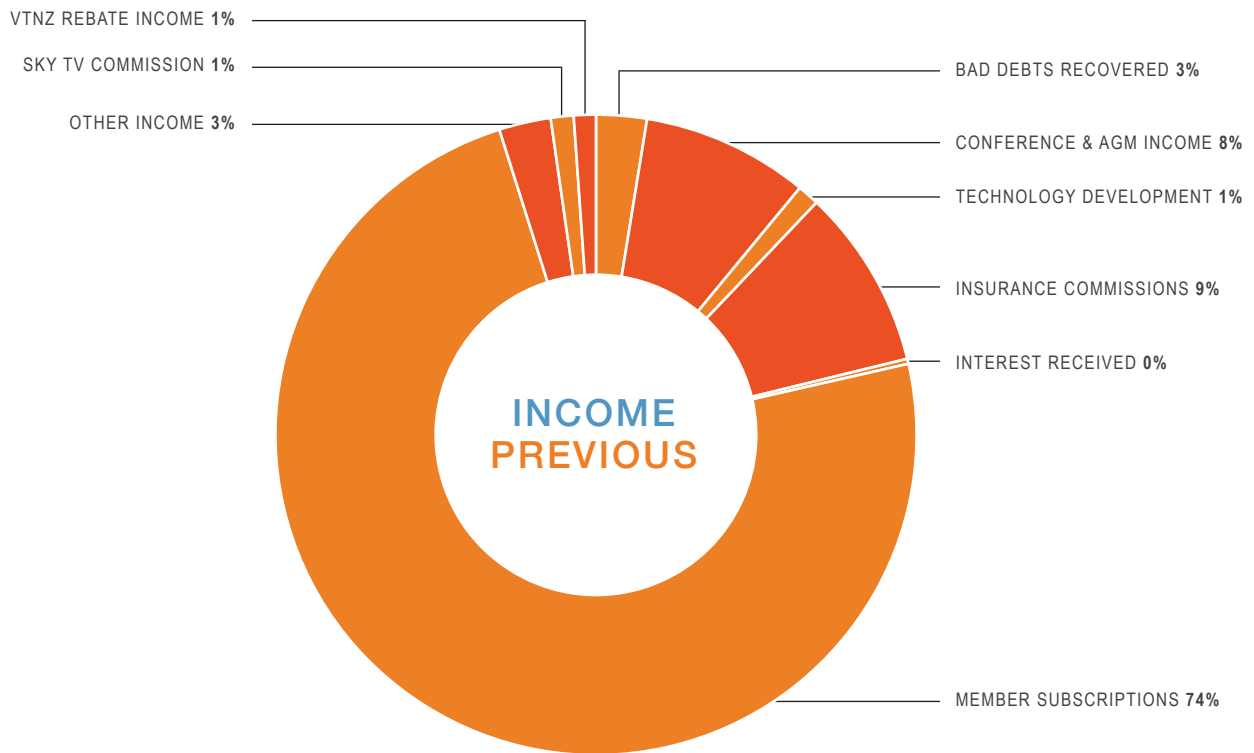
The Association had no capital commitments or contingencies at year end. (2017:nil)

LEASE COMMITMENTS	CURRENT \$	TERM \$	TOTAL \$
AS AT 31/12/18	44,974	30,789	75,763
AS AT 31/12/17	46,500	49,792	96,291

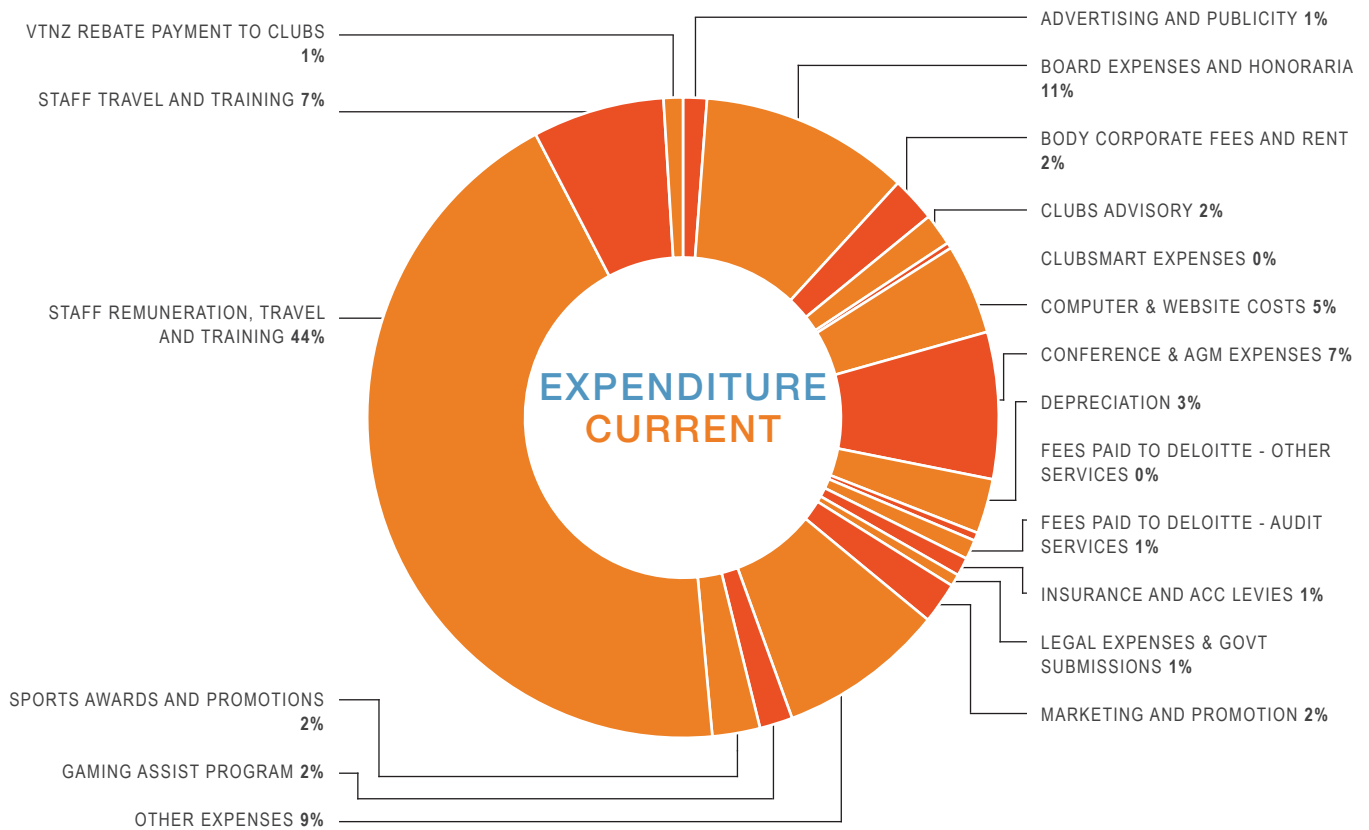
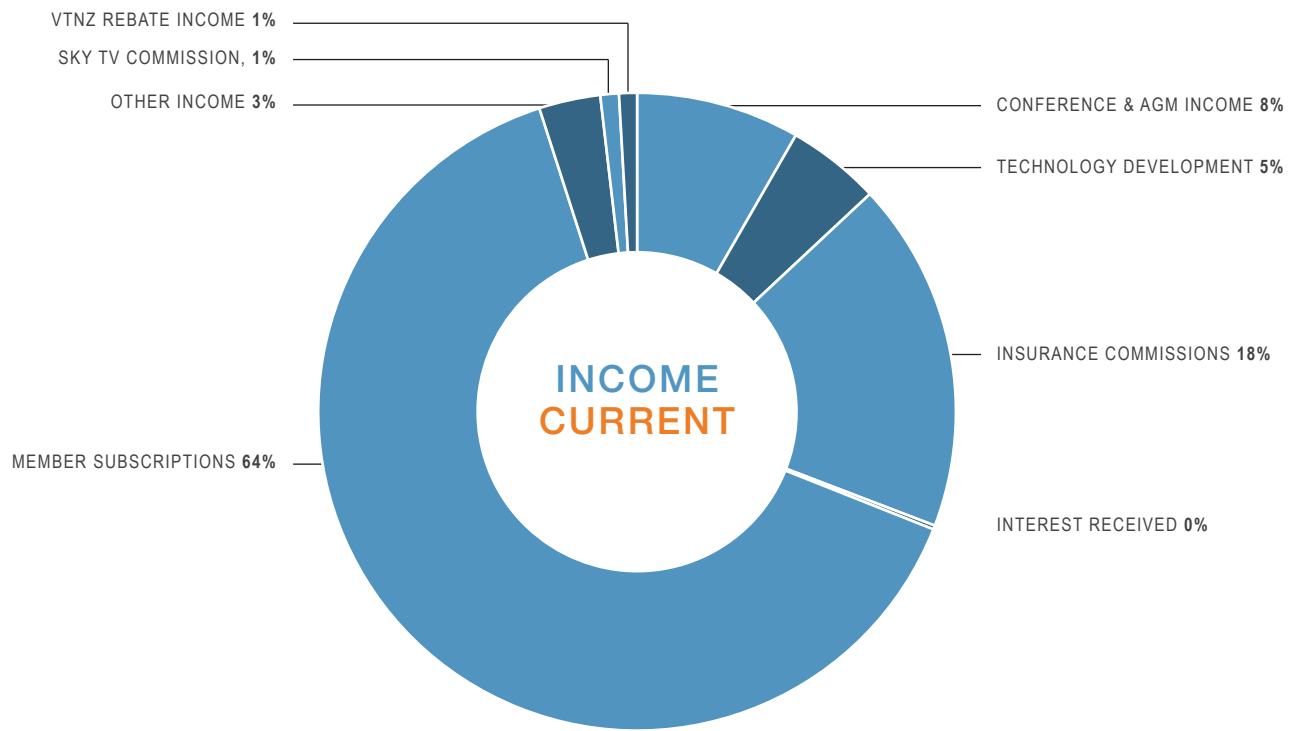
8. Subsequent Events

There have been no significant events subsequent to balance date.

INCOME AND EXPENDITURE



INCOME AND EXPENDITURE



2019 AGM AGENDA

ANNUAL GENERAL MEETING AGENDA SATURDAY 23 MARCH 2019 BAYCOURT COMMUNITY AND ART CENTRE

- Welcome and Apologies
- Confirmation of the minutes of the AGM held in Wanganui, 24 March 2018
- Matters arising from the 2018 AGM Minutes
- President Report – BRYAN FERGUSON
- 2018 Financial Report – DAVE TILLEY
- Confirmation Auditor for 2019
- Confirmation of capitation fees in 2019
- CEO Report – LARRY GRAHAM
- Future Conferences & AGM's
- General Business

PLEASE NOTE THE NEXT CONFERENCE AND AGM IS
**THURSDAY 19 MARCH UNTIL SATURDAY 21ST MARCH
2020 IN HASTINGS HOSTED BY CLUB HASTINGS**

2019 REMITTS

REMIT: RECIPROCITY

Currently our constitution says (in regard to reciprocity);

26. RECIPROCITY

26.1. Membership of the Association does not impinge on any visiting or transfer agreements entered into between any Members.

26.2. Membership of the Association does not impose any obligation on Members to enter into any visiting or transfer agreement with any other Member.

It was proposed that this clause be amended to read;

26. RECIPROCITY

26.1. On joining the Association, Clubs New Zealand will administer an arrangement for reciprocal visiting rights for members between all current member clubs of the association.

26.2. The arrangement for reciprocal visiting rights will be renewed annually and will remain in place for as long as the club/association is a member of Clubs New Zealand.

26.3. Membership of the Association does not impinge on any visiting or transfer agreements entered into between any Members.

26.4. Membership of the Association does not impose any obligation on Members to enter into any visiting or transfer agreement with any other Member.

This would provide our members with a solid point of reference when questioned on reciprocal visiting rights by licensing inspectors and other reporting agencies.

2018 BOARD MEMBERS



BRYAN FERGUSON
PRESIDENT /
KING COUNTRY



ROLY REARDON
GREATER AUCKLAND



THOMAS QUINN
WAIKATO / THAMES VALLEY



TERRY RAY
SOUTH WAIKATO / BAY OF
PLENTY



BERNARD HICKEY
HAWKES BAY / POVERTY BAY



ROYCE TUNBRIDGE
WANGANUI / TARANAKI /
MANAWATU



DAVID DALTON
WELLINGTON / WAIRARAPA /
HOROWHENUA



GLEN BEATTIE
NELSON/ MARLBOROUGH



GRAEME OLSON
BULLER / WEST COAST



MAURICE NUTIRA
CANTERBURY



PREM NATH
NORTH OTAGO / MID & SOUTH
CANTERBURY



NEIL MCDOWELL
OTAGO / SOUTHLAND

2018 LIFE MEMBERS

BRUCE BRODERSON
QSM

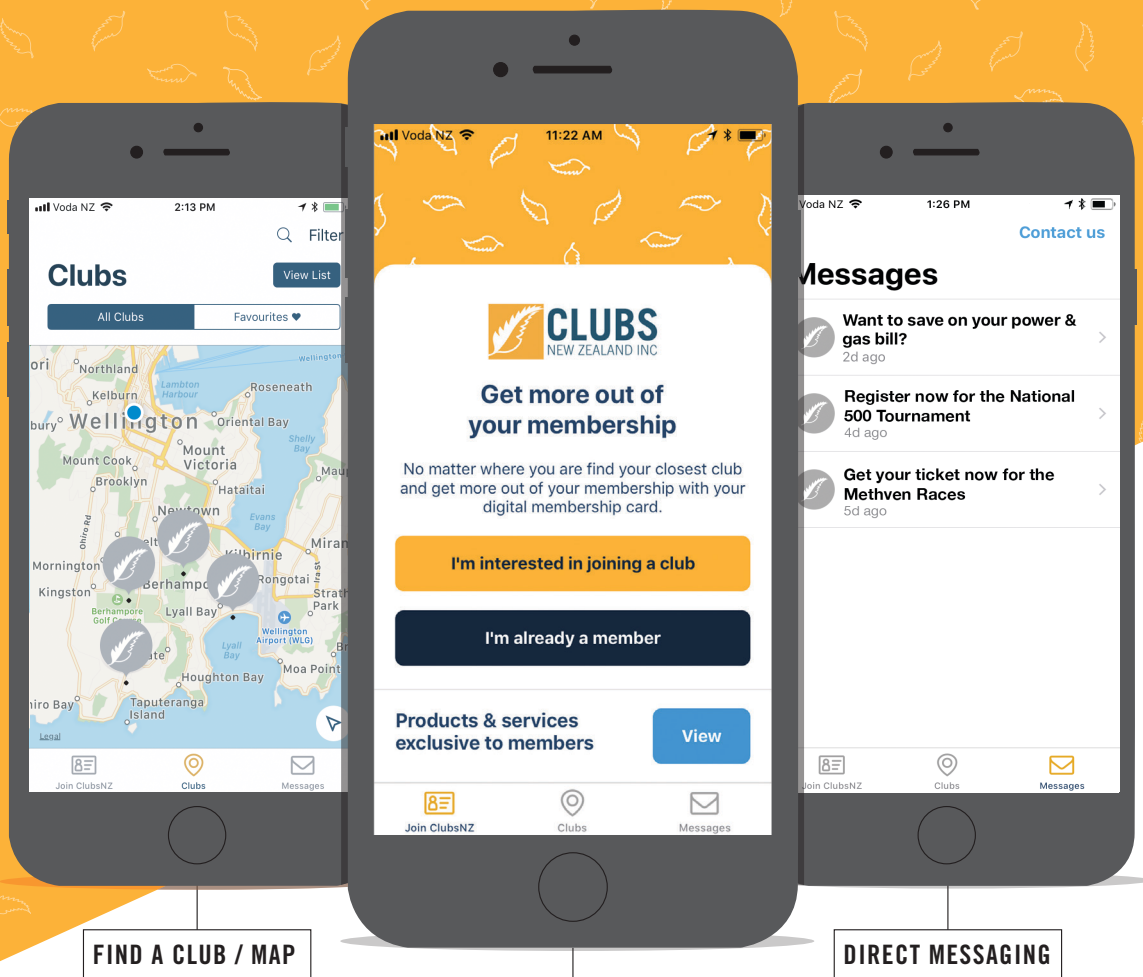
RUSSEL COTTAM

TOM FISHER

CAROLINE KELLAWAY
ONZM / JP

JOHN TAYLOR

HANDS ON THE FUTURE CLUBS NEW ZEALAND APP



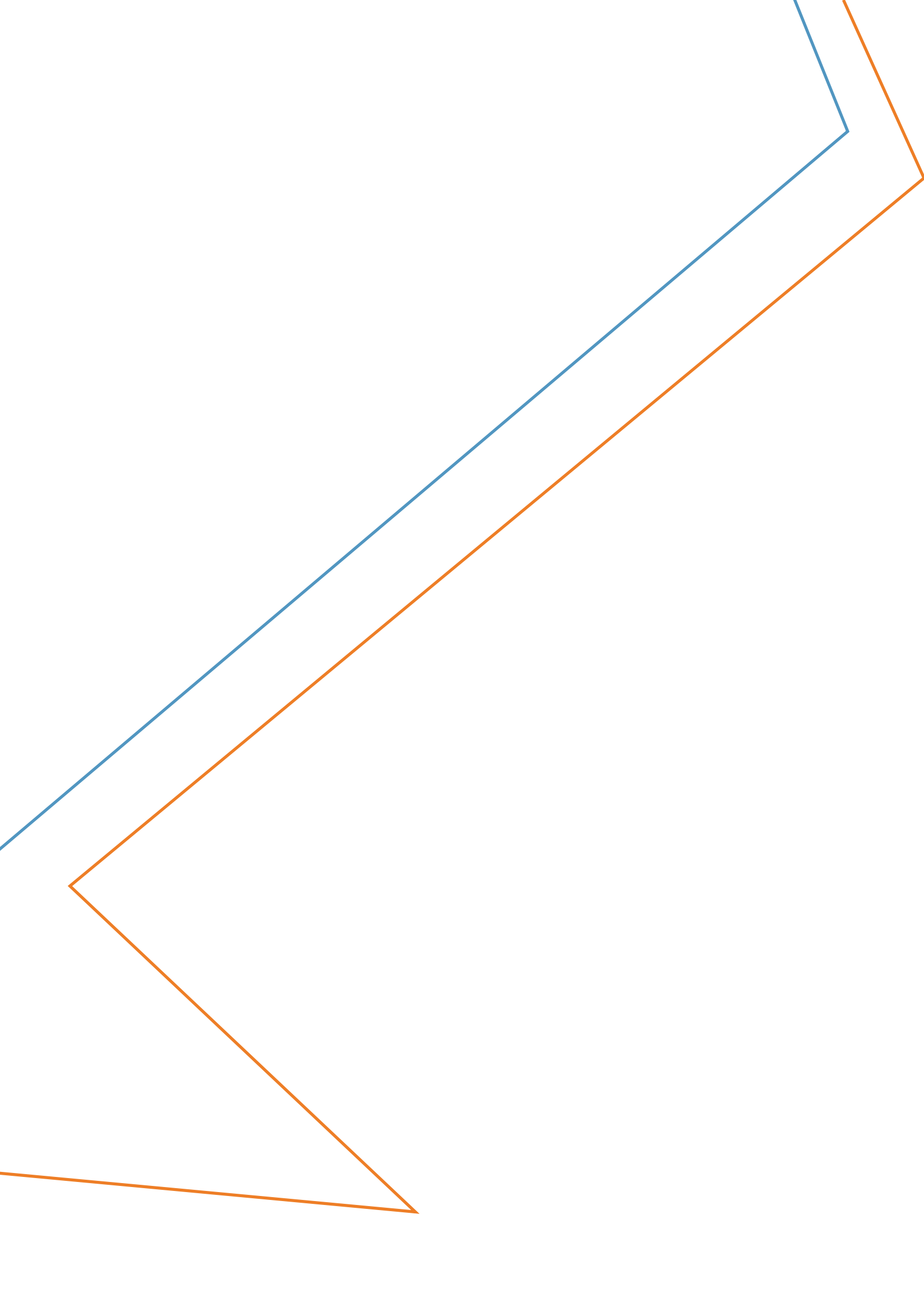
DIGITAL MEMBERSHIP



SEARCH 'CLUBS NEW ZEALAND' IN THE APP STORE



SEARCH 'CLUBS NEW ZEALAND' IN GOOGLE PLAY





**CLUBS NEW ZEALAND
ANNUAL REPORT 2018**



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