

# NEW ZEALAND.

Scale of English Miles



CLUBS NEW ZEALAND

# 2018

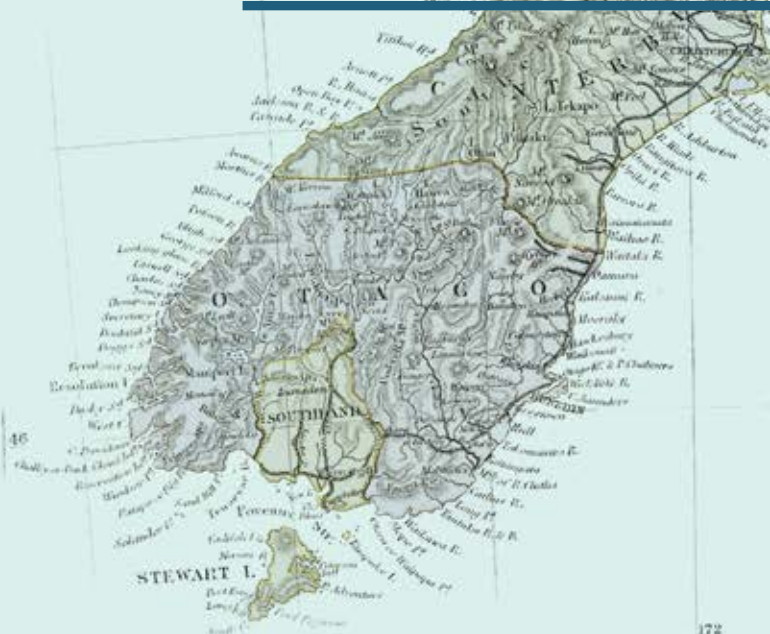
# ANNUAL REPORT



**CLUBS**  
NEW ZEALAND INC



Sketch showing the Situation of New Zealand RELATIVELY TO THE AUSTRALIAN COLONIES.





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ANNUAL REPORT: 2018

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

### OUR VISION AND VALUES

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

**WE MAINTAIN** high standards of honesty and integrity in our work and in dealing with others.

**WE COMMUNICATE** openly with each other and our members.

**WE TAKE RESPONSIBILITY** for our performance, decisions and actions.

**WE RESPECT** the views of clubs and members and value their contributions.

**WE ENCOURAGE** our people to show initiative, exhibit leadership and think progressively.

**WE PROMOTE TEAMWORK AND DIVERSITY** among our staff to leverage experience, knowledge and skills.

**WE TREAT MEMBERS EQUALLY** and their well-being is our main concern.

### OUR FOCUS

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

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

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

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

**WE 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.**



REPORT

2018

# PRESIDENT

## BRYAN FERGUSON

### Welcome to 2018.

Firstly, I sincerely thank you for your support and the confidence you have shown in me as your president as I prepare for another two-year period in the chair. I don't take your trust in me lightly and will continue to make sure we are focusing our work on the issues that matter to you.

**THIS STRATEGIC WORK IS  
ESSENTIAL TO SECURING THE  
FUTURE OF OUR ORGANISATION  
BUT SUPPORTING CLUBS ON  
THE GROUND IS EQUALLY  
IMPORTANT. WE HAVE BEEN  
BUSY ACHIEVING SOME GREAT  
THINGS WORKING DIRECTLY  
ALONGSIDE CLUBS...**

Financially, we are again in a good position – Dave Tilley has reported on the result for 2017 and along with the operational team and Deloitte staff we are proud to report yet another surplus. This is always our goal but is of particular note this year as we were able to achieve it while continuing to invest in and develop our digital

membership programme.

We have also thrived operationally this year and I would like to thank my vice chair Terry Ray and fellow board members including the great operations team for sticking to the plan and just getting on with the job. We will always look for improvements in operational costs, keeping a critical eye on the future.

Last year I spoke about the huge opportunities technology is presenting for us and your clubs – over the last twelve months the board and national office team have been committed to exploring these opportunities. We now have a national database of members (CRM) which has streamlined much of the national office membership activities while also storing and managing individual club information. We have a new app which replaces the old locator app with the added benefit of digital membership cards and push notification capabilities. The introduction of these technologies means Clubs New Zealand can serve you, our member clubs, better while also opening the door to greater commercial opportunities that will benefit us, your club and your members.

Our growing relationship with Clubs NSW is another positive development with the potential to produce valuable strategic alliances as we strengthen our reach across the ditch. I believe these are exciting times and the value it could present for our members in being able to enjoy the Australian club scene both for their hospitality and range of member services is huge. David McGrath from Clubs NSW will be speaking at our conference this year and will have some inspiring ideas of joint opportunities we will be working towards.

This strategic work is essential to securing the future of our organisation but supporting clubs on the ground is equally important. We have been busy achieving some great things working directly alongside clubs with Dave in the north and Keith in the south, supported by Larry and Lucy in Wellington. Dave is doing some sterling work providing operational reviews of clubs. This service is worth considering as his benchmarking tools across all revenue streams will help you understand how your club is performing against like clubs.

I continue to get a buzz out of meeting new members and seeing more clubs around the country. I am grateful for having an excellent group of board members and top staff to work with. I do thank you all again for trusting me with your business and consider this role an honour. Thank you and I trust 2018 will be good to you all.

**Bryan Ferguson**  
President Clubs New Zealand



REPORT

2018

CEO

LARRY GRAHAM

Having the biggest, smallest, most established or shiniest club in the country means nothing if you don't give your members and guests a great customer experience. This was brought home to our president, Bryan Ferguson (Ferg) and I last year when we were fortunate to visit Australia's Club of the Year, Brisbane's Carina RSL. They won their award off the back of awesome customer service, achieved with fantastic staff who are well trained and committed to regularly updating their skills and knowledge. From what we observed there was no science or money involved, it appeared to come from the top and was a mix of fun, excitement and energy.

Next on our list of learnings was from the Clubs NSW annual conference and dinner. The Aussie community leaders and politicians celebrate the work of clubs across their communities very well – this made Ferg and I realise how little we do in this space and in the changing political climate, we need to take a more proactive view to protect the interests of our industry. In the short term this requires each of us to ensure our new politicians know us better than ever. Being not-for-profit as opposed to existing for the benefit of shareholders, doesn't excuse us from being profit driven first and foremost and then celebrated for our work in the community. If done properly this should be part of every club's mantra, whoever is running it.

#### Moving into the digital world

We talk a great deal about digital technology and have done so for long enough – our board have decided that the time is right to invest and get on with it. We have engaged a company with a massive reputation in application building called PaperKite – it is worth googling.

#### We have three main goals in mind:

- **Digitise membership IDs for convenience**

This will give clubs a key regulatory requirement to ensure only their members can pass through their doors. With much of our population now using smart phones, an app-based ID will help clubs achieve this with efficient distribution. Long term it will reduce the need to invest in physical cards, postage and replacements.

- **Build a database of individual club members**

Clubs New Zealand has historically only had a direct relationship with club managers. By launching an app for individual members, we can create a direct channel between the national office and members to broaden and deepen engagement.

- **Engage a younger demographic**

The only way to preserve and grow the club community is to have more young people join clubs and regularly use them. A fresh and engaging mobile app creates a direct channel with those members, and provides a platform for deeper engagement in the future.

A baseline scope and priorities are detailed below.

## THE PROJECT AT A GLANCE

What is it?

### A DIGITAL ID APP

allowing bona fide Clubs New Zealand members to log in, find nearby clubs, and gain access to those clubs, without a physical card.

Who's it for?

### CLUBS NEW ZEALAND MEMBERS

to find and favourite nationwide clubs, keep their personal info up to date, and receive club issued communications.

When for?

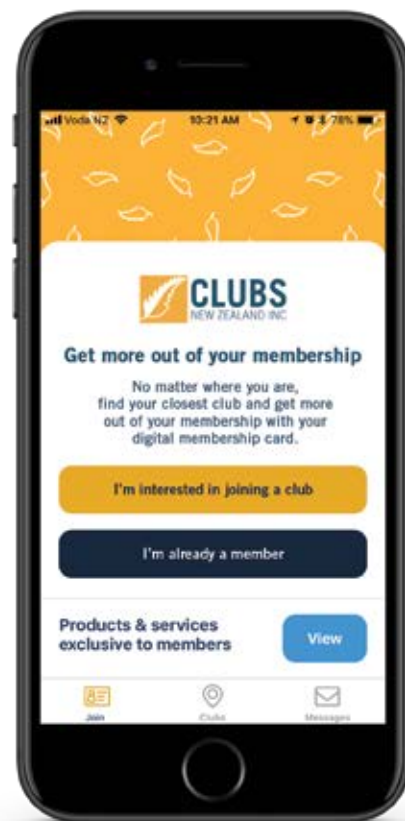
### END OF FEBRUARY

with opportunity to highlight successes at March 2018 National Conference.

Why is it needed?

### TO BUILD OUR CRM

the app would integrate with Clubs New Zealand's Salesforce CRM, and encourage users to update and maintain their personal details.



WE TALK A GREAT DEAL ABOUT DIGITAL TECHNOLOGY AND HAVE DONE SO FOR LONG ENOUGH – OUR BOARD HAVE DECIDED THAT THE TIME IS RIGHT TO INVEST AND GET ON WITH IT.

#### Board and staff

We will be welcoming four new members to our board with the retirement of Keith Ballantyne, Dennis Conaghan, Pat Mitchell and Colin Sullivan. Ferg has completed his first two year stint as president and has been an inspirational leader of a very good group of board members. 2017 will be remembered for growth, staying within budget and having fun on the way through.

Keith Ballantyne joined our national office as South Island General Manager in September and has already made an impact, utilising his many years as a club manager and pub owner, and proving that in this business there is no substitute for experience.

The rest of the team in Wellington – Lucy, Michelle, Kate and Hannah, and Dave in Auckland, are all very committed and I am immensely proud of them.

Dave of course doubles as our finance controller and his experience and Michelle's day to day management has again worked a treat. Thanks to you all.

**Larry Graham,**  
CEO, Clubs New Zealand



REPORT

2018

# NORTHERN

## DAVE TILLEY

Another busy year has seen me answering calls for support from clubs, mainly concerning gaming licence renewals and HR matters. I also spent time at many other clubs assisting them to save money and get their systems up to date and compliant. The main areas of work this year have concerned:

### Gaming licensing

Department of Internal Affairs (DIA) seem to have toughened their stance towards renewing licences, especially where clubs have made no effort to present their financials in the manner required. These requirements are not new! However I have had more calls than usual from clubs about to lose their licence, simply because they have ignored the DIA's financial accounts template and subsequent pleas by gaming inspectors to provide the information fully and correctly.

Indeed, I am working on one such renewal right now where it is clear that the accounting firm engaged by the club to work on their behalf simply doesn't understand the difference between an authorised

purpose payment and an authorised expense. The gaming account in the club financials has been expressed in a narrative form with payments mixed up all over the place. The DIA have done an excellent job of producing templates on their website to show clubs the formats they require financials to be presented in. These have also been sent out to all Class 4 (Gaming) sites, and often, apparently, ignored. Do that at your peril.

### Liquor licensing

Recent examples suggest inspectors may have some gaps in their training, e.g. Remuera Club has a Permanent Charter and the DLA Inspector claims they need to close at 6pm every day and forfeit Sunday opening! This could conceivably affect every one of our 16 Charter holders if enforceable (which it is not). Naenae Bowling Club are also experiencing some difficulties with enforcement decisions. Lucy is kindly overseeing these! Please contact us if you are concerned about the instructions you have received from your local inspector – some clubs have been given plainly wrong advice resulting in much panic and we can set you straight.

### HR headaches

I also receive up to four HR enquiries most days, often concerning unacceptable blurring of the lines between club governance and operational matters, with boards and presidents involving themselves in matters they should not be influencing.

If this is an issue for your club or you are concerned there is not a clear understanding within your club of the roles of governance and operational staff, a ClubSmart course or ClubSmart update might help – we run these throughout the year and cover the issues that are most affecting us today.

### Club operational reviews

During the year I have performed several of these, including at the Papanui Club and Clubs of Marlborough, the latter being an extensive review.

An Operational Review is usually an in-depth and objective review of the entire organisation used to identify and address existing concerns within the business, such as operational processes, lack of profitability issues, and other factors. The review allows your club to evaluate how well its performing, how resources could be better used and some benchmarking to see how you measure against similar sized clubs in the key revenue areas of bar and catering operations. We know of

no other organisation that can provide the club industry with the benchmarking we achieve.

I must stress this is NOT an audit, we don't review individual transactions, but we will discuss financial

**PLEASE CONTACT US IF YOU ARE CONCERNED ABOUT THE INSTRUCTIONS YOU HAVE RECEIVED FROM YOUR LOCAL INSPECTOR – SOME CLUBS HAVE BEEN GIVEN PLAINLY WRONG ADVICE RESULTING IN MUCH PANIC AND WE CAN SET YOU STRAIGHT.**



matters where we think we can benefit the club, for example, save money on electricity bills.

### We are here to help

We have a number of clubs in trouble financially, and certainly some heading in that direction. We assist where we can, and the sooner you ask for help the better the prospects of survival. If your club requires assistance in any matter do not hesitate to contact Keith, our recently appointed southern area manager, or myself – that's what we are here for.

All the very best for 2018.



**Dave Tilley**  
General Manager Northern, Clubs New Zealand



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# SOUTHERN

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## KEITH BALLANTYNE

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My initial focus since starting in the role in September has been getting around our South Island clubs to see how we can best assist members to maintain their facilities within the hospitality industry.

It is clear that clubs are operating in an ever-changing environment both in a regulatory and commercial sense, so as a national office team we are always working on making these transitions easier and robust. Sadly, as I write this one of our clubs has closed its doors after many years of trading and another is in the process of

winding up. This news further cements the need to stay on top of trends and circumstances that affect us now.

The development of the CRM will allow clubs to stay ahead of the social media game and provide many marketing and promotional opportunities. Education and guidance are essential tools in ensuring your club remains relevant and viable. Training modules in both operational and governance fields, club wide promotions and gaming alternatives for struggling clubs are just some of the support initiatives always on offer to our member clubs.

And do not be afraid to ask for help – the sooner the better. Dave Tilley has highlighted many areas of concern in his annual report and we are both here to help. Getting to the regions and how to best deliver assistance is something that Dave and I are currently working on and we held our first two day “show” on the West Coast in early February 2018. We are hoping this fulfils the needs of our smaller member clubs who struggle to meet the costs of sending representatives and staff away to training and AGMs.

The first three months have flown by and I have thoroughly enjoyed getting around the club network in the south. There are some stars out there who are doing great things in their community but there are a lot struggling and as previously mentioned by both Dave and myself there is never a silly question, just pick up the phone, we are here to help.

As the newbie to the national office team, I must thank Larry and the crew for making the transition a smooth process and it is a pleasure to work with enthusiastic and passionate people that have the club movement at heart.

Cheers to a great 2018.



**Keith Ballantyne**  
General Manager Southern, Clubs New Zealand



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# MANAGERS

## LEE DAVIS

Our annual Club Management Conference hosted by the Club Managers Group was held in November 2017 at the beautiful Club Mount Maunganui. A big thank you to them and also to the Tauranga Citizens Club who hosted our Thursday lunch, panel discussion and AGM – it was a wonderful conference. Feedback has touted it as one of the best our group has hosted, something that we aim to build on each year.

Along with some valuable networking time there was an excellent array of presenters covering current management topics like employment agreements, health and safety, building killer brands and increasing profits, getting technology working for you, craft beer trends, gaming, the Food Act, and an update on the Clubs New Zealand app. This was followed by an invigorating and informative panel discussion where I was joined by Dave Tilly and Keith Ballantyne taking questions from the floor. The emphasis of the panel discussion was on introducing and supporting the extensive services that Dave and Keith can provide to clubs of all sizes throughout the country, including customised operational reviews at a very affordable cost.

Our AGM was typically short. Our incumbent committee of myself, Dean Candy and Secretary Raquel Renall were re-elected unopposed, which provides continuity going forward. This year we utilised the full offering of services provided by Clubs New Zealand to help us improve on all aspects of managing and presenting a professional conference, and they certainly helped us to achieved just that. Several years ago it made financial sense to bring our accounts under the administration of Clubs New Zealand and now, by employing their expertise to assist us in the management of our business, we are more professional and truly where we should be. The cost of this service is covered through managers group subscriptions.

Conference venue for 2018 was a simple choice with the bid from Timaru Town and Country Club receiving favour and we look forward to coming your way later this year Vince. The only real debate from the floor was around timing so we are implementing change for this year shifting from late November to 23-25 October, which is straight after Labour Day weekend. We will of course monitor the response to this change.

On a financial front sponsorship was well down this year and something that the committee, in conjunction with Clubs New Zealand will address with our providers going forward, but it is inevitable that conference registration fees will need to rise.

A general business item should be noted – a warning of the government's intention to progressively lift the minimum hourly wage to \$20 over a few years. Managers and committees need to be vigilant and start preparation now as for most clubs this will mean increasing sell prices to cover the additional expense. My club recently employed the services of Dave Tilly to undertake an operational review of main profit centres, and although we should all know what our GP% is, through Dave's extensive experience with such club reviews, he has the ability to (confidentially) benchmark your clubs performance against like-size operations. Invaluable information when looking to increase or at least maintain profit margins.

Looking ahead, our group and annual conference is aimed at providing current and relevant information on the better management of clubs and is not just for club managers, but open to any governance that plays an active role or has a sincere interest in the many aspects of club management.

**Lee Davis**  
President, Club Managers Group



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# SPORTS

## KATE SMITH

2017 has seen a total of 53 Clubs New Zealand tournaments. It has been another great year of sport and I always love hearing how much fun the players all had, catching up with old friends and sharing a few stories over a drink, this is what our club sporting activity is all about.

### Clubs Sport Handbook update

The handbook was given a good overhaul mid-year and has now been updated to better reflect the current sports environment. A by-law for Associate Membership will be added from 1 January 2018 stating that any Associate Member wanting to participate in Clubs New Zealand tournaments must become an Ordinary Member.

### New world-class bowls centre

The merging of the Naenae and Park Avenue bowling clubs and the Naenae and Taita RSA has resulted in a comprehensive bowling facility for Wellington. The \$6.25m centre in Lower Hutt is multi-purpose, featuring three outdoor greens and one additional green covered by a unique roofing fabric to create an 'indoor' green that can be used all year round. The covered green means bowlers are no longer limited to bowling during the day and only in good weather, a huge drawcard for

professional and casual bowlers, and makes the centre an attractive venue to host tournaments. A petanque terrain and tennis courts have already been upgraded and Indoor bowls, snooker, billiards and darts will also be offered. This is a fantastic facility and I look forward to seeing some top-class bowling tournaments so close to home.

AGAIN, A MASSIVE THANK YOU TO THE VOLUNTEERS IN OUR CLUBS WHO MAKE MANY OF OUR SPORTING EVENTS WHAT THEY ARE. THESE PEOPLE ARE EXTREMELY VALUABLE AND DESERVING OF CONSIDERABLE PRAISE AND RECOGNITION IN THE CLUB INDUSTRY.

### Inaugural golfing tournament

The Ashburton Club and MSA hosted the very first Clubs New Zealand South Island Mixed Pairs Golf Tournament over Queen's Birthday weekend. This was a successful tournament and enjoyed by all. It will be held bi-annually with Kaiapoi Workingmen's Club and MSA down to host 2019.

### A sincere thank you to our volunteers

Again, a massive thank you to the volunteers in our clubs who make many of our sporting events what they are. These people are extremely valuable and deserving of considerable praise and recognition in the club industry. We have an amazing bunch of volunteers in the club family and I can't emphasise enough how grateful and lucky we are to have such wonderful community driven people.

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

Congratulations on a wonderful year and I look forward to working with you to ensure 2018 is another great one.

**Kate Smith**

Sports Coordinator, Clubs New Zealand

MEMBER MARKET PL

[www.membermarket.co.nz](http://www.membermarket.co.nz)

# GET MORE OUT OF YOUR MEMBERSHIP

BENEFITS AND DISCOUNTS  
AVAILABLE TO CLUBS AND MEMBERS

THIS →  
LITTLE  
PIGGY  
WENT TO  
MARKET



→  
... TO THE  
MEMBER  
MARKET  
& PLACE



REPORT

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# FINANCE

## BRYAN FERGUSON

We have had another year of consolidation, with one large project on the boil – the creation of our Clubs New Zealand app. The details of what the app can do and how it will change our business significantly will be set out at the 2018 AGM and conference – we are confident you will be impressed. It will create huge opportunities for clubs who make full use of it, allowing direct communication with members in a much more comprehensive and valuable way than has been possible previously.

As always we have closely monitored expenditure through the year, ensuring the business continued to stay on the right side of the ledger. The result for the year after depreciation was a surplus of \$177,942.

Income was ahead of budget by almost \$31,000, mainly from recovery of bad debts (as they were likely to be) and grants for the CRM build. Notably we collected an extra \$29,000 in levies which indicates membership growth, both in the number of member clubs and membership within some clubs – a positive sign for all of us.

Expenses were under budget by \$140,000 due in large part to cost trimming in every area possible. These savings will make a welcome contribution to the app development and its associated costs. Having cash available gives us the flexibility to make the application the best it can be.

During the latter part of the year Keith Ballantyne was appointed to the new position of General Manager Southern, replicating the Northern position which has proven to be a very busy role. Keith brings a range of key skills to the job which nicely complement Dave's, and he will be a great support to our South Island clubs.

For clubs that are finding it difficult to pay their levies, please contact us. We are sympathetic to your situation and monthly installments can be arranged with Michelle at national office. Avoiding arrears is much better for us and you and avoids a "what's up?" phone call later in the year!

We continue to work on our partnership programmes and will have some new partners up and running in the coming year. Don't forget to have a good look at, and get quotes where appropriate, from Pulse Energy (power, gas and internet), and Liquor King (Gold status deal).

**Bryan Ferguson**  
President, Clubs New Zealand

## Independent Auditor's Report

### To the Members of Clubs New Zealand Incorporated

#### Opinion

We have audited the financial information in the accompanying performance report of Clubs New Zealand Incorporated (the 'Association'), which comprises the statement of financial position as at 31 December 2017, 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 7.

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 2017 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 Association in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, 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 of the entity information on page 13, and the statement of service performance on page 13 that accompanies the financial information included in the performance report and the audit report.

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

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

#### Governing body'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 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information in the performance report, including the disclosures, and whether the financial information in the performance report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Restriction on use**

This report is made solely to the Members, as a body, in accordance with Section 18.1 of the Constitution. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Wellington, New Zealand  
16 February 2018

CLUBS NEW ZEALAND INCORPORATED

## ENTITY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2017

**Legal Name:** Clubs New Zealand Incorporated

**Type of Entity:** Incorporated Society

**Registration Number:** 218850

**Entity Mission:**

(a) Our Mission Statement is:

“The Mission of Clubs New Zealand Incorporated is to promote and safeguard the interests and privileges of Member Clubs”.

(b) Objectives:

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

**Entity Structure:**

(a) Board Structure:

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

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

(b) Operational Structure:

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

**Main Source of Entity's Cash and Resources:**

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

**Contact Details:**

Physical Address: Level 5 ANZAC House, 181 Willis Street, Te Aro, Wellington, 6011

Postal Address: PO BOX 11749, Manners Street, Wellington

Phone / Fax: 04 815 9007 / 04 499 7222

Email: [enquiries@clubsnz.com](mailto:enquiries@clubsnz.com)

Website: <https://clubsnz.org.nz/>

Facebook: <https://www.facebook.com/clubsnz/>

Twitter: <https://twitter.com/clubsnz>

CLUBS NEW ZEALAND INCORPORATED

## STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2017

DESCRIPTION OF CLUBS NEW ZEALAND'S OUTCOMES			
Clubs New Zealand is tasked with enhancing and promoting all aspects of club business.			
DESCRIPTION AND QUANTIFICATION (TO THE EXTENT PRACTICABLE) OF THE ASSOCIATION'S OUTPUTS			
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
CLUBSMART TRAINING – GOVERNANCE COURSE FOR CLUB EXECUTIVES	7	6	34
BEING A RESPONSIBLE GAMBLING HOST FOR CLUB STAFF	21	50	70
BACK TO BASICS COURSE – CLUB MANAGERS TRAINING	2	4	6
E-NEWSLETTER'S SENT TO MEMBERS – WEEKLY AND UPDATE E-NEWSLETTERS	142	180	185
SUPPORT TO CLUBS NEW ZEALAND SPORTS TOURNAMENTS	\$18,130	\$15,000	\$17,800
SALESFORCE DATABASE IMPLEMENTED	\$53,430	\$50,000	\$130,000
BUILT MEMBER MARKETPLACE FOR MEMBERS / CLUB MEMBERS	*	\$5,000	\$10,000
INTERNAL CLUB AUDITS – ASSISTING WITH RESTRUCTURING, POLICIES	8	10	12
GOVERNMENT SUBMISSIONS	2	4	8

\* no cost as maintained by staff in house



CLUBS NEW ZEALAND INCORPORATED

# STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$ AUDITED	2017 \$ UNAUDITED BUDGET	2016 \$ AUDITED
<b>OPERATING REVENUE</b>			
CONFERENCE AND AGM INCOME	123,344	125,500	141,236
CRM GRANTS	16,150	-	108,290
INSURANCE COMMISSIONS (NET)	133,343	154,000	150,767
INTEREST RECEIVED	3,725	5,000	4,977
MEMBER SUBSCRIPTIONS	1,079,308	1,050,000	1,023,786
OTHER INCOME	38,257	27,000	37,762
SKY TV COMMISSION	16,879	18,000	17,575
<b>TOTAL OPERATING REVENUE</b>	<b>1,411,006</b>	<b>1,379,500</b>	<b>1,484,393</b>
<b>LESS OPERATING EXPENSES</b>			
ADVERTISING AND PUBLICITY	10,572	15,000	27,559
CONFERENCE AND AGM EXPENSES	119,923	113,500	109,208
BOARD EXPENSES AND HONORARIA	140,279	151,000	157,921
BODY CORPORATE FEES AND RENT	33,716	37,000	33,315
CLUBS ADVISORY	17,001	25,000	6,255
CLUBSMART EXPENSES	1,266	12,000	8,979
COMPUTER AND WEBSITE COSTS	34,542	36,000	35,334
DEPRECIATION	36,838	27,000	28,400
FEES PAID TO DELOITTE – OTHER SERVICES	-	8,500	2,710
FEES PAID TO DELOITTE – AUDIT SERVICES	18,500	15,000	11,750
INSURANCE AND ACC LEVIES	11,824	10,000	10,602
LEGAL EXPENSES AND GOVT. SUBMISSIONS	4,790	20,000	11,020
MARKETING AND PROMOTION	23,559	20,000	12,983
OTHER EXPENSES	76,130	167,800	162,761
SPORTS AWARDS AND PROMOTIONS	19,000	25,000	21,216
STAFF REMUNERATION, TRAVEL AND TRAINING	685,124	659,000	694,351
<b>TOTAL OPERATING EXPENSES</b>	<b>1,233,064</b>	<b>1,341,800</b>	<b>1,334,364</b>
<b>OPERATING INCOME FOR YEAR</b>	<b>177,942</b>	<b>37,700</b>	<b>150,029</b>
NON-OPERATING INCOME	15,892	-	57
<b>SURPLUS FOR YEAR BEFORE TAX</b>	<b>193,835</b>	<b>37,700</b>	<b>150,086</b>
TAX EXPENSE	(2,975)	-	(10,024)
<b>SURPLUS FOR THE YEAR AFTER TAX</b>	<b>190,860</b>	<b>-</b>	<b>140,062</b>

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

CLUBS NEW ZEALAND INCORPORATED

## STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
OPENING ACCUMULATED FUNDS AT 1 JANUARY	723,478	583,416
SURPLUS FOR THE YEAR AFTER TAX	190,860	140,062
<b>CLOSING ACCUMULATED FUNDS AT 31 DECEMBER</b>	<b>914,338</b>	<b>723,478</b>

CLUBS NEW ZEALAND INCORPORATED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	NOTE	2017 \$	2016 \$
<b>ACCUMULATED FUNDS</b>		<b>914,338</b>	<b>723,478</b>
<b>REPRESENTED BY:</b>			
<b>CURRENT ASSETS</b>			
ACCOUNTS RECEIVABLE		119,191	120,129
CASH AND BANK ACCOUNTS		356,913	201,891
INVESTMENT IN CLUBS INSURANCE SERVICES LTD	5	5,518	5,518
OTHER CURRENT ASSETS		18,898	22,269
TERM DEPOSITS – BANK		100,000	100,000
GST RECEIVABLE		17,832	(2,371)
<b>TOTAL CURRENT ASSETS</b>		<b>618,352</b>	<b>447,435</b>
<b>NON CURRENT ASSETS</b>	4	<b>553,168</b>	<b>505,237</b>
<b>TOTAL ASSETS</b>		<b>1,171,520</b>	<b>952,672</b>
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE AND OTHER CREDITORS		57,882	81,718
INCOME TAX LIABILITY		13,000	10,024
LIABILITIES TO CLUBS		186,300	137,452
<b>TOTAL CURRENT LIABILITIES</b>		<b>257,182</b>	<b>229,194</b>
<b>NET ASSETS</b>		<b>914,338</b>	<b>723,478</b>

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

**LARRY GRAHAM**  
CHIEF EXECUTIVE OFFICER



DATE: 16 FEBRUARY 2018

**BRYAN FERGUSON**  
PRESIDENT



DATE: 16 FEBRUARY 2018

CLUBS NEW ZEALAND INCORPORATED

# STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 DECEMBER 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2017 \$	2016 \$
<b>CASH WAS RECEIVED FROM:</b>		
GRANTS / DONATIONS	16,150	108,290
INSURANCE COMMISSIONS	209,235	207,891
FEES, SUBSCRIPTIONS AND OTHER RECEIPTS FROM MEMBERS	1,170,078	1,127,368
RECEIPTS FROM PROVIDING GOODS OR SERVICES	87,043	18,476
INTEREST INCOME	3,725	6,088
	<b>1,486,231</b>	<b>1,468,113</b>
<b>CASH WAS APPLIED TO:</b>		
PAYMENTS TO SUPPLIERS AND EMPLOYEES	(1,154,544)	(1,271,238)
INSURANCE REBATES PAID	(48,721)	(68,708)
GRANTS / DONATIONS	(18,131)	(24,611)
OTHER	(25,044)	(778)
	<b>(1,246,440)</b>	<b>(1,365,335)</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>239,791</b>	<b>102,778</b>
<b>CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES</b>		
<b>CASH WAS RECEIVED FROM:</b>		
REPAYMENT OF TERM DEPOSIT	-	100,000
<b>CASH WAS APPLIED TO:</b>		
PAYMENTS FOR FIXED ASSETS	(84,769)	(132,059)
PAYMENTS TO PURCHASE INVESTMENTS	-	-
<b>NET CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES</b>	<b>(84,769)</b>	<b>(32,059)</b>
<b>NET INCREASE IN CASH</b>	<b>155,022</b>	<b>70,719</b>
OPENING CASH	201,891	131,172
CLOSING CASH	<b>356,913</b>	<b>201,891</b>
<b>THIS IS REPRESENTED BY</b>		
CASH AND BANK ACCOUNTS	<b>356,913</b>	<b>201,891</b>

CLUBS NEW ZEALAND INCORPORATED

# NOTES TO AND FORMING PART OF THE PERFORMANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

## 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 and Services Tax with the exception of Accounts Receivable and Accounts Payable.

#### (2) Accounts Receivable

Accounts Receivable are stated at their estimated net realisable value.

#### (3) Joint Ventures

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

#### (4) Revenue

Subscription revenue is recognised as earned over the 12 month period to 31 December.

#### (5) Bank Deposits

Bank Deposits are stated at cost.

#### (6) Interest Income

Interest Income is recognised using the effective interest rate method.

#### (7) Income Tax

Income tax is calculated using the taxes payable method.

### e Changes in Accounting Policies

There has 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.

	2017 \$	2016 \$
PROFIT FOR YEAR BEFORE TAX	193,835	150,085
ADD BACK: DEFICIT FROM MEMBER ACTIVITIES	(183,386)	(61,162)
NET PROFIT FROM NON-MEMBER ACTIVITIES	10,449	88,923
TAX ADJUSTMENTS	174	(30,642)
LOSSES BROUGHT FORWARD	-	(22,482)
NET TAXABLE INCOME / (ASSESSED LOSS)	10,624	35,799
TAX EXPENSE (28%)	<b>2,975</b>	<b>10,024</b>

CLUBS NEW ZEALAND INCORPORATED

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

FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4. Property, Plant and Equipment and Intangibles

	COST \$	DEPRECIATION EXPENSE \$	ACCUMULATED DEPRECIATION \$	BOOK VALUE AT YEAR END \$
<b>AS AT 31/12/17</b>				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
BUILDING	250,000	5,000	17,917	232,082
OTHER	323,564	18,023	195,017	128,639
<b>INTANGIBLES</b>				
CLIENT RELATIONSHIP MANAGEMENT SURFACE	208,385	13,816	15,939	192,446
	<b>781,949</b>	<b>36,839</b>	<b>228,873</b>	<b>553,168</b>
<b>AS AT 31/12/16</b>				
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
BUILDING	250,000	5,000	12,917	237,083
OTHER	316,918	21,277	176,996	139,922
<b>INTANGIBLES</b>				
CLIENT RELATIONSHIP MANAGEMENT SURFACE	130,355	2,123	2,123	128,232
	<b>697,273</b>	<b>28,400</b>	<b>192,036</b>	<b>505,237</b>

#### 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 \$190,490 (2016: \$215,380) 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. Commitments and Contingencies

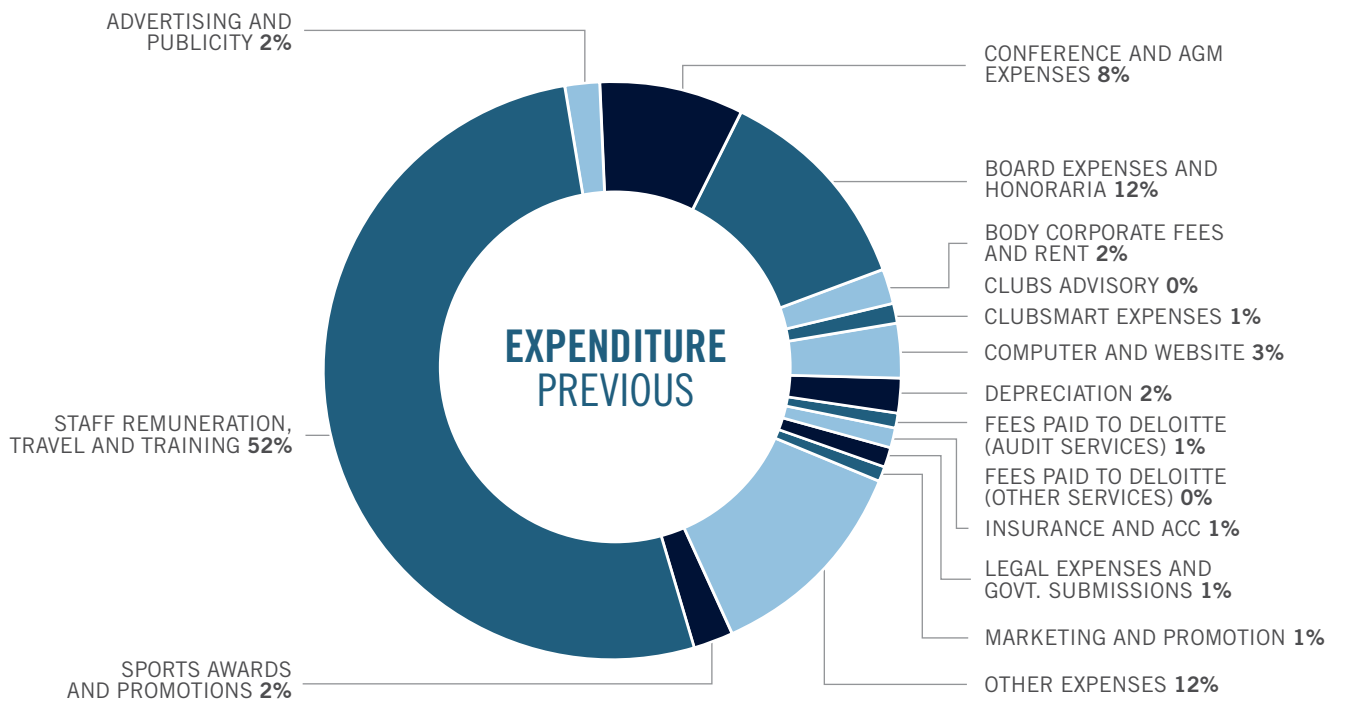
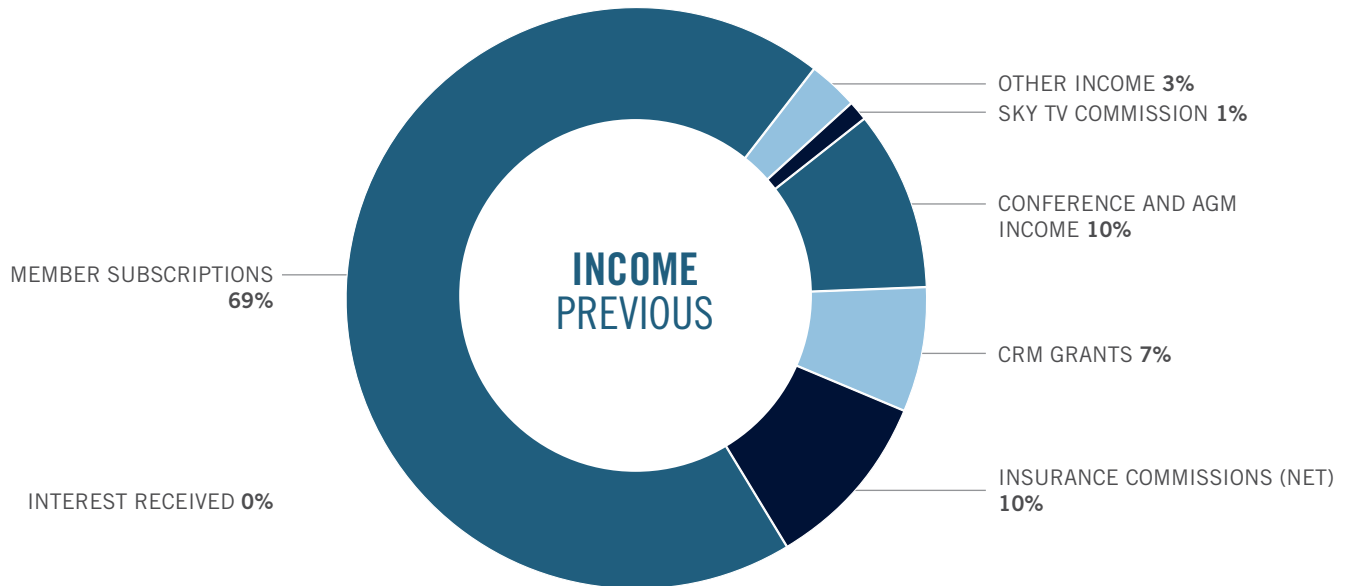
The Association had no capital commitments or contingencies at year end. (2016:nil)

LEASE COMMITMENTS	CURRENT \$	TERM \$	TOTAL \$
AS AT 31/12/17	46,500	49,792	96,291
AS AT 31/12/16	34,848	25,450	60,298

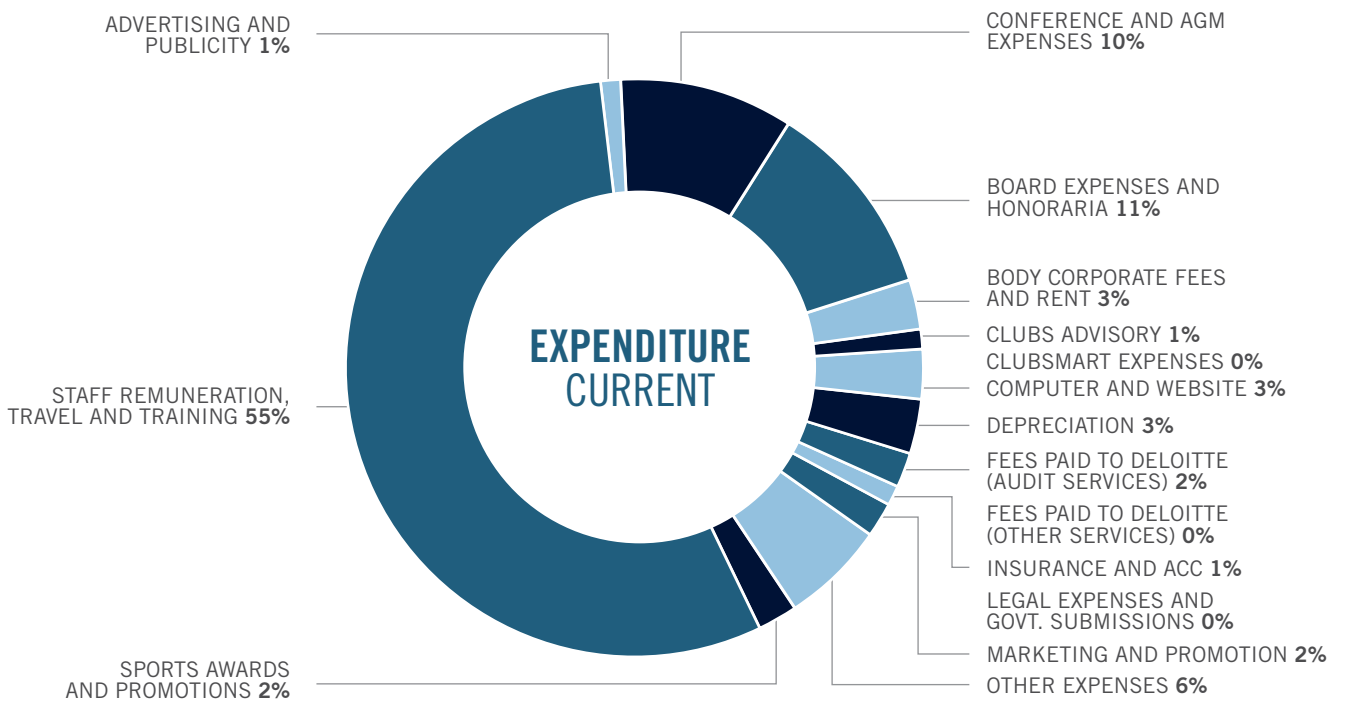
#### 7. Subsequent Events

There have been no significant events subsequent to balance date.

# INCOME AND EXPENDITURE



# INCOME AND EXPENDITURE



# AGENDA

SATURDAY  
24  
MARCH

WAR MEMORIAL  
CONCERT CHAMBER  
WANGANUI

## **ANNUAL GENERAL MEETING AGENDA**

SATURDAY 24 MARCH 2018

**WAR MEMORIAL CONCERT CHAMBER WANGANUI**

- WELCOME AND APOLOGIES
- CONFIRMATION OF THE MINUTES OF THE AGM HELD IN BLENHEIM, 25 MARCH 2017
- MATTERS ARISING FROM THE 2017 AGM MINUTES
- PRESIDENT REPORT – BRYAN FERGUSON
- 2017 FINANCIAL REPORT – DAVE TILLEY
- CONFIRMATION AUDITOR FOR 2018
- CONFIRMATION OF CAPITATION FEES FOR 2018
- CHIEF EXECUTIVE REPORT – LARRY GRAHAM
- ELECTION OF OFFICERS
- UPDATE FROM 2019 HOST CLUB – TAURANGA CITIZENS CLUB
- SELECTION / APPLICATION FROM CLUBS FOR HOSTING MARCH 2020 AGM
- GENERAL BUSINESS

PLEASE NOTE THE NEXT CONFERENCE AND AGM IS **THURSDAY 21ST MARCH UNTIL SATURDAY 23RD MARCH 2019** IN **TAURANGA** HOSTED BY **TAURANGA CITIZENS CLUB**

CONFERENCE CLOSURE



# BOARD MEMBERS



**BRYAN FERGUSON**  
PRESIDENT /  
KING COUNTRY

**DENNIS CONAGHAN**  
NORTHLAND

**ROLY REARDON**  
GREATER AUCKLAND

**COLIN SULLIVAN**  
WAIKATO &  
THAMES VALLEY

**TERRY RAY**  
DEPUTY CHAIR / SOUTH  
WAIKATO & BAY OF PLENTY



**BERNARD HICKEY**  
HAWKES BAY &  
POVERTY BAY

**PAT MITCHELL**  
MANAWATU, WANGANUI  
& TARANAKI

**DAVID DALTON**  
WELLINGTON, WAIRARAPA  
& HOROWHENUA

**GLEN BEATTIE**  
NELSON &  
MARLBOROUGH

**GRAEME OLSON**  
BULLER & WEST COAST



**KEITH BALLANTYNE**  
CANTERBURY / JP

**PREM NATH**  
NORTH OTAGO &  
MID / SOUTH CANTERBURY

**NEIL MCDOWALL**  
OTAGO & SOUTHLAND



FAREWELL TO:

- DENNIS CONAGHAN** – NORTHLAND
- COLIN SULLIVAN** – WAIKATO & THAMES VALLEY
- PAT MITCHELL** – MANAWATU, WANGANUI & TARANAKI
- KEITH BALLANTYNE** – CANTERBURY

WHO ARE RETIRING FROM THE CLUBS NEW ZEALAND BOARD.

# LIFE MEMBERS

BRUCE BRODERSON  
QSM

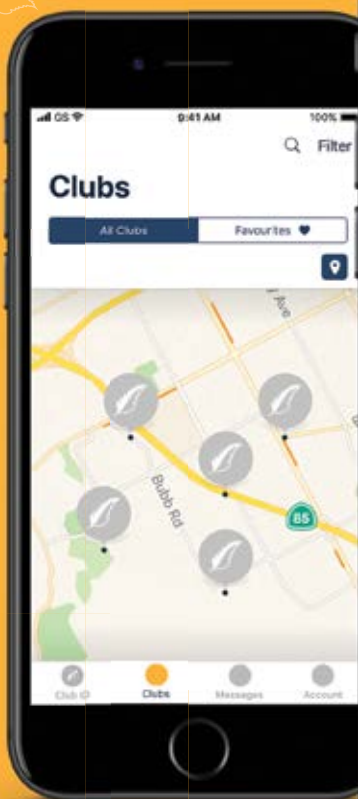
RUSSELL COTTAM

TOM FISHER

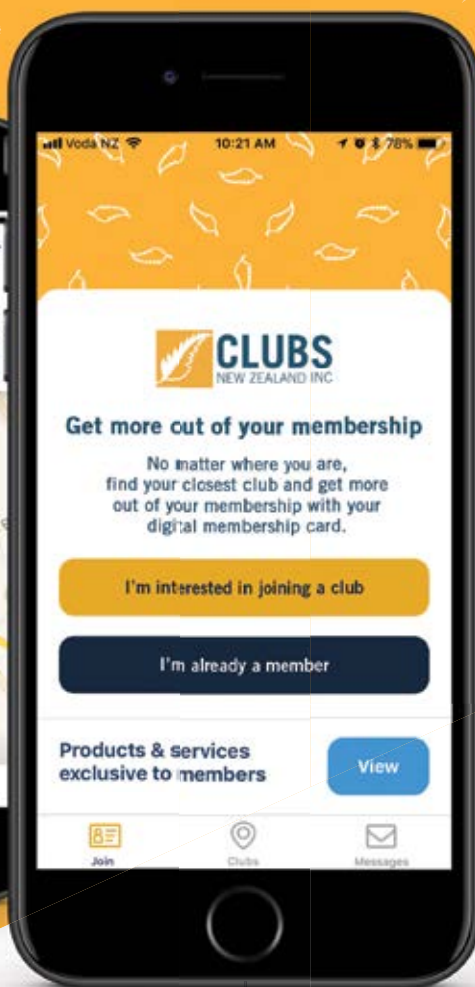
CAROLINE KELLAWAY  
ONZM / JP

JOHN TAYLOR

# HANDS ON THE FUTURE CLUBS NEW ZEALAND APP COMING SOON



FIND A CLUB / MAP



DIGITAL MEMBERSHIP



DIRECT MESSAGING





CLUBS NEW ZEALAND

ANNUAL REPORT 2018



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Wellington, 6011

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