

# Bay Audit & Accounting Ltd

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Taradale Club Incorporated

#### Qualified Opinion

We have audited the financial information in the performance report of Taradale Club Incorporated on pages 4 to 17, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance and statement of cash flows for the year then ended, the statement of accounting policies and other explanatory information. We were not engaged to audit the entity information or statement of service performance and accordingly these statements, representing other information, are not included in our audit.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial information in the performance report presents fairly, in all material respects, the financial position of Taradale Club Incorporated as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with the requirements of Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) relevant to reporting financial position, financial performance and cash flows.

#### Basis for Opinion

The Taradale Club Incorporated's control over cash revenue prior to recording in the tills is limited and there are no practical audit procedures to determine the effect of this limited control. Accordingly we have relied on the assurances of the committee that all income from those sources to which the Taradale Club Incorporated is entitled to is included in the performance report.

The Adjuncts financial reporting has not been included in the performance report as required by the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) reporting standard.

Bar Rebate income and part of the insurance proceeds receivable have been netted off against bar purchases, restaurant purchases and other direct cyclone related expenses. The Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) reporting standard that the Club must follow does not allow for the offsetting of amounts.

We conducted our audit in accordance with 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 Financial Information in the Performance Report section of our report. We are independent of Taradale Club Incorporated 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Taradale Club Incorporated.

### **Material Uncertainty Related to Going Concern**

We draw your attention to note 20 of the financial statements. The Club has a negative working capital position as at 31 March 2023 of \$82,967. The Club is reliant on gaming machine income to support its operations. This event indicates that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern and the auditor's opinion is not modified in respect of this matter.

### **Restriction on Responsibility**

This report is made solely to the Members, as a body, in accordance with specify source of audit duty, e.g. constitution of Taradale Club Incorporated. Our audit work 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.

### **Other Information: Entity Information and Statement of Service Performance**

The Executive Committee are responsible for the other information. The other information comprises the entity information and statement of service performance but does not include the performance report and our auditor's report thereon.

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

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Executive Committee' Responsibility for the Performance Report**

The Executive Committee are responsible on behalf of the entity for:

(a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;

(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 Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

(c) for such internal control as the Executive Committee 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 Executive Committee are 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 Executive Committee 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 Financial Information in the Performance Report**

Our objectives are to obtain reasonable assurance about whether the financial information in the performance report 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 (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 decisions of users taken on the basis of this performance report.

As part of an audit in accordance with 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Executive Committee 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.



**Bay Audit & Accounting Limited**  
**Napier**  
**16 June 2023**