

**METHVEN TROTting CLUB INCORPORATED**

# Performance Report

For The Year Ended 31 May 2022



## **METHVEN TROTTING CLUB INCORPORATED**

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**METHVEN TROTTING CLUB INCORPORATED**  
**ENTITY INFORMATION**  
**FOR THE YEAR ENDED 31 MAY 2022**

**LEGAL NAME OF ENTITY**

Methven Trotting Club Incorporated

**ENTITY TYPE AND LEGAL BASIS**

Not-for-profit public benefit entity under the Incorporated Societies Act 1908.

**ENTITY'S PURPOSE OR MISSION**

The primary objective of the Club is to promote, conduct and control harness racing and is registered with the Harness Racing New Zealand Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Industry Act 2020.

**ENTITY STRUCTURE**

The Club is primarily engaged in a service activity with focus on conducting and promoting race meetings consistent with existing racing rules and regulations.

The Club's leadership and management team - along with a good number of volunteer members and staff - are involved in ensuring that race meetings are conducted as planned and to a level expected by participants, members and regulators alike.

**MAIN SOURCES OF ENTITY'S CASH AND RESOURCES**

The Club's mainline revenue is industry funding from the Code which is used to defray the costs and expenses on the Club's race meetings.

The Club is also engaged in sale of goods and services to members and the public from which revenues are generated to augment its operational requirements. Goods sold include various race-related items.

Revenue generated from investments and use of Club's assets include interest, dividends, rental and other fees.

**MAIN METHODS USED BY ENTITY TO RAISE FUNDS**

The terms and amount of industry funding revenue are agreed by the Code and the Club at the beginning of each racing year based on planned race-meeting events and activities.

In addition, proceeds from the sale of goods and services (including charges for use of the Club's assets) are based on agreed prices determined with reference to current market prices for such goods and services.

The Club also receives grants, subsidies and donations from various sources including Club members, individual and corporate sponsors and industry organisations (Harness Racing New Zealand and the Code and other clubs).

Of particular note, the Club receives services in kind which are considered vital in its race-meeting events; and although these are highly appreciated, these are difficult to value and hence, not included in this Performance Report.

**METHVEN TROTTING CLUB INCORPORATED  
ENTITY INFORMATION CONTINUED  
FOR THE YEAR ENDED 31 MAY 2022**

**ENTITY'S RELIANCE ON VOLUTEERS AND DONATED GOOD OR SERVICES**

As discussed above, the Club is a recipient / beneficiary of various goods and services in kind. These proceeds are vital in the Club's race meeting events.

Services in kind come in the form of volunteers both during race meeting events and off-season. Volunteers (mostly members of the Club) are involved in the set-up of race meeting events, various activities during the event to ensure orderly conduct of the race, and in the day-to-day upkeep and maintenance of the Club's premises.

Without these donated goods and services, the Club would have required more funds to defray costs and expenses which would have potentially made the conduct of race meeting events even more challenging. On this basis, the Club highly values these donated goods and services and considers them a vital part of its operations.

**ADDITIONAL INFORMATION**

The Club is incorporated under the Incorporated Societies Act 1908 and is a recognised industry organisation in accordance with the Racing Industry Act 2020.

As the Club is primarily involved in the conduct and promotion of race meetings - rather than the generation of profit - it is considered a not-for-profit entity for financial reporting purposes. Nonetheless, any profit generated provides the Club with more resources that make future operations more sustainable; these resources are held as cash reserves and available for use by the Club as the need arises.

The Club is party to various agreements with other racing clubs with respect to operation of assets (race tracks) that are jointly owned and operated by member Clubs. These arrangements, however, do not create a separate legal entity that the Club controls; the extent of the operation recognised by the Club is limited to its share of the assets and its own costs spent on the use and maintenance of the assets.

**PHYSICAL ADDRESS**

Mt Harding Racecourse, Mt Hutt Station Road, Methven, New Zealand

**POSTAL ADDRESS**

P O Box 63, Methven, New Zealand 7745

**SOLICITORS**

White Fox & Jones, P O Box 1353, Christchurch 8011

**AUDITORS**

Audit Professionals, P O Box 620, Dunedin 9054



**METHVEN TROTTERING CLUB INCORPORATED**  
**STATEMENT OF SERVICE PERFORMANCE**  
**FOR THE YEAR ENDED 31 MAY 2022**

**DESCRIPTION OF ENTITY'S OUTCOMES**

The Club is primarily engaged in the conduct and promotion of harness racing in the Mid-Canterbury area. Race meetings are held at Mt Harding Racecourse at Methven. However, as a result of a tornado in early September 2021 dumping debris onto the track, the 12 September 2021 meeting was held at Ashburton and the 10 October 2021 meeting was held in Geraldine.

To ensure that the Club meets its goals, prize money has to be built-up from various sources that consequently enables a more attractive race participation.

The Club's management has also been actively working with the Code and Harness Racing New Zealand to ensure that industry funding remains a steady source of operational funding for race meetings.

**DESCRIPTION & QUANTIFICATION OF OUR OUTPUTS**

	<b>2022</b>	<b>2021</b>
Number of Race Meetings	6	7
Fixed Odds Turnover	\$2,877,820	\$3,281,019
Offcourse Turnover	\$3,668,313	\$4,835,756
Oncourse Turnover	\$98,427	\$315,817
Races	66	77
Stakes paid	\$691,602	\$729,939
Starters	836	1,066

**METHVEN TROTTER CLUB INCORPORATED**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31 MAY 2022**

	NOTES	2022 \$	2021 \$
<b>Revenue</b>			
Donations, fundraising and other similar revenue	1	200	259
Fees, subscriptions and other revenue from members	1	1,177	1,304
Revenue from race meetings	1	912,161	970,417
Interest, dividends and other investment revenue	1	3,059	5,168
Other revenue	1	69,880	83,459
Gain on Sale of Property	1	2,657,609	-
<b>Total Revenue</b>		<b>3,644,086</b>	<b>1,060,607</b>
<b>Expenses</b>			
Finance cost – interest on bridging finance		32,789	-
Costs relating to race meetings	2	934,312	963,802
Impairment of investments	3	288,814	-
Other expenses	2	88,903	81,954
<b>Total Expenses</b>		<b>1,344,818</b>	<b>1,045,756</b>
<b>Surplus for the year</b>		<b>2,299,268</b>	<b>14,851</b>

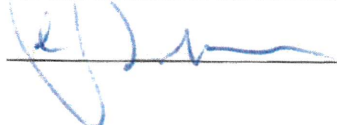
These Financial Statements must be read in conjunction with the accompanying Auditor's report and the notes to the accounts.



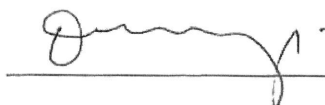
**METHVEN TROTTERING CLUB INCORPORATED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2022**

		2022	2021
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	1,040,695	976,578
Debtors and prepayments	3	76,958	9,119
Inventory	3	61,603	54,960
GST refund due		13,427	109,316
<b>Total Current Assets</b>		<b>1,192,683</b>	<b>1,149,973</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	136,158	126,427
Investments	3	2,724,280	21,164
Other non-current assets	3	-	1,652,623
<b>Total Non-Current Assets</b>		<b>2,860,438</b>	<b>1,800,214</b>
<b>Total Assets</b>		<b>4,053,121</b>	<b>2,950,187</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	75,916	271,250
Income in advance (Sponsorship)		3,000	4,000
Loan – Methven Nominees Limited	6	-	1,000,000
<b>Total Current Liabilities</b>		<b>78,916</b>	<b>1,275,250</b>
<b>Total Liabilities</b>		<b>78,916</b>	<b>1,275,250</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>3,974,205</b>	<b>1,674,937</b>
<b>Accumulated Funds</b>			
Accumulated surpluses	7	3,974,205	1,674,937
<b>Total Accumulated Funds</b>		<b>3,974,205</b>	<b>1,674,937</b>

For and on behalf of the Committee



10 August 2022



10 August 2022

**METHVEN TROTTER CLUB INCORPORATED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Donations, grants, fundraising and other similar receipts	200	259
Fees, subscriptions and other receipts from members	1,177	1,408
Receipts from providing goods or services	941,279	1,034,665
Interest received	3,059	6,539
GST movement	95,889	31,177
Payments to suppliers and employees	(1,022,434)	(974,307)
Interest payments	(32,789)	-
<b>Total Cash Flows from (to) Operating Activities</b>	<b>(13,619)</b>	<b>99,741</b>
<b>Cash Flows to Investing and Financing Activities</b>		
Proceeds from Sale of land	5,056,956	-
Payments to acquire plant and equipment	(28,234)	(7,518)
Spending on property for sale	(959,056)	(914,963)
GST on spending on property intended for sale	-	(137,244)
Increase in bank deposits	-	876,760
Investment in Forsyth Barr Private Portfolio Management	(2,991,930)	-
Loan from Methven Nominees Limited	-	1,000,000
Repayment of Loan from Methven Nominees Limited	(1,000,000)	-
<b>Total Cash Flows from / (to) Investing and Financing Activities</b>	<b>77,736</b>	<b>817,035</b>
<b>Net Increase in Cash</b>	<b>64,117</b>	<b>916,776</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of year	976,578	59,802
Cash and cash equivalents at end of year	1,040,695	976,578
Net change in cash for period	64,117	916,776

Note that \$3,800,000 was invested in Forsyth Barr Private Portfolio Management during the year but this was reduced to \$2,991,930 because \$808,070 was held in bank balances at 31 May 2022 as part of the Cash and cash equivalents at the end of the year.



# METHVEN TROTTING CLUB INCORPORATED

## STATEMENT OF ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 MAY 2022

#### **Basis of Preparation**

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of harness racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club 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.

Where a specific transaction is not covered by PBE SFR-A (NFP) – Accrual (PBE accrual standard), the Club applied guidelines under Tier 2 PBE Accounting Standards (Reduced Disclosure Regime). The affected items are discussed in detail under Tier 2 PBE Accounting Standards Applied section of this Performance Report.

#### **(a) Revenue and Direct Costs and Expenses**

Revenue is recognised when there is legal right to receive cash either in the current period or in the future. 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.

Revenue from the sale of goods is recognised when the inventories are sold while revenue from sale of services is recognised as revenue by the reference to the stage of completion of the service at balance date, based on the actual service provided as a percentage of the total service to be provided.

Revenue arising from grants, donations, subsidies and items of similar nature (collectively, revenues from non-exchange transactions) is recognised as revenue upon receipt of the asset unless a condition ("use or return") is attached; in which case, a liability is initially recognised and upon satisfaction of the condition, the liability is reduced and revenue is recorded.

Expenses are recognised when there is legal obligation to pay cash either in the current period or in the future. This is the point where the expense is incurred by the Club.

The Club also received services-in-kind from various volunteers and members in conducting race meeting events. Although these are highly valued by the Club, these are difficult to measure and hence, not included in the Performance Report. Goods received in kind are recorded as assets when they are received.

#### **(b) Trade Receivables**

Trade receivables are recognised at estimated realisable value.

#### **(c) Property, Plant & Equipment**

Property, plant and equipment is measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent to initial recognition, property, plant and equipment is measured using the cost model. Under the cost model, it is carried at cost net of accumulated depreciation & any impairment losses.

**METHVEN TROTTERING CLUB INCORPORATED**  
**STATEMENT OF ACCOUNTING POLICIES CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2022**

Depreciation is recorded to spread the cost of the asset over the expected useful life of the asset, using the straight line and diminishing value method. The expected useful life, depreciation method and any significant residual value are reviewed on a regular basis.

The Clubs recognises impairment loss on property, plant and equipment when it is assessed to exist usually indicated when the assets can no longer be used (or no longer serviceable for the intended purposes) in the normal operations of the Club other than those held for resale. Such loss is recorded as adjustment to the value of the asset and recognised in the statement of financial performance.

Depreciation rates and methods are as follows:

Plant and Equipment	DV/CP	5% - 24%
Buildings	DV/CP	0% - 18%
Motor Vehicles	DV/CP	15.6% - 48%

**(d) Goods and Service Tax (GST)**

The Club is registered for GST. All amounts are stated exclusive of GST except for accounts payable and accounts receivable which are stated inclusive of GST.

**(e) Income Tax**

Methven Trotting Club is exempt from income tax in accordance with the provisions of Section CW 47 (2) of the Income Tax Act 2007.

**(f) 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).

**(g) Agricultural Assets**

Biological assets are measured at their fair value less costs to sell. For sheep the values published by the Inland Revenue are used as a guide. For crops the Club makes an assessment of the value by considering the market prices less the costs to sell. The Past-President, Ricky May, having experience in the local farming community and trading in the crops the Club owns, determines the valuation applied to crops as at balance date.

**(h) Investments**

Investments are recognised upon purchase and initially measured at the amount paid. The Club's investments include investments in shares/equity in other entities and term deposits.

These are tested for impairment annually and when there is any indication of impairment (i.e., when the current market price falls below the acquisition cost) the value is adjusted to its current market price but only if it appears that the carrying amount of the investment will not be recovered. Any impairment is recognised in the statement of financial performance.

The Club has investments in term deposits with BNZ for which interest revenue is recognised during the term of the investment. These investments have original maturities of more than 90 days or those restricted for specific purposes are rolled on a continuing basis unless used by the Club for its operational cash requirements.

**Changes in Accounting Policies**

There have been no changes in accounting policies since the previous year. All policies have been applied on bases consistent with the previous year.



**METHVEN TROTTER CLUB INCORPORATED**  
**NOTES TO THE PERFORMANCE REPORT**  
**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
<b>1. Analysis of Revenue</b>		
<b>Donations, fundraising and other similar revenue</b>		
Donations	200	259
<b>Total Donations, fundraising and other similar revenue</b>	<b>200</b>	<b>259</b>
<b>Fees, subscriptions and other revenue from members</b>		
Membership Subscriptions	1,177	1,304
<b>Total Fees, subscriptions and other revenue from members</b>	<b>1,177</b>	<b>1,304</b>
<b>Revenue from race meetings</b>		
HRNZ – Base and group Funding	683,289	820,967
- meeting allowance	60,000	96,040
- venue allowance	47,600	-
- track allowance	39,600	-
Rent Revenue	11,266	8,250
Sponsorship	41,743	42,452
HRNZ Infrastructure Grant Funding	25,360	-
Track Fees	3,303	2,708
<b>Total Revenue from race meetings</b>	<b>912,161</b>	<b>970,417</b>
<b>Interest, dividends and other investment revenue</b>		
Dividends Revenue	1,808	1,166
Interest Revenue	1,251	4,002
<b>Total Interest, dividends and other investment revenue</b>	<b>3,059</b>	<b>5,168</b>
<b>Other revenue</b>		
Gain on Crops	61,016	77,085
Other Rental income	3,565	-
Gain on Livestock	5,299	6,374
<b>Total Other revenue</b>	<b>69,880</b>	<b>83,459</b>
<b>Gain on sale of property</b>	<b>2,657,609</b>	<b>-</b>

The gain on sale of property is the net proceeds of the 22 sections that were sold during the year. Gross proceeds were \$5,056,957 (excluding GST) less costs relating to the sales of \$2,399,348 to give a net gain of \$2,657,609.

**METHVEN TROTTING CLUB INCORPORATED**  
**NOTES TO THE PERFORMANCE REPORT CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
<b>2. Analysis of Expenses</b>		
<b>Costs related to race meetings</b>		
Advertising and Promotions	1,488	3,697
Catering & Refreshments	5,926	6,822
Course Staff	22,960	14,174
General Expenses	2,397	4,257
General Race Meeting Expenses	40,443	35,989
Groundsman wages	19,715	-
Insurance	13,327	14,055
Maintenance	100,971	93,360
Photo Finish	6,857	6,707
Power & Heat	3,569	3,567
Racing Safety Fund Grant received for stables maintenance	-	(8,000)
Racebooks	5,386	10,995
Rates	3,680	4,895
Security	600	1,236
Stakes	691,602	729,939
Telephone & Internet	1,246	1,174
Tote Staff	6,333	27,507
Water	7,812	13,428
<b>Total Costs related to race meetings</b>	<b>934,312</b>	<b>963,802</b>
<b>Other expenses</b>		
Audit Fee	5,200	3,850
Bank Fees and Interest	84	146
Secretarial charges	22,198	21,731
Depreciation	13,109	10,237
Farm expenses	48,312	45,990
<b>Total Other expenses</b>	<b>88,903</b>	<b>81,954</b>



**METHVEN TROTTER CLUB INCORPORATED**  
**NOTES TO THE PERFORMANCE REPORT CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
<b>3. Analysis of Assets</b>		
<b>Bank accounts and cash</b>		
BNZ Call Account	221,158	793,264
BNZ Current Account	7,217	182,289
Forsyth Barr – bank balances	808,070	-
BNZ Motor Homes Account	3,225	-
Cash On Hand	25	25
SBS Bank Account	1,000	1,000
<b>Total Bank accounts and cash</b>	<b>1,040,695</b>	<b>976,578</b>
<b>Debtors and prepayments</b>		
Accounts Receivable	42,930	2,340
Prepayments	9,779	6,779
Bond – Ashburton District Council	24,249	-
<b>Total Debtors and prepayments</b>	<b>76,958</b>	<b>9,119</b>
<b>Inventory</b>		
Crops	53,703	49,560
Livestock	7,900	5,400
<b>Total Inventory</b>	<b>61,603</b>	<b>54,960</b>
<b>Investments</b>		
Shares – Ashburton Trading Society	565	565
Shares – Barrhill Chertsey Irrigation Limited	10,000	10,000
Shares – Heartland Bank Limited	9,363	9,363
Shares – Ravensdown Limited	1,236	1,236
Forsyth Barr – Private Portfolio Management Account	2,703,116	-
<b>Total Investments</b>	<b>2,724,280</b>	<b>21,164</b>

\$3,800,000 was invested in Forsyth Barr Private Portfolio Management. This is reduced by \$808,070 which was held in the bank at 31 May 2022 and reduced by \$288,814 for the reduction in market value at 31 May 2022. Heartland New Zealand shares with an historic cost of \$9,363 have a market value of \$32,971 (14,461 shares at \$2.10 per share) as at 31 May 2022 (2021 \$27,765 comprising (14,461 shares at \$1.92 per share). Shares in Barrhill Chertsey Irrigation Ltd are made up of 6,650 D Ordinary Shares, 3,350 I Ordinary Shares and 1,335 Ordinary Shares.

The proceeds from property sales have been invested in readily tradeable securities through Forsyth Barr. At 31 May 2022 funds are invested in fixed interest bonds (35%), New Zealand equities (14%), Australian equities (17%), International equities (26%), Property and other securities (8%).

**Other non-current assets**

Property intended for sale	-	1,652,623
<b>Total Other current assets</b>	<b>-</b>	<b>1,652,623</b>

The Club sub-divided approximately 35% of the land at the Mt Harding Racecourse located at the corner of Mount Hutt Station Road and Racecourse Avenue. All 22 sections were sold and settled in full during the 2022 financial year.

**METHVEN TROTTER CLUB INCORPORATED**  
**NOTES TO THE PERFORMANCE REPORT CONTINUED**  
**FOR THE YEAR ENDED 31 MAY 2022**

	2022	2021
	\$	\$
<b>4. Creditors and Accrued Expenses</b>		
Accounts Payable	15,619	27,023
Accruals (including owing on property development)	36,220	244,227
<b>Total Creditors and accrued expenses</b>	<b>51,839</b>	<b>271,250</b>
	2022	2021
	\$	\$
<b>5. Property, Plant and Equipment</b>		
<b>Land</b>		
Land at cost	52,500	52,500
<b>Total Land</b>	<b>52,500</b>	<b>52,500</b>
<b>Buildings</b>		
Buildings at cost	350,446	350,446
Accumulated depreciation	(319,143)	(313,825)
<b>Total Buildings</b>	<b>31,303</b>	<b>36,621</b>
<b>Motor Vehicles</b>		
Vehicles owned	80,017	63,627
Accumulated depreciation	(62,005)	(59,710)
<b>Total Motor Vehicles (incl new mower brought in 2022 for \$16,839)</b>	<b>18,012</b>	<b>3,917</b>
<b>Plant and Equipment</b>		
Plant and equipment owned	189,456	183,006
Accumulated depreciation	(155,113)	(149,617)
<b>Total Plant and Equipment</b>	<b>34,343</b>	<b>33,389</b>
<b>Total Property, Plant and Equipment</b>	<b>136,158</b>	<b>126,427</b>

Depreciation totalling \$13,109 was recorded as an expense in the 2022 year being Buildings: \$5,318, Motor Vehicles: \$2,295 and Plant and Equipment: \$5,496 (2021: \$10,237 being Buildings: \$5,348, Motor Vehicles: \$727 and Plant and Equipment: \$4,162).

The Club owns land and buildings at 2 Racecourse Avenue and 47 Mount Hutt Station Road and pays rates on a rateable value of \$3,580,000.

**6. Loan – Methven Nominees Limited**

A temporary loan of \$1,000,000 from Methven Nominees Limited was received in May 2021 to assist financing of the property being developed for sale. The loan was secured by first mortgage over the Club's property. Interest was 6.4% per annum. The loan was fully repaid in November 2021 from property sale proceeds.

	2022	2021
	\$	\$
<b>7. Accumulated Funds</b>		
Opening Balance	1,674,937	1,660,086
Surplus for the year	2,299,268	14,851
<b>Total Accumulated Funds</b>	<b>3,974,205</b>	<b>1,674,937</b>

# METHVEN TROTTING CLUB INCORPORATED

## NOTES TO THE PERFORMANCE REPORT CONTINUED

### FOR THE YEAR ENDED 31 MAY 2022

#### 8. Bond

There is a 100% refundable bond held on deposit with White Fox & Jones pending the Ashburton District Council's sign off on landscaping work fully completed at the Equus Park subdivision.

There are no other commitments as at 31 May 2022 (2021: nil)

#### 9. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 May 2022 (2021: nil)

#### 10. Donations

No assets were donated to the Club (2021: nil)

No donations were received from any committee members etc. (2021: nil)

	2022	2021
	\$	\$

#### 11. Related Parties

Related party balances and transactions are as follows:

##### Creditors

P McLeod – Committee member	-	750
May Brothers – Family of Past-President	4,669	-
<b>Total Creditors</b>	<b>4,669</b>	<b>750</b>

##### Expenses

May Brothers – Family of Past-President	7,201	9,135
P McLeod -Committee member	250	11,609
R T May – Past-President	19,480	15,370
<b>Total Expenses</b>	<b>26,931</b>	<b>36,114</b>

#### 12. Commitments

The Club has no Capital or Lease commitments at 31 May 2022 (2021: Nil).

#### 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

#### 14. Covid – 19 Virus

The Covid – 19 virus pandemic, which has resulted in lockdowns throughout New Zealand in 2020 and 2021 is not expected to have significant impact on the future activities of the Club.

#### 15. Site Review

A review of the Methven site for future activities was undertaken by "Sapere" as part of a report to Racing New Zealand on the Canterbury region racing. There is unlikely to be any significant implications as a result.



## ***Independent Auditor's Report***

to the Committee members of Methven Trotting Club Incorporated

### **Opinion**

We have audited the performance report of Methven Trotting Club Incorporated (the Club) which comprises the entity information and statement of financial position as at 31 May 2022 and the statement of service performance, the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion the accompanying performance report presents fairly, in all material respects:

- (a) the entity information for the year ended 31 May 2022;
- (b) the financial position of the Club as at 31 May 2022 and its financial performance and cash flows for the year ended on that date
- (c) the service performance for the year ended 31 May 2022 consistent with the Club's service performance criteria

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

### **Basis for Opinion**

We conducted our audit of the financial statements 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 AS) 1 *The Audit of Service Performance Information* (NZ). 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 the Club 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 auditors we have no relationship with, or interests in, the Club.

### **Committees Responsibilities for the Performance Report**

The Committee is responsible, on behalf of the Club for:

- (a) the preparation and fair presentation of the entity information, financial statements and service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit);
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service report information that are free from material misstatement, whether due to fraud or error.

In preparing the performance report the Committee is responsible for assessing the Club'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 Club or to cease operations, or have 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 entity information, financial statements as a whole and the service performance information 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) and NZAS 1 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.

A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>.

This report is made solely to the Committee as a body. Our audit work has been undertaken so that we might state to the Committee those matters which we are required to state 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 Club and the Committee, as a body, for our audit work, for this report or for the opinions we have formed.



Chartered Accountants  
12 August 2022

Dunedin