

ANNUAL REPORT

20
21



Clubs
New Zealand





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MISSION STATEMENT



Mission

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



Vision

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 Kaitiāia 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.

PRESIDENT'S REPORT



Terry Ray

Thanks to Covid-19 I have the distinction of being the longest President elect in the history of the club's movement. I was elected on 20 January 2020, but the pandemic saw two AGMs cancelled and it was only in September at the Clubs New Zealand Virtual AGM (another first for Clubs New Zealand) I could finally receive my badge of office.

We have had another good year-end result to report to members and given that 2020 was tougher than anyone expected, my Board and staff can be extremely proud of this. The small surplus and increase in new member clubs is a welcome trend as we work to offset the budget against expenses and unplanned costs due to the ongoing effects of Covid-19 on our business. We will continue to develop our digital technology because simply if we do not, we will be edged out of business over time. The importance of technology for our clubs has been bought home by Covid-19 as National Office worked remotely, successfully fielding calls through difficult and uncertain times, communication and the right information has proved invaluable.

The Sky TV increase at the end of 2019 is an example of how a single thing can hugely challenge our members financial viability. I am aware there are clubs who will consider their future pay TV options and there are a few who will just give up their TAB systems altogether. Our CEO is working alongside Hospitality New Zealand and the TAB to work through several solutions including live streaming options. This will continue to be a work in progress. There are new developments in the pipeline which will be presented at the 2021 AGM.

Balancing increased costs from suppliers against looking for new and innovative ideas to bring into the club environment is a constant. I applaud our National Office staff for their great work in this space and I sincerely thank them for this.

Our CEO has also been working closely with the new government MPs, building relationships to enhance our standing in the hospitality and gaming industries. These relationships are crucial for our clubs moving forward. It is our goal to be the leader and the go-to organisation.

Covid-19 continues to throw curve balls at our industry, I am proud of the way clubs have coped but we must be aware the challenges will remain with us for a while yet. Have a plan, trim your costs and operate as efficiently as possible to put yourself in the best possible position. And don't be afraid to ask for help – National Office is only a phone call away.

I want to take the opportunity to thank our outgoing President Bryan Ferguson. We have achieved many goals during his time as president all of which he should be very proud of. I am pleased he has chosen to stay on the Board – Ferg is now a councillor on the Otorohanga District Council and we wish him well with that endeavour.

I have enormous respect for the current Board and thank them for their loyalty and commitment in my first year as President. At the Digital AGM the Case for Change was ratified, this means the Board will reduce from the current thirteen to nine, as a result some long serving board members will be stepping down and I wish them well for the future, your hard work will not be forgotten.

To the staff, Larry and his team, thank you for your support, dedication and fantastic contributions. Our organisation is stronger for the team we have at National Office and around the country.

I look forward to having a beer with you all at the fabulous new Richmond Club in Christchurch. Have a great and safe year and thank you once again for your support.

A handwritten signature in black ink, appearing to be 'Terry Ray', written over a white background.

Terry Ray
President, Clubs New Zealand

CHIEF EXECUTIVE REPORT



**Larry
Graham**

2020 was a year to forget ... or was it?

It is best not to dwell on the challenges of last year, as it has all been said before and maybe even becoming the norm? However, I must recognise how enormously proud I am of our team and their exceptional work rate and communication skills throughout the pandemic. There will always be someone who will find fault in process and we never expect to get it right all the time, but it is hard to argue with the numbers compiled by Lucy – both financial deliverables and others such as training courses completed – which are scattered throughout this report.

It was the cohesive nature of our Board and staff which helped make the task of navigating through a pandemic less stressful than it was for many organisations, and I sincerely thank all the team for just getting on and contributing in any way they could. Generally annual reports are about reflecting on and comparing with previous years experiences which is difficult given current circumstances, but, despite this, we are pleased to be providing members with a positive annual result.

Many members have reported to staff and board along the Covid-19 path about their successes, of which there are far too many to report – well done and long may it continue. There has been time to review, time to enjoy what we have and the most pleasing aspect was time to adjust. I am enormously proud of our club industry, and we should all be proud of how we stuck to our tasks and recognise we have become stronger because of it.

New ways of governing

The transition from the old Board to the new Board has been harmonious, and I hope an inspiration to committees around the country. This major change to Clubs New Zealand's constitution was the result of over two years planning and communicating, and focusing on supporting the operational health and wealth of our member clubs in the best way possible.

After this conference we will adjust to a slightly smaller Board, however the special bond and amazing culture built up over several years will not change. Sadly, some excellent people will be moving on but of course this was inevitable and again known to the Board throughout the process. Terry Ray, our new President, quickly got into his stride and has continued where Bryan (Ferg) Ferguson left off.

Our succession plan has been key to this smooth transition, and we are very pleased to continue to reap the benefits of Ferg's experience as he will remain a Board member for the Waikato area. I enjoy working with this Board and under Terry's watch I do not see any change to the way we do business.

Club staff

More than ever clubs are recognising the importance of good staff. What clubs frequently get wrong though is understanding the value of good staff cannot always be measured in dollars. There is a delicate mix of value-added factors and staff too must play their part in this. Our observations via the many operational reviews conducted by staff, especially Dave Tilley's work in this area, has revealed we must get better. Dave has a library of benchmarks that can be accessed via our website and will clearly help committees understand the levels expected – please give it a go.

As always, a special mention to Dave, Keith, Lucy, Kate, Leigh and Michelle. A small team doing extraordinary things, thank you.



"I am enormously proud of our club industry, and we should all be proud of how we stuck to our tasks and recognise we have become stronger because of it."

Unresolved matters

Sky Television's bullying tactics are unacceptable. If there was one issue that has created a sense of mistrust and anger among clubs, it is this company's attitude to pricing and unjustifiable and inconsistent measurement of charges. We have tried to discuss this with them, however they continue to talk about increased services and more programming content available, which clubs have no interest in. The remaining option is a mass membership exodus, and this will require coordinated member support.

Government at this stage say they will not get involved because it is "commercial". While the last resort solution remains with our group's total membership, maybe it is time to flex our 300,000-membership muscle – don't bite the hand that feeds you, Mr Sky and Spark.

We have had a more positive experience with the TAB who have taken the time to meet with us and are working through some options for growing the betting environment. I am hopeful this is an indication they will involve us more going forward.

The Richmond Club

Our 2021 conference, AGM and Expo to be held at the Richmond Club will be amazing. I have watched the build of this club and it will impress you. Factor in the other Canterbury clubs that have undergone rebuilds and the transformation is nothing shy of spectacular. Of particular mention is the renovation of the leading-edge Hornby Club. This club's detail to member services including the build design is a massive credit to their Board and Manager Paul. The club visits during the conference are not to be missed.



Looking ahead – feeling great

Despite the changes, we must remain strong and as a collective look ahead with confidence. Our industry has endured many challenges over the last 120+ years and we just might need to dig in again and enjoy the ride.

May you all remain healthy and have a positive outlook in 2021. The Board and staff are looking forward to a rowdy catch up in Christchurch.

Larry Graham
Chief Executive,
Clubs New Zealand



NORTHERN MANAGER'S REPORT



**Dave
Tilley**

It is no doubt superfluous to remind everyone that 2020 was a year like no other, especially for our Auckland clubs which suffered a second total lockdown.

If business was slow to return at level two post the first shutdown, then by comparison the return of members to clubs after the second was extremely pedestrian.

It is indeed remarkable that all our clubs throughout the country appear to have gritted their collective teeth and survived! But let's not celebrate too soon, another (traditional) lull in business after Christmas will bite clubs again and the struggles will continue. Remember, we are here to advise and assist where possible.

Club Manager's courses

After a false start due to the pandemic we finally got some regional training off the ground. Our well attended two-day basic manager's course normally hosted in Wellington was trimmed to one day, and I held two in Auckland, one in Rotorua and one in Whangarei. A total of 70 managers or trainee managers attended. The feedback has been great, and I will continue to take this course to the regions so keep an eye out for a course near you in 2021. My sincere thanks to Kate Smith for her assistance and input.

Operational audits

An operational audit is a review of your club processes and compliance across a full range of normal trading activities. We have a good look at who does what, how they do it, how many pairs of eyes are on processes that matter. We also benchmark your bar and restaurant performance against other clubs with similar revenues, which is useful when comparing GP% results. Yes, it's a bit like someone going through your undie drawer, as one manager commented to me! But it's NOT an audit, we don't look at individual transactions and we have no interest in doing so. It's simply a compliance check and we look to see how we can save your club money or improve profitability.

We performed eleven of these in 2020, they are time consuming and some of the reports are more comprehensive than others, dependent upon what the individual club is looking to get out of it. We only do these by invitation so if you would like your club to undergo a health check, contact Keith or myself.

ClubSmart (and other) courses

Committee governance training is still in demand, although seeing the tangle some clubs get themselves in, despite several training sessions over a couple of years, I must stress it is essential for committees to buy into the need for change to make this training worthwhile.

In a truncated year we did fourteen of these sessions. We also had constant demand for Harm Minimisation and Armed Robbery training, so it has been a very full-on year training-wise.

New member clubs

We were delighted to welcome on board several new clubs this year, and that has come about I suspect because of the sheer volume of useful information Clubs New Zealand published during the height of the pandemic. No doubt it helped to entice a few remaining non-member RSAs to join, and we're delighted to have them on board!

Finally, it goes without saying that this has been an extraordinary year, one that I'm sure all of us are happy to put firmly behind us, except to say it has also been exceptionally busy and as an organisation I truly believe we have proven that when the going gets tough we get going!

Let's collectively hope for a far better 2021!

Dave Tilley
General Manager, Northern

SOUTHERN MANAGER'S REPORT



**Keith
Ballantyne**

Wow what a year this has been. No one could have predicted the year 2020 would be as we prepared to head to conference in Hastings.

The landscape can change in a heartbeat and the ability to adjust and adapt has never been more necessary. Our clubs in the South Island have had their struggles, but on a whole have come out of the Covid situation intact and ready to take advantage of the situation. Also, with a halt to international travel, there are opportunities aplenty with clubs seen as safe, caring hospitality environments.

Outside of lockdown periods, we have been out to see our clubs and offer assistance with the issues that have arisen, none of which are any different to any other year, only exacerbated due to the stress of restrictions. Stressful situations can bring out the best but also the worst.

I recently held two governance trainings (each lasting a total of 5 hours over 2 sessions) at the request of clubs. These have been received very well as committee members realise their obligations and liabilities are increasing, and they need to make informed decisions and not blur the lines between governance and management. Creating respectful workplaces is essential to prevent conflict within clubs, especially now as we have a sole Labour government and ERA fines are increasing.

We continue to offer Harm Minimisation, Armed Hold up and Responsible Service of Alcohol training along with Day Manager trainings which Dave and I have been doing in the regions.

With the new areas that were adopted at the AGM, I have looked at how best to serve the South Island and get the best coverage for the buck by getting the year calendar out now so clubs can plan ahead. I have looked to set four days in each region throughout the year, two are manager-focused days and two are governance/area meeting days. Area board members may want to include social gatherings or other get togethers as they see fit as an add on to the training days. Please note, these training days are open to anyone throughout all South Island regions.

Thanks to the Governor (LG) for putting up with me, and the guidance he gives, to the rest of the team at National Office, it truly is a pleasure working with people who share a passion. My area board members in the South Island, thank you for all your assistance and companionship when I visit your areas. We look forward to catching up with everyone in Christchurch for the 2021 AGM at Richmond and showcasing the clubs we have here in Super Rugby champions country.

President Terry and Board members, I look forward to working with you all as we plot the future of the organisation into a new decade.

Keith Ballantyne
General Manager, Southern

CLUB MANAGER'S REPORT



**Lee
Davis**

We are all weary of hearing about Covid-19 and the significant impact it continues to have on the world economy. But it is real, it is still out there, and in many parts of the world, still raging out of control.

We have been fortunate in New Zealand with early staged lockdowns and more stringent controls on our borders, which has generally produced the desired result of keeping our lockdowns to a minimum. However, this has not kept us immune to the financial impact on our own economy, with hospitality being severely affected. In saying this, over the past 9 months I have been in contact with many clubs and kept up to date with communication coming out of National Office and I am hugely impressed by how some clubs have responded. There are many that have found ways to thrive despite the pandemic.

Many clubs, wisely using the assistance of the wage subsidy, opened during Level 2 restrictions to ensure they continued to provide some level of service for their loyal members. Although it may have been cost prohibitive for some, particularly larger clubs, the real return was evident when we dropped down to Level 1 and member support grew. Clubs who relished the opportunity to provide food and beverage service "at the table" brought a completely new look and a stronger relationship and appreciation was forged between staff, committee and members.

The ability of clubs to communicate directly with their membership through email newsletters and other forms of social media was also key to successfully maintaining member interest when the doors were shut, and to promote their various services when Level 2 allowed. As a result, Level 2 and 1 has seen a resurgence in general club usage, in particular gaming, that should be capitalised on.

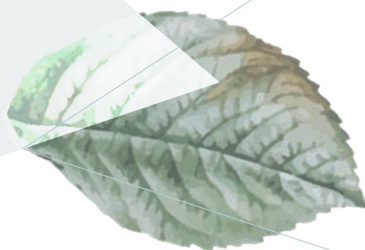
In many ways, the pandemic has made us step out of our comfort zone. We have had to make the best of a bad situation by implementing change and providing new services to survive. The opportunity now exists to embrace change instead of shying away and to foster some of the initiatives adopted during lockdown for the benefit of your general membership. It is time to step out from behind the bar and take it to a new level.

"The financial demise or otherwise of Clubs due to Covid-19 has really come down to initiative and imagination. Some have shown they are too stubborn to allow a global pandemic and nationwide lockdowns to cripple or interfere with club culture."

The Club Management Conference is set to go ahead this year at the Whangamata Club, with dates to be confirmed very soon. Our conference is not just for club managers but anyone with an interest in running a club. Networking is still one of the greatest strengths that we have in our movement with most managers freely making themselves available to assist where they can. There is no better place to be doing just that than at one of the many networking opportunities our annual conference provides.

Lee Davis
President, Club Managers Group

SPORTS REPORT



**Kate
Smith**

I think it is fair to say 2020 has been a difficult year!

The pandemic has changed life as we know it, likely for a very long time. Sport being part of that for many people – not being able to participate or even go to watch our local and national teams play. For me, watching my children play rugby and netball through the fence or from the other side of the field for some time was certainly strange. Luckily here in New Zealand we have returned to some normality and are very lucky to be living here considering the current world climate. We saw 33 of our planned 53 Clubs New Zealand sports tournaments cancelled, however nearly all of these have rolled over to 2021 with the same host clubs which is fantastic.

We did manage to get a few tournaments underway before Covid-19 hit, and the year started off with the South Island Men's Golf run jointly by the Gore RSA and the Town & Country Club. This tournament shows how two clubs can work together and look after 160 players between them. It was a wonderful weekend of golf, and the clubs held their after-match drinks across both clubs on separate nights which worked well and meant everyone got to share the love. A great example of how clubs can team up with each other to successfully hold tournaments in their area.

The National Men's Outdoor Bowls followed not long after in February, hosted by the Petone Workingmen's Club with 465 players involved. A huge tournament and always a highlight on the sports calendar. I met a couple of gentlemen at Club Mount Maunganui in November who were volunteering for the North Island Women's Outdoor Bowls. They have been part of the winning team for two years in a row at the National Men's tournament and are heading down to Papanui in 2021 with their eye firmly on the trophy for a third year running.

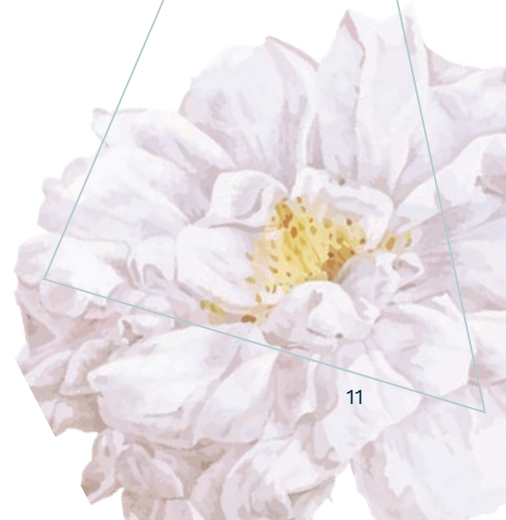
Our tournaments shut down at the end of March, starting up again at the end of September with the South Island Cribbage in Nelson. I can tell you that this tournament nearly didn't go ahead but with a strong adjunct behind them they were determined to get this off the ground and bring everyone (safely distanced of course) together again, and had a great weekend.

A bit of shuffling was had with dates and we managed to get tournaments back up and running through until the end of November. The clubs and their incredible volunteers played such a massive role in getting these tournaments underway, there was extreme uncertainty with the pandemic affecting trade and unsettling individual club members. A massive thank you to the volunteers in our clubs who make our sporting events what they are.

These people are extremely valuable and deserving of considerable praise and recognition in the club industry. It was not easy for them to put together some of these tournaments last minute and hosting clubbies from around the country.

Bring on 2021 with a full sports calendar locked in and rearing to go. I look forward to working with you all and excited for what the year will bring. Let's have a fantastic year of sport and make it a great one.

Kate Smith
Sports coordinator,
Clubs New Zealand



TECHNICAL REPORT



**Leigh
Williams**

I must firstly offer a heartfelt thanks to the National Office crew for their patience and assistance while I have been learning the ropes. Even with many years hospitality experience, there is much that is unique to the club industry and it has been interesting learning these nuances during my first year with Clubs New Zealand.

We made some great progress with the Clubs New Zealand App this year, adding the QR code to the digital membership card which is automatically retrieved from our salesforce database at National Office. By integrating this into future developments, our goal is to streamline the entire membership and sign-in process. Our primary focus in 2021 is making it simpler for members to sign up, download, and use the features of the app.

After the pandemic thwarted all plans for holding our traditional AGM, focus shifted to considering digital options. I set about testing various platforms for reliability, robustness, and ease of use, and we decided on the Zoom webinar platform. After a few dry runs, the National Office Team did some tweaking to come up with a usable solution. I was very pleased with the success of our first (and hopefully last) Digital AGM and thank everyone that participated.

Helping the Salvation Army to implement their new Concern database for problem gambling exclusions has been completed. Thanks to all the clubs that took this on board and helped with the move away from the old paper-based system to a fully online solution. This is likely to be the first step towards facial recognition, as is being used in Australia, to automatically recognise problem gamblers as they enter gaming areas.

Assisting our clubs with everything from sound systems and video, through to computer security and point of sale has given me a wide range of challenges to help find cost effective solutions. Point of sale and support for POS systems is an ongoing concern and that will continue to be my primary focus in the months ahead – watch this space!!

Getting around to visit many of you at area meetings has been enlightening and fun. Everyone has been welcoming and interested in the changes we have been working on, and I am always very keen to hear from clubs needing assistance, or able to offer thoughts on things we should be investigating in the technology space.

I have found that most clubs are happy to embrace technological changes where they can see the benefits to be had for members and in improved efficiency. We have some exciting opportunities in the pipeline for our clubs and I look forward to working with you all over the next year.

Leigh Williams
Technical Manager,
Clubs New Zealand

OPERATIONS REPORT



**Lucy
Waterreus**

2020 is a year for the history books, it is one we were all ready to be done with, but at the same time it is a year that we all learnt a lot and gained a lot from.

In early February we started to receive the odd question regarding Covid-19. A little over a month later and the National Office team was huddled around the table to receive the news that the Clubs New Zealand 2020 Conference & AGM along with a huge number of sports tournaments were to be cancelled. It was only a few days later we learned that New Zealand was about to enter the Level 4 lockdown.

For the first time in recent history our clubs, along with all other businesses deemed non-essential, were to close. The National Office team were suddenly working remotely, but the need to provide clubs with consistent advice and support had never been greater. There was no question that we were going to put heads down and work through the various levels of lockdown in support of our member clubs.

At National Office we quickly established a plan for how we would communicate to members, we set up regular Zoom meetings to ensure we were all on the same page and worked to create a dedicated Covid-19 section on the website to house information and updates as they came to hand. Each level of lockdown presented different challenges. By the time Level 2 rolled around, clubs were desperate to get the doors open and bums on seats. The difficulty being that those bums had to be seated, separated, and served! Level 2 was also ever changing – as a National Office we were tuned into the 1pm briefings at the same time as everyone else, taking in the information, figuring out what it meant and getting it out to clubs via email, sometimes within a matter of minutes.

As you will see within this annual report from March through to September, Clubs New Zealand sent out 30 dedicated Covid-19 emails, 26 e-newsletters and an immeasurable amount of phone calls and emails providing direct and tailored support to individual clubs.

Despite all the challenges and frustrations that Covid brought, there were some amazing positives and lessons for us all to take away. Our teams became stronger and we became better communicators. We all had to adapt and make changes to the way we operate, and in some cases these changes were for the better.

We collaborated with other industry groups and we raised our heads a little higher to advocate for clubs (which is a double-edged sword at times). We welcomed new clubs to the Clubs New Zealand family and delivered more training to clubs than in 2019.

In last year's annual report, I talked about resilience and how it is our greatest asset and 2020 was a testament to that. As a team and an association, we worked together, and we minimised the negative impacts of what was a really challenging year. We should look back at that with pride.

We are not out of the woods yet, Covid will no doubt let its presence be known for some time to come. We have a great foundation to work from, we know we can adapt quickly if and when required and we will remain prepared.

As always, I am genuinely excited to see what challenges 2021 throws our way (just maybe not to the extent of 2020).

Lucy Waterreus
Operations Manager,
Clubs New Zealand

YEAR IN REVIEW 2020

Membership



7 NEW MEMBER CLUBS

General



132

newsletters sent throughout 2020

Advocacy



Letters sent to every New Zealand councillor in response to the

Problem Gambling Foundations White Paper



Submissions and presentations made at

Class 4 Gaming Reviews across the country

INTRODUCTORY LETTERS
sent to members of cabinet

Training and Consultancy



81

people attended Harm Minimisation Training



76

people attended the regional managers courses



72

people attended Armed Hold Up Training



9

CLUBSMART COMMITTEE
Training Sessions



12

OPERATIONAL REVIEWS
updated or completed

Covid Response



Dedicated Covid-19 Website Setup



30

Covid-19 related memos sent via email between March and September



COLLABORATION WITH

Hospitality New Zealand and Restaurant Association

26

Club Industry e-Newsletters sent between March and September covering Covid-19 information



Development of COVID specific resources, tools and templates

An **immeasurable amount of phone calls and emails** providing direct and tailored support to individual clubs

A **direct line of communication** was established between Clubs New Zealand and the operations group responsible for the Covid-19 response with NZ Police



CLUB SPECIFIC DEALS

on sanitation and compliance products rolled out

Regular direct communication was established with the **Minister responsible for MBIE, Hon Kris Faafoi and the Minister for Internal Affairs, Hon Tracy Martin**

In May personalized letters were sent to each member of cabinet requesting support and a **review of Covid-19 rules as they related to the club industry**

FINANCE REPORT

Year ended 31 December 2020

We are pleased to confirm a profit for the year of \$60,920.

Like last year, the past twelve months have been very successful in terms of services provided – Club Smart courses, armed robbery training, harm minimisation courses and operational audits – completed for clubs. In addition to these we held four one-day basic manager’s courses in North Island regions. Each year we endeavour to provide as much resource material and training for club managers and staff as possible.

Clubs New Zealand has avoided being badly affected by the pandemic – levies have grown as has membership, both in club numbers and membership of those clubs, which continue to grow.

Notable aspects of our income included levies being slightly up, insurance commissions very close to the same, and of course no income from the cancelled annual conference.

The main expense items under budget were Board and staff expenses, mainly due to travel and representation at various events, sports and otherwise, being curtailed by the pandemic.

One other significant saving was in Clubs NZ ‘Advisory/Legal’ due to last year seeing us fight the battle to retain the right to administer reciprocal visiting rights, and obviously that did not recur this year. Expenditure is down \$17,000 in this ledger item.

Overall we have had another satisfactory year, and to assist clubs the Board is not recommending any levy increase for the coming Financial Year, the levies have been held for four years now, despite a remit being passed some years ago that levies be automatically increased by the increase in the consumer price index for the latest year.



Terry Ray

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 2020, 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 9.

In our opinion, the financial information in the performance report presents fairly, in all material respects, the financial position of the entity as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) 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 financial information in the performance report in accordance with International Standards on Auditing ('ISAs') and 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 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 Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, 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 advice, we have no relationship with or interests in the entity, except that partners and employees of our firm deal with the entity on normal terms within the ordinary course of trading activities of the business of the entity.

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, 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 obtained prior to the date of our audit report, 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 entity 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 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 Board either intends to liquidate the entity 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 entity 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
10 February 2021

Clubs New Zealand Incorporated

Entity information

for the year ended 31 December 2020

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:	<ul style="list-style-type: none">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: <ul style="list-style-type: none">(a) A Board of Management; and(b) 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 eight paid employees. We employ a Chief Executive, General Manager – Northern, General Manager – Southern, PA / Finance Manager, Sports Advisor, Operations Manager and Technology Manager.

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

Clubs New Zealand Incorporated

Statement of service performance

for the year ended 31 December 2020

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

	Unaudited This year	Budget This year	Unaudited Last year
Clubs Smart Training – Governance Course for Club Executives (people)	71	50	45
Being a responsible Gambling Host for Club Staff (people)	81	20	232
Back to Basics Course – Club Managers Training (people)	76	15	6
E-Newsletter's sent to members – weekly and update E-Newsletters	133	100	213
Support to Clubs New Zealand sports tournaments	\$21,477	\$42,500	\$24,273
Sales Force database implemented	\$3,570	\$5,000	\$3,933
Internal Club Audits – assisting with restructuring, policies	11	10	8
Government Submissions	0	5	3
Armed Hold up Training (people)	72	-	257
Advocacy	\$14,264	\$20,000	\$26,337

Statement of financial performance

for the year ended 31 December 2020

	Note	2020 \$ Audited Actual	2020 \$ Unaudited Budget	2019 \$ Audited Actual
Operating Revenue				
Conference & AGM Income		–	128,000	120,859
Insurance Commissions	5,6	247,658	215,000	211,949
Less Clubs New Zealand Insurance Discount		(48,401)	(48,357)	(47,540)
Interest Received		2,778	4,000	3,679
Member Subscriptions		1,113,491	1,100,000	1,107,892
Other Income		23,165	45,000	51,829
Sky TV Commission		11,639	–	15,548
Covid 19 Wage Subsidy		56,237	–	–
VTNZ Rebate Income		13,948	16,000	15,112
Total Operating Revenue		1,420,515	1,459,643	1,479,327
Less Operating Expenses				
Advertising and Publicity		6,540	10,000	9,500
Board Expenses and Honoraria		116,213	137,200	154,044
Body Corporate Fees and Rent		52,732	55,000	54,034
Clubs Advisory		19,264	16,000	26,337
ClubSmart Expenses		922	5,000	2,479
Computer & Website Costs		42,345	39,000	45,715
Conference & AGM Expenses		16,543	118,000	115,076
Depreciation		38,303	38,000	42,709
Fees Paid to Deloitte – Other Services		3,500	5,000	4,750
Fees Paid to Deloitte – Audit Services		16,300	18,000	14,400
Insurance and ACC levies		14,189	15,000	14,743
Legal Expenses & Govt Submissions		4,505	11,000	8,368
Loss on Disposal of Assets		28,942	–	–
Marketing and Promotion		26,357	25,000	25,844
Other Expenses		110,047	127,450	117,482
Provision for doubtful debts		15,613	–	–
Gaming Assist Program		–	–	860
Sports Awards and Promotions		21,477	27,500	24,273
Staff Remuneration		747,552	729,500	700,231
Staff Travel and Training		56,310	65,000	79,671
VTNZ Rebate payment to Clubs		13,948	16,000	15,112
Total Operating Expenses		1,351,603	1,457,650	1,455,627
Surplus for Year Before Tax		68,912		23,700
Tax Expense	3	(7,992)		(21,038)
Surplus for the Year After Tax		60,920	1,993	2,663

The accompanying notes on pages 24-25 form part of the Performance Report.

Clubs New Zealand Incorporated

Statement of movement in equity

for the year ended 31 December 2020

	2020 \$ Audited	2019 \$ Audited
Opening Accumulated Funds at 1 January	1,000,879	998,216
Surplus for the Year after tax	60,920	2663
Closing Accumulated Funds at 31 December	1,061,799	1,000,879

Clubs New Zealand Incorporated

Statement of financial position

for the year ended 31 December 2020

	Note	2020 \$ Audited	2019 \$ Audited
Accumulated funds		1,061,799	1,000,879
Represented by			
Current Assets			
Accounts Receivable	5,6	264,807	210,923
Accrued Interest		22	22
Cash and Bank Accounts		399,523	300,327
Investment in Clubs Insurance Services Ltd	5	5,518	5,518
Other Current Assets		23,594	12,116
Term Deposits – Bank	1.d.5	100,000	100,000
GST Receivable		2,170	4,611
Total Current Assets		795,634	633,517
Non-Current Assets			
Property, Plant & Equipment and Intangibles	4	479,032	527,289
Total Assets		1,274,666	1,160,807
Current Liabilities			
Accounts Payable and Other Creditors		18,229	6,837
Income Received in Advance		66,459	23,141
Income Tax Liability		15,439	22,447
Employee Costs Payable		74,977	72,573
Other Liabilities		37,763	34,930
Total Current Liabilities		212,867	159,928
Net Assets		1,061,799	1,000,879



Terry Ray
President
10th February 2021



Larry Graham
Chief Executive Officer
10th February 2021

The accompanying notes on pages 24-25 form part of the Performance Report.

Clubs New Zealand Incorporated

Statement of Cash Flows

for the year ended 31 December 2020

Cash Flows from Operating Activities

	2020 \$ Audited	2019 \$ Audited
Cash was received from:		
Insurance Commissions	214,363	217,131
Fees, subscriptions and other receipts from members	1,064,102	1,167,803
Receipts from providing goods or services	48,238	108,932
Interest Income	2,778	3,679
Covid-19 Government Wage Subsidy	56,237	–
	1,385,718	1,497,545
Cash was applied to:		
Payments to suppliers and employees	(1,238,664)	(1,436,321)
Other	(28,870)	(29,498)
	(1,267,534)	(1,465,819)
Net Cash Flows to Operating Activities	118,184	31,726

Cash Flows to Investing and Financing Activities

	2020 \$ Audited	2019 \$ Audited
Cash was applied to:		
Payments for fixed assets	(18,988)	(3,932)
Net Cash Flows to investing and Financing Activities:	(18,988)	(3,932)
Net Decrease in Cash	99,196	27,794
Opening Cash	300,327	272,533
Closing Cash	399,523	300,327
This is represented by:		
Cash and Bank Accounts	399,523	300,327

Notes to and forming part of the performance report

for the year ended 31 December 2020

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 36.

(4) **Revenue** – Subscription and commission revenues are recognised as earned over the 12 month period to 31 December 2020.

(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.

(8) Property, Plant and Equipment and Intangibles

Items of property, plant & equipment and intangibles are measured at cost less accumulated depreciation and impairment losses. Depreciation is charged on a diminishing value basis over the useful life of the assets except for buildings. Buildings are depreciated on a straight line basis.

Depreciation is charged at the following rates:

- Buildings: 2% straight-line basis
- Other: 8% to 67% diminishing value
- Intangibles: 10% diminishing value

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.

	2020 \$ Audited	2019 \$ Audited
Profit for year before Tax	68,912	23,701
Add back: surplus from member activities	19,350	51,436
Taxable Profit from non-member activities	88,262	75,137
Tax at 28%	24,713	21,038
Adjustment to prior years	(16,721)	–
Tax Expense	7,992	21,038

4. Property, Plant & Equipment and Intangibles

	Cost \$ Audited	Depreciation Expense \$ Audited	Accumulated Depreciation \$ Audited	Book Value at year end \$ Audited
As at 31/12/20				
Property Plant & Equipment				
Building	250,000	5,000	32,917	217,083
Other	231,183	13,421	119,391	111,792
Intangibles				
Client Relationship Management Surface	219,155	19,882	68,998	150,157
	700,338	38,303	221,306	479,032
As at 31/12/19				
Property Plant & Equipment				
Building	250,000	5,000	27,917	222,083
Other	333,784	15,617	227,399	106,385
Intangibles				
Client Relationship Management Surface	258,865	22,091	60,044	198,821
	842,649	42,709	315,359	527,289

For the purposes, the replacement value for the Associations buildings is \$1.2M.

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 \$247,658 (2019: \$211,949) 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.

In prior year where a club insured with Clubs New Zealand Insurance Services a rebate may have been paid.

At the 2019 AGM it was confirmed an upfront discount of 0.25 per member would be given at the time of subscriptions to all members part of Clubs New Zealand Insurance

7. Commitments & Contingencies

The Association had no capital commitments or contingencies at year end. (2019:nil)

Lease Commitments	Current \$	Term \$	Total \$
As at 31/12/20	50,484	74,606	125,090
As at 31/12/19	23,370	25,930	49,300

8. Subsequent Events

There have been no significant events subsequent to balance date.

9. Significant Events

Covid-19 has resulted in the cancellation of the annual AGM/conference due to be hosted by Club Hastings in March 2020. Clubs New Zealand refunded all members for their registration fees, or allowed members to carry amounts forward for the upcoming 2021 AGM/conference. Due to the decline in revenue (in 2019 AGM/conference revenue totalled \$120,859) Clubs New Zealand applied for and received \$56,237 of the New Zealand government's wage subsidy. This was used for paying staff remuneration. Due to reserves held, Clubs New Zealand continues to believe that it will continue to operate as a going concern for the foreseeable future.

INCOME AND EXPENDITURE

Previous 2019

Income



Insurance commissions **14%**

Interest received **0%**



Conference & AGM income **8%**

VTNZ rebate income **1%**

Covid 19 Wage Subsidy **0%**

Sky TV commission **1%**

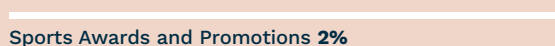


Other income **4%**



Member Subscriptions **72%**

Expenditure



Sports Awards and Promotions **2%**

Gaming Assist Program **0%**

Provision for doubtful debts **0%**



Other Expenses **8%**

Marketing and Promotion **2%**

Loss on Disposal of Assets **0%**

Legal Expenses & Govt Submissions **1%**

Insurance and ACC levies **1%**

Fees Paid to Deloitte – Audit Services **1%**

Fees Paid to Deloitte – Other Services **0%**

Depreciation **3%**



Conference & AGM Expenses **8%**

Computer & Website Costs **3%**

ClubSmart Expenses **0%**

Clubs Advisory **2%**

Body Corporate Fees and Rent **4%**



Board Expenses and Honoraria **11%**

Advertising and Publicity **1%**

VTNZ Rebate payment to Clubs **1%**

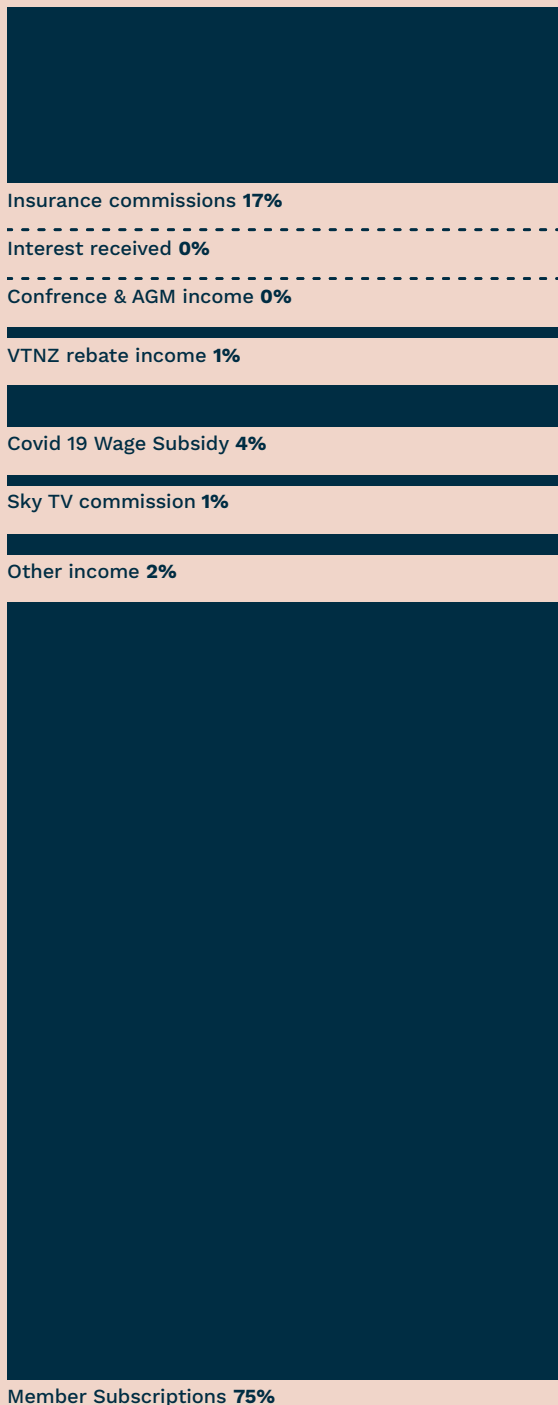
Staff Travel and Training **5%**



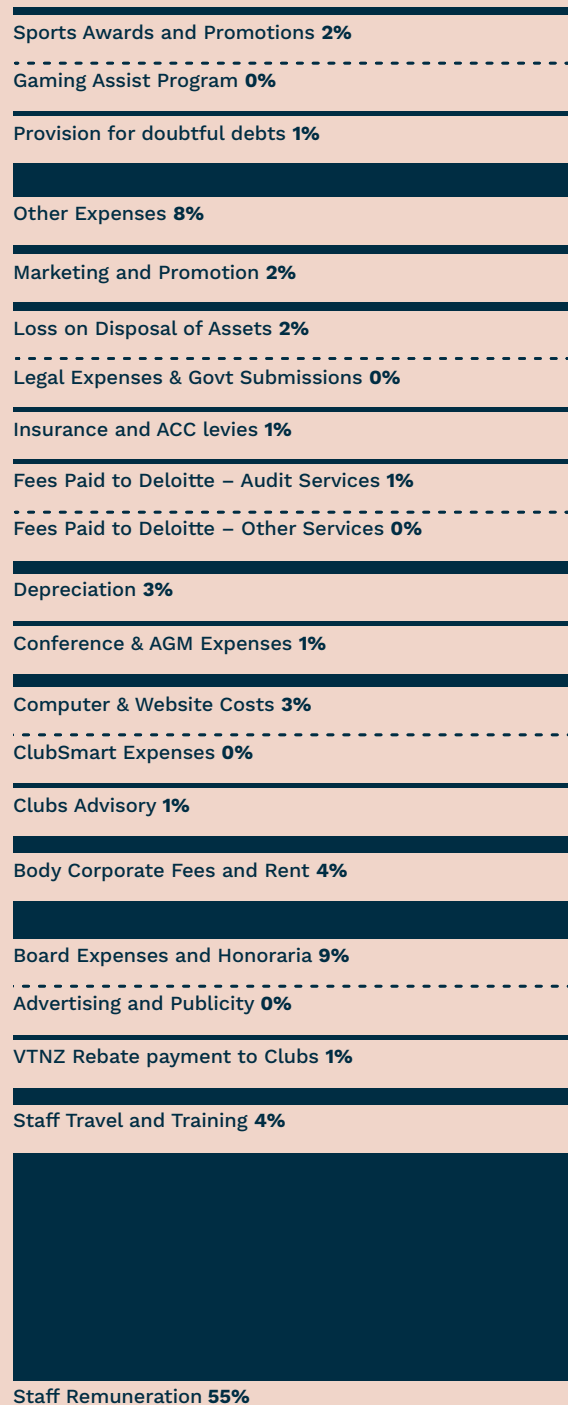
Staff Remuneration **48%**

Current 2020

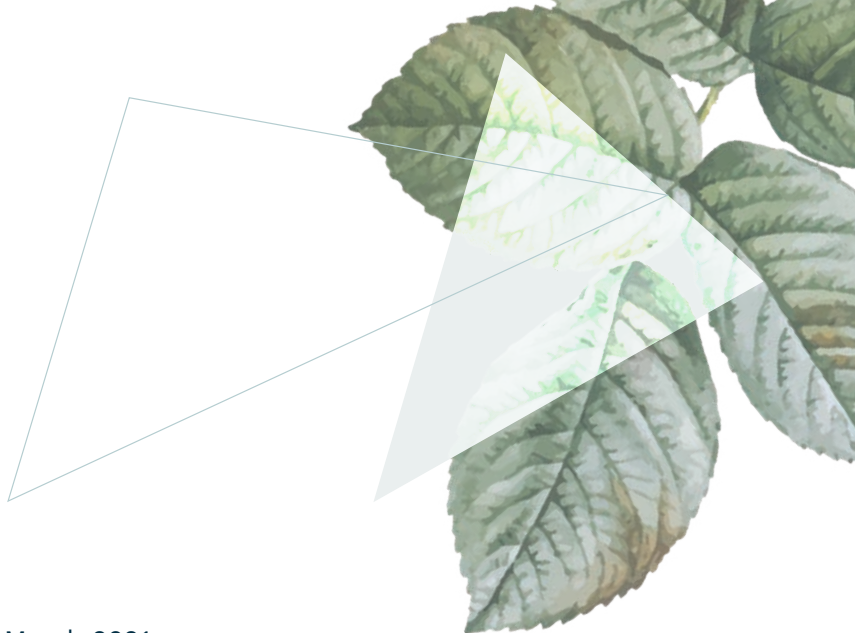
Income



Expenditure



2021 AGM AGENDA



Annual General Meeting Agenda Monday 22nd March 2021
Richmond Club, Chirstchurch.

1. Welcome and Apologies
2. Confirmation of the minutes of the AGM held via Zoom, September 2020
3. Matters arising from the 2020 AGM Minutes.
4. Presidents Report – Terry Ray
5. 2020 Financial Report – Terry Ray
 - Confirmation Auditor for 2021
 - Confirmation of capitation fees for 2021
6. Chief Executive Report – Larry Graham
7. Election of Officers
8. Update from 2022 host club – Clubs Hastings
9. Selection / application from clubs for hosting March 2023 AGM
10. General Business

Please note the next Conference and AGM is **Thursday 17th March until Saturday 19th March 2022** in Hastings at Clubs Hastings.

AGM Closure

2020 BOARD MEMBERS



Terry Ray

President

- South Waikato
- Bay of Plenty



Roly Reardon

- Greater Auckland



Bryan Ferguson

- Waikato
- Thames Valley
- King Country



Bernard Hickey

- Hawkes Bay
- Poverty Bay



Royce Tunbridge

- Wanganui
- Taranaki
- Manawātū



David Dalton

Deputy Chair

- Wellington
- Wairarapa
- Horowhenua



Glen Beattie

- Nelson
- Marlborough



Graeme Olson

- Buller
- West Coast



Maurice Nutira

- Canterbury



Prem Nath

- North Otago
- Mid & South Canterbury



Neil McDowall

- Otago
- Southland

2020 Life Members

Bruce Broderson

QSM

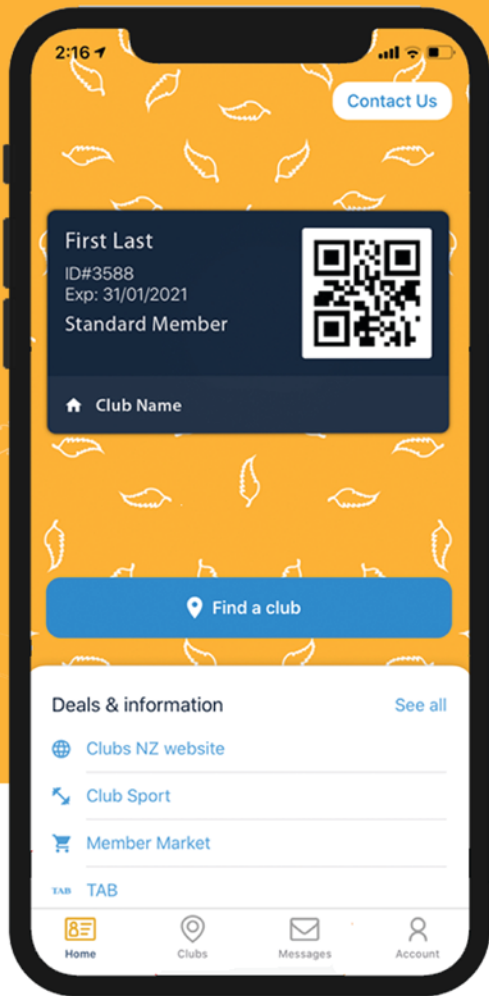
Russell Cottam

Tom Fisher

Caroline Kellaway

ONZM/JP

John Taylor



HANDS ON THE FUTURE

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NEW ZEALAND INC

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