

# Special Purpose Annual Report

LegaSea Limited

For the year ended 30 June 2020

Prepared by Phibbs & Co Limited

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# Directory

## LegaSea Limited

For the year ended 30 June 2020

### Nature of Business

Ecological and Fisheries Protection

### Registered Office

Phibbs & Co Limited, 8 Murdoch Road, Grey Lynn, Auckland 1021

### Incorporation Number

3674320

### Directors

Peter Campbell  
Mark Connor

### Chartered Accountant

Phibbs & Co Limited, 8 Murdoch Road, Grey Lynn, Auckland 1021

### Bankers

ASB Bank

### Shareholders

New Zealand Sport Fishing Council Incorporated

100 Shares

### Legasea Governance Advisory Standing Committee

Peter Campbell (Chair)

Mark Connor

Lewis Avenell

Ross Lucas

Scott Macindoe

Bob Gutsell



# Approval of Financial Report

**LegaSea Limited**

**For the year ended 30 June 2020**

The Directors are pleased to present the approved financial report including the historical financial statements of LegaSea Limited for year ended 30 June 2020.

APPROVED

For and on behalf of the Board of Directors.

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Peter Campbell

Date .....

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Mark Connor

Date .....



# Statement of Income and Expenditure

## LegaSea Limited

For the year ended 30 June 2020

	NOTES	2020	2019
<b>Income</b>			
<b>Donations Received - Advocacy, Research, Education &amp; Alignment</b>			
LegaSea Legends		107,101	77,991
Donations - Events		6,334	12,615
Grants to be distributed for Fisheries Management		-	34,250
Public		12,479	18,020
Unaffiliated Clubs		11,730	2,025
<b>Total Donations Received - Advocacy, Research, Education &amp; Alignment</b>		<b>137,644</b>	<b>144,900</b>
<b>Distributions Allocated - Advocacy, Research, Education &amp; Alignment</b>			
Distributions Remitted - NZSFC		(133,448)	(140,614)
Distributions Remitted - LegaSea Hawke's Bay	3	(4,196)	(4,286)
<b>Total Distributions Allocated - Advocacy, Research, Education &amp; Alignment</b>		<b>(137,644)</b>	<b>(144,900)</b>
<b>Other Income</b>			
Platinum Partners		118,800	85,991
Gold Partners		65,261	68,666
Building LegaSea Sponsors		26,371	23,048
LegaSea Works Sponsors		12,146	8,313
Donations - Affiliated Clubs		2,835	2,675
Merchandise Sales		36,457	44,583
Grants Received for LegaSea projects and running costs	6	559,569	438,905
Kai Ika - Income from filleting services	5	10,445	12,351
Interest Received		-	5
<b>Total Other Income</b>		<b>831,883</b>	<b>684,538</b>
discounts received		6,463	-
<b>Total Income</b>		<b>838,346</b>	<b>684,538</b>
<b>Expenditure</b>			
<b>Public Outreach</b>			
Communications Activities		64,907	54,179
Social Media Programme		11,211	17,943
Database Building, Research & Maintenance		10,969	22,040
Brochures & Collateral		11,303	15,313
Website Development & Maintenance	8	10,174	11,938
Event Attendances, Followup & Reporting	9	41,388	35,124
Alignment Programme		2,593	4,941
Volunteer Programme		4,347	5,445
Merchandise Purchases & Expenses		15,844	24,215
Distribution Expenses - Packaging, Postage & Freight		1,296	1,574
NZSFC Reporting & Club Relationships		8,637	5,946
<b>Total Public Outreach</b>		<b>182,667</b>	<b>198,658</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.

## Statement of Income and Expenditure

	NOTES	2020	2019
<b>Fundraising</b>			
Partner Programme		40,661	45,341
Building LegaSea & LegaSea Works		4,889	3,467
LegaSea Legends Sales & Collateral		10,477	21,000
Public Donor Fundraising		30,149	7,443
Grant Seeking - LegaSea establishment and running costs		9,170	4,314
<b>Total Fundraising</b>		<b>95,348</b>	<b>81,565</b>
<b>Governance, Strategy &amp; Planning</b>			
Budgeting		7,660	1,726
Governance		53,912	40,430
Strategic Planning		23,780	15,888
<b>Total Governance, Strategy &amp; Planning</b>		<b>85,351</b>	<b>58,044</b>
<b>Administration</b>			
Accountancy & Audit Fees	7	7,605	4,028
Audit Fees & Expenses		-	2,879
Book Keeping		30,522	20,955
Depreciation		20,898	9,446
IT Support		3,065	3,952
Office Expenses		13,475	14,439
Recruitment		16,602	15,390
Vega.Works Database Management System		11,073	22,561
<b>Total Administration</b>		<b>103,239</b>	<b>93,649</b>
<b>Campaigns</b>			
Rescue Fish		270,906	222,354
Kai Ika		112,038	69,139
Fishcare		19,533	32,260
Time out for Tarakihi		588	23,066
<b>Total Campaigns</b>		<b>403,065</b>	<b>346,819</b>
<b>Total Expenditure</b>		<b>869,670</b>	<b>778,735</b>
<b>Net Surplus (Deficit) for the Year</b>		<b>(31,324)</b>	<b>(94,197)</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.



# Statement of Financial Position

## LegaSea Limited As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
<b>Assets</b>			
<b>Current Assets</b>			
Bank		69,799	68,830
Trade and Other Receivables		11,604	7,547
GST Receivable		24,115	31,316
Inventories		11,035	15,282
Income Tax Receivable		1	1
Investments (current)		75,000	-
Work in Progress - Websites		-	1,520
<b>Total Current Assets</b>		<b>191,555</b>	<b>124,496</b>
<b>Non-Current Assets</b>			
Computer Software, Websites, Plant & Equipment and Vehicles		105,207	43,701
<b>Total Non-Current Assets</b>		<b>105,207</b>	<b>43,701</b>
<b>Total Assets</b>		<b>296,762</b>	<b>168,197</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables		92,516	110,511
Unspent Grants	6	131,291	13,408
<b>Total Current Liabilities</b>		<b>223,807</b>	<b>123,919</b>
<b>Non-Current Liabilities</b>			
Loans	13	410,000	350,000
<b>Total Non-Current Liabilities</b>		<b>410,000</b>	<b>350,000</b>
<b>Total Liabilities</b>		<b>633,807</b>	<b>473,919</b>
<b>Net Assets</b>		<b>(337,046)</b>	<b>(305,722)</b>
<b>Equity</b>			
Share Capital	11	100	100
Retained Earnings	11	(337,146)	(305,822)
<b>Total Equity</b>		<b>(337,046)</b>	<b>(305,722)</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.



# Statement of Changes in Equity

LegaSea Limited

For the year ended 30 June 2020

	2020	2019
<b>Equity</b>		
Opening Balance	(305,722)	(211,525)
<b>Decreases</b>		
Loss for the Period	31,324	94,197
<b>Total Decreases</b>	<b>31,324</b>	<b>94,197</b>
<b>Total Equity</b>	<b>(337,046)</b>	<b>(305,722)</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.





# Depreciation Schedule

## LegaSea Limited

For the year ended 30 June 2020

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
<b>Computer Software</b>						
Website - Rescue Fish	27,245	-	27,245	-	2,270	24,975
Websites	34,497	27,310	-	-	13,655	13,655
<b>Total Computer Software</b>	<b>61,742</b>	<b>27,310</b>	<b>27,245</b>	<b>-</b>	<b>15,925</b>	<b>38,630</b>
<b>Plant and Equipment at Cost</b>						
1.00 IO-100 Knife Sharpener	7,422	-	7,422	-	309	7,113
Kai Ika Water Tank & Container Development	20,119	-	20,119	-	402	19,717
LegaSea instant Marquee	4,418	1,631	-	-	408	1,223
Skope TME1000 D/D Glass Chiller	850	-	850	-	78	772
Skope TME1000 D/D Glass Chiller	850	-	850	-	78	772
Toshiba Tecra Z30t-B	649	622	-	-	311	311
<b>Total Plant and Equipment at Cost</b>	<b>34,308</b>	<b>2,253</b>	<b>29,241</b>	<b>-</b>	<b>1,586</b>	<b>29,908</b>
<b>Vehicles</b>						
1999 Isuzu Elf - LRF281	15,826	14,138	-	-	2,262	11,876
Kai Ika Filleting Trailer	25,937	-	25,937	-	1,124	24,813
<b>Total Vehicles</b>	<b>41,763</b>	<b>14,138</b>	<b>25,937</b>	<b>-</b>	<b>3,386</b>	<b>36,689</b>
<b>Total</b>	<b>137,813</b>	<b>43,701</b>	<b>82,423</b>	<b>-</b>	<b>20,898</b>	<b>105,227</b>

The accompanying notes form part of, and are to be read in conjunction with, this financial report and auditors report.



# Notes to the Financial Statements

## LegaSea Limited

For the year ended 30 June 2020

### 1. Reporting Entity

LegaSea Limited is a company incorporated under the Companies Act 1993 and is engaged in the business of Ecological and Fisheries Protection.

This special purpose financial report was authorised for issue in accordance with a resolution of directors.

### 2. Statement of Accounting Policies

#### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

The financial statements have been prepared for the owners and for the purposes of meeting the company's income tax requirements.

#### Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

#### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

#### Inventories

Inventories are stated at the lower of cost and net realisable value.

#### Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Upon derecognition, the asset revaluation reserve relating to the asset disposed shall be transferred to retained earnings.

The Websites are considered fixed assets classified as Computer Software because they generate ongoing value over the foreseeable future.

#### Depreciation

Account	Method	Rate
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Computer Software	Diminishing Value	50%
Plant & Equipment	Diminishing Value	25 - 50%
Vehicles	Diminishing Value	16%

### Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

### Goods and Services Tax

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

### Going Concern Assumption

The Company is technically insolvent due to the value of liabilities and contingent liabilities exceeding the value of assets. The Directors acknowledges that the on-going viability of the entity is solely reliant on ongoing funding to be provided by its Shareholders.

### Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The recognition of non-exchange revenue from Grants and Donations depends on the nature of any stipulations attached to the inflow of resources received, and whether this creates a liability (i.e. present obligation) rather than the recognition of revenue. Stipulations that are 'conditions' specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, resulting in the recognition of a non-exchange liability that is subsequently recognised as non-exchange revenue as and when the 'conditions' are satisfied. Stipulations that are 'restrictions' do not specifically require the company to return the inflow of resources received if they are not utilised in the way stipulated, and therefore do not result in the recognition of a non-exchange liability, which results in the immediate recognition of non-exchange revenue.

### Bank Accounts and Cash

Cash and cash equivalents represent highly liquid investments that are readily convertible into a known amount of cash with an insignificant risk of changes in value, with maturities of 3 months or less.

### Accounts Receivables

There are no amounts overdue nor impaired as at year end relating to trade receivables from exchange and non-exchange transactions (2019:\$Nil).

The outstanding balances owed are receivable on normal trade terms and accordingly do not attract interest.

### 3. Donations from Hawke's Bay

80% of donations received from the Hawke's Bay region is remitted to LegaSea Hawke's Bay on a monthly basis.

### 4. Sponsorship Income from Hawke's Bay

80% of sponsor income received from the Hawke's Bay region is remitted to LegaSea Hawke's Bay on a monthly basis

### 5. Kai Ika

This is the second year that the Kai Ika Project has generated revenue from providing filleting services.



## 6. Grants Received

Funder	Project	Gross Received	Spent	Unspent
Guardians of the Sea	Establishment & Running Costs	\$100,000	\$100,000	\$0
Guardians of the Sea	Rescue Fish	\$300,000	\$281,574	\$ 18,426
Guardians of the Sea	Establishment & Running Costs	\$ 50,000	\$ 44,926	\$ 5,074
The Working Together More Fund	Kai Ika	\$ 15,000	\$ 7,512	\$ 7,488
Foundation North	Kai Ika	\$150,000	\$ 60,877	\$ 89,123
Foundation North	Kai Ika - Covid Response	\$ 20,000	\$ 14,994	\$ 5,006
Auckland Council Waste Minimisation Fund	Kai Ika	\$ 25,937	\$ 25,937	\$0
Ministry of the Environment	Kai Ika	\$ 16,515	\$ 16,515	\$0
<b>Total</b>		<b>\$677,451</b>	<b>\$552,335</b>	<b>\$125,117</b>
Funds brought forward from previous year		\$ 13,408	\$ 7,234	\$ 6,174
<b>GRAND TOTAL</b>		<b>\$690,859</b>	<b>\$559,569</b>	<b>\$131,291</b>

The Bobby Stafford-Bush Foundation grant of \$22,000 has an unspent element of \$6,174 (2019: \$6,174). The truck will be sign written at an estimated cost of \$4,000 and the balance circa \$2,000 will be returned to the Foundation.

## 7. Professional Fees

Accountancy & Audit Fees have been consolidated this year \$7,605 (2019: Accountancy \$4028; Audit \$2,879).

## 8. Capitalisation of Website Expenditure

In addition to the amount spent on Website Development and maintenance development, expenditure of \$27,495 was capitalised this year.

## 9. Public Outreach - Event Attendances, Follow Up & Reporting

Events attended in the 2020 financial year, but not in the 2019 year include Malborough A&P Show; NZIOB Kalmar Fishing Competition; Whangamata Classic and the Nauti Girls.

	2020	2019
<b>10. Income Tax</b>		
Net Profit (Loss) Before Tax	(37,787)	(94,197)
Less Losses Carried Forward	(305,467)	(211,270)
<b>Total Losses to Be Carried Forward</b>	<b>(343,253)</b>	<b>(305,467)</b>
	2020	2019
<b>11. Equity</b>		
<b>Share Capital</b>		
Opening Balance	100	100
<b>Total Share Capital</b>	<b>100</b>	<b>100</b>



	2020	2019
<b>Retained Earnings</b>		
Opening Balance	(305,822)	(211,625)
Current Year Earnings	(31,324)	(94,197)
<b>Total Retained Earnings</b>	<b>(337,146)</b>	<b>(305,822)</b>
<b>Total Equity</b>	<b>(337,046)</b>	<b>(305,722)</b>

## 12. Imputation Credit Account

	2020	2019
<b>Imputation Credit Account</b>		
<b>Opening Balance</b>		
Opening Balance	1	56
<b>Total Opening Balance</b>	<b>1</b>	<b>56</b>
<b>Increases</b>		
Income Tax Paid	-	-
Resident Withholding Tax Paid	-	1
<b>Total Increases</b>	<b>-</b>	<b>1</b>
<b>Decreases</b>		
Income Tax Refund	-	56
<b>Total Decreases</b>	<b>-</b>	<b>56</b>
<b>Total Imputation Credit Account</b>	<b>1</b>	<b>1</b>

## 13. Related Parties

Scott Macindoe has advanced unsecured interest free loans to LegaSea Limited. During the year \$60,000 worth of advances have been made to the company. The loan at balance date was \$410,000 (2019:\$350,000). The Loans are only repayable from surpluses after all other expenses have been paid. On the 30th of July 2013 Scott took out a 10 year \$1,000,000 life insurance policy with a memorandum of understanding that \$500,000 would be available to LegaSea Limited in the event of his death. This insurance policy will expire on the 30th of July 2023.

The New Zealand Sports Fishing Council (NZSFC) is the sole shareholder of the company. Donations received by the company from the public and unaffiliated clubs are passed on to the NZSFC (2020 \$133,448 - 2019: \$140,614). The NZSFC invests these monies in advocacy, education, research and alignment activities. Unspent monies are accounted for in a reserve for expenditure on future activities of this nature.

The Directors of LegaSea Ltd are Mark Connor and Peter Campbell. Mark is a past President of the New Zealand Sport Fishing Council (2012, 13, 14, 15) and is the current Zone 8 (South Island) Board Representative. He also serves on the LegaSea Governance Advisory Standing Committee and the Fisheries Management Standing Committee. Peter Campbell is a Vice President of the NZSFC. He Chairs the Finance Standing Committee and serves on the LegaSea Governance Advisory Standing Committee and Fisheries Management Standing Committee.

Scott Macindoe is a volunteer and acts in an advisory and support capacity to LegaSea. He is a co-opted Board Member to the NZSFC and serves on the LegaSea Governance Advisory Standing Committee and the Fisheries Management Standing Committee.

## 14. Shareholding Disclosure

At balance date, the New Zealand Sport Fishing Council Incorporated held 100 fully paid ordinary shares in LegaSea Limited.

## 15. Contingent Liabilities

There are no contingent liabilities at the reporting date. (2019: \$Nil)



## 16. Contingent Commitments

There are no contingent commitments at the reporting date. (2019: \$Nil).

## 17. Events After Balance Date

The board is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these special purpose financial statements that have significantly or may significantly affect the operations of the company. (2019: \$Nil).



## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of LegaSea Limited

### **Opinion**

We have audited the financial statements of LegaSea Limited on pages 3 to 14, which comprise the balance sheet as at 30 June 2020, and the statements of profit or loss and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with Special Purpose Financial Reporting Framework for For-Profit Entities (SPFR for FPEs), issued by Chartered Accountants Australia & New Zealand.

### **Basis for Opinion**

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 Statements section of our report. We are independent of LegaSea Limited 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.

Other than in our capacity as auditor we have no relationship with, or interests in, LegaSea Limited.

### **Directors' Responsibility for the Financial Statements**

The Directors are responsible on behalf of the entity for determining that the SPFR for FPE framework adopted is acceptable in LegaSea Limited's circumstances, the preparation of financial statements, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors 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 Directors 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 Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 statements, 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 Company's internal control.
- conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 financial statements 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 Company to cease to continue as a going concern.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We communicate with the Directors 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.

**Emphasis of Matter**

We draw your attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the owners and for the purposes of meeting the company's income tax requirements. As a result, the financial statements may not be suitable for other purposes.

**Other Matter**

We have examined the appropriateness of the Annual Report being prepared under the Going Concern Assumption. During the months after balance date, New Zealand has been impacted by the novel coronavirus (COVID-19) pandemic that is spreading around the globe. The Directors of LegaSea Limited have assessed the likely ramifications on the Company's cashflow and future position and have determined that these events would not have a material impact on the Annual Report. We are satisfied with their assessment.



PKF Kerikeri Limited  
Kerikeri  
10 September 2020