

Performance Report

Horowhenua Kapiti Rugby Football Union
For the year ended 31 October 2024

Prepared by Spicer Accounting Limited

Contents

3	Entity Information
4	Compilation Report
5	Approval of Financial Report
6	Statement of Service Performance
7	Statement of Financial Performance
8	Statement of Financial Position
9	Statement of Cash Flows
10	Statement of Accounting Policies
12	Notes to the Performance Report
18	Auditors Report

Entity Information

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

'Who are we?', 'Why do we exist?'

Legal Name of Entity

Horowhenua Kapiti Rugby Football Union

Entity Type and Legal Basis

Incorporated Society

Registration Number

215687

Entity's Purpose or Mission

To foster, advance, organise and control the game of rugby football and supporters of rugby football at all levels within the boundaries defined by the NZRU.

To uphold the rules of the game of rugby football as prescribed from time to time by the NZRU.

Entity Structure

Incorporated Society

Main Sources of Entity's Cash and Resources

Commercial, Trust Grants and NZRU Funding

Main Methods Used by Entity to Raise Funds

Match Day and Merchandise

Entity's Reliance on Volunteers and Donated Goods or Services

Volunteer Services for Coaching, Referees, Governance and Club Support

Physical Address

Levin Domain, 80 Weraroa Road, Levin 5510, New Zealand

Postal Address

PO Box 503, Levin, New Zealand, 5540



Compilation Report

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

Compilation Report to the Horowhenua Kapiti Rugby Football Union.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Horowhenua Kapiti Rugby Football Union for the year ended 31 October 2024.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

Horowhenua Kapiti Rugby Football Union are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

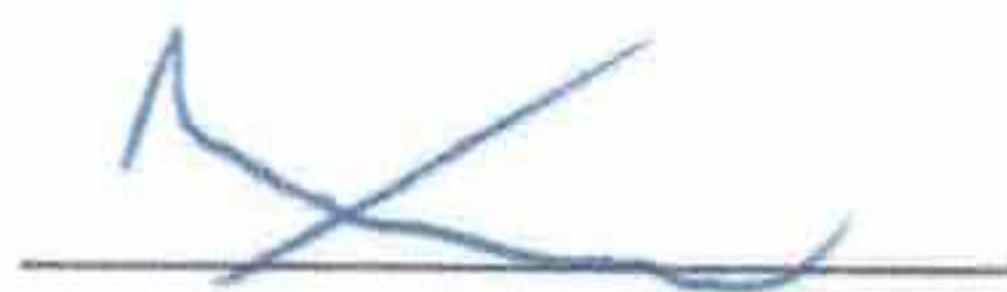
Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedure by us. No audit or review engagement has been performed and accordingly no assurance is expressed by us. However, Fluker Denton Chartered Accountants are separately engaged to perform an audit.

Independence

We have no involvement with Horowhenua Kapiti Rugby Football Union other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement by us. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.



Spicer Accounting Limited

Chartered Accountants

Levin

Dated: 13 November 2024

Approval of Financial Report

Horowhenua Kapiti Rugby Football Union
For the year ended 31 October 2024

The Horowhenua Kapiti Rugby Union are pleased to present the approved financial report including the historical financial statements of Horowhenua Kapiti Rugby Football Union for year ended 31 October 2024.

APPROVED



John Cribb

Chairman

Date 25/11/24



Corey Kennett

Chief Executive Officer

Date 25.11.24

Statement of Service Performance

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

'What did we do?', 'When did we do it?'

Description of Entity's Outcomes

The Horowhenua Kapiti Rugby Football Union shares the New Zealand Rugby vision to *Inspire and Unify*, through providing opportunities for all to participate in rugby and represent their communities. This is done through community rugby programmes and representative rugby teams that compete in organised competitions.

	2024	2023
Description and Quantification of the Entity's Outputs		
Players Aged 12 and Below	3,548	3,455
Players Aged 13 - 18	428	395
Players Aged 19 +	779	724
Total Description and Quantification of the Entity's Outputs	4,755	4,574



Statement of Financial Performance

Horowhenua Kapiti Rugby Football Union
For the year ended 31 October 2024

'How was it funded?' and 'What did it cost?'

	NOTES	2024	2023
Revenue			
Donations, fundraising and other similar revenue	1	151,655	250,711
Revenue from providing goods or services	1	1,003,040	1,259,156
Interest, dividends and other investment revenue	1	18,640	32,704
Total Revenue		1,173,335	1,542,571
Expenses			
Volunteer and employee related costs	2	612,087	574,959
Costs related to providing goods or service	2	495,357	606,065
Grants and donations made	2	2,200	3,858
Other expenses	2	39,751	10,039
Total Expenses		1,149,395	1,194,921
Surplus/(Deficit) for the Year		23,941	347,649



The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

Statement of Financial Position

Horowhenua Kapiti Rugby Football Union
As at 31 October 2024

'What the entity owns?' and 'What the entity owes?'

	NOTES	31 OCT 2024	31 OCT 2023
Assets			
Current Assets			
Bank accounts and cash	3	171,880	746,918
Debtors and prepayments	3	47,102	16,348
Total Current Assets		218,981	763,266
Non-Current Assets			
Property, Plant and Equipment	7	1,716,883	856,521
Investments - Term Deposits	4	100,000	309,765
Investment - Hurricanes	5	31,250	100,000
Total Non-Current Assets		1,848,133	1,266,285
Total Assets		2,067,114	2,029,551
Liabilities			
Current Liabilities			
Creditors and accrued expenses	6	19,683	17,634
Other current liabilities	6	225,640	145,316
Total Current Liabilities		245,323	162,950
Total Liabilities		245,323	162,950
Total Assets less Total Liabilities (Net Assets)		1,821,791	1,866,601
Accumulated Funds			
Accumulated surpluses or (deficits)	8	1,821,791	1,866,601
Total Accumulated Funds		1,821,791	1,866,601



The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

Statement of Cash Flows

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

'How the entity has received and used cash'

	2024	2023
Cash Flows from Operating Activities		
Cash was received from:		
Donations, fundraising and other similar receipts	126,655	289,161
Receipts from providing goods or services	1,006,448	1,147,609
Interest, dividends and other investment receipts	23,153	33,420
Cash was applied to:		
Payments to suppliers and employees	1,038,746	1,228,481
Donations or grants paid	2,200	3,859
Total Cash Flows from Operating Activities	115,310	237,849
Cash Flows from Investing and Financing Activities		
Cash was applied to:		
Payments to acquire property, plant and equipment	900,113	584,691
Total Cash Flows from Investing and Financing Activities	(900,113)	(584,691)
Net Increase/(Decrease) in Cash	(784,803)	(346,842)
Bank Accounts and Cash		
Opening cash	1,056,683	1,403,525
Closing cash	271,880	1,056,683
Net change in cash for period	(784,803)	(346,842)



The financial information should be read in conjunction with the accompanying Statement of Accounting Policies, Notes to the Performance Report and the Audit Report.

Statement of Accounting Policies

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

'How did we do our accounting?'

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 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.

Measurement Basis

Unless otherwise stated, the measurement basis adopted is that of historical cost.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Property, Plant and Equipment

Property, Plant and Equipment are valued at cost less accumulated depreciation.

Property Development

Horowhenua Kapiti Rugby Football Union commenced construction on the new building at the Levin Domain in the 2022 Financial Year. Costs have been combined for the whole financial year and entered as one amount under the Buildings asset class. As at the 31st October 2024 the building was completed.

Depreciation

Depreciation has been calculated based on the estimated useful life of the assets. This method is considered appropriate for the Horowhenua Kapiti Rugby Football Union. The various rates of depreciation are provided by the New Zealand Inland Revenue Department and are shown below:

Asset Class	Rate	Method
Buildings	None	None
Office Equipment	50%-67% 8.5%-33%	Diminishing Value Straight Line
Plant & Equipment	10%-67% 10%-25%	Diminishing Value Straight Line
Rugby Equipment	30%-50%	Straight Line
Vehicles	16%-31.20%	Diminishing Value

Accounts Receivable

Accounts Receivable are stated at their estimated realisable value

Income Tax



Horowhenua Kapiti Rugby Football Union is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Investments - Term Deposits

Term deposit investments are recorded at the amount invested and have periods exceeding 90 days to maturity.

Investment - Hurricanes Licence

The Hurricanes Super Rugby licence is recorded at the historical amortised cost. The Hurricanes licence is part of a partnership arrangement between the NZ Rugby Union and the Horowhenua Kapiti Rugby Football Union.

Income in Advance

When grant income is received with a "use or return" feature applying after the annual balance date, then the relevant income is then recorded as income in advance in the statement of financial position.

Changes in Accounting Policies

There have been no changes in accounting policies apart from the reporting the Hurricanes Licence as specified on note 5 on page 14. All other policies have been applied on a consistent basis with the previous reporting year.



Notes to the Performance Report

Horowhenua Kapiti Rugby Football Union For the year ended 31 October 2024

	2024	2023
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Grants - Community Trust	-	45,000
Grants - Gaming Trust	151,655	205,711
Total Donations, fundraising and other similar revenue	151,655	250,711
Revenue from providing goods or services		
Bar Income	4,082	-
Gate Income	6,450	6,803
Grants - Other	-	215,000
Cash Sponsor - Major	84,750	75,000
Merchandise Income	-	52
Cash Sponsor - Minor	55,582	33,314
NZRU - Community Participant Funding	178,095	178,095
NZRU - Club SSI Funding	-	110,000
NZRU - Strategic Alignment Funding - Reward	52,342	35,042
NZRU - Competition Funding	40,000	40,000
NZRU - Heartland Development Program Funding	50,000	50,000
NZRU - Heartland Growth And Retention Funding	-	13,450
NZRU - Strategic Alignment Funding - Seed	214,936	214,936
NZRU - Travel Reimbursement	15,371	850
NZRU - Tiered Community	260,000	260,000
Other Income	15,869	5,953
Other Tournament Income	13,023	19,500
Tickets Income	12,541	1,160
Total Revenue from providing goods or services	1,003,040	1,259,156
Interest, dividends and other investment revenue		
Interest Income	18,640	32,704
Total Interest, dividends and other investment revenue	18,640	32,704
	2024	2023

2. Analysis of Expenses

Volunteer and employee related costs		
ACC	5,614	4,735
Volunteer Expenses	2,500	3,910
Wages and Salaries	603,973	566,314
Total Volunteer and employee related costs	612,087	574,959
Costs related to providing goods or services		
Accommodation	22,623	17,418
Advertising	1,612	1,129
Airfares	23,636	4,295



	2024	2023
Audit Fees	6,000	5,500
Bank Fees	65	58
Bar Expenses	3,992	-
Board Expenses	1,832	143
Buses	21,880	8,200
Catering	37,810	33,510
Cleaning Expenses	4,371	2,027
Coaching Courses	2,205	920
Couriers, Freight and Postage	325	278
Electricity	6,341	3,914
Entertainment	2,043	1,846
First Aid	12,906	7,528
Functions Other	8,429	11,341
Insurance	20,481	8,096
IT Support and Software Charges	5,572	4,771
Laundry	3,854	3,600
Lease/Rental - Equipment	2,161	8,310
Lease/Rental - Grounds	6,803	6,345
Lease/Rental - Property	7,680	13,233
Management Expenses	32,000	32,000
Nua Health	6,748	4,125
Medical & Supplies	1,103	23,377
Meetings Expenses	11,536	9,241
NZRU - SSI Club Distribution	-	110,000
Other A Team Match Day Expenses	3,252	3,273
Other Expenses	10,243	14,295
Outfitting - Off Field	10,687	35,334
Outfitting - On Field	5,500	32,909
Photographs	3,440	3,122
Physiotherapy	7,000	4,722
Professional Development	16,479	25,507
Player Expenses	20,700	18,400
Printing	1,375	6,104
Professional Services	5,349	5,145
Referee Expenses	6,028	6,382
Rental Vans & Cars	36,015	33,290
Repairs and Maintenance - Equipment	2,444	2,488
Repairs and Maintenance - Buildings	3,755	4,163
Repairs and Maintenance - Vehicles	13,984	16,856
Rugby Equipment Purchased	10,276	16,358
Security	1,362	609
Sponsors Servicing and Hosting	1,848	2,188
Stationery	3,426	1,470
Subscriptions	5,963	3,678
Team Petty Cash Expenses	1,334	1,639



	2024	2023
Telephones and Internet	14,699	12,657
Tickets Purchases	15,772	1,890
Trophies and Medals	5,568	3,753
Vehicle Expenses Including Fuel	34,053	27,835
Website	795	795
Total Costs related to providing goods or services	495,357	606,065
Grants and donations made		
Prizes/Gifts/Koha	2,200	3,858
Total Grants and donations made	2,200	3,858
Other expenses		
Depreciation	39,751	10,039
Total Other expenses	39,751	10,039

	2024	2023
3. Analysis of Assets		
Bank accounts and cash		
Business Call Account	31,859	31,010
Eftpos Card Account	136	9,872
Main Current Account	139,884	705,535
Cash Floats	-	500
Total Bank accounts and cash	171,880	746,918
Debtors and prepayments		
Accrued Interest	117	4,629
Accounts Receivable	46,985	11,719
Total Debtors and prepayments	47,102	16,348
Investments		
Term Deposit - Building Fund	-	109,765
Term Deposit 1	100,000	100,000
Term Deposit 4	-	100,000
Hurricanes Investment	31,250	100,000
Total Investments	131,250	409,765

4. Investments - Term Deposits

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added as an asset.

5. Investment - Hurricanes Licence

The Rugby Union invested \$100,000 in 2013 for a share of the Hurricanes Super Rugby licence. The earlier 2013 financial reporting standards required an annual amortisation of the \$100,000 historical cost over a period of years, but this was later amended to an annual assessment of any impairment of the residual written down value of the licence at \$31,250. In 2021 the Board reinstated the original cost of the licence at \$100,000 to better reflect the perceived value and the success of the Hurricanes licence. The NZ financial reporting regulator has recently indicated that the reinstatement of the licence value to \$100,000 falls outside the range of acceptable reporting practice and needs to be returned to the earlier reported value of



\$31,250. The Board of the Horowhenua Kapiti Rugby Union considers the current capital value of the Hurricanes licence exceeds the \$100,000 original cost.

2024 2023

6. Analysis of Liabilities

Creditors and accrued expenses

Accounts Payable	19,683	17,634
Total Creditors and accrued expenses	19,683	17,634

Other current liabilities

Employee Costs Payable	91,429	76,836
GST	12,120	(44,535)
Income Received in Advance	122,091	113,016
Total Other current liabilities	225,640	145,316

7. Property Plant & Equipment

This Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation	Closing Carrying Amount
Buildings	827,578	744,804			1,572,382
Motor Vehicles	1,491			239	1,252
Office Equipment	7,100			3,351	3,749
Plant & Equipment	18,970	155,309		35,056	139,223
Rugby Equipment	1,381			1,105	276
TOTAL	856,520	900,113		39,751	1,716,882

Last Year					
Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation	Closing Carrying Amount
Buildings	254,511	573,067			827,578
Motor Vehicles	1,775			284	1,491
Office Equipment	11,333	1,112		5,345	7,100
Plant & Equipment	11,763	10,512		3,305	18,970
Rugby Equipment	2,486			1,105	1,381
TOTAL	281,868	584,691		10,039	856,520



	2024	2023
8. Accumulated Funds		
Accumulated Funds		
Opening Balance	1,866,601	1,518,952
Prior Period Adjustment	-	(1)
Accumulated surpluses or (deficits)	(44,809)	347,649
Total Accumulated Funds	1,821,791	1,866,601
Total Accumulated Funds	1,821,791	1,866,601

	2024	2023
9. Breakdown of Reserves		
Reserves		
Term Deposit - Building Fund	-	109,765
Total Reserves	-	109,765

Building Fund reserve for Administration Building at Levin Domain.

10. Commitments

There are no commitments to be reported as at 31 October 2024.

11. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 October 2024 (Last year - nil).

12. Related Parties

An inter-entity related party relationship exists between the NZ Rugby Union and the Horowhenua Kapiti Rugby Football Union. The revenue from the NZRU is specified in the analysis of revenue notes to the Performance Report. The NZRU influences the direction of activity for the Horowhenua Kapiti Rugby Football Union. Apart from this relationship, there are no other related party relationships to be reported.

13. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

14. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

15. Impact of Covid-19

For the 2022 and 2021 years New Zealand has been affected by various Covid-19 restrictions. These restrictions have since ended.

The union received three Covid-19 grants from the Inland Revenue Department in the 2022 year.

The union received two Covid-19 wage subsidies from the Ministry of Social Development and one grants from the Inland Revenue Department in the 2021 year.

The overall impact of Covid-19 has been modest for the organisation.

16. Revenue

Revenue comes mainly from NZRU Grants, Charitable Trusts and Sponsorship.



Horowhenua Kapiti Rugby Football Union Inc.

Performance Report for the Year Ended 31 October 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of the Horowhenua Kapiti Rugby Football Union

I have audited the accompanying performance report of the Horowhenua Kapiti Rugby Football Union Inc, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 October 2024, the statement of financial position as at 31 October 2024, the statement of accounting policies and other explanatory information.

In my opinion:

a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;

b) the performance report represents fairly, in all material respects,

- the entity information for the year ended 31 October 2024,
- the service performance for the year then ended; and
- the financial position of the Horowhenua Kapiti Rugby Football Union Inc. as at 31 October 2024, and its financial performance, and cash flows for the year then ended in accordance with the requirements of the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) standard, issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP)).

Basis for Opinion

I conducted my audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS1) "The Audit of Service Performance Information". My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Performance Report section of my report. I am independent of the Horowhenua Kapiti Rugby Football Union Inc. 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 I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other than in my capacity as auditor I have no relationship with, or interests in, the Horowhenua Kapiti Rugby Football Union.

The Board's Responsibility for the Performance Report

The Board is responsible on behalf of the entity for:

(a) service performance criteria that are suitable in order to prepare service performance information in accordance with the Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) standard issued in New Zealand by the New Zealand Accounting Standards Board (PBE SFR-A (NFP));

(b) the preparation and fair presentation of the performance report which comprises:

- the entity information.
- the statement of service performance; and
- the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with PBE SFR-A (NFP), and

(c) for such internal control as the Board determine 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 entity for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

My objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS1 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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ), I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of 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 my 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the PBE SFR-A (NFP) framework.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable, and understandable.

I 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 I identify during my audit.



Dennis Blank CA
Qualified Auditor
25 November 2024
Waikanae

