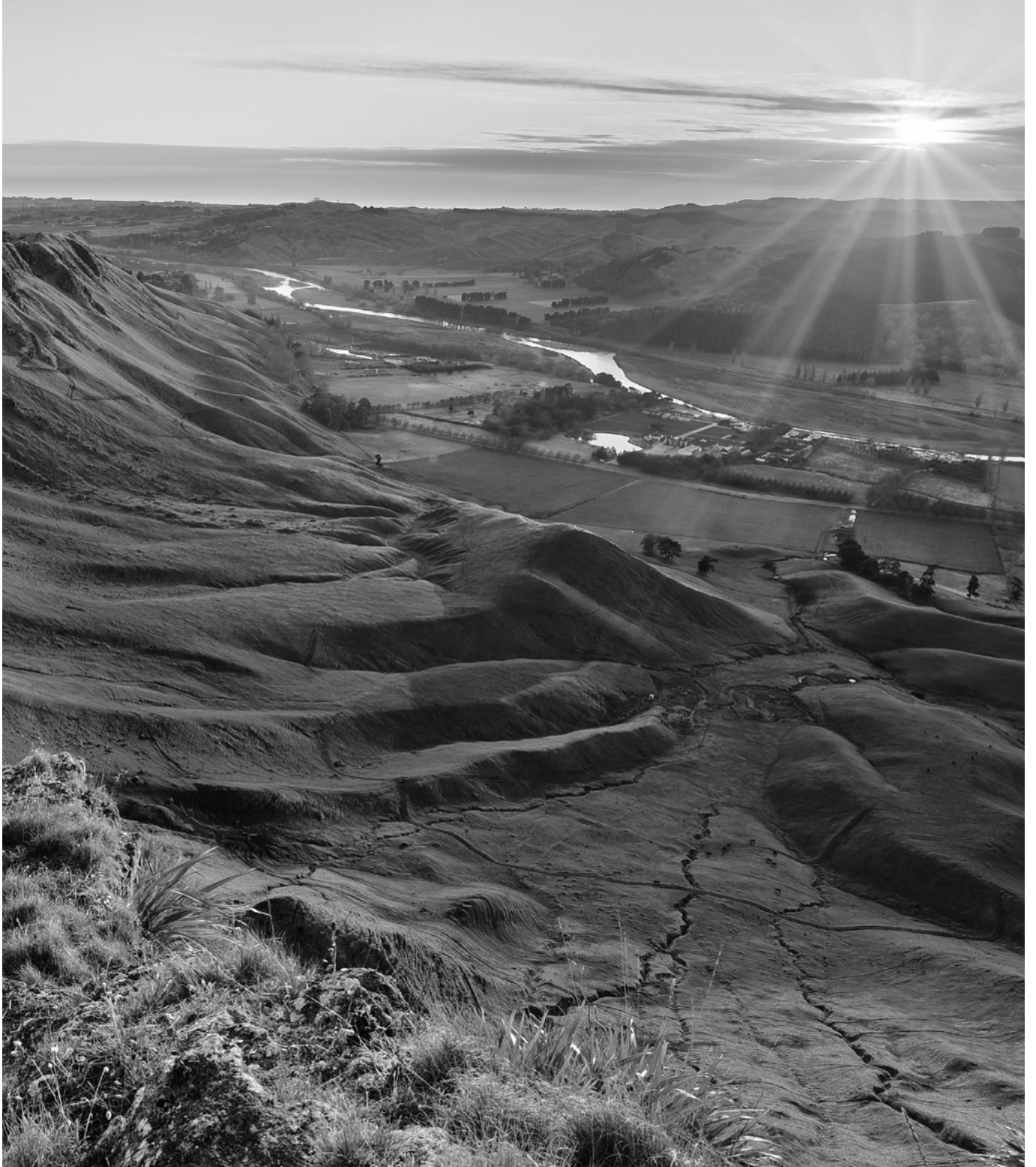


# ANNUAL REPORT





# ANNUAL REPORT

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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 wellbeing is our main concern.

## FOCUS

Clubs New Zealand supports member clubs through guidance and education to help generate benefits and services to 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.

# PRESIDENT'S REPORT

There's no doubt the hospitality industry is operating in very challenging times. Covid-19, and related variants, have changed everything. Clubs were just starting to recover from the previous lockdown so this last one has been a blow to many. For Auckland operators it has obviously been even more difficult with the Waikato region also suffering extended lockdowns and closures.

Hopefully the Traffic Light System will make things easier, but time will tell. Covid passes are now the norm for entry, and it is pleasing to see all clubs working as best they can to embrace the challenges in these unprecedented times.



**TERRY RAY**

Wage subsidies and business resurgence payments have been lifesavers to weather the storm, and national office has been doing a great job of getting the information out – just call the 0800 number if you need extra assistance.

We know fixed costs do not go away just because a club is closed. The pandemic has shown the importance of being able to pivot and think outside the square. Some clubs have found that click and collect meals have provided much needed cashflow during lockdowns. Let's keep thinking of and sharing new ideas to help each other get through.

We also know times like this are stressful so don't be afraid to just pick up the phone if you feel you need some emotional support – we're here to help in whatever way we can. And of course, be mindful that your staff are also operating under more stressful circumstances when levels do allow us to open our doors. There will no doubt be continued requirements to wear masks, sanitise and social distance. We're all in this together so it's important to look out for each other and do whatever we can do to support each other.

With the vaccination roll out 2022 should be easier. I encourage you to all get your jabs as soon as you can so we can get back to some sense of normality. Help your staff to get theirs as well by making it as easy as you can for them to book in and have the time to do it.

It's our best defence against Covid-19 right now and the more people who are vaccinated the less likelihood further lockdowns will occur in future.

National office has continued to make government aware of the special nature of clubs and that they need protecting for the benefit of the community with targeted support. As not-for-profit, community-based organisations we provide connection and belonging to over 300,000 New Zealanders. We will continue to work hard to make your voice heard.

The right systems will also play a part in assisting clubs to continue to be successful through all the uncertainty. Trials of our ClubPos till system by our technical manager, Leigh Williams, have proved successful and we envisage this will start to roll out to clubs starting later this year. It will give us better control over this important aspect of our business and means we can offer improved backup and support when clubs need it. We are also hoping pricing will be more attractive, which will be a real benefit in these challenging times.

Covid-19 has also shown the advantages of banding together with other likeminded organisations like RSAs. Out of 103 RSAs nationwide, 98 are now members of Clubs New Zealand. We recognise there are many synergies between our organisations, and it makes sense to ensure we can both operate efficiently and assist each other where possible.

We look forward to exploring the potential of this relationship further once lockdown restrictions end.

As we work into 2022, remember the power of tools such as social media, particularly Facebook, to keep in touch with your members and let them know what great events you have coming up. Regular communication matters in difficult times and no doubt many people will be ready to kick their heels up and have some fun as we welcome them through our doors again.

I would like to thank my Vice Chair, Dave Dalton and my fellow board members for their support and dedication to the club movement.

To the team at national office – Larry, Lucy, Michelle, Dave, Keith, Kate and Leigh – we are very fortunate to have such a group of likeminded people working for this association. Especially during these Covid times, your efforts do not go unnoticed.

It's been a whirlwind year with many challenges, but I feel very privileged to have been able to work with you all.

I look forward catching up with you all.



**TERRY RAY**

**President**

Clubs New Zealand

# CHIEF EXECUTIVE'S REPORT

## REFLECTIONS

As we navigate our way into a new year, I find myself reflecting on the challenges our club committees and staff have, and will continue, to face as we wonder what on earth might happen next. The increase in uncertainty around Covid-related rules for the hospitality industry will only grow as bureaucrats grapple with a common-sense pathway. We feel your pain and will continue to do what we can to assist. I sincerely thank you for your dedication and commitment to your club as I know you didn't sign up for these ongoing challenges.

To think that in December I was writing my last board (Christmas) report of 2021, only to watch as Covid began winding up again. I suppose we may have to get used to this, especially the mask on mask off action, although that too depends on the differing values of individual retail and hospitality venues, but the hard stuff to fathom is the hypocrisy around the rules.



LARRY GRAHAM

Especially the inequality shown as celebrities are allowed into the county, jumping isolation rules, while those desperate to get home to attend a family funeral, or significant family situation are not. Some decisions being made defy logic to me.

There have been many challenges for the staff this year but the most distressing issue for me was the few anti-vax club members who wrote to me to express their views, and ask for the national body to mandate rules as they see appropriate. For the record we (staff) are not doctors or scientists and have agreed to rely on those who are.

## THE TEAM

More than ever, I am extremely proud of the collective work of all staff, who dug deep over many months during 2021 to ensure there was enough information to assist with club's decision making, especially around managing staff. This part of the job was extremely difficult.

Our efforts over the year were well supported by the board and it was critical to know they were right behind us in all operational decisions. We are lucky to have the support of Terry Ray (President) and Dave Dalton (Vice President) whose consistency has been key. As I reported to the board in December, occasionally I must respond quickly to submissions, media and political stuff as this is always on behalf of all members.

I do this knowing the board support me, and if there are any issues they are quickly covered off at the earliest chance.

The contribution from Lucy Waterreus during this period has also been nothing short of brilliant with her skill for deciphering ministerial information. This was not an easy task. We sent many communications from national office and copied these to our board, cabinet ministers, media and relevant government agencies. For the year, this has involved well more than 40 articles, most in the latter part of 2021. While the challenges for our clubs have been and probably still are a major disruption, the national office must keep going. For their work I sincerely thank our team for keeping consistent and trying to respond to the huge number of daily messages.

I say every year that it is a privilege to work with this group of talented people who are hugely dedicated and fantastic to work with. One of the obvious measures has been our ability to stay within the financial perimeters set by the board each year, and while our surpluses are small, we continue without compromising the operations or our development program.

I said last year that our small team of Dave, Keith, Lucy, Kate, Leigh and Michelle do extraordinary things with limited resources, nothing has changed, thank you all.



## CHALLENGES

2022 will no doubt bring new challenges, some just the perennials such as Sky and the TAB however, despite some conflicting views, we will continue to argue our case. The TAB is under a new retail team and doing their best to keep our involvement relevant. Sky, however, continues to be evasive around the issue of cost.

Despite the challenges, we will continue to be resolute and remain the cornerstone of our communities. It is not the role of clubs to be evangelists but to be reliable and relevant.

## LAST, BUT NOT AT ALL LEAST

It is always necessary to thank the companies who have provided amazing and continual support over what has been a difficult period in our lives. With a fear of missing someone I do sincerely thank the Abbott team especially Judith and Mary who tirelessly work for our members. Thanks to you and all your work colleagues. Our conference sponsors are hugely appreciated and have become close friends to us all.

Close to \$50 million PA is earned from the Non-casino Class 4 Gaming proceeds and we never underestimate the power of this contribution. While we have a serious investment in training our 3,500+ club staff in harm prevention, our strong view is the benefits far outweigh the negative.

And there is more – at head office, Leigh is working on a club-specific POS system which we believe will be a game changer for club’s financial management systems and third-party integrations. Paul Andrews from COMS certainly has a great story to tell around facial recognition and other technological developments and will have a team at the conference.

Stay healthy and safe for all of 2022.



### LARRY GRAHAM

**Chief Executive**  
Clubs New Zealand



# NORTHERN MANAGER'S REPORT

The Covid roller-coaster that was 2020 continued in 2021, and indeed gathered speed in the latter part of the year. Auckland and Northland effectively being in lockdown mode from 17 August until the end of the year.

Hospitality has suffered more than most industries, and when you are made aware of the flow on effect to other ancillary businesses it makes for sobering reading. The damage to hospitality businesses has yet to be properly assessed, with most clubs in Auckland and other affected regions just scraping by. We wait with fingers crossed to see what the eventual fall-out will be, and while we will do everything we can to prevent it, no-one should be surprised if we lose some of our clubs soon.

I know first-hand how debilitating lockdown can be for the mind and soul and I take my hat off to all club managers, staff, and committee members, for the way they have coped. While politicians tell us they know how hard it has been for those in lock-down, the vast majority have studiously avoided visiting Auckland and Northland whilst that region bore the brunt of extended lockdowns.

The focus for us, whenever possible, has been on training, whether in person or online via Teams, and the latter method has proven to be a useful tool in our training repertoire.

We have still been able to sign up several new clubs, possibly as a result of them needing information around the rules and regulations for trading under the restricted conditions. We have also recovered a couple of former Clubs NZ Insurance clients, which has been extremely satisfying.

Finally, I want to reassure clubs in the northern regions that we are here for you just as before, and while I personally have physically relocated to Whanganui, I will be on hand to meet your requirements just as before – it's business as usual.



**DAVE TILLEY**

**General Manager**  
Northern



**DAVE TILLEY**

# SOUTHERN MANAGER'S REPORT

Hopes that 2021 would be better than 2020 quickly evaporated as the Covid situation became arguably worse, with extended lockdown for our Auckland colleagues, and the lack of clear directives from the government. Happily, we did manage to get the AGM at Richmond in, and I hope everyone enjoyed their visit to Crusader Country.

The landscape continues to change in a heartbeat and the ability to adjust and adapt has never been more necessary – plan for the worst and hope for the best! Our clubs in the South Island have had their struggles, but overall have come out of the pandemic intact and ready to take advantage of the situation. With a halt to international travel, there are opportunities aplenty with clubs seen as safe, caring hospitality environments.



**KEITH BALLANTYNE**

Although travel has been limited, we have continued to get out and about and help where we can, and at times be a shoulder to cry on or a sounding board. This year will continue to throw curve balls as we learn to deal with the ongoing pandemic. The recent webinars have been well received and may be a vital tool going forward in getting information out, training opportunities and communicating with our geographically spread clubs.

We will also see the introduction of new legislation around incorporated societies which will result in club's needing to look at modernising their constitutions. Lucy and I recently sat the courses that are mandatory in Australia to be able to stand for committee, leading us both to realise we have a long way to go to assist our clubs achieve best practice within their own environment.

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.

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. I look forward to catching up with you all within your region as travel permits.

President Terry and board members, I look forward to working with you all as we continue to make Clubs NZ an organisation that best serves our member clubs.

And to our clubs, you are the heartbeat of the movement, and the reason for our drive and passion.

**KEITH BALLANTYNE**

**General Manager**  
Southern

# CLUB MANAGER'S REPORT

This is the hardest report I have had to draft as President of the Managers Group, based solely on the ongoing impact Covid has had on New Zealand, hospitality and more specifically our clubs.

Although 2021 is now behind us, I believe it will be remembered as the year that divided our nation.

Over the past 20 years, there have been many things that have impacted the way we trade – smoke free indoors, responsible serving of alcohol and the ongoing annual increase in the minimum wage – but in most cases, with some imagination, strategic planning, and more stringent budget control, they have all been largely manageable in the mid to long-term plan, simply because we have known what we were dealing with. But, when you combine a raging pandemic with government efforts to manage it, including vaccine mandates, it is a dangerous cocktail, a volatile mix, and difficult to manage.



**LEE DAVIS**

We know that this has affected all New Zealanders, some more so than others, and that it has not only divided us, but our club members as well as our staff. It will likely continue to be that way for some time as uncertainty prevails.

These real-life concerns for clubs are evident in Clubs New Zealand's 2021 Census. Relevant questions have been asked to get us thinking about our current financial position, and what strategic planning we intend to implement to assist our clubs in remaining or becoming viable going forward.

What is your club's worth? Are you free hold? What amount of debt funding will be required over the next 12 to 24 months (if any)? What will the funding be used for, and do you think your club will be open in the next five years? These are all important questions to open discussions and form the base of a post 2021 Covid Strategic Plan.

Be mindful if looking to borrow money as banks are not interested in lending against equity and they will not take gaming profits into account. They are only interested in confirming your bottom-line performance from your other profit centres (after all other club expenses are paid), will be sufficient to service a loan, and struggling clubs will not meet that test.

This leads to another pertinent Census question, does your Club have any plans to merge or amalgamate?

All clubs, if they haven't already, need to seriously consider this as an option for future sustainability, as in today's environment, combining assets to enable future growth is better than selling assets to pay increasing operating expenses, which is where the downward spiral begins. There are some very good examples of mergers now that can be examined.

Covid is now the new normal and we need to learn how to manage that if we want to survive, and in most cases, a change in attitude will be required. On this topic, when the Club Managers Group next meets, an updated strategy, formalising our structure and succession planning, will be presented for discussion and adoption to also ensure we are sustainable going forward.

On behalf of our group, I thank Clubs New Zealand President, Board, CEO and staff for your continued support and for the valuable resources provided throughout last year, in particular the webinar sessions hosted and regular Covid updates and advice posted through your newsletters.

Wishing all a prosperous year and hopefully we can catch up soon.

**LEE DAVIS**

**President**  
Club Managers Group

# SPORTS REPORT

I think it is fair to say 2021 has been another difficult year with sport again taking a beating. Since mid-August we have seen 13 out of 16 tournaments cancelled.

Despite attempting to shuffle around a couple of tournaments (North Island Darts and National 8 Ball) they couldn't go ahead, and we feel for South Island Table Tennis who have been trying to hold their 50th Jubilee for the last couple of years.

Two years in a row for not just these three tournaments but others as well which is disappointing and frustrating for the clubs and sections who manage these. Also, for the participants with flights and accommodation booked, it was tough for all.

Tournaments cancelled in 2021 will be rolling over to 2022, which will mean that a few host clubs will be pushed out another year to 2023.

I think there was a bit of a Covid hangover earlier in the year with players not registering for tournaments until the last minute, which was frustrating for the conveners and host clubs.



**KATE SMITH**

With cancellations in 2020 and Auckland going in and out of lockdown earlier in the year, it would have rattled some players who didn't want to risk travel. This showed particularly with the National Junior 8 Ball tournament in Invercargill having only 12 players with no North Island teams making it to this tournament.

However, it wasn't all doom and gloom. Those tournaments that were able to go ahead were very successful with great participation numbers. The National Masters and National Women's 8 Ball were held over two weeks in July at the Hamilton Cosmopolitan Club. Everyone had a fabulous time, and the club reaped the benefits of having all the 8 Ball players present and did a great job looking after all the out of towners.

National Euchre tournament was held on the 14 – 15 August at the Porirua Club and just managed to sneak in before lockdown (they weren't so lucky in 2020). Another successful tournament with 285 players attending from all over the country.

National Trout Fishing tournament hosted by the Rotorua Citizens Club was held in November with a record 118 participants. Rotorua put on the most stunning weather over those few days, and everyone had a wonderful time.

I know I say this every year, but the clubs and their incredible volunteers play a massive role in getting these tournaments underway, particularly when there is such uncertainty with the pandemic affecting trade and unsettling individual club members.

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.

We have a new tournament being added to the Clubs New Zealand sports calendar in 2022 – the South Island Men's Fours Lawn Bowls tournament to be held at the Oamaru Club at the end of January. This tournament has been around for a few years and I'm excited that this is being added to our calendar, to be shared around the South Island clubs.

Bring on 2022 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.

**KATE SMITH**

**Sports Coordinator**  
Clubs New Zealand

# TECHNICAL REPORT

With the previous year called off, it was great to attend the March AGM/conference and put some faces to names that I had spoken to or exchanged emails with. Getting the opportunity to nervously stand up and give a spiel about tech developments, was a fun challenge.

Major changes to the Clubs New Zealand phone app were completed this year, greatly simplifying the sign up and login processes. This has been well received by club members with many new signups and a significant reduction in people requesting help with the app. The app integration with our salesforce system has paved the way for future development and links with suitable technology partners.



**LEIGH WILLIAMS**

Our first is with Infosign, a sign in entry system developed in Australia and currently used in several New Zealand clubs. Our integration with this system means that visitors from other clubs can easily sign in using their Clubs NZ digital membership card.

Our next development for the app will include a vaccine pass tick displayed in the digital membership card. This will display when a valid expiry date is found for that member in our system, provided your club has sent us a list of members.

We had several clubs take up using the free digital membership card included in the app, instead of plastic cards. This has proven great for smaller clubs who previously were using cardboard. A couple of clubs skipped plastic cards altogether and went straight to digital, saving costs and the environment.

The ClubPOS point of sale system is now installed and on trial at a club in Wellington. We've found a couple of minor things that need adjustment (which is the whole point of having a trial), but things have been going very well. Once the EFTPOS integration is completed, we will be able to roll this out to some other smaller clubs. More information is available on our new support portal at [www.clubpos.co.nz](http://www.clubpos.co.nz).

Visiting area meetings and sharing some of the things we are working on is always a good time. I enjoy listening as you talk about your challenges, and offering possible solutions is a big part of what I do. As always, I am keen to hear from clubs with any thoughts on things we should be investigating in the technology space.

**LEIGH WILLIAMS**

**Technical Manager**  
Clubs New Zealand

# OPERATIONS REPORT

2021 started out smoothly, we all entered the year at Alert Level 1 and despite Auckland bouncing around levels briefly in February, it did appear we were back to some sort of normalcy after the rough ride 2020 had given us.

Outside of Covid, the big-ticket item for 2021 was the introduction of the Incorporated Societies Bill. We prepared a submission on behalf of clubs and spoke to this before the Select Committee. The Bill will replace the Incorporated Societies Act 1908, a painfully outdated piece of legislation. Once passed into law, clubs are going to have a lot of work ahead of them through the transitional period, to bring their constitutions up to date and fully understand the responsibilities and liabilities that this bill introduces. While this work can seem daunting, we are positive this change will provide clubs with the opportunity to modernise their constitutions.



**LUCY WATERREUS**

We also see it as a pathway to updating Clubs New Zealand's governance training. We will be well prepared to support members through this process.

We have also closely monitored the gambling space, maintaining communication with the Department of Internal Affairs, and submitted on numerous venue policy reviews as they have come up across the country. We have responded to employment law changes and as always have assisted clubs with challenges presented by the Sale and Supply of Alcohol Act 2012.

August rolled around and Covid raised its ugly head again, this time in the form of Delta. I think we would all agree that this hit differently, and we can clearly see the impact it has had on clubs with some forced to close or operations restricted. What we struggle to see is the impact that it has had on all of us as individuals – August through to December took a toll and I sincerely hope the weight of those months lifts quickly as we enter 2022.

At national office our position remained – we would digest the information as it came to hand and distribute it to clubs as quickly as possible. You will see within this annual report that from August through to December, Clubs New Zealand sent out 28 Covid-dedicated emails, 16 e-newsletters and an immeasurable number of phone calls and emails providing direct and tailored support to individual clubs, among other activities.

Looking ahead it is hard to say where 2022 is going to take us, particularly as new strains of Covid appear. I believe that the Government will hold firm on its current position with the Covid-19 Protection Framework and this at least should provide some certainty to clubs that the doors will remain open. Covid is here to stay, and it will become part and parcel of our operations just as licensing concerns, rising costs and employment issues are.

I would like to thank each club that completed the Census. This was a huge piece of work and given the landscape we find ourselves in will provide invaluable data on our industry to guide our future direction.

Despite all the challenges, I reflect on 2021 with pride and the confidence that as a team and an association we are well positioned to enter 2022 and continue our work to advocate for the interests, rights, and privileges of clubs wherever and whenever we can.

**LUCY WATERREUS**

**Operations Manager**  
Clubs New Zealand

# YEAR IN REVIEW

## MEMBERSHIP



**6 NEW MEMBER CLUBS**

## GENERAL



**LAUNCHED**  
the first National Census



**AND**  
A major update to the Clubs  
New Zealand mobile app

**163**

Newsletters sent  
throughout 2021



Began a live trial of the

**CLUBS NEW ZEALAND POS**



**REVIEWED ALL**

Clubs New Zealand model  
employment agreements

## ADVOCACY



**SUBMISSIONS AND  
PRESENTATIONS MADE AT**

Class 4 Gaming Reviews across  
the country



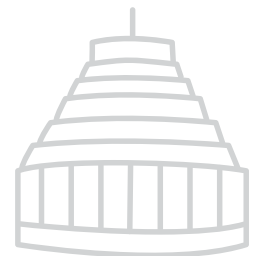
**SUBMITTED ON THE**

DIAs Working Capital Ratio Policy  
and Release of Venue Level GMP  
Data Policy



**SUBMITTED AND  
PRESENTED**

on the Incorporated  
Societies Bill



**NUMEROUS  
LETTERS AND EMAILS**

sent to Cabinet Ministers and  
members of the opposition  
relating to Covid-19



# 2021

## TRAINING AND CONSULTANCY



110

People attended Harm Minimisation Training



42

People attended the regional managers courses



39

People attended Armed Hold Up Training



47

People completed

**CLUBSMART COMMITTEE**

Training Sessions



**LAUNCHED A REVIEW**

of Clubs New Zealand Governance Training

## COVID RESPONSE



Increased activity on the  
**CLUBS NZ FACEBOOK PAGE**



3

Media Releases



3

Webinars



28

**Covid-19 related memos** sent via email between August and December

16

**Club Industry e-Newsletters** sent between August and December covering Covid-19 information

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

**Multiple letters and emails were sent** to The New Zealand Police, Cabinet Members and Opposition Members **relating to Covid-19 and the Alert Level restrictions**

# PERFORMANCE REPORT

YEAR ENDED 31 DECEMBER 2021

We are pleased to report a profit for the year of \$629 after provision for depreciation and income tax.

Similar to past years we have successfully provided our clubs with training on a variety of subject matter and are currently looking at beefing up the Club Smart governance training programme.

We are particularly proud of the significant volume and quality of information made available to clubs during the various stages of pandemic lockdowns. This has been complicated though by the slow release of actual regulations after the announcements made by government.

As with last year, our business has avoided being badly affected by the pandemic, despite several clubs reporting a downturn in membership numbers. We have managed to show a profit even with member club levies being reduced by \$15,115. Insurance commissions were increased by \$9,631.

Overall, given the uncertain trading conditions created by the pandemic, we believe the result to be satisfactory. To summarise, it's been a very nondescript year in terms of finances!

The flow-on effect of reduced board numbers, as approved previously, will become very apparent in our profit and loss account going forward. The pandemic has also limited board and staff travel, resulting in reduced expenses in those areas.

We will continue to monitor our finances very closely, to ensure Clubs New Zealand remains a viable entity.



**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 2021, 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 2021 and its financial performance and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit) 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, 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 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:

- 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 skepticism 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.
- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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  
12 February 2022

## ENTITY INFORMATION

for the year ended 31 December 2021

<b>Legal Name:</b>	Clubs New Zealand Incorporated	
<b>Type of Entity:</b>	Incorporated Society	
<b>Registration Number:</b>	218850	
<b>Entity Mission:</b>	<b>(a) Our Mission Statement is:</b>	“The Mission of Clubs New Zealand Incorporated is to promote and safeguard the interests and privileges of Member Clubs”.
	<b>(b) Objectives:</b>	<ul style="list-style-type: none"> <li><b>i.</b> To promote membership of the Association to Clubs within New Zealand.</li> <li><b>ii.</b> Generally to take all necessary steps to promote, develop, maintain and safeguard the interests, rights and privileges of Member Clubs.</li> <li><b>iii.</b> 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.</li> <li><b>iv.</b> To promote and facilitate sporting activities between members at provincial, island and national inter-club levels.</li> </ul>
<b>Entity Structure:</b>	<b>(a) Board Structure:</b>	<p>The regulation and government of the Association shall be vested in:</p> <ul style="list-style-type: none"> <li>(a) A Board of Management; and</li> <li>(b) Such other committee or committees as may be created by the Association in General Meeting.</li> </ul>
	<b>(b) Operational Structure:</b>	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, Operations Manager and Technology Manager.
<b>Main Source of Entity’s Cash and Resources:</b>	Clubs New Zealand’s main income is a Annual Subscription fee set at the General meeting each year.	
<b>Contact Details:</b>	<b>Physical address:</b>	Level 5 ANZAC House, 181 Willis Street, Wellington
	<b>Postal Address:</b>	PO BOX 11749, Manners Street, Wellington
	<b>Phone:</b>	04 815 9007
	<b>Email:</b>	<a href="mailto:enquires@clubsnz.com">enquires@clubsnz.com</a>
	<b>Website:</b>	<a href="http://www.clubsnz.org.nz">www.clubsnz.org.nz</a>
	<b>Facebook:</b>	<a href="https://www.facebook.com/clubsnz">www.facebook.com/clubsnz</a>
	<b>Twitter:</b>	<a href="https://www.twitter.com/clubsnz">www.twitter.com/clubsnz</a>

## STATEMENT OF SERVICE PERFORMANCE

for the year ended 31 December 2021

### 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)	47	50	71
Being a responsible Gambling Host for Club Staff (people)	110	20	81
Back to Basics Course – Club Managers Training (people)	42	15	76
E-Newsletter's sent to members – weekly and update E-Newsletters	163	100	133
Support to Clubs New Zealand sports tournaments	\$38,720	\$43,500	\$21,477
Sales Force database implemented	\$0	\$0	\$3,570
Internal Club Audits – assisting with restructuring, policies	7	10	11
Government Submissions	3	5	0
Armed Hold up Training (people)	39	50	72
Advocacy	\$14,117	\$15,000	\$14,264
Technology Development	\$44,987	\$40,000	0

# STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 December 2021

	Note	2021 \$ Audited Actual	2021 \$ Unaudited Budget	2020 \$ Audited Actual
<b>Operating Revenue</b>				
Bad Debts Recovered		3,377	-	-
Conference & AGM Income		168,291	130,000	-
Insurance Commissions	5,6	257,289	215,000	247,658
Less Clubs New Zealand Insurance Discount		(46,962)	(48,000)	(48,401)
Interest Received		1,006	2,000	2,778
Member Subscriptions		1,098,376	1,110,000	1,113,491
Other Income		47,332	50,000	23,165
Sky TV Commission		-	-	11,639
Covid 19 Wage Subsidy		-	-	56,237
VTNZ Rebate Income		12,064	16,000	13,948
<b>Total Operating Revenue</b>		<b>1,540,773</b>	<b>1,475,000</b>	<b>1,420,515</b>
<b>Less Operating Expenses</b>				
Advertising and Publicity		20,000	20,000	6,540
Board Expenses and Honoraria		107,696	109,200	116,213
Body Corporate Fees and Rent		49,347	55,000	52,732
Clubs Advisory		14,117	15,000	19,264
ClubSmart Expenses		43	3,000	922
Computer & Website Costs		65,628	56,000	42,345
Conference & AGM Expenses		143,698	118,000	16,543
Depreciation		47,454	45,000	38,303
Fees Paid to Deloitte – Other Services		-	-	3,500
Fees Paid to Deloitte – Audit Services		17,900	16,500	16,300
Insurance and ACC Levies		15,581	15,000	14,189
Legal Expenses & Govt Submissions		4,900	10,000	4,505
Loss on Disposal of Assets		-	-	28,942
Marketing and Promotion		24,378	20,000	26,357
Other Expenses		94,398	118,450	110,047
Provision for Doubtful Debts		5,637	-	15,613
Sports Awards and Promotions		38,720	43,500	21,477
Staff Remuneration		743,282	729,500	747,552
Staff Travel and Training		72,470	65,000	56,310
Technology Development		44,987	40,000	-
VTNZ Rebate Payment to Clubs		12,064	16,000	13,948
<b>Total Operating Expenses</b>		<b>1,522,298</b>	<b>1,495,150</b>	<b>1,351,603</b>
<b>Surplus for Year Before Tax</b>		<b>18,475</b>	<b>(20,150)</b>	<b>68,912</b>
Tax Expense	3	(17,846)	-	(7,992)
<b>Surplus for the Year After Tax</b>		<b>629</b>	<b>(20,150)</b>	<b>60,920</b>

The accompanying notes on pages 26-27 form part of the Performance Report.

# STATEMENT OF MOVEMENT IN EQUITY

for the year ended 31 December 2021

	2021 \$ Audited	2020 \$ Audited
Opening Accumulated Funds at 1 January	1,061,799	1,000,879
Surplus for the Year After Tax	629	60,920
<b>Closing Accumulated Funds at 31 December</b>	<b>1,062,427</b>	<b>1,061,799</b>

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 \$ Audited	2020 \$ Audited
<b>Accumulated Funds Represented by</b>		<b>1,062,427</b>	<b>1,061,799</b>
<b>Current Assets</b>			
Accounts Receivable	5,6	270,623	264,807
Accrued Interest		22	22
Cash and Bank Accounts		270,330	399,523
Income Tax Receivable		4,802	-
Investment in Clubs Insurance Services Ltd	5	5,518	5,518
Other Current Assets		49,851	23,594
Term Deposits – Bank	1.d.5	100,000	100,000
GST Receivable		8,742	2,170
<b>Total Current Assets</b>		<b>709,888</b>	<b>795,634</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment and Intangibles	4	498,592	479,032
<b>Total Assets</b>		<b>1,208,480</b>	<b>1,274,666</b>
<b>Current Liabilities</b>			
Accounts Payable and Other Creditors		31,621	18,229
Income Received in Advance		18,049	66,459
Income Tax Liability		-	15,439
Employee Costs Payable		70,615	74,977
Other Liabilities		25,768	37,763
<b>Total Current Liabilities</b>		<b>146,053</b>	<b>212,867</b>
<b>Net Assets</b>		<b>1,062,427</b>	<b>1,061,799</b>


**TERRY RAY**

President

12/02/2022


**LARRY GRAHAM**

Chief Executive Officer

12/02/2022

The accompanying notes on pages 26-27 form part of the Performance Report.



# STATEMENT OF CASH FLOWS

for the year ended 31 December 2021

## Cash Flows from Operating Activities

	<b>2021</b> <b>\$</b> <b>Audited</b>	<b>2020</b> <b>\$</b> <b>Audited</b>
<b>Cash was received from:</b>		
Insurance Commissions	242,355	214,363
Fees, Subscriptions and Other Receipts from Members	1,186,918	1,064,102
Receipts from Providing Goods or Services	57,980	48,238
Interest Income	1,006	2,778
Covid-19 Government Wage Subsidy	-	56,237
	<b>1,488,259</b>	<b>1,385,718</b>
<b>Cash was applied to:</b>		
Payments to Suppliers and Employees	(1,494,773)	(1,238,664)
Other	(55,665)	(28,870)
	<b>(1,550,438)</b>	<b>(1,267,534)</b>
<b>Net Cash Flows to Operating Activities</b>	<b>(62,179)</b>	<b>118,184</b>

## Cash Flows to Investing and Financing Activities

	<b>2021</b> <b>\$</b> <b>Audited</b>	<b>2020</b> <b>\$</b> <b>Audited</b>
<b>Cash was applied to:</b>		
Payments for fixed assets	(67,014)	(18,988)
<b>Net Cash Flows to Investing and Financing Activities:</b>	<b>(67,014)</b>	<b>(18,988)</b>
<b>Net Decrease in Cash</b>	<b>(129,193)</b>	<b>99,196</b>
Opening Cash	399,523	300,327
<b>Closing Cash</b>	<b>270,330</b>	<b>399,523</b>
<b>This is represented by:</b>		
<b>Cash and Bank Accounts</b>	<b>270,330</b>	<b>399,523</b>

# NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

for the year ended 31 December 2021

## 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 2021.

**(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.

	<b>2021</b> <b>\$</b> <b>Audited</b>	<b>2020</b> <b>\$</b> <b>Audited</b>
Profit for year before Tax	18,475	68,912
Add back: surplus from member activities	31,203	19,350
Taxable Profit from non-member activities	49,678	88,262
Tax at 28%	13,910	24,713
Adjustment to prior years	3,936	(16,721)
Tax Expense	17,846	7,992

## 4. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLES

	Cost \$ Audited	Depreciation Expense \$ Audited	Accumulated Depreciation \$ Audited	Book Value at Year End \$ Audited
<b>As at 31/12/21</b>				
<b>Property Plant &amp; Equipment</b>				
Building	250,000	5,000	37,917	212,083
Other	233,099	22,745	142,136	90,963
<b>Intangibles</b>				
Client Relationship Management Surface	284,254	19,709	88,708	195,546
	<b>767,353</b>	<b>47,454</b>	<b>268,761</b>	<b>498,592</b>

	Cost \$ Audited	Depreciation Expense \$ Audited	Accumulated Depreciation \$ Audited	Book Value at Year End \$ Audited
<b>As at 31/12/20</b>				
<b>Property Plant &amp; Equipment</b>				
Building	250,000	5,000	32,917	217,083
Other	231,183	13,421	119,391	111,792
<b>Intangibles</b>				
Client Relationship Management Surface	219,155	19,882	68,998	150,157
	<b>700,338</b>	<b>38,303</b>	<b>221,306</b>	<b>479,032</b>

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 \$257,289 (2020: \$247,658 ) 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 2020 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. (2021 :nil).

Lease Commitments	Current \$	Term \$	Total \$
As at 31/12/21	49,935	24,671	74,606
As at 31/12/20	50,484	74,606	125,090

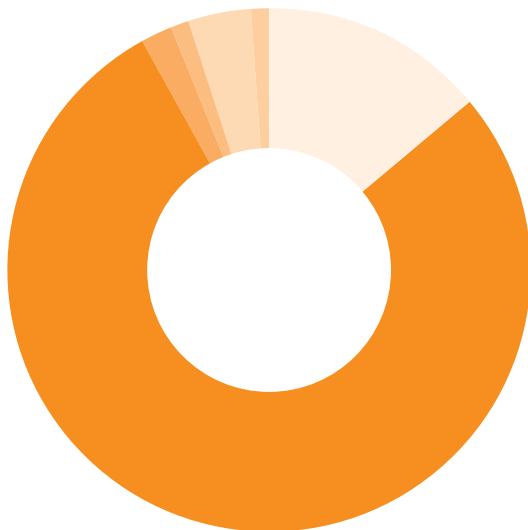
## 8. SUBSEQUENT EVENTS

There have been no significant events subsequent to balance date.

# INCOME AND EXPENDITURE

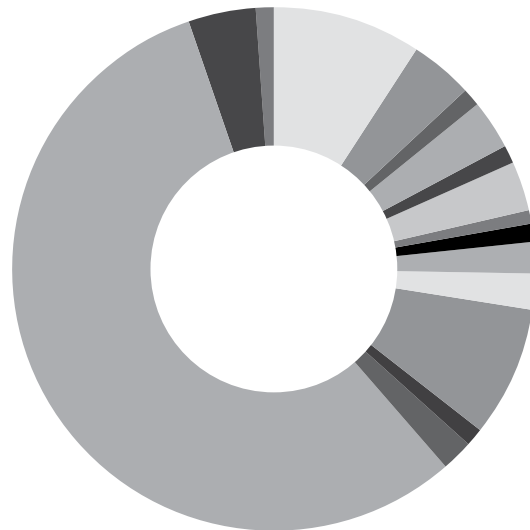
## PREVIOUS 2020

### Income



- Bad debts recovered **0%**
- Conference & AGM Income **0%**
- Insurance Commissions **17%**
- Clubs New Zealand Insurance Discount **-3%**
- Interest Received **0%**
- Member Subscriptions **75%**
- Other Income **2%**
- Sky TV Commission **1%**
- Covid-19 Wage Subsidy **4%**
- VTNZ Rebate Income **1%**

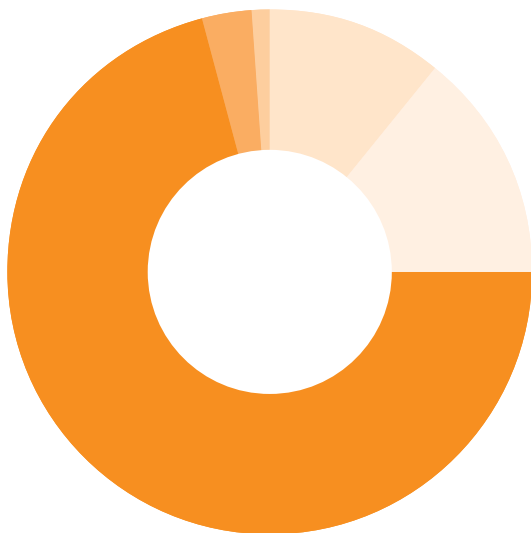
### Expenditure



- Advertising and Publicity **0%**
- Board Expenses and Honoraria **9%**
- Body Corporate Fees and Rent **4%**
- Clubs Advisory **1%**
- ClubSmart Expenses **0%**
- Computer & Website Costs **3%**
- Conference & AGM Expenses **1%**
- Depreciation **3%**
- Fees Paid to Deloitte - Other Services **0%**
- Fees Paid to Deloitte - Audit Services **1%**
- Insurance and ACC levies **1%**
- Legal Expenses & Govt Submissions **0%**
- Loss on Disposal of Assets **2%**
- Marketing and Promotion **2%**
- Other Expenses **8%**
- Provision for doubtful debts **1%**
- Sports Awards and Promotions **2%**
- Staff Remuneration **55%**
- Staff Travel and Training **4%**
- Technology Development **0%**
- VTNZ Rebate payment to Clubs **1%**

## CURRENT 2021

### Income



Bad debts recovered **0%**

Conference & AGM Income **11%**

Insurance Commissions **17%**

Clubs New Zealand Insurance Discount **-3%**

Interest Received **0%**

Member Subscriptions **71%**

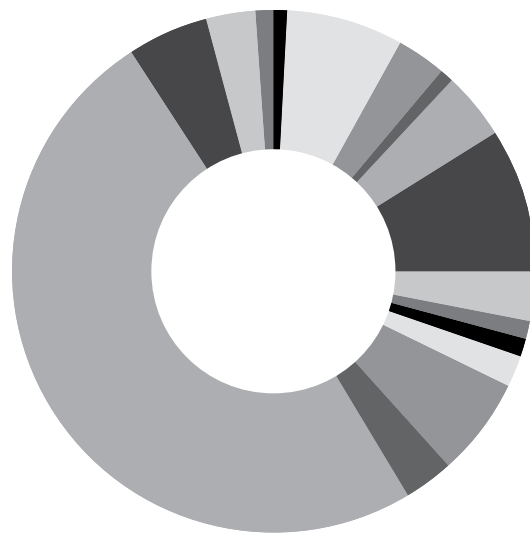
Other Income **3%**

Sky TV Commission **0%**

Covid-19 Wage Subsidy **0%**

VTNZ Rebate Income **1%**

### Expenditure



Advertising and Publicity **1%**

Board Expenses and Honoraria **7%**

Body Corporate Fees and Rent **3%**

Clubs Advisory **1%**

ClubSmart Expenses **0%**

Computer & Website Costs **4%**

Conference & AGM Expenses **9%**

Depreciation **3%**

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

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

Insurance and ACC levies **1%**

Legal Expenses  
& Govt Submissions **0%**

Loss on Disposal of Assets **0%**

Marketing and Promotion **2%**

Other Expenses **6%**

Provision for doubtful debts **0%**

Sports Awards and  
Promotions **3%**

Staff Remuneration **49%**

Staff Travel and Training **5%**

Technology Development **3%**

VTNZ Rebate payment  
to Clubs **1%**

# 2022 AGM AGENDA

## **Annual General Meeting Agenda**

Friday 18<sup>th</sup> March 2022, via Zoom.

1. Welcome and Apologies
2. Confirmation of the minutes of the AGM held at Richmond Club Christchurch, 22 March 2021
3. Matters arising from the 2021 AGM Minutes
4. Presidents Report – Terry Ray
5. 2021 Financial Report – David Tilley
  - Confirmation Auditor for 2022
  - Confirmation of capitation fees for 2022
6. Chief Executive Report – Larry Graham
7. Remits
8. Election of officers
9. Update on future Conference, Expo and AGM's
10. General Business

# 2021 BOARD MEMBERS



## TERRY RAY

### President

- > South Waikato
- > Bay of Plenty



## ROLY REARDON

- > Greater Auckland



## BRYAN FERGUSON

- > Waikato
- > Thames Valley
- > King Country



## ROYCE TUNBRIDGE

- > Whanganui
- > Taranaki
- > Manawatu



## DAVID DALTON

### Deputy Chair

- > Wellington
- > Wairarapa
- > Horowhenua
- > Hawkes Bay
- > Poverty Bay



## GRAEME OLSON

- > Nelson
- > Marlborough
- > Buller
- > West Coast



## MAURICE NUTIRA

- > Canterbury
- > North Otago



## NEIL MCDOWALL

- > Otago
- > Southland

## 2021 LIFE MEMBERS

### BRUCE BRODERSON

- > QSM

### RUSSELL COTTAM

### TOM FISHER

### CAROLINE KELLAWAY

- > ONZM/JP

### JOHN TAYLOR



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