Howick & Pakuranga Community Houses Incorporated

Performance Report

For the Year Ended 30 June 2021

AUDITED
Tim England & Co.

Howick & Pakuranga Community Houses Incorporated

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For the Year Ended 30 June 2021

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Howick & Pakuranga Community Houses Incorporated

Entity Information

For the Year Ended 30 June 2021

Legal Information

Legal name of entity	Howick & Pakuranga Community Houses Incorporated
Type of entity	Incorporated Society
Legal basis of entity	Registered Charity
Charities registration number	CC 11304
Date of Incorporation	25th November 1988

Entity's purpose or mission

a) The Society's mission is tp provide venue and services to assist in the facilitation of community activities that contribute to a holistic sense of well-being

b) To deliver programmes and services that meet the social, educational, recreational, health, welfare and cultural needs of East Auckland, in accoradance with the Society's rules.

c) Do anything necessary or be helpful for the above purposes.

d) Pecuniary gain is not a purpose of the Society.

Entity Structure

The management of the Society consists of a Board which is made up of members of the Society.

The Society must have a minimum of six and a maximum of twelve Board members. The Board elects the Chairperson, Secretary and Treasurer. The daily operations are managed by the Community House Managers for the respective house locations and the House Managers are employees of the Society.

Main sources of the entity's cash and resources

a) Grants

b) Facility hire to community groups or individuals

c) Income from investments

Reliance on volunteers and donated goods or services

The Society occasionally relies on volunteers for office and administration work and other general duties. The Society may hire casual personnel to cover for volunteers when they are not available.

Contact Type	Details
Address	47 Aviemore Drive, Highland Park, Auckland 2010 6 Swan Crescent, Pakuranga, Auckland 2010
Auditor	Tim England & Co 65 Picton Street, Howick Auckland 2014
Bankers	ASB Bank Limited Highland Park Auckland

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Howick & Pakuranga Community Houses Incorporated

Entity Information

For the Year Ended 30 June 2021

Officers / Committee Members

Chairperson	Vacant
Treasurer	Bruce Davis
Secretary	Vacant
Board Member	Ray Clark
Board Member	Jamsheed Sidwha
Board Member	Lian Clark
Board Member	Kathy Varga

House Managers

Highland Park	Jennie McCormick
Anchorage Park	Roy Lewis

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Howick & Pakuranga Community Houses Incorporated

Statement of Service Performamce

For the Year Ended 30 June 2021

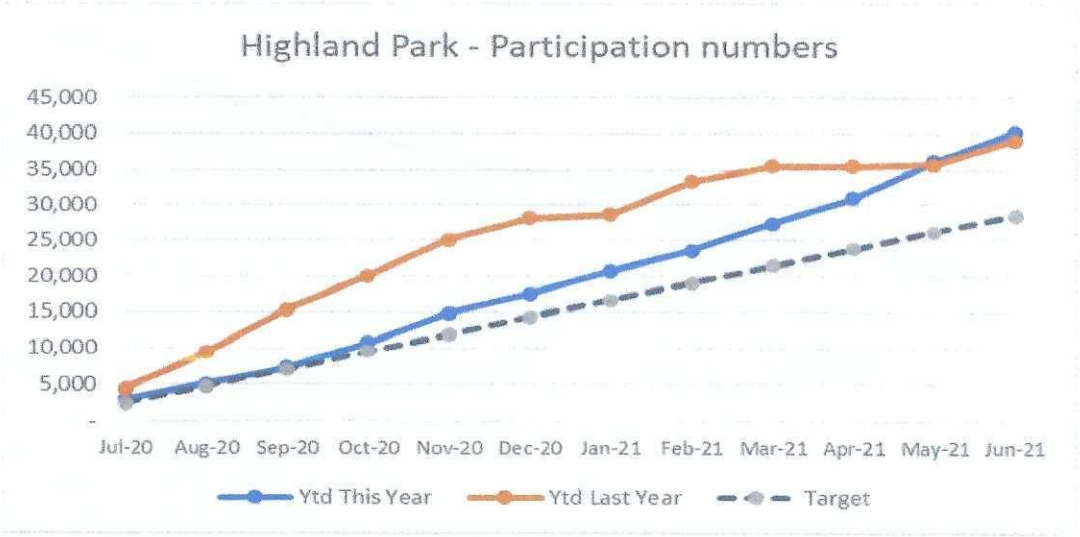
We are contracted by the Howick Local Board to manage and operate the Community Centres owned by Auckland Council at Highland Park and Anchorage Park.
The Community Centres are to used only as community centres for members of the public and other community groups for associated activities, programmes and appropriate ancillary uses.

The outcomes to be achieved are determined by the agreement with Auckland Council. The key performance objectives include:

- fees and charges are at a reasonable rate for the community
- the facility is open and available at hours to meet community demand
- each centre has targets for average weekly hours booked and participantant numbers
- the provision of a wide range of activities meeting the wider community needs

The utilisation of the facilities over the year is depicted in the following charts:

Highland Park



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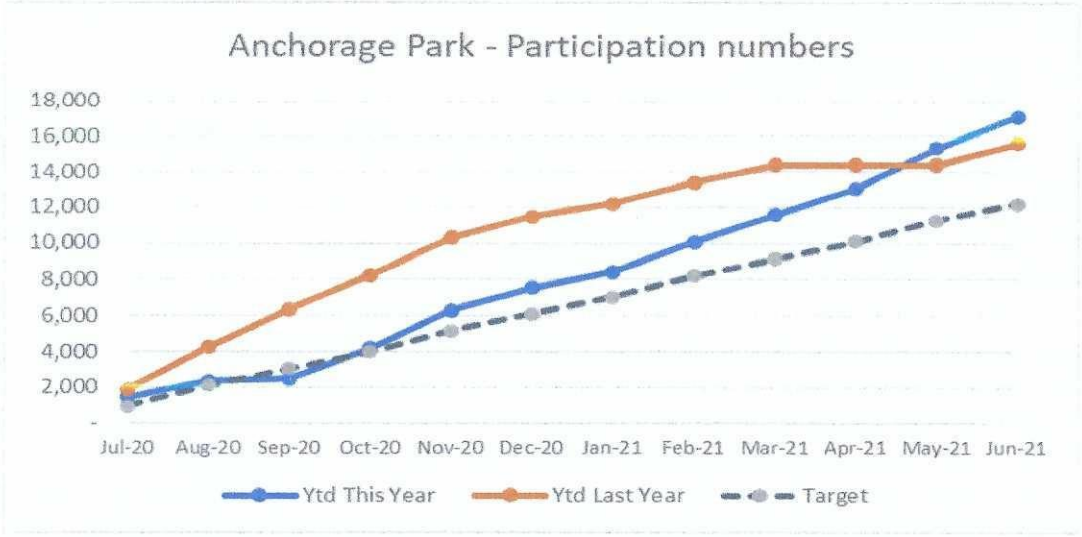
Anchorage Park



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Activities

We facilitate a wide range of activities at the Houses. Some examples are:

Education and training

- Abacus Maths
- Math Teaching
- Chinese Tuition
- Learning Support
- English as a Second Language
- Driving Tuition
- Speech Therapy

Health and sport

- Weight Watchers
- Taekwondo
- Cardiac Support
- Chinese Womens Wellness
- Tai Chi
- Breast Cancer screening
- Alcohol and Drug Support
- Korean Positive Ageing

Religious

- East Coast Pentacostals
- Samoan Methodist
- Church of God
- Christian Truth Church
- Divine Life Prayer Group

Youth and children

- Barnados
- Plunket
- Creche

Cultural

- NZ Tamil Society
- Shivyog Flat Bush
- Asian Community Support

Craft

- Swan Crescent Quilters
- Anchorage Quilters
- Magical Cakes

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Howick & Pakuranga Community Houses Incorporated

Statement of Financial Performance

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Revenue			
Fundraising, grants and donations	1.1	86,739	85,457
Fees, subscriptions and other revenue from members	1.2	1,761	1,215
Revenue from providing goods or services	1.3	121,708	100,087
Interest, dividends and other investment revenue	1.4	5,223	9,335
Covid-19 wage subsidy	1.5	-	14,059
Total Revenue		**215,430**	**210,153**
Expenses			
Fundraising and promotion expenses	2.1	407	-
Volunteer and employee related costs	2.2	107,446	103,130
Costs relating to providing goods or services	2.3	26,797	12,934
Administration and overhead costs	2.4	43,150	49,301
Other expenses	2.5	43,867	38,929
Total Expenses		**221,666**	**204,294**
Surplus		**(6,235)**	**5,859**

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Howick & Pakuranga Community Houses Incorporated

Statement of Financial Position

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Assets			
Current Assets			
Cash and bank accounts	3.1	78,019	59,664
Prepayments	3.2	392	677
Accounts receivable	3.3	12,698	4,709
Total Current Assets		91,109	65,049
Non-Current Assets			
Property, plant and equipment	Schedule	22,913	59,321
Investments	3.4	330,010	326,469
Total Non-Current Assets		352,923	385,790
Total Assets		**444,032**	**450,840**
Liabilities			
Current Liabilities			
Accounts payable and accrued expenses	3.5	7,443	9,017
Other current liabilities	3.6	34,670	22,259
Total Liabilities		**42,113**	**31,275**
Net Assets		**401,919**	**419,565**
Accumulated Funds			
Accumulted surplus (deficit)	4	401,919	402,295
Total Accumulated Funds		**401,919**	**402,295**

For and on behalf of the Society

Treasurer

Board Member

Dated this 22nd day of November 2021

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Howick & Pakuranga Community Houses Incorporated

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Cash Flows from Operating Activities			
Cash was received from:			
Donations, fundraising and other similar receipts		-	
Fees, subscriptions and other receipts including Grants		88,500	100,731
Receipts from providing goods or services		111,394	107,869
Interest, dividends and other investment receipts		5,507	8,882
Net GST		13,147	(6,199)
Cash was applied to:			
Payments to suppliers and employees		(134,227)	(93,475)
Payments for overheads and services		(59,707)	(81,323)
Net Cash Flows from Operating Activities		24,614	36,485
Cash Flows from Investing and Financing Activities			
Cash was received from:			
Receipts from the sale of investments		-	-
Cash was applied to:			
Payments to acquire property, plant and equipment		(2,718)	(8,530)
Net Cash Flows from Investing and Financing Activities		(2,718)	(8,530)
Net Increase (Decrease) in Cash		21,896	27,955
Opening Cash		386,133	358,178
Closing Cash		408,029	386,133
This is represented by Cash and Bank Accounts		408,029	386,133

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Howick & Pakuranga Community Houses Incorporated

Statement of Accounting Policies

For the Year Ended 30 June 2021

Basis of Preparation

Howick & Pakuranga Community Houses Incorporated 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 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 Howick & Pakuranga Houses Incorporated will continue to operate in the foreseeable future.

Goods and Services Tax

Howick & Pakuranga Houses Incorporated is registered for GST and the amounts recorded in the Performance Report are exclusive of GST, with the exception of accounts receivable and accounts payable.

Income Tax

Howick & Pakuranga Houses Incorporated is wholly exempt from New Zealand Income tax having fully complied with all statutory conditions for these exemptions.

Cash and Bank Accounts

Cash and Bank Accounts in the Statement of Cash Flows comprise cash balances, bank balances and short term deposits with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (previous year: nil).

Revenue Received and Recognition

Donations received are in the form of Grants from the Auckland Council / Howick Local Board and from members and participants in programs run by Howick & Pakuranga Community Houses Incorporated or community groups at the houses. These are included in operating revenue.

If donations are received with some particular conditions attached to their use, including a condition that these may be repaid if these conditions are not met, then such donations are recorded as a liability until the conditions for use have been satisfied.

Donated Goods and Services

Donated goods and services are generally not recorded in the accounting system. Where donated assets are received and are material, with useful lives of more than 12 months and for which the useful life can be easily determined, the donated asset will be appropriately recorded. During the year under review no such donations were received.

Property, Plant and Equipment and Depreciation/Amortisation

Cash and non-cash expenditures are separately recorded and disclosed in the Performance Report. Non-cash expenditues include depreciation of property, plant and equipment and amortisation of capitalised intangible expenditures such as website development expenditure. Amortisation of intangibles is on a straight line basis at 40% per annum.

Property, plant and equipment are reported at cost less depreciation to date. Depreciation is calculated using the straight line method at rates that will fully write off the asset's value over the estimated useful life. Property, plant and equipment purchased at less than $500 are fully written off in the year of acquisition.

Accounts Receivable

Accounts receivable are reported at net realisable value.

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Howick & Pakuranga Community Houses Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2021

			2021 $	2020 $
1		**Analysis of Revenue**		
	1.1	**Revenue from fundraising, grants and donations**		
		Grants received from Auckland Council = HP	73,936	72,840
		Grants received from Auckland Council = AP	12,803	12,617
		Donations	-	-
			86,739	85,457
	1.2	**Fees, subscriptions and other income from members**		
		Sundry income	1,761	1,215
			1,761	1,215
	1.3	**Revenue from providing goods or services**		
		Rent received - creche	17,925	12,504
		Rent received - long term	74,787	71,497
		Rent received - short term	28,996	16,086
			121,708	100,087
	1.4	**Interest, dividends and other investment income**		
		Interest income	4,663	8,585
		Dividends received	560	750
			5,223	9,335
	1.5	**Covid-19 Wage subsidy**	-	14,059

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Howick & Pakuranga Community Houses Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2021

		2021 $	2020 $
2	**Analysis of Expenses**		
2.1	**Fundraising and promotional expenses**		
	Advertising costs	407	-
		407	-
2.2	**Volunteer and employee related costs**		
	ACC levies	163	192
	Honoraria	7,500	7,500
	Staff / Board training	-	-
	Staff expenses	962	768
	Staff mileage	286	212
	Wages - HP	60,965	54,277
	Wages - AP	37,570	30,593
	Covid-19 payments	-	9,587
		107,446	103,130
2.3	**Costs related to providing goods or services**		
	Contract tutors	20,437	7,084
	Course consumables	6,360	5,850
		26,797	12,934
2.4	**Administration and overhead costs**		
	Assets under $500	193	1,536
	Administration fees	7,331	5,420
	Cleaning expenses - HP	6,125	5,058
	Cleaning expenses - AP	5,101	5,178
	General expenses	(396)	65
	Insurance	2,830	2,473
	Photocopy lease & consumables	2,100	1,646
	Power charges - HP	3,308	3,477
	Power charges - AP	1,794	1,825
	Printing, stationery & postage - HP	1,108	796
	Printing, stationery & postage - AP	746	516
	Repairs & maintenance	2,111	12,315
	Rubbish & waste removal	682	641
	Security	2,114	880
	Supplies - HP	1,435	1,520
	Supplies - AP	2,198	1,654
	Telephone & internet	3,509	3,437
	Water - HP	861	865
		43,150	49,301

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Notes to the Performance Report

For the Year Ended 30 June 2021

		2021 $	2020 $
2.5	**Other expenses**		
	AGM expenses	545	544
	Audit fees	4,000	4,190
	Bank fees	40	21
	Bad debts	-	254
	Computer expenses	9,515	6,915
	Committee expenses	376	613
	EFTPOS merchant fees & expenses	1,232	1,152
	Depreciation	27,717	19,940
	Health & safety	41	1,500
	Legal expenses	400	3,800
		43,867	38,929

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Howick & Pakuranga Community Houses Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2021

		2021	2020
3		$	$
	Analysis of Assets and Liabilities		
3.1			
	Cash and bank accounts		
	ASB Cheque Account	51,277	5,643
	ASB Business Saver Account	26,092	53,576
	Petty cash	300	300
	Undeposited funds	350	145
		78,019	59,664
3.2			
	Prepayments		
	Accrued investment income	392	677
		392	677
3.3			
	Other current assets		
	Accounts receivable	12,698	4,709
		12,698	4,709
3.4			
	Investments		
	Term deposit 76	85,217	83,700
	Term deposit 78	37,084	36,486
	Term deposit 80	45,511	45,035
	Term deposit 83	50,000	50,000
	Term deposit 84	50,000	50,000
	Term deposit 85	62,198	61,248
		330,010	326,469
3.5			
	Accounts payable and accrued expenses		
	Trade creditors	3,443	5,017
	Accrued audit fee	4,000	4,000
		7,443	9,017
3.6			
	Other current liabilities		
	Bond deposits	400	2,725
	GST payable	14,845	1,699
	Holiday pay and accrued wages	19,424	17,835
		34,670	22,259

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Howick & Pakuranga Community Houses Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2021

		2021	2020
4		$	$
	Accumulated Funds		
	Opening balance	408,155	402,295
	Surplus for the year	(6,235)	5,860
	Closing balance	**401,919**	**408,155**

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Related party transactions

Ray Clark is a member of the Board and he is the instructor for the Defensive Driving courses provided to the community in partnership with the society.
During the year his services were provided for a value of $25,560 to the society (2020: $22,370)
Kathy Varga is a member of the Board and she provides accounting and book-keeping services to the society as a part-time contractor.
During the year her services were provided to the society for a value of $7,236 (2020: $5,035).

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Covid 19 impacts

In March 2020 the World Health Organisation declared the Covid-19 outbreak a global pandemic. There have been considerable economic impacts in New Zealand and globally arising mainly from Government actions, including a minimum four week lockdown in March-April 2020 resulting in the closure of the houses for business.
The Society applied for and received Government wage subsidies covering 20 weeks.

During the current financial year there were a series of short lockdowns but no wage subsidy was applied for; the subsidy rules expected employers to utilise reserves where possible before applying for wage subsidies.
The Society had sufficient reserves to permit continued payment of wages without jeopardising financial stability.

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Events after Reporting Date

In August, the Government imposed an extended Covid-19 lockdown which has remained in place for over 14 weeks. The houses have remained closed during the lockdown.
The quarterly grant instalment from Auckland City was deferred pending resolution of governance issues following the resignation of the Chair and Secretary. After 8 weeks of lockdown and without receipt of the Auckland City grant, a decision was made to apply for a wages subsidy and resurgence payment to protect the Society's financial reserves whilst continuing to pay staff wages.
The wages subsidy, resurgence grant and Auckland City grant instalment were all subsequently received.

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HOWICK AND PAKURANGA COMMUNITY HOUSES INCORPORATED

SCHEDULE OF PROPRTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30 JUNE 2021

		Cost				Depreciation					Carrying Value	
Asset Description	Date of Purchase	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Rate	Additions	Disposal	Closing Balance	Last Year	This Year
Office Equipment												
Vivid Intel core (3)		3,221.00			3,221.00	3,221.00				3,221.00	-	-
Insulation	1-Mar-18	4,888.00			4,888.00	561.80	5%	244.40		806.20	4,326.20	4,081.80
Vaccuum cleaner	1-Nov-17	651.00			651.00	261.30	15%	97.65		358.95	389.70	292.05
HP Laptop - Chair	25-Apr-19	1,499.13		(1,499.13)	-	349.79	w/off	1,149.34	(1,499.13)	-	1,149.34	-
HP Laptop - Treasurer	25-Apr-19	1,499.13			1,499.13	349.80	20%	299.83		649.63	1,149.33	849.50
Desktop computers (3)	27-Nov-19	5,364.00			5,364.00	1,430.40	40%	2,145.60		3,576.00	3,933.60	1,788.00
Laptop (Secretary)	14-May-20	1,955.65			1,955.65	130.38	40%	782.26		912.64	1,825.27	1,043.01
Ipad Pro (Chair)	7-Nov-20		2,718.26		2,718.26	-	40%	724.87		724.87	-	1,993.39
		19,077.91	2,718.26	(1,499.13)	20,297.04	6,304.47		5,443.95	(1,499.13)	10,249.28	12,773.44	10,047.76
Office Systems												
"Roomie" Booking system		22,933.03		(22,933.03)	-	9,173.21	w/off	13,759.82	(22,933.03)	-	13,759.82	-
Website												
Website development		1,500.00			1,500.00	1,500.00	15%	-		1,500.00	-	-
Website development	6-Dec-18	1,760.00			1,760.00	418.00	15%	264.00		682.00	1,342.00	1,078.00
		3,260.00	-	-	3,260.00	1,918.00		264.00		2,182.00	1,342.00	1,078.00
Furniture & Fixtures												
Notice Board/Bookcase		711.00			711.00	711.00				711.00	-	-
Weightwatches		223.00			223.00	223.00				223.00	-	-
Video/Audio Cabinet		695.00			695.00	695.00				695.00	-	-
Water Filter (Pakuranga room)		298.00			298.00	298.00				298.00	-	-
Fridge (Anchorage)		467.00			467.00	467.00				467.00	-	-
Tables (2)		507.00			507.00	507.00				507.00	-	-
Stacker chairs		840.00			840.00	840.00				840.00	-	-
Gardening shelter station		3,464.00			3,464.00	3,464.00				3,464.00	-	-
Airconditioning		18,800.00			18,800.00	18,800.00				18,800.00	-	-
Trestle table		316.00			316.00	316.00				316.00	-	-
Laptop (Anchorage)		1,145.00			1,145.00	1,145.00				1,145.00	-	-
Settee (Anchorage)		444.00			444.00	444.00				444.00	-	-
Tables (Anchorage)		1,055.00			1,055.00	1,055.00				1,055.00	-	-
Stacker chairs		1,858.00			1,858.00	1,858.00				1,858.00	-	-
Dishwasher		820.00			820.00	820.00				820.00	-	-
Trestle table		217.00			217.00	217.00				217.00	-	-

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HOWICK AND PAKURANGA COMMUNITY HOUSES INCORPORATED

SCHEDULE OF PROPRTY, PLANT AND EQUIPMENT

FOR THE YEAR ENDED 30 JUNE 2021

		Cost				Depreciation					Carrying Value	
Asset Description	Date of Purchase	Opening Balance	Additions	Disposal	Closing Balance	Opening Balance	Rate	Additions	Disposal	Closing Balance	Last Year	This Year
Trestle table		559.00			559.00	355.70	15%	83.85		439.55	203.30	119.45
Hamburg Chairs		588.00			588.00	433.40	15%	88.20		521.60	154.60	66.40
Blinds		1,932.00			1,932.00	1,641.80	20%	290.20		1,932.00	290.20	-
Heartsave defribrillator	24-Oct-17	3,990.00			3,990.00	2,195.00	20%	798.00		2,993.00	1,795.00	997.00
Ottoman bench	24-Oct-17	658.00			658.00	271.40	15%	98.70		370.10	386.60	287.90
CCTV		2,415.00			2,415.00	2,415.00	36%	-		2,415.00	-	-
Bike rack		650.00			650.00	489.00	20%	130.00		619.00	161.00	31.00
Blinds		2,831.00			2,831.00	2,058.40	20%	566.20		2,624.60	772.60	206.40
Sofa set		1,971.00			1,971.00	1,419.40	20%	394.20		1,813.60	551.60	157.40
Playbase		12,360.00			12,360.00	8,859.00	20%	2,472.00		11,331.00	3,501.00	1,029.00
Sandpit cover		896.00			896.00	626.40	20%	179.20		805.60	269.60	90.40
Playcubes		3,715.00			3,715.00	2,459.00	20%	743.00		3,202.00	1,256.00	513.00
Tables		540.00			540.00	324.00	20%	108.00		432.00	216.00	108.00
Vaccuum cleaner		517.00			517.00	349.80	20%	103.40		453.20	167.20	63.80
Hotplate cooker	1-Oct-18	626.09			626.09	172.17	15%	93.91		266.09	453.91	360.00
Haier Refrigerator	1-Oct-18	530.43			530.43	145.87	15%	79.57		225.43	384.57	305.00
Titan chairs (23)	4-Oct-18	1,357.00			1,357.00	497.57	20%	271.40		768.97	859.43	588.03
Lite folding tables	4-Oct-18	670.00			670.00	245.67	20%	134.00		379.67	424.33	290.33
Refrigerator (Anchorage)	11-Oct-18	6,217.93			6,217.93	1,710.57	15%	932.69		2,643.26	4,507.36	3,574.67
Whiteboard (mobile, pivot)	28-Jan-20	557.00			557.00	69.63	30%	167.10		236.73	487.38	320.28
Projector screen (Monet room)	30-Jan-20	1,009.67			1,009.67	56.79	13.5%	136.31		193.10	952.88	816.57
Projector screen (Parkview)	30-Jan-20	1,009.67			1,009.67	56.79	13.5%	136.31		193.10	952.88	816.57
Epson data projector	30-Jan-20	1,390.45			1,390.45	101.39	17.5%	243.33		344.72	1,289.06	1,045.73
		78,850.24	-	-	78,850.24	58,813.75		8,249.56	-	67,063.31	20,036.49	11,786.94
		124,121.18	2,718.26	(24,432.16)	102,407.28	76,209.42		27,717.32	(24,432.16)	79,494.59	47,911.76	22,912.70

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TIM ENGLAND
Auditors &
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HOWICK & PAKURANGA COMMUNITY HOUSES (INCORPORATED).

REPORT ON THE PERFORMANCE REPORT

QUALIFIED OPINION

We have audited the performance report of Howick & Pakuranga Community Houses (Incorporated) which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2021, the statement of financial position as at 30 June 2021 and the statement of accounting policies and other explanatory information.

In our opinion:

a) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;

b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying performance report presents fairly, in all material respects,
   a. The entity information for the year the ended;
   b. The service performance for the year then ended; and
   c. The financial position of Howick & Pakuranga Community Houses (Incorporated), as at 30 June 2021 and its financial performance, 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.

BASIS FOR QUALIFIED 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 performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the*

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BASIS FOR QUALIFIED OPINION

Audit of Performance Report section of our report. We are independent of Howick & Pakuranga Community Houses (Incorporated) in accordance with the Professional and Ethical Standard 1(Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our ethical responsibilities in accordance with these requirements.

In respect of the matter below, we believe that the audit evidence we have obtained is not sufficient and appropriate to provide a basis for an unqualified opinion.

> The description and quantification of the outputs, in the statement of service performance. There was no effective system of internal control over description and quantification of the entity's outputs on which we could rely for the purposes of the audit and there were no practical audit procedures that we could use to confirm that the outputs described and quantified was complete and properly recorded,

Other than in our capacity as auditor we have no relationship with, or interests in, Howick & Pakuranga Community Houses (Incorporated).

RESPONSIBILITIES OF THE BOARD FOR THE PERFORMANCE REPORT

The Board is responsible 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 on behalf of the entity which comprises:
    a. The entity information;
    b. The statement of service performance; and
    c. 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 by the New Zealand Accounting Standards Board, and

c) For such internal controls as the Board determine is necessary to enable the preparation of the 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 Howick & Pakuranga Community Houses (Incorporated) for assessing the entity's ability to continue as a going concern,

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RESPONSIBILITIES OF THE BOARD FOR THE PERFORMANCE REPORT

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate Howick & Pakuranga Community Houses (Incorporated) 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 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) and ISAE (NZ) 3000 (Revised) 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 (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 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 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 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 auditors' report to the related disclosures in the performance report or, if such disclosures are inadequate, to

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE PERFORMANCE REPORT

- modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by Howick & Pakuranga Community Houses (Incorporated) as far as appears from our examination of those records.

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

The engagement partner on the audit resulting in this independent auditor's report is Tim England.

TIM ENGLAND
Chartered Accountants
Auckland
New Zealand

Dated: 22 November 2021