



EQUESTRIAN SPORTS
NEW ZEALAND



ANNUAL REPORT 2015





EQUESTRIAN SPORTS NEW ZEALAND

ESNZ PATRON

Jennifer Millar CNZM

ESNZ BOARD MEMBERS 2014-15

Chris Hodson QC	-	President
Nick Pyke	-	Vice President
Chris Bray	-	Appointed Member & Chair
Wallie Niederer	-	Appointed Member
Kathryn Roberts	-	Appointed Member & Jumping until July 2015
Karen Trotter	-	Dressage
Warren James	-	Endurance
Justine Kidd	-	Eventing
Theresa Gattung	-	Co-opted (until Dec 2014)

ESNZ STAFF (CURRENT)

Vicki Glynn	-	Chief Executive
Nicole Russell	-	Finance Director
Tina Plastow	-	Finance Assistant
Emma Gowan	-	Executive Assistant
Mark Brunton	-	Manager, National Equestrian Centre Taupo
Fiona Gillies & Steve Irwin	-	Managers, National Equestrian Centre Christchurch
Morgan Kirk	-	Member Services Administrator
Claire Lovewell	-	Member Services Administrator
Sarah Dalziel	-	High Performance Director
Erik Duvander	-	High Performance Leader
Warrick Allan	-	High Performance Operations Manager
Ginny Loisel	-	High Performance Events & Sponsorship
Wendy Hamerton	-	Dressage Sport Manager
Celine Filbee	-	Dressage Events & Marketing Assistant
Nicky McBride	-	Endurance Sport Manager & ESNZ Coaching & Clean Sport
Eliza Riedel	-	Eventing Sport Manager
Dana Kirkpartrick	-	Jumping Director
Victoria Martin	-	Jumping Administrator
Jane Hunt	-	Bulletin Editor
Denise Thomson	-	Bulletin Production Manager
Solina Theron	-	Bulletin Advertising Manager

Honorary Life Members

Lord Willoughby Norrie †	R.S. Pilmer †	J.N. Lowry †	A.G. Quartley †
D Holden †	W.R. Duncan †	B.E. Keiller †	B.G. Rutherford †
Mr G.P. Donnelly †	H.W. Beatson †	C Bolgar †	A. R. Caro †
T.I. Casley †	D.M. Crowther †	R.D. Dalley †	Mrs G.P. Donnelly
H.R. Dutton †	R.A. Hunter †	N.D. Matheson	H.H. Morice †
H.V. Thompson †	Sir Ronald Trotter †	P.T. Williams †	A. Hampton
A (Gus) Meech	W. Scott	G. Gilmour †	R. Gapes †
J. McCall †	C. McRae	Mr J Wright MNZM	Mrs M Hain QSM
K. Hansen	R Ward-Smith	B. Birnie	Mrs J Millar CNZM
M. Tucker	Mrs M Leigh		

† Deceased

CHIEF EXECUTIVE'S REPORT 2014-2015

OVERVIEW

2014-2015 has been a year of continuing change for ESNZ and with change comes a loss of momentum, something most sports organisations have to grapple with. The radical changes introduced to the membership structure in August 2014 brought with them many challenges, and overshadowed the benefits in some ways. 12 months on and we are seeing the benefits, acknowledging the contribution they have made to the Growth Plan, and looking forward to ongoing success.

Our sport's model is different to many others where the membership is connected to the national body but participates at local level. Most others National Sporting Organisations (NSOs) are the sum of their local clubs which members join. Our model brings both opportunities and challenges, and ESNZ is now focused on addressing both in its delivery and execution.

After 7 years at ESNZ Jim Ellis our CEO departed in Q3 2014. We thank Jim for his very considerable contribution over that time, and for his wisdom and fun! Fortunately he hasn't gone too far, moving to a role within Sport New Zealand on the floor above our Wellington office. He continues to be wise counsel and a source of background and history on ESNZ activities. Thank you Jim!

NON-FINANCIAL REPORTING - GROWTH PLAN PROJECTS

ESNZ has delivered against many of the Growth Plan outcomes, and the Board took the opportunity to revisit the Plan in June 2015, confirming the imperatives and revising our Primary Purpose to focus on the delivery of great events, which will in turn drive participation in all our sports. During the year the disciplines have all cascaded down the ESNZ imperatives into their own Growth Plans, ensuring greater alignment within the sports.

Alignment

- a. Consolidated Financial approach implemented to ensure good Corporate Governance across all of ESNZ's departments and ensuring efficient service by National office.
- b. The ESNZ Board and re-constituted Audit, Finance & Risk (AFR) Committee now fully functional and supporting the CEO to better manage ESNZ operations and risk.
- c. Broader sharing between disciplines with ESNZ Staff Summit bringing all teams together in March 2015.
- d. Review ongoing into status of area groups and to understanding the opportunities and implications of wider alignment across equestrian sport.

Communication

- a. New website went live during August 2014.
- b. Re-brand completed and rolled-out August 2014 including amended suite of logos and new colour schemes.
- c. Communications strategy revised, recognizing that our communications with members need improvement.
- d. Scoping work undertaken to upgrade membership database to enable greater up-to-the-minute communication with members.



EQUESTRIAN SPORTS NEW ZEALAND

Funding

- a. New membership and equine registration structure rolled-out 1st August 2014, the subject of considerable work and consultation over the prior 24 month period.
- b. Community Sport funding from Sport NZ rolled over for the financial year June 2015/2016 while a new Community Sport process was initiated. A four year funding plan has been submitted for 2016-2020.

Competitions & Events

- a. Revised General Regulations have been promulgated with further items being devolved to disciplines.
- b. Eventing and Jumping By-Laws were both updated in July 2014.
- c. Health and Safety is a focus for all those running events and we have closely monitored the Health and safety reforms. The bill is now passed and implementation is due in early 2016 so all areas will need to be fully compliant with the legislation in 2015. The AGA will focus on the topic and some templates for compliance will be provided.
- d. New MoU agreed with NZ Pony Clubs Association and announced September 2014. This includes further work on a "One Pathway" coaching approach which is currently work in progress.

Facilities

- a. NEC McLean's Island continues to work towards development at the venue and has had fantastic support from Coffey NZ on a pro bono basis.
- b. NEC Taupo has a vision to become Australasia's destination of choice for all those involved in equestrian sports. The target funding for the Indoor Arena and amenities block is getting closer with well over 50% of the total project now funded. In 2015 arena upgrades will help make the centre more attractive to all disciplines for competition.

Winning

- a. Well established relationships with HPSNZ have allowed changes of personnel to be seamless and execution continues on track. Coaching has become very interwoven in the HPSNZ programme especially for eventing, and is making excellent progress in the other disciplines.
- b. Excellent operational delivery of recent WEG campaign in France (September 2014) but targets not achieved. Fortunately due to our 4 year funding cycle this had no negative impact on funding through to Rio.
- c. Plans for 2015 to ensure the HPSNZ target of 2 medals at Rio 2016 are met are delivering and to date one of two 2015 milestones has been achieved.

FINANCIAL REPORTING

ESNZ's audited annual accounts to 31st May 2015 show a net surplus, after depreciation, of \$23k on turnover of \$5.6m. Equity/reserves remain steady at \$2.3m including fixed assets at both NECs.

Compared with the 2013/14 financial year which saw a historical adjustment of approximately \$250K of unexpended High Performance funding, the 2014/15 financial year net surplus is significantly lower. A high volume of staff turnover, and costs associated with familiarisation and education of newly appointed staff has led to a rise in costs. In addition the High Performance team's participation in the World Equestrian Games in Normandy in 2014 and the costs related to them have impacted on our 2014/15 year end results.

The Horse of the Year Show (not itself a part of ESNZ's financials) made a small profit and has now been taken over for event management by a new provider. We thank the Hansen family for their huge contribution over many years, and wish them well in their new ventures.

The accounts have received the usual audit qualification with regard to the certainty of revenue derived for camping and yarding at the NECs as well as entry fees associated with events run at a national level by each discipline. This is no different than in previous years, and no different to many similar organisations.

Memberships rose by over 1000 this year as riders took up the opportunity offered with the first year free. At the time of writing we are waiting to see if we have been able to provide sufficient reasons for those members to convert to full memberships. The first signs are very encouraging.

THANKS

There is always an almost unending list of people to thank for their contribution to a good year for ESNZ and I apologise for anyone I have overlooked:

- There has been some staff turnover during the year, including the CEO, and we thank all of those who leave, as well as those currently on board, for their contribution to the development of ESNZ. It is no easy task being engaged with a sports organisation where it seems like every caller has an urgent issue, a complaint or a problem. Every staff member contributes to getting it right, and in a small office of about 6 people on a daily basis, everyone has to multitask and be prepared to "muck in"! To the hard working support team at ESNZ thank you all;
- To the ESNZ Board who's voluntary commitment to the future of equestrianism is unswerving; especially to Chris Bray, departing board chair, who has challenged and stretched our thinking, whose sport is not equestrian but who has been prepared to bring his energy and creativity to ESNZ;
- To outgoing ESNZ President, Chris Hodson whose wise counsel has been invaluable, and whose presence at the FEI has represented New Zealand so well. Thank you! While we will miss Chris' Wellington presence we look forward to future contributions from his new base in London;
- To our organising committees, technical officials and other volunteers who deliver our sport on behalf of the riders, and without whom we have no sport;
- To our external stakeholders and funders – especially Sport NZ, High Performance Sport NZ, the Halberg Disability Sport Foundation, NZ Community Trust, Lion Foundation, Fiber Fresh, and IRT as well as all discipline and event sponsors;
- To the Chairs and members of ESNZ committees who make so many informed decisions to improve the sport, especially Discipline Boards and NEC committees;
- To Tony Parsons, Veterinary General, and Susan O'Brien, Chief Steward, for their continuing efficient contribution on equine matters and their never-ending willingness to engage whatever the hour of day or night;
- But I cannot end without saying a huge vote of thanks to all the volunteers who provide the backbone of our sports. They are the unsung heroes, who turn up in all weathers, often with very little thanks. They deserve our utmost appreciation for jobs continuously well done!

Vicki Glynn
Chief Executive



EQUESTRIAN SPORTS NEW ZEALAND

Equestrian Sports New Zealand Inc Net Financial Results For the year ended 31st May 2015

	2015	2014	2013	2012	2011
Central	(96,907)	(50,196)	49,754	63,082	(47,000)
Dressage	6,030	70,930	(22,247)	(26,960)	(26,167)
Endurance	(10,177)	12,987	15,396	3,697	(3,904)
Eventing	(60,326)	47,882	17,422	(16,756)	42,348
Showjumping	1,341	(68,404)	(91,122)	42,138	(11,226)
High Performance	154,440	255,805	-	-	-
Equestrian Centres					
- Christchurch	(2,535)	23,163	149,877	4,357	(3,715)
- Taupo	30,736	42,595	18,007	58,477	4,423
	\$22,602	\$334,762	\$87,643	\$128,035	\$(45,241)



It was an historical day at National Office on the 3rd June 2015 with a visit from Ingmar De Vos, FEI President and Lucinda Arsenio, Manager, President & SG Offices, NF Liaison Officer, the first visit by an FEI President to New Zealand.

Equestrian Sports New Zealand Inc
Statement of Financial Performance
for the year ended 31st May 2015

	Note	2015	2014
Income			
HPSNZ funding recognised during year	2	2,211,823	2,391,770
Sport NZ - Sport Development & Coaching Grants		176,000	166,250
Memberships & Equine Registrations		568,189	687,731
Discipline Annual Start Fees		709,641	605,563
Bulletin Subscriptions & Advertising		260,007	292,069
Sponsorship		272,922	350,557
Camping, Rents & Ground Fees		276,234	290,020
Coaching Development & Management		46,174	19,934
National Competitions		528,187	423,656
Product Sales		141,443	156,982
Investment Income		57,743	61,716
Foreign Exchange Gains		41,704	3,271
Bequests and Legacies		9,453	25,899
Other Income		91,639	131,442
- Other Income - World Equestrian Games (2015)		268,633	-
Total Income		5,659,791	5,606,860
Expenditure			
High Performance Training & Management		1,221,351	1,283,528
High Performance Athlete Personal Grants		565,901	673,580
High Performance International Events - including World Equestrian Games (2015)		491,626	67,164
Accommodation, Meals & Travel		208,358	228,175
Accounting		2,349	30,609
Audit Fees		30,000	29,460
Bad Debts		313	656
Bulletin Production Costs		310,296	312,838
Coaching Development & Management		24,400	52,292
Computer Expenses		59,450	53,328
Cost of Product Sales		89,174	76,696
Foreign Exchange Losses		-	-
FEI Subscriptions & Bulletins		20,208	24,973
Impairment Expense	11	-	30,000
Insurance		36,141	40,342
Interest Paid		3,908	4,295
Judicial & Legal		48,151	3,873
National Competition Costs		724,990	594,807
National Sport Development Projects		9,357	-
Occupancy Costs & Repairs		193,684	264,758
Postage, Telephone & Courier		66,443	82,089
Promotion/Sponsorship Delivery		174,191	149,322
Salaries & Service Contracts (including High Performance)		1,050,628	926,543
Selection		2,566	3,729
Stationery, Photocopy & Subs		27,366	28,158
Sundries		95,031	106,675
Technical Training & Support		75,173	104,269
		5,531,056	5,172,159
Surplus before Depreciation		128,735	434,702
Depreciation - Buildings & Leasehold Improvements	8	57,879	58,252
Depreciation - Plant & Office Equipment	8	52,486	37,599
Loss/(Profit) on Disposal - Plant & Office Equipment		-	6,444
Operating Surplus		18,371	332,407
New Life Memberships Received	4	4,230	2,354
Net Surplus		\$22,602	\$334,761

Statement of Movements in Equity
for the year ended 31st May 2015

Net Surplus	22,602	334,761
Equity at beginning of year	2,318,002	1,983,241
Equity at end of year	\$2,340,604	\$2,318,002

The Notes to the Financial Statements form part of the Financial Statements



A line-up of the national para-equestrian champions for 2015

Equestrian Sports New Zealand Inc

Statement of Financial Position as at 31st May 2015

	Note	2015	2014
Current Assets			
Bank Current Accounts & Deposits	6	2,132,352	2,255,657
Accounts Receivable & Prepayments	7	365,173	290,338
Stock for Resale		85,841	76,970
		2,583,366	2,622,965
Non-Current Assets			
Building in Progress		354,391	117,713
		354,391	117,713
Investments			
Life Membership Fund Bank Deposits	4	181,927	179,873
Horse of the Year Hawkes Bay Ltd - Loan	11	-	-
		181,927	179,873
Fixed Assets			
Buildings & Leasehold Improvements	8	880,434	938,314
Plant & Office Equipment	8	246,974	196,975
		1,127,409	1,135,289
Total Assets		4,247,093	4,055,840
Current Liabilities			
GST Payable		62,599	96,566
Accounts Payable	9	886,448	861,543
Unexpended HPSNZ Funding	2	438,480	203,214
Current Portion of Taupo Hunt Inc	10	12,373	12,466
Subscriptions & Registrations in Advance		446,589	494,049
		1,846,488	1,667,837
Term Liabilities			
Taupo Hunt Inc	10	60,000	70,000
Net Assets		\$2,340,604	\$2,318,003
Represented by Members' Funds			
Life Membership Funds	4	275,127	270,897
Restricted Funds	5	123,971	207,238
Accumulated Funds		1,941,506	1,839,868
Total Members' Funds		\$2,340,604	\$2,318,003


 President
 C Hodson QC


 Chief Executive
 V Glynn

Authorised for issue on 27th August 2015

The Notes to the Financial Statements form part of the Financial Statements

EQUESTRIAN SPORTS NEW ZEALAND INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st May 2015

1. Statement of Accounting Policies
Reporting Entity

Equestrian Sports New Zealand Inc is an incorporated society established under the Incorporated Societies Act 1908. The financial statements comprise statements of financial performance; movements in equity; financial position; accounting policies; as well as the notes to these statements.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with approved Financial Reporting Standards (FRSs) and Statements of Standard Accounting Practice (SSAPs) as appropriate for entities that qualify for and apply differential reporting concessions.

The Financial Statements incorporate the following operating entities and activities:

- ESNZ Central (including National Office)
- ESNZ High Performance
- ESNZ Dressage (including National Championships)
- ESNZ Endurance (Including National Championships)
- ESNZ Eventing (including National Three Day Event Championships)
- ESNZ Jumping
- NEC Taupo
- NEC Christchurch

Inter-entity balances and material inter-entity transactions have been eliminated.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings on an historical cost basis are followed.

Specific Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and financial position have been applied:

- a. **Differential Reporting**
 Equestrian Sports New Zealand Inc qualifies for differential reporting as it is not publicly accountable and is not large. In preparing the Financial Statements to comply with differential reporting, Equestrian Sports New Zealand Inc has taken advantage of all available differential reporting exemptions except that the Financial Statements have been prepared on a GST exclusive basis, apart from Accounts Receivable and Accounts Payable which are disclosed inclusive of GST.
- b. **Income Recognition**
 - Members' Subscriptions and Horse Registrations Income is recognised on a "time to expiry" basis and the unexpired portion is recorded as Income in Advance.
 - Grants Received
 Reciprocal Grants are those received on the condition that specified services be delivered, or conditions fulfilled. Such grants are initially recognised as a liability and revenue is subsequently recognised as those services are performed or conditions fulfilled.
 Non-reciprocal grants are recognised when the grant is received or receivable.
 - Donated assets are recorded at fair value.
 - All bequests and donations received are recorded as revenue in the Statement of Financial Performance. Some amounts are received with conditions attached to their use. These amounts are recorded as Restricted Funds.
- c. **Fixed Assets** are recorded at cost less accumulated depreciation. Depreciation is charged so as to allocate the cost of fixed assets over their expected useful lives on either a straight line or diminishing value basis. Rates applying to major asset categories are as follows:

	Straight Line	Diminishing Value
Buildings and Leasehold Improvements	5 - 40 years	2.5% - 22%
Plant and Office Equipment	3 - 10 years	10% - 30%
- d. **Investments** are recorded at cost.
- e. **Stock** is recorded at the lower of cost or net realisable value, using the "first in first out" method.
- f. **Accounts Receivable** are recorded at expected realisable value.
- g. **Operating Lease Payments** are recorded in the Statement of Financial Performance in equal instalments over the term of the lease.
- h. **Foreign currency transactions** are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date foreign monetary assets are converted at the closing rate. Foreign monetary liabilities at balance date consist of trade payables. These are generally settled with 30 days and are recorded at the rate applying when settled. Exchange variations arising from these transactions are recognised in the Statement of Financial Performance.
- i. Equestrian Sports New Zealand Inc is exempt from Income Tax in terms of Section CW 46 of the Income Tax Act 2007.
- j. Change in comparative balances have been re-classified where applicable for comparability to current year balances.

Changes in Accounting Policies

- There have been no changes in accounting policies that materially affect the Financial Statements.

2. High Performance Sport NZ (HPSNZ) Funding

Unexpended HPSNZ Funds represent reciprocal grants received pursuant to agreed investment schedules, but not yet expended pursuant to those agreements. These grants are recognised as income to the extent that costs are incurred. Some costs recorded in this manner may relate to services or events yet to occur.

A significant proportion of High Performance activities occur in the United Kingdom. In order to minimise the effect of exchange rate fluctuations Equestrian Sports NZ purchases British pounds sterling and operates bank accounts denominated in that currency.

	2015	2014
Opening Balance of Unexpended Funds	203,214	510,464
HPSNZ funds received during year	<u>2,211,823</u>	<u>2,084,520</u>
	2,415,037	2,594,984
Less HPSNZ funds recognised during year	<u>1,976,557</u>	<u>2,391,770</u>
Closing Balance of Unexpended Funds	<u><u>\$438,480</u></u>	<u><u>\$203,214</u></u>

3. Independent Trust Funds

Equestrian Sports NZ provides administrative support for independent trust funds but does not control these funds. The assets and income of these funds are not recognised in these financial statements.

Comparatives have been amended to reflect the change in accounting for these funds.

	2015	2014
Nimon Trust Fund		
Opening Balance	29,092	32,718
Interest Earned	<u>1,309</u>	<u>1,374</u>
	30,401	34,092
Less grants made	-	5,000
Closing Balance - ANZ Bank Term Deposit	<u><u>\$30,401</u></u>	<u><u>\$29,092</u></u>

The Nimon Trust Fund was established in 1983 with a bequest of \$15,000 to 3 independent trustees Alan Hampton, Stuart Mitchell and Norman Matheson. Income may be allocated, on application, to promising young showjumping riders. In 2013 the trustees resolved to increase the base trust fund to \$20,000.

4. Life Members' Funds

	2015	2014
Opening Balance	270,897	268,543
New Life Memberships Received	<u>4,230</u>	<u>2,354</u>
Closing Balance	<u><u>\$275,127</u></u>	<u><u>\$270,897</u></u>

Represented by:

Debentures	-	-
National Bank Term Deposit	181,927	179,873
Shareholder's Loan to Horse of the Year (Hawkes Bay) Limited (as per Note 11)	-	-
ESNZ Central borrowings (Incl HOY Impairment)	93,200	32,054
Amounts invested in National Equestrian Centres	<u>-</u>	<u>58,970</u>
	<u><u>\$275,127</u></u>	<u><u>\$270,897</u></u>

5. Restricted Funds

	Norwood Trust	Cresswell Fund	J N Lowry	W R Duncan	2015	2014
Opening Balance	4,145	181,438	685	22,825	209,093	102,273
Interest earned	51	1,195	-	955	2,200	6,820
Payments made	-	(97,368)	(170)	-	(97,538)	-
Bequest Received	-	10,215	-	-	10,215	100,000
	4,196	95,480	515	23,780	123,971	209,093
Specific Allocations	-	-	-	-	-	1,856
	<u><u>\$4,196</u></u>	<u><u>\$95,480</u></u>	<u><u>\$515</u></u>	<u><u>\$23,780</u></u>	<u><u>\$123,971</u></u>	<u><u>\$207,238</u></u>
Represented by:						
General funds not separately identified	-	-	515	-	515	685
ANZ Bank Term Deposits	4,196	95,480	-	23,780	123,455	206,553
Scannell Hardy Trust Account	-	-	-	-	-	-
	<u><u>\$4,196</u></u>	<u><u>\$95,480</u></u>	<u><u>\$515</u></u>	<u><u>\$23,780</u></u>	<u><u>\$123,971</u></u>	<u><u>\$207,238</u></u>

Norwood Trust - Established in 1967. Income goes towards the prize money for the Norwood Gold Cup competition at the Horse of the Year show.

Cresswell Fund - Established in 2014 pursuant to the terms of June Cresswell's will. Income is specifically allocated towards prize money offered in the major Showjumping Grand Prix held at the NEC Christchurch each year. A further bequest for the same amount was made to NEC Christchurch for a substantial capital project. This amount is recorded as income in the current year to the NEC Christchurch, with the funds held towards building further covered yards at the venue.

J N Lowry - Established in 1962. Income goes towards providing the Lowry Medallion, which is awarded to the rider gaining the most points over the Horse of the Year Show. As the income earned on this fund no longer meets the cost of the medallion, income is not recorded separately and the cost of the medallion is met by Equestrian Sports NZ.

W R Duncan Fund - Established in 1989 with a bequest of \$15,000. Subsequently the balance in the European Tour Fund and a bequest from the Estate of J J van Loghem, have been added to the fund to bring it to a total of \$23,780 including interest earned. Income is allocated in rotation (this year Showjumping, last year Endurance, next year Dressage) to each of the Disciplines, to be used for the training of technical officials.

6. Bank Current Accounts & Deposits

Bank accounts include ANZ & HSBC Bank accounts denominated in British £ sterling.

	2015	2014
New Zealand dollar value	NZ\$202,773	NZ\$430,357
British £ sterling	£94,533	£218,642
Exchange rate applying	0.4662	0.5080

Fluctuations in the \$/£ exchange rate result in unrealised gains or losses. This Year Unrealised Gain \$41,704 (2014 Unrealised gain \$4,558)

7. Accounts Receivable & Prepayments

Receivable amounts include advances to Eventing High Performance Squad members under a Horsepower Loan arrangement. These loans are made to selected riders to assist with the early purchase of a horse. The loans are for amounts not exceeding 50% of the original purchase price of the horse and are interest free for term not exceeding 12 months. HPSNZ has attached a covenant to these funds received in that any expended portion must be used for the original purpose granted being perpetual lending out to HP athletes for periods of 12 months interest free.

Horsepower Loans Outstanding

	2015	2014
New Zealand dollar value	NZ\$154,440	NZ\$93,326
British £ sterling	£72,000	£49,000

8. Fixed Assets

	Cost	Depreciation this year	Accumulated Depreciation	Closing Book Value
Fixed Assets 2015				
Buildings and Leasehold Improvements	1,566,557	57,879	686,123	880,434
Plant and Equipment	609,344	52,486	362,370	246,974
	<u>\$2,175,901</u>	<u>\$110,365</u>	<u>\$1,048,492</u>	<u>\$1,127,409</u>
Fixed Assets 2014				
Buildings and Leasehold Improvements	1,566,558	58,252	628,244	938,314
Plant and Equipment	517,566	50,487	320,591	196,975
	<u>\$2,084,124</u>	<u>\$108,738</u>	<u>\$948,868</u>	<u>\$1,135,290</u>

9. Accounts Payable

	2015	2014
Trade Payables and Accruals	560,551	438,138
Unexpended Grant Funds	325,897	423,405
	<u>\$ 886,448</u>	<u>\$861,543</u>

- Unexpended Grant Funds represent the balance of funding received from Community and Gaming Trusts, not yet expended for the purpose granted.

Grants received in excess of \$50,000

	2015	2014
- First Sovereign Trust for 1st Instalment for covered yards at NEC Taupo	\$ -	\$117,713
- The Lion Foundation, for indoor arena at NEC Taupo	\$ -	\$235,634

- Trade Payables includes amounts payable in foreign currencies.

British pounds	£26,603	£38,847
NZ Dollar settlement	NZ\$62,835	NZ\$75,954
Euro	-	€ -
NZ Dollar settlement	-	\$ -

10. Long Term Loans

	2015	2014
Taupo Hunt Inc		
Amount due within one year	12,373	12,466
Amounts due beyond one year	60,000	70,000
	<u>\$72,373</u>	<u>\$82,466</u>

Loan made to National Equestrian Centre - Taupo for the construction of a new residence.

Security - Guarantee of Equestrian Sports New Zealand Inc.

Term - 11 years from 18th October 2010

Interest rate - Fixed annually at 1% above the BNZ 12 month deposit rate for the equivalent amount.

Interest calculated at 5.5 % (2014 5%) simple interest on the opening balance.

11. Related Parties

Horse of the Year (Hawkes Bay) Limited is a company incorporated on 20th June 2013 in which Equestrian Sports NZ Ltd has a 33% shareholding. The shareholding carries the right to appointment two directors. A Board member of Equestrian Sport NZ was a director of this company during the 2013-14 financial year. Equestrian Sports NZ has supplied goods and services to Horse of the Year (Hawkes Bay) Limited in the ordinary course of its business.

	2015	2014
Receivable Amounts owing at balance date		
Shareholder's Loan	-	-
Shareholder's Loan - Impaired Expense	-	30,000
Trade Receivables	-	-

Horse of the Year Limited's audited financial statements have shown a net deficit of \$(108,174) and a negative equity of \$(101,230) for the year ended 31 May 2014. Due to these results, the loan to Horse of the Year Limited has been impaired during the 2013/14 year. The Horse of the Year loan impairment is not likely to be reversed until possibly the 2015/16 year. At this time final audited figures for Horse of the Year Limited for 2014/15 are not available.

Other than disclosed above there are no other material related party transactions or balances (2014 Nil).

12. Capital Commitments

There are no material capital commitments at year end (2014 Nil)

13. Contingent Liabilities

There are no contingent liabilities at year end (2014 Nil)

14. Operating Lease Commitments

	2015	2014
Total Commitments		
Amounts due within one year	71,518	71,807
Amounts due beyond one year	318,654	390,172
	<u>\$390,172</u>	<u>\$461,979</u>
Equestrian Sports NZ - National Office		
- Premises at Customhouse Quay, Wellington		
Monthly tenancy Current rental \$31,250 pa		
Amounts due within one year	31,250	31,250
Amounts due beyond one year	23,437	54,687
	<u>\$54,687</u>	<u>\$85,937</u>
- Lease of DM300 Franking Machine from Pitney Bowes		
Renewal Date - 01st March 2016 Current rental \$1,157 pa		
Amounts due within one year	868	1,157
Amounts due beyond one year	-	868
	<u>\$868</u>	<u>\$2,025</u>
- Lease of Avaya phone System from Connect Capital Ltd		
Renewal Date - 28th March 2017 Current rental \$7,200 pa		
Amounts due within one year	7,200	7,200
Amounts due beyond one year	5,400	12,600
	<u>\$12,600</u>	<u>\$19,800</u>
- Lease of Xerox DC4C4470 DocuCenter Printer/Photocopier from Fuji Xerox Finance Ltd		
Renewal Date - 01st March 2019 Current Rental \$9,000 pa		
Amounts due within one year	9,000	9,000
Amounts due beyond one year	24,750	33,750
	<u>\$33,750</u>	<u>\$42,750</u>
NEC, Taupo		
- Lease of 56.52 ha at Rapids Road, Aratiatia from Department of Conservation		
Renewal Date - 1st January 2041 Current Rental \$8,000 pa		
Rights of Renewal - Perpetual 33 year terms		
Amounts due within one year	8,000	8,000
Amounts due beyond one year	196,667	204,667
	<u>\$204,667</u>	<u>\$212,667</u>
NEC, Christchurch		
- Lease of 74.35 ha at McLeans Island, Christchurch from Canterbury Regional Council		
Renewal Date - 1st January 2022		
Next Review - 1st January 2017 Current Rental \$15,200 pa		
Rights of Renewal - Perpetual 10 year terms		
Amounts due within one year	15,200	15,200
Amounts due beyond one year	68,400	83,600
	<u>\$83,600</u>	<u>\$98,800</u>

ESNZ Central
Operating Income & Expenditure

	2015	2014	2013	2012
	Actual	Actual	Actual	Actual
Operating Income				
Memberships	256,619	325,502	316,536	309,050
Equine Registrations	274,275	274,033	239,155	234,072
Other Registrations & Dues	39,476	55,009	91,904	50,181
Sport NZ Community Sport Grants	176,000	166,250	237,917	220,833
Bulletin (Net)	(49,746)	(20,768)	(20,995)	(15,423)
Investment Income	27,241	22,155	29,936	24,799
Product Sales (Net)	38,098	38,920	27,062	11,465
Other Income (Net)	22,856	12,562	112,718	10,130
Total Core Business Income	784,817	873,662	1,034,233	845,107
Grants/Sponsorship	104,435	66,275	40,430	103,949
Administration Contracts	131,050	170,652	222,558	210,193
Total Operating Income	1,020,302	1,110,589	1,297,221	1,159,249
Operating Expenditure				
Accounting & Audit	32,349	60,069	48,703	52,815
Accommodation, Meals & Travel				
- Board	24,989	21,803	33,954	32,632
- Other	60,675	42,126	40,075	45,543
AGA & Annual Report	5,062	8,954	9,408	7,694
Coaching Development & Management	(21,774)	19,933	2,096	8,049
Computer/IT Support	59,450	52,680	51,395	80,176
FEI Subscriptions & Fees	20,208	14,988	11,023	8,556
Impairment Expense - HOY Limited	-	30,000	-	-
Insurance	21,762	24,549	25,076	23,019
Judicial & Legal	36,048	3,329	3,766	2,397
Clean Sport Programme	18,256	18,210	13,233	21,147
National Sport Development Projects	9,357	5,236	25,197	7,108
Occupancy Costs & Repairs	31,732	84,343	86,913	86,691
Postage, Telephone & Courier	52,156	65,642	73,074	65,014
Promotion/Sponsorship Delivery/Growth Strategy	33,805	30,525	46,928	30,968
Stationery, Photocopy & Subs	19,790	18,493	10,877	25,390
Sundries	24,055	41,553	31,896	35,531
Salaries & Service Contracts	665,434	609,143	651,867	548,568
	1,093,354	1,151,576	1,165,481	1,081,298
Operating Surplus before Non-Cash Adjustments	(73,052)	(40,987)	131,740	77,951
Less Non Cash Adjustments				
Income in advance recalculation	2,333	-	(63,027)	-
Depreciation	(26,188)	(11,562)	(18,959)	(14,869)
Operating Surplus/(Deficit) for year	\$(96,907)	\$(52,549)	\$49,754	\$63,082
Financial Position (Including Life Members' Funds)				
Assets				
- Internal	45,552	39,732	40,847	
- External	608,569	736,180	622,388	
	654,121	775,912	663,235	
Liabilities				
- Internal	30,225	15,285	13,852	
- External	577,950	617,774	456,337	
	608,175	633,060	470,189	
Accumulated Members' Funds	\$45,945	\$142,853	\$193,046	

ESNZ Dressage
Operating Income & Expenditure

Operating Income	2015	2014
Competition Start Levies	156,735	138,767
Sponsorship	46,181	44,500
Investment Income	8,273	6,714
Competitions (Net)	(6,300)	18,053
Other Income (Net)	16,053	70,181
Total Operating Income	220,942	278,216

Operating Expenditure

Accommodation, Meals & Travel		
- Board	18,172	13,918
- Other	8,764	28,780
Depreciation	1,934	2,331
High Performance (Net)	34,658	23,437
Postage, Fax & Tolls	4,856	7,930
Promotion & Publicity	31,807	20,295
Selection	2,142	2,717
Sponsorship Delivery	30,219	27,928
Stationery, Photocopy & Subs	5,350	5,480
Sundries	12,023	11,884
Technical Training & Support	5,729	11,166
Wages & Service Contracts	59,785	58,136
	215,440	214,003
Operating Profit/(Deficit) for year	5,503	64,213
Income in advance recalculation	527	6,714
Surplus/(Deficit)for year	\$6,030	\$70,927

Financial Position

Cash Assets	252,275	241,468
Other Assets	49,516	56,154
	301,791	297,622
Liabilities	60,546	62,406
Accumulated Funds	\$241,246	\$235,216



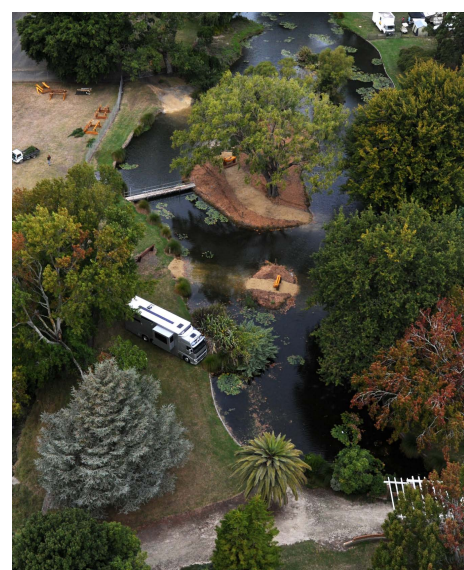
*Bates Grand Prix
Champions, Penny Castle
and Magnus Spero, left, and
runners-up Vanessa Way
and NRM Arawn*

ESNZ Eventing
Operating Income & Expenditure

Operating Income	2015	2014
Competition Start Levies	163,301	174,291
High Performance Grant	4,000	30,690
Sponsorship	(2,875)	26,076
Investment Income	6,577	5,252
Competitions (Net)	(115,301)	(55,158)
Other Income (Net)	25,987	16,928
Total Operating Income	81,690	198,079

Operating Expenditure		
High Performance	-	-
Accommodation, Meals & Travel		
- Board	14,121	13,812
- Other	18,609	26,687
Depreciation	300	300
Postage, Fax & Tolls	7	403
Selection	424	1,011
Sponsorship Delivery	13,911	15,391
Stationery, Photocopy & Subs	321	912
Sundries	9,310	12,475
Technical Training & Support	11,083	22,949
Wages & Service Contracts	73,490	56,250
	<u>141,575</u>	<u>150,190</u>
Operating Surplus/(Deficit) for year	(59,885)	47,890
Income in advance recalculation	(441)	-
Surplus/(Deficit) for year	<u>\$(60,326)</u>	<u>\$47,890</u>

	Financial Position	
Cash Assets	225,930	304,627
Other Assets	54,282	59,296
	<u>280,213</u>	<u>363,922</u>
Liabilities	136,230	146,887
Accumulated Funds	<u>\$156,760</u>	<u>\$217,087</u>



*An aerial view of the water complex
on the cross-country course at the
Horse of the Year Show 2015*



*Eventing Talent Development
Squad, from Left, Jessica
Woods, Sarah Young, Tayla
Mason, Mark Todd, Ginny
Thompson, Sam Felton &
Amanda Pottinger*

ESNZ Endurance
Operating Income & Expenditure

Operating Income	2015	2014
Competition Start Levies	55,722	46,419
Sponsorship/Grants	5,000	17,166
Investment Income	1,090	3,295
Other Income (Net)	4,970	5,962
Total Operating Income	66,782	72,842
Operating Expenditure		
Accommodation, Meals & Travel		
- Board	9,037	5,776
- Other		3,581
National Championships	47,613	31,989
Sundries	6,250	8,065
Technical Training & Support		2,023
Wages & Service Contracts	9,163	9,000
	<u>72,063</u>	<u>60,433</u>
Operating Surplus/(Deficit) for year	(5,282)	12,409
Income in advance recalculation	(4,895)	578
Surplus/(Deficit) for year	<u>\$(10,177)</u>	<u>\$12,987</u>

Financial Position

Cash Assets	80,966	93,741
Other Assets	7,730	5,398
	<u>88,696</u>	<u>99,139</u>
Liabilities	11,159	11,425
Accumulated Funds	<u>\$77,537</u>	<u>\$87,714</u>



ENDURANCE

80km Endurance horses stopping for a drink in the fog at Paemako Station, Piopio



ESNZ Jumping
Operating Income & Expenditure

Operating Income	2015	2014
Competition Start Levies	367,909	277,740
Sponsorship	81,831	117,490
Investment Income	7,403	14,560
Competitions (Net)	(47,581)	(90,514)
Other Income	3,391	33,263
Total Operating Income	412,953	352,538

Operating Expenditure
Accommodation, Meals & Travel

- Board	26,675	35,698
- Other	27,317	35,994
Bad Debts	313	656
Depreciation	4,154	8,682
Legal & Judicial	12,102	544
Postage, Fax & Tolls	3,053	1,488
Promotion & Publicity	20,479	23,131
Sponsorship Delivery	43,970	32,051
Show Hunter	27,193	40,764
Sundries	10,863	11,927
Technical Training & Support	59,495	66,744
Wages & Service Contracts	151,365	163,262
	386,978	420,941

Operating Surplus/(Deficit) for year	25,975	(68,403)
Income in advance recalculation	(24,634)	-
Surplus/(Deficit) for year	\$1,341	\$(68,403)

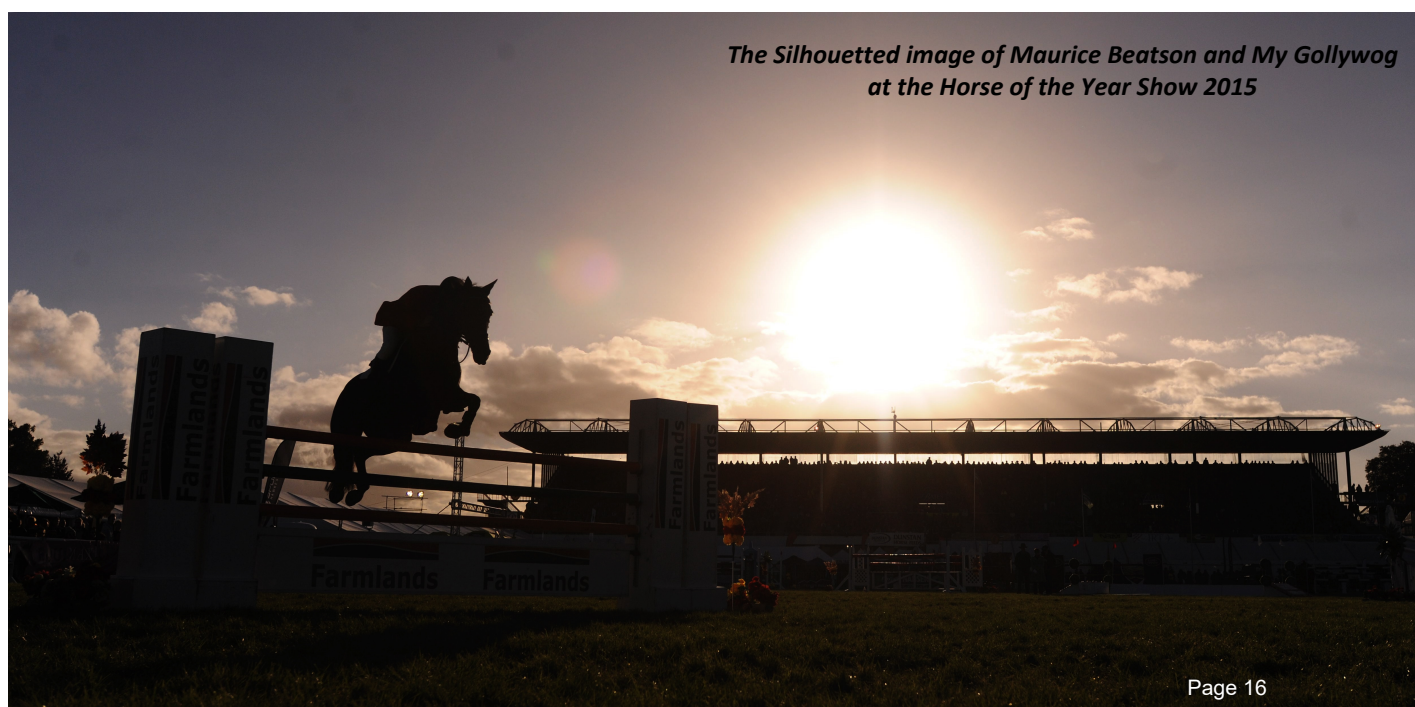
Financial Position

Cash Assets	316,988	335,551
Other Assets	68,902	57,738
	385,890	393,289
Liabilities	133,767	142,606
Accumulated Funds	\$252,123	\$250,683



The New Zealand team who were part of the World Teams Children Challenge.

The Silhouetted image of Maurice Beatson and My Gollywog at the Horse of the Year Show 2015



Equestrian Sports New Zealand

High Performance Analysis

for the year ended 31st May 2015

	2015	2014
<u>Non Specifically Targeted Funding</u>		
Unspent Funds 1st June 2014	169,465	473,856
HPSNZ Funding this year	1,913,932	1,800,000
Performance Enhancing Grants	270,417	249,000
Horsepower Loans Granted	250,000	
Other Income & Rider Contributions	314,780	2,045
	<u>2,749,128</u>	<u>2,051,045</u>
Available Funds	2,918,593	2,524,900
ESNZ High Performance Expenditure		
Administration	83,691	124,863
Athlete Support Services	144,236	160,189
Olympics/Paralympics/WEG	491,626	67,164
Discipline Team Leaders/Selectors/Programs	1,082,708	1,093,524
Performance Enhancing Grants	547,192	653,891
Horsepower Grant funding recognised	154,440	
Unexpended HPSNZ & Sport NZ Grant funding for prior completed contracts	-	255,805
	<u>2,503,893</u>	<u>2,355,436</u>
	414,700	169,465
<u>Specifically Targeted Funding</u>		
Unspent Funds 1st June 2014	33,749	36,608
HPSNZ Funding this year for		
- Performance Enhancing Grants		14,830
- Prime Minister's Scholarships	8,740	
	<u>8,740</u>	
Expenditure		
- Prime Minister's Scholarships	18,709	17,689
- David Levine Trust	-	-
	<u>18,709</u>	<u>17,689</u>
Unspent Specific Funds 31st May 2015	23,780	33,749
Total Unspent at 31st May 2015	<u>\$438,480</u>	<u>\$203,214</u>



Diana Dobson
The Black Bell

Fiber Fresh National Equestrian Centre, Taupo
Operating Income & Expenditure



NEC Taupo

Operating Income	2015	2014
Camping, Rents & Ground Fees	219,586	197,611
Sponsorship/Grants	25,000	77,450
Investment Income	3,151	5,434
Competitions (Net)	6,015	8,821
Other Income (Net)	560	765
Total Operating Income	254,312	290,082
Operating Expenditure		
Depreciation	47,828	48,075
Insurance	8,948	8,442
Interest	3,908	4,295
Occupancy Costs & Repairs	98,306	122,443
Postage, Fax & Tolls	5,062	5,335
Stationery, Photocopy & Subs	1,905	3,273
Sundries	825	873
Wages & Service Contracts	56,796	54,751
	223,576	247,488
Operating Surplus/(Deficit) before Asset Funding Grants	30,736	42,595
Asset Funding Grants	-	-
Operating Surplus/(Deficit) for year	\$30,736	\$42,595
Financial Position		
Cash Assets	56,076	243,532
Other Assets	982,787	776,816
	1,038,863	1,020,348
Liabilities	460,381	472,602
Accumulated Funds	\$578,482	\$547,746



National Equestrian Centre, Christchurch
Operating Income & Expenditure

Operating Income	2015	2014
Camping, Rents & Ground Fees	92,914	112,289
Sponsorship/Grants	-	-
Bequests & Donations	9,453	12,563
Investment Income	4,007	4,306
Other Income (Net)	-	-
Total Operating Income	<u>106,375</u>	<u>129,157</u>

Operating Expenditure		
Depreciation	29,961	31,344
Insurance	5,431	5,354
Occupancy Costs & Repairs	63,647	57,882
Postage, Fax & Tolls	1,309	1,290
Sundries	8,561	10,124
	<u>108,910</u>	<u>105,995</u>
Operating Surplus/(Deficit) for year	<u>\$(2,535)</u>	<u>\$23,163</u>

	Financial Position	
Assets	581,257	583,461
Liabilities	3,088	2,757
Accumulated Funds	<u>\$578,169</u>	<u>\$580,704</u>



NEC Christchurch



INDEPENDENT AUDITOR'S REPORT
To the Members of Equestrian Sports New Zealand Inc

Report on the Financial Statements

We have audited the financial statements of Equestrian Sports New Zealand Inc on pages 1 to 6, which comprise the statement of financial position as at 31 May 2015, and the statement of changes in equity, and statement of financial performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Members, as a body, in accordance with the constitution of Equestrian Sports New Zealand Inc. Our audit has been undertaken so that we might state to the Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Equestrian Sports New Zealand Inc or any of its controlled entities.

Basis for Disclaimer of Opinion on the Equestrian Sports New Zealand Inc's Financial Statements

An audit would ordinarily involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected would ordinarily depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate 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.

Equestrian Sports New Zealand Inc has not determined the extent to which discipline area groups are controlled by Equestrian Sports New Zealand Inc, and therefore the number of discipline area groups that may need to be consolidated hasn't been able to be determined and we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Equestrian Sports New Zealand Inc has not included any transactions and balances of the discipline area groups in the Equestrian Sports New Zealand Inc financial statements. In addition Equestrian Sports New Zealand Inc has not prepared consolidated financial statements for all the entities they controlled as defined under FRS 37 *Consolidating Investments in Subsidiaries*.

Furthermore, the controls over income derived from Camping, Rents & Ground Fees and National Competitions as shown in the statement of financial performance for 2015 and 2014,

prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. Accordingly the completeness and accuracy of revenue and accumulated funds is unable to be determined.

We were unable to obtain sufficient appropriate audit evidence about the existence and accuracy of \$178,219 reported as National Equestrian Centre income that is included as part of National Competitions income for the year ended 31 May 2015. This is because banking summaries for the National Equestrian Centre were not prepared and as a result the income reported could not be traced to the bank. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on Equestrian Sports New Zealand Inc's financial statements on pages 6 to 12.



BDO Wellington
27 August 2015
Wellington
New Zealand

Matters relating to the electronic presentation of the audited financial statements

This audit report relates to the financial statements of Equestrian Sports New Zealand Incorporated for the year ended 31 May 2015 included on Equestrian Sports New Zealand Incorporated's website. The Equestrian Sports New Zealand Incorporated's Board is responsible for the maintenance and integrity of Equestrian Sports New Zealand Incorporated's website. We have not been engaged to report on the integrity of Equestrian Sports New Zealand Incorporated's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements as well as the related audit report dated 27 August 2015 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdiction.

