

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Performance Report

For the year ended  
31 March 2017

### Contents

	Page
<b>Non-Financial Information:</b>	
Entity Information	2
Statement of Service Performance	4
<b>Financial Information:</b>	
Statement of Financial Performance	5
Statement of Financial Position	6
Statement of Cash Flows	7
Statement of Accounting Policies	8
Notes to the Performance Report	9
Independent Auditor's Report	16

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Entity Information

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

For the year ended

31 March 2017

Legal Name of Entity:	Surf Aid International Incorporated
Other Name of Entity (if any):	SurfAid International (NZ) Incorporated
Type of Entity and Legal Basis (if any):	Incorporated Society
Registration Number:	CC35862

### Entity's Purpose or Mission:

Mission: to improve the health, wellbeing and self-reliance of people living in isolated regions connected to us through surfing. Objects: to operate as a non-profit charitable organisation to: a) provide development, disaster relief, risk reduction and other aid to communities adjacent to surfing locations and neighbouring communities in a way that: 1) is sustainable and enhances local capacities and promoting community based, self help resolutions, 2) encompasses the social, spiritual, cultural and economic well-being of beneficiaries, 3) has a long term effect on the most vulnerable sectors of society, particular woman and children, including to support the central role of woman in development, 4) takes account of justice, peace, human rights and the protection of the environment, b) encourage and coordinate the support of members, the global surfing community and other donors for the purposes of the above, and c) address such other charitable purposes as the committee determines from time to time.

### Entity Structure:

Volunteer Governing Committee employing staff in concert with affiliate SurfAid Australia Ltd.

### Main Sources of the Entity's Cash and Resources:

Grants from New Zealand Aid Programme, individual supporters and corporate sponsorship.

### Main Methods Used by the Entity to Raise Funds:

Funding applications, e-mail solicitations and events.

### Entity's Reliance on Volunteers and Donated Goods or Services:

Volunteer committee members and volunteers assisting at events.

### Additional Information:



# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Entity Information

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

For the year ended  
31 March 2017

### Contact details

Physical Address:	50 Wainui Road, Gisborne
Postal Address:	PO Box 55, Gisborne
Phone/Fax:	06 8677473
Email/Website:	<a href="http://www.surfaid.org">www.surfaid.org</a>
	surfaid
	@surfaid

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Statement of Service Performance

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

For the year ended

31 March 2017

Description of the Entity's Outcomes:

Delivery of annual plan for New Zealand Aid Programme contracts.

Description and Quantification (to the extent practicable) of the Entity's Outputs:	Actual	Budget	Actual
	This Year	This Year	Last Year
Water facilities constructed or improved	306	298	159
Community health posts improved	68	65	55
People trained	1,781	16	1,606
People served	37,323	37,104	22,318

Additional Output Measures:

Additional Information:

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Statement of Financial Performance "How was it funded?" and "What did it cost?" For the year ended 31 March 2017

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Revenue</b>				
Donations, fundraising and other similar revenue	1	30,369		80,481
Revenue from providing goods or services	1	681,426		667,341
Interest, dividends and other investment revenue	1	127		97
Other revenue		-		-
<b>Total Revenue</b>		<b>711,922</b>	<b>-</b>	<b>747,919</b>
<b>Expenses</b>				
Expenses related to public fundraising	2	24,184		24,777
Volunteer and employee related costs		-		-
Costs related to providing goods or services	2	681,698		697,306
Grants and donations made		-		-
Foreign exchange (gain)/loss		4,649		23,479
<b>Total Expenses</b>		<b>710,531</b>	<b>-</b>	<b>745,562</b>
<b>Surplus/(Deficit) for the Year</b>		<b>1,391</b>	<b>-</b>	<b>2,357</b>

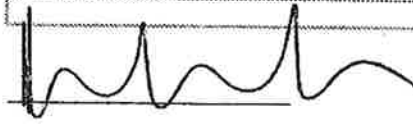
**SURFAID INTERNATIONAL (NZ) INCORPORATED**

**Statement of Financial Position**

"What the entity owns?" and "What the entity owes?"

As at  
31 March 2017

	Note	Actual This Year \$	Budget This Year \$	Actual Last Year \$
<b>Assets</b>				
<b>Current Assets</b>				
Bank accounts and cash		253,469		548,589
Debtors and prepayments		497,990		560
Inventory		-		-
Other current assets		78,475		126,274
<b>Total Current Assets</b>		<b>829,934</b>		<b>675,423</b>
<b>Total Assets</b>		<b>829,934</b>		<b>675,423</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Creditors and accrued expenses		20,016		5,997
Unused donations and grants with conditions		800,860		661,759
Other current liabilities		-		-
<b>Total Current Liabilities</b>		<b>820,876</b>		<b>667,756</b>
<b>Total Liabilities</b>		<b>820,876</b>		<b>667,756</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>9,058</b>		<b>7,667</b>
<b>Accumulated Funds</b>				
Capital contributed by owners or members				
Accumulated surpluses or (deficits)		9,058		7,667
<b>Reserves</b>				
<b>Total Accumulated Funds</b>		<b>9,058</b>		<b>7,667</b>



Committee Member

Date 19.9.2017



Chief Executive Officer

Date 21.9.2017

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Statement of Cash Flows

"How the entity has received and used cash"

For the year ended  
31 March 2017

	Actual This Year \$		Actual Last year \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Donations, fundraising and other similar receipts	30,369		80,481
Fees, subscriptions and other receipts from members			
Receipts from providing goods or services	320,791		852,729
Interest, dividends and other investment receipts	127		97
<b>Cash was applied to:</b>			
Payments to suppliers and employees	110,558		101,419
Transfers to SurfAid Indonesia	526,363		687,000
GST payments	9,486		22,874
<b>Net Cash Flows from Operating Activities*</b>	<b>(295,120)</b>		<b>122,014</b>
<b>Net Increase / (Decrease) in Cash*</b>	<b>(295,120)</b>		<b>122,014</b>
<b>Opening Cash*</b>	548,589		426,575
<b>Closing Cash*</b>	253,469		548,589
<b>This is represented by:</b>			
Bank Accounts and Cash*	253,469		548,589

## **SURFAID INTERNATIONAL (NZ) INCORPORATED**

### **Statement of Accounting Policies**

#### **"How did we do our accounting?"**

**For the year ended**

**31 March 2017**

#### **Basis of Preparation**

SURFAID INTERNATIONAL (NZ) 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 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.

#### **Goods and Services Tax (GST)**

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

#### **Income Tax**

SURFAID INTERNATIONAL (NZ) INCORPORATED 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.

#### **Changes in Accounting Policies**

There have been no changes in accounting policies during the year.



# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Fundraising revenue	Events	23,851	40,910
	<b>Total</b>	<b>23,851</b>	<b>40,910</b>
Donations and other similar revenue	Corporate contributions	-	22,500
	Individual contributions	6,517	17,071
	<b>Total</b>	<b>6,517</b>	<b>39,571</b>
Revenue from providing goods or services	NZ Government Grants - MFAT	574,163	606,244
	NZ Government Grants - MFAT (Administration)	107,263	61,097
	<b>Total</b>	<b>681,426</b>	<b>667,341</b>
Interest, dividends and other investment revenue	Interest	127	97
	<b>Total</b>	<b>127</b>	<b>97</b>

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 2 : Analysis of Expenses

Expense Item	Analysis	This Year \$	Last Year \$
Expenses related to public fundraising	Event expenses	24,184	24,777
	<b>Total</b>	<b>24,184</b>	<b>24,777</b>

Expense Item	Analysis	This Year \$	Last Year \$
Costs related to providing goods or services	Payments to affiliates	96,814	83,597
	Indonesian project costs	574,163	578,223
	Audit fees	3,710	3,830
	General expenses	3,649	24,226
	Travel	3,362	7,430
	<b>Total</b>		<b>681,698</b>

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
Bank accounts and cash	ANZ 00 Account	11,521	8,117
	ANZ 50 Account	8,073	5,784
	ANZ 46 Account	776	4,098
	ANZ 51 Account	233,099	530,590
	<b>Total</b>	<b>253,469</b>	<b>548,589</b>
Asset Item	Analysis	This Year \$	Last Year \$
Debtors and prepayments	Trade Debtors	497,990	-
	Goods and Services Tax	-	560
	<b>Total</b>	<b>497,990</b>	<b>560</b>
Asset Item	Analysis	This Year \$	Last Year \$
Other current assets	SurfAid Indonesia	78,475	126,274
	<b>Total</b>	<b>78,475</b>	<b>126,274</b>

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 3 : Analysis of Assets and Liabilities

Liability Item	Analysis	This Year \$	Last Year \$
Creditors and accrued expenses	SurfAid Australia	11,206	5,997
	Accruals	519	-
	Goods and Services Tax	8,291	-
	<b>Total</b>	<b>20,016</b>	<b>5,997</b>

Liability Item	Analysis	This Year \$	Last Year \$
Unused donations and grants with conditions	NZ Government Grants - MFAT	800,860	661,759
	<b>Total</b>	<b>800,860</b>	<b>661,759</b>

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 5: Accumulated Funds

This Year				
Description	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
<b>Opening Balance</b>		7,667	-	7,667
Capital contributed by owners or members	-			-
Capital returned to owners or members	-			-
Surplus/(Deficit)		1,391		1,391
Distributions paid to owners or members		-		-
Transfer to Reserves		-	-	
Transfer from Reserves		-	-	
<b>Closing Balance</b>		9,058	-	9,058

Last Year				
Description*	Capital Contributed by Owners or Members	Accumulated Surpluses or Deficits	Reserves	Total
<b>Opening Balance</b>	-	5,310	-	5,310
Capital contributed by owners or members				-
Capital returned to owners or members				-
Surplus/(Deficit)		2,357		2,357
Distributions paid to owners or members		-		-
Transfer to Reserves		-	-	
Transfer from Reserves		-	-	
<b>Closing Balance</b>		7,667	-	7,667

# SURFAID INTERNATIONAL (NZ) INCORPORATED

## Notes to the Performance Report

For the year ended  
31 March 2017

### Note 6 : Commitments and Contingencies

#### **Commitments**

There are no commitments as at balance date (Last Year - nil)

#### **Contingent Liabilities and Guarantees**

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

## SURFAID INTERNATIONAL (NZ) INCORPORATED

### Notes to the Performance Report

For the year ended  
31 March 2017

#### Notes 7-12

#### Note 9: Related Party Transactions

Description of Related Party Relationship	Description of the Transaction	This Year	Last Year	This Year	Last Year
		\$ Value of Transactions	\$ Value of Transactions	\$ Amount Outstanding	\$ Amount Outstanding
SurfAid Australia	Administration services provided to SurfAid NZ	96,814	83,597	11,206	5,997
SurfAid Indonesia	Project delivery	574,163	578,223	78,475	126,274

SurfAid New Zealand is part of affiliate network which involves SurfAid Australia, SurfAid USA and SurfAid Indonesia. SurfAid Indonesia is where all the programmes are managed and operated. USA and Australia are fundraising entities and provide management and executive support. SurfAid New Zealand, in addition to fundraising responsibilities management and executive support has responsibility for program design, monitoring and evaluation. Where there are transactions between related parties, they are on normal commercial terms and conditions no more favourable than those available to other parties.

#### 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)

#### Note 11: Ability to Continue Operating

SurfAid International (NZ) Incorporated has sufficient resources to continue operating for the next 12 months.

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

**To the Committee of SurfAid International (NZ) Incorporated**

**Qualified Opinion**

We have audited the Performance Report of SurfAid International (NZ) Incorporated Committee on pages 2 to 15 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 March 2017, the Statement of Financial Position as at 31 March 2017, and the Statement of Accounting Policies and other explanatory information.

In our opinion except for the effects of the matter described in the Basis for Qualified Opinion paragraph the Performance Report on pages 2 to 15 presents fairly, in all material respects the entity information for the year then ended and the financial position of SurfAid International (NZ) Incorporated as at 31 March 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.

**Basis for Qualified Opinion**

SurfAid International (NZ) Incorporated receives proceeds from donations and fundraising, presented in the Statement of Financial Performance as Individual Contributions (\$6,517) and Events (\$23,851). Control over these sources of income prior to being recorded is limited and there are no practical audit procedures to determine the effect of this limited control.

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 Audit of the Performance Report section of our report. We are independent of SurfAid International (NZ) Incorporated 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 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.

We have no other relationship with, or interests in, SurfAid International (NZ) Incorporated.

**Other matters**

We have been engaged to audit the Entity Information, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Statement of Accounting Policies and Notes to the Performance Report. No audit has been performed on the Statement of Service Performance and accordingly our opinion provides no assurance over this component of the Performance Report.



## **Responsibility of the Committee for the Performance Report**

The Committee 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:
  - 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 Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- (c) such internal control as the Committee 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 committee is responsible on behalf of SurfAid International (NZ) Incorporated for assessing the Society'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 committee either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibility 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 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 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 Society'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 Society 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.

We communicate with the 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.

*Coates Associates Ltd*

**19 September 2017**  
**Coates Associates Ltd**  
**300 Childers Road**  
**Gisborne**