

2020 Performance Report

Speedway New Zealand Incorporated

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Entity Information

Speedway New Zealand Incorporated For the year ended 31 March 2020

Legal Name of Entity

Speedway New Zealand Incorporated

Entity Type and Legal Basis

Incorporated Society and Not for Profit

Registration Number

248497

Entity's Purpose or Mission

Speedway New Zealand Incorporated works to facilitate and govern the operation of Speedway at 24 licensed venues in New Zealand. We do this by:

- Being the organisation to represent Speedway in New Zealand
- Encouraging, controlling, and developing speedway racing, safety and education
- Providing governance for the sport of speedway in New Zealand
- Encouraging respect and fair play

Entity Structure

Our Board

Our constitution states that we operate with an elected governance board of 6 Directors and 1 President. Directors may lead sub-committees as determined by our work plan and priorities.

Our Management

Our operations are managed by a team of 4 paid employees. A General Manager, an Operations Co-Ordinator, a Financial Administrator, and an Administrator. Some 400 volunteers support us with our activities throughout the year.

Main Sources of Entity's Cash and Resources

Speedway New Zealand Incorporated has received its income from license and permit fees payable by its members.

Main Methods Used by Entity to Raise Funds

Licensing, permit issuing, and infringements issued for conduct outside of our regulations.

Entity's Reliance on Volunteers and Donated Goods or Services

Grants and sponsorship are key activities that contribute to the funds required to operate with our volunteer base.

Contact Details

Address: Pelorus Trust Sports House, 93 Hutt Park Road, Seaview, Lower Hutt, 5010

Phone: (04) 560 0317

Email: manager@speedway.co.nz

Website: www.speedway.co.nz

Approval of Financial Report

Speedway New Zealand Incorporated For the year ended 31 March 2020

The Governing body are pleased to present the approved financial report including the historical financial statements of Speedway New Zealand Incorporated for year ended 31 March 2020.

APPROVED



President

23-June - 2020

Date



General Manager

23-June - 2020

Date

Statement of Service Performance

Speedway New Zealand Incorporated For the year ended 31 March 2020

Description of Entity's Outcomes

A safe environment for speedway racing, supported by a growing educated network of volunteers.

A sport that is governed by a board that is focused on achieving an outcome of respect and fair play.

Description and Quantification of the Entity's Outputs

	2020	2019
Volunteers qualified to a minimum standard of Level 1	100%	100%
Attendance of SNR officials at all SNZ allocated championships	100%	100%
Onsite training of officials and upskilling of volunteer staff venues	81	64

Statement of Financial Performance

Speedway New Zealand Incorporated For the year ended 31 March 2020

	NOTES	2020	2019
Revenue			
Fees, Subscriptions and Other Revenue from Members	6	1,050,597	1,066,203
Donations, Fundraising and Other Similar Revenue	7	24,739	78,000
Revenue from Providing Goods or Services	8	75,493	57,731
Interest, Dividends and Other Investment Revenue		463	568
Other Revenue	9	6,074	7,773
Total Revenue		1,157,365	1,210,275
Expenses			
Volunteer and Employee Related Costs	10	398,789	527,879
Costs Related to Providing Goods or Services	11	512,271	434,411
Other Expenses	12	129,493	132,465
Total Expenses		1,040,553	1,094,755
Surplus/(Deficit) for the Year Before Transfer to Reserves		116,812	115,520
Surplus/(Deficit) for the Year After Transfer to Reserves		116,812	115,520

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Financial Position

Speedway New Zealand Incorporated

As at 31 March 2020

	NOTES	31 MAR 2020	31 MAR 2019
Assets			
Current Assets			
Bank accounts and cash	3	676,872	612,237
Goods and Services Tax		1,438	-
Debtors and prepayments		5,217	7,750
Inventory		22,383	50,696
Total Current Assets		705,910	670,683
Non-Current Assets			
Property, Plant and Equipment	1	20,610	23,256
Intangibles	2	121,015	1,705
Total Non-Current Assets		141,624	24,961
Total Assets		847,534	695,644
Liabilities			
Current Liabilities			
Creditors and accrued expenses		35,546	20,513
Employee Costs Payable		36,843	33,234
MSD COVID-19 Wage Subsidy		25,775	-
Goods and Services Tax		-	9,337
Total Current Liabilities		98,164	63,085
Total Liabilities		98,164	63,085
Total Assets less Total Liabilities (Net Assets)		749,371	632,559
Accumulated Funds			
Accumulated Surplus (deficit)	5	726,783	609,971
Injured Riders Fund	4	22,588	22,588
Total Accumulated Funds		749,371	632,559

Statement of Cash Flows

Speedway New Zealand Incorporated For the year ended 31 March 2020

	2020	2019
Cash Flows from Operating Activities		
Cash Was Received From		
Fees, subscriptions and other receipts from members	1,053,129	1,072,204
Donations, fundraising and other similar receipts	52,858	78,000
Receipts from providing goods or services	75,493	57,731
Interest, dividends and other investment receipts	463	568
Total Cash Was Received From	1,181,943	1,208,502
Cash Was Used For:		
GST	(10,776)	16,829
Payments to suppliers and employees	(977,922)	(1,081,820)
Total Cash Was Used For:	(988,698)	(1,064,991)
Total Cash Flows from Operating Activities	193,245	143,511
Cash Flows from Investing and Financing Activities		
Receipts from sale of property, plant and equipment	1,496	8,339
Payments to acquire property, plant and equipment	(6,036)	(4,700)
Payments to purchase intangibles	(124,070)	-
Total Cash Flows from Investing and Financing Activities	(128,610)	3,640
Net Increase/ (Decrease) in Cash	64,635	147,150
Cash Balances		
Cash and cash equivalents at beginning of period	612,237	465,087
Cash and cash equivalents at end of period	676,872	612,237
Net change in cash for period	64,635	147,150

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

Depreciation Schedule

Speedway New Zealand Incorporated
For the year ended 31 March 2020

NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	SALE PRICE	CAPITAL GAIN	DEP RECOVERED	LOSS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	PRIVATE USE AMOUNT
Motor Vehicles													
Trailer - C179R	13 Feb 2004	2,667	384	-	-	-	-	-	12.00%	46	2,329	338	-
Trailer P108F	18 Aug 2009	5,013	1,460	-	-	-	-	-	12.00%	175	3,728	1,285	-
Shupa Speedway Bikes x2	28 Jul 2010	9,992	447	-	-	-	-	-	30.00%	134	9,679	313	-
2008 Toyota Camry 2.4GL Sedan	26 Jul 2012	10,870	991	-	1,496	-	505	-	30.00%	-	-	-	-
Suzuki Shupa Speedway Bike	1 Oct 2012	4,995	500	-	-	-	-	-	30.00%	150	4,645	350	-
Suzuki Shupa Speedway Bike	1 Dec 2012	4,995	529	-	-	-	-	-	30.00%	159	4,625	370	-
Total Motor Vehicles		38,532	4,311	-	1,496	-	505	-		664	25,007	2,656	-
Office Equipment													
Projection Screen	26 Feb 2004	622	58	-	-	-	-	58	14.40%	-	-	-	-
MYOB Software	31 Aug 2004	1,100	-	-	-	-	-	-	48.00%	-	1,100	-	-
Toshiba Laptop	29 Jun 2012	3,376	31	-	-	-	-	31	50.00%	-	-	-	-
Corporate Logo	20 May 2013	1,000	267	-	-	-	-	-	20.00%	53	786	214	-
Samsung 51" Plasma TV's (2)	31 Jul 2013	1,304	25	-	-	-	-	25	50.00%	-	-	-	-
Probook Computer s/n CHU42091L2	31 May 2014	2,793	94	-	-	-	-	94	50.00%	-	-	-	-
App Development	19 Aug 2014	1,304	54	-	-	-	-	54	50.00%	-	-	-	-
HP Probook 450 Computer	26 Jan 2015	1,343	74	-	-	-	-	74	50.00%	-	-	-	-
ELS Reporting System	18 Mar 2015	500	30	-	-	-	-	-	50.00%	15	485	15	-
Viewsonic Lightstream Projector	12 Jun 2015	799	267	-	-	-	-	267	25.00%	-	-	-	-
Probook 450 Laptop	30 Sep 2015	1,877	166	-	-	-	-	166	50.00%	-	-	-	-
Zebra ID Card Printer	27 Jul 2016	2,253	568	-	-	-	-	-	40.00%	227	1,913	341	-
Tablets *5	8 Sep 2016	614	109	-	-	-	-	-	50.00%	55	560	55	-
HP Notebook 17-Y001AX	5 Oct 2016	999	188	-	-	-	-	188	50.00%	-	-	-	-
Laptop	11 Oct 2016	1,189	223	-	-	-	-	223	50.00%	-	-	-	-
Label Printer	30 Oct 2016	545	157	-	-	-	-	-	40.00%	63	451	94	-
Apple iPad Mini *10	20 Dec 2016	6,665	1,390	-	-	-	-	-	50.00%	695	5,970	695	-
Sporttutor Software	24 Jan 2017	3,620	794	-	-	-	-	-	50.00%	397	3,223	397	-
Filing Cabinet	28 Feb 2017	584	434	-	-	-	-	-	13.00%	56	207	377	-
Rulebook Software	12 Mar 2017	1,060	254	-	-	-	-	-	50.00%	127	933	127	-
2 x Epson EB-X130 Projectors	30 Jun 2017	1,193	709	-	-	-	-	-	25.00%	177	662	532	-
HP 15-BW031AU Laptop	28 Aug 2017	1,115	697	-	-	-	-	-	25.00%	174	593	523	-
Leitz Illum Laminator	12 Jul 2018	543	441	-	-	-	-	-	25.00%	110	212	331	-
Acer Laptop Sp'n 5 SP513-53N-SSW9	31 Mar 2019	1,476	1,414	-	-	-	-	-	50.00%	707	769	707	-
HP Probook 450 Computer SCD9113LJN	31 Mar 2019	1,316	1,261	-	-	-	-	-	50.00%	631	685	631	-
HP Probook 450 Computer SCD9298HMB (Katie)	31 Aug 2019	1,742	-	1,742	-	-	-	-	50.00%	581	581	1,161	-
Laptops x 4 (Board)	18 Feb 2020	1,969	-	1,969	-	-	-	-	25.00%	82	82	1,887	-
Laptop (Jayson)	25 Feb 2020	1,247	-	1,247	-	-	-	-	25.00%	52	52	1,195	-
Total Office Equipment		44,149	9,705	4,957	-	-	-	1,180		4,202	19,263	9,280	-
Plant and Equipment													
Trophies	1 Jul 1987	174	-	-	-	-	-	-	10.00%	-	174	-	-
Duro Meters (2)	1 Jul 1993	469	-	-	-	-	-	-	12.50%	-	469	-	-

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

Depreciation Schedule



NAME	PURCHASED	COST	OPENING VALUE	PURCHASES	SALE PRICE	CAPITAL GAIN	DEP RECOVERED	LOSS	RATE	DEPRECIATION	CLOSING ACCUM DEP	CLOSING VALUE	PRIVATE USE AMOUNT
Fuel Test Kit	1 Jul 1993	814	-	-	-	-	-	-	12.50%	-	814	-	-
Hydrometers (2)	1 Jul 1993	600	-	-	-	-	-	-	12.50%	-	600	-	-
Hydrometer Test Kit	1 Jul 1993	309	-	-	-	-	-	-	12.50%	-	309	-	-
Hydrometer Test Kits (2)	1 Jul 1993	610	-	-	-	-	-	-	15.50%	-	610	-	-
Sound Meters (6)	1 Jul 1993	473	-	-	-	-	-	-	24.00%	-	473	-	-
Scales	1 Jul 1994	19,734	-	-	-	-	-	-	6.50%	-	19,734	-	-
Scrutineering Whistler	4 Aug 1995	3,803	-	-	-	-	-	-	18.60%	-	3,803	-	-
Noise Meters (6)	2 Nov 1995	525	-	-	-	-	-	-	28.60%	-	525	-	-
Tents *3	31 Dec 1997	5,698	-	-	-	-	-	-	39.60%	-	5,698	-	-
Banner	20 Mar 2003	1,000	143	-	-	-	-	-	11.40%	16	874	126	-
Sober Check	1 Feb 2005	4,000	119	-	-	-	-	-	22.00%	26	3,908	92	-
Cellphone	1 Mar 2005	202	-	-	-	-	-	-	60.00%	-	202	-	-
Intercomp Scales SW500	4 Sep 2007	429	7	-	-	-	-	-	30.00%	2	424	5	-
Intercomp Scales SW500	4 Sep 2007	429	7	-	-	-	-	-	30.00%	2	424	5	-
2 x Ultrasonic Thickness Meters	19 Sep 2007	1,775	29	-	-	-	-	-	30.00%	9	1,755	20	-
Micro Cameras (3)	25 Sep 2008	1,060	-	-	-	-	-	-	80.40%	-	1,060	-	-
Loading Ramps	12 Dec 2008	1,313	462	-	-	-	-	-	22.00%	102	953	360	-
Scrutineering Whistler	12 Aug 2011	2,864	521	-	-	-	-	-	20.00%	104	2,447	416	-
Durometers *5	23 Nov 2011	690	133	-	-	-	-	-	20.00%	27	584	106	-
Trailer locking front	1 Feb 2012	823	386	-	-	-	-	-	10.00%	39	476	347	-
Ultrasonic Thickness Gauge	1 Oct 2012	890	33	-	-	-	-	-	40.00%	13	870	20	-
NZ Stockcar Teams Champ Cup	27 Nov 2012	534	129	-	-	-	-	-	20.00%	26	431	103	-
T & L Motors Cup	28 Feb 2014	717	227	-	-	-	-	-	20.00%	45	535	182	-
ECU Limiter Tester	1 Mar 2014	5,632	1,813	-	-	-	-	-	20.00%	363	4,181	1,451	-
15 x Noise Meters	30 Sep 2014	1,683	360	-	-	-	-	-	28.80%	104	1,426	256	-
4 x Ultrasonic Thickness Gauges	13 Nov 2014	1,869	202	-	-	-	-	-	40.00%	81	1,747	121	-
Wheel Stamps x12	15 Sep 2015	2,520	1,730	-	-	-	-	-	10.00%	173	963	1,557	-
Fuel Pressure Gauges x5	22 Dec 2015	1,270	896	-	-	-	-	-	10.00%	90	464	806	-
Tools	7 Mar 2016	2,117	72	-	-	-	-	-	67.00%	48	2,094	24	-
Fuel Pressure Gauges *4	6 Apr 2016	1,023	746	-	-	-	-	-	10.00%	75	352	671	-
Alcovisor Test Kit	16 Aug 2018	581	542	-	-	-	-	-	10.00%	54	93	488	-
Tester with Wand and Cable	16 Oct 2018	784	686	-	-	-	-	-	25.00%	171	269	514	-
1 x Alcovisor Test Kit	10 Jul 2019	564	-	564	-	-	-	-	10.00%	42	42	522	-
1 x Alcovisor Test Kit	21 Aug 2019	514	-	514	-	-	-	-	10.00%	34	34	480	-
Total Plant and Equipment		68,492	9,241	1,078	-	-	-	-		1,645	59,818	8,674	-
Total		151,172	73,256	6,036	1,496	-	505	1,180		6,511	104,087	20,610	-

These financial statements are to be read in conjunction with the accompanying notes. These statements have been audited.

Statement of Accounting Policies

Speedway New Zealand Incorporated For the year ended 31 March 2020

Reporting Entity

Speedway New Zealand Incorporated is a society.

The performance report of Speedway New Zealand Incorporated has been prepared according to generally accepted accounting practice in New Zealand as determined by the External Reporting Board.

Basis of Preparation

The entity 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 equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

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

Income Tax

Speedway New Zealand Incorporated is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Financial Performance and Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue comprises the amounts received and receivable for goods and services supplied to customers in the ordinary course of business. Revenue is recognised in the period the goods and services are supplied.

Grants received are recognised in the statement of financial performance when the requirements under the grant agreement have been met. When there are unfulfilled conditions attaching to the grant the amount relating to the unfulfilled condition is recognised as a liability and released to income as the conditions are fulfilled.

Interest income is recognised as it accrues using the effective interest method.

(b) Inventories

Inventories are recognised at lower of cost and net realisable value, determined on a first-in first-out basis. Inventories are written down if they become obsolete.

(c) Trade Receivables

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

(d) Property, Plant & Equipment and Investment Property

Property, plant & equipment is recognised at cost less aggregated depreciation and impairment losses.

All other repairs and maintenance are recognised as expenses in the Statement of Financial Performance in the financial period in which they are incurred.

Depreciation has been calculated on a diminishing value basis at rates that will write off the cost of the assets over their useful lives.

The following estimated depreciation rates/useful lives have been used:

Name	Percentage	Diminishing Value or Straight Line
Plant & Equipment - at cost	6.5% - 80.4%	DV and SL
Motor Vehicles - at cost	12% - 30%	DV
Office Furniture & Equipment - at cost	14.4% - 50%	DV and SL

(e) Intangible Assets

The cost of the Speedway New Zealand Incorporated website is recognised as an intangible asset and has been amortised on a diminishing value basis at a rate of 50%. The carrying amount of the website's value will be reviewed annually by management and adjusted where it is considered necessary.

(f) Creditors and Accrued Expenses

Creditors and accrued expenses are measured at the amount owed.

(g) Employee Costs Payable

A liability for employee costs is recognised when an employee has earned the entitlement.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

(h) Changes in Accounting Policies

There have been no changes in accounting policies during the year, other than some items have been recoded to better align the accounts.

Notes to the Performance Report

Speedway New Zealand Incorporated For the year ended 31 March 2020

	2020	2019
1. Property, Plant and Equipment		
Motor Vehicles		
Opening Carrying Amount	4,311	10,628
Purchases/(Sales or Disposals)	(991)	(5,008)
Depreciation & Impairment	(664)	(1,309)
Total Motor Vehicles	2,656	4,311
Furniture and Fittings		
Opening Carrying Amount	9,705	11,202
Purchases/(Sales or Disposals)	3,777	3,335
Depreciation & Impairment	(4,202)	(4,832)
Total Furniture and Fittings	9,280	9,705
Plant and Equipment		
Opening Carrying Amount	9,241	9,866
Purchases/(Sales or Disposals)	1,078	1,283
Depreciation & Impairment	(1,645)	(1,908)
Total Plant and Equipment	8,674	9,241
Total Property, Plant and Equipment	20,610	23,257
	2020	2019

2. Intangibles

Intangible Assets	134,227	10,157
Less Accumulated Amortisation	(13,212)	(8,452)
Total Intangibles	121,015	1,705
	2020	2019

3. Bank Accounts & Cash

Westpac Cheque Account	90,488	27,774
Westpac Savings Account	567,270	561,860
Westpac Access Account	19,115	22,603
Total Bank Accounts & Cash	676,872	612,237

4. Injured Riders Funds

Prescribed reserves of \$22,588 for the benefit of Speedway New Zealand Racers to use when injured.

	2020	2019
5. Accumulated Funds		
Accumulated Funds		
Opening Balance	609,971	494,451

Net Surplus	116,812	115,520
Total Accumulated Funds	726,783	609,971
Total Accumulated Funds	726,783	609,971
	2020	2019

6. Revenue from Members

Advertising Income	2,110	1,603
AGM Income	11,832	70,799
Competitor Infringement	20,500	12,240
Competitors Licences	749,677	718,081
Electronic Lapscore	92,594	90,736
Permit Fees	121,139	125,779
Track Fees	52,745	46,965
Total Revenue from Members	1,050,597	1,066,203
	2020	2019

7. Grants Received

Grants Received	24,739	78,000
Total Grants Received	24,739	78,000
	2020	2019

8. Revenue from Trading

Promotions	63,976	50,100
Technical Equipment Sales	11,517	7,631
Total Revenue from Trading	75,493	57,731
	2020	2019

9. Other Revenue

Capital Gain on Disposal of Fixed Assets	-	11
COVID-19 Wage Subsidy Received	2,343	-
Gain on Sale of Fixed Assets	505	5,313
Sundry Income	3,226	2,449
Total Other Revenue	6,074	7,773
	2020	2019

10. Volunteer and Employee Related Costs

COVID-19 Wage Subsidy Paid	2,343	-
Accident Compensation Levies	1,997	2,722
AGM Expenses	35,734	70,759
Executive Meetings	14,389	69,933
Training	53,037	10,156

Wages	291,288	374,308
Total Volunteer and Employee Related Costs	398,789	527,879

2020 2019

11. Costs Related to Providing Goods & Services

Advertising	6,091	7,572
Communication	4,495	5,715
Competitor Infringement	3,756	250
Electronic Lapscoreing	74,794	79,006
Licences	102,012	85,353
Officials Expenses	34,108	19,583
Permit Fees	136,048	114,659
Promotions	52,765	35,246
Sponsorship Expenses	509	3,169
Technical Expenses	50,141	44,548
Track Expenses	32,024	28,193
Vehicle Expenses	8,852	5,596
Vehicle Inspection/Compliance	6,676	5,520
Total Costs Related to Providing Goods & Services	512,271	434,411

2020 2019

12. Other Expenses

Bad Debts	-	400
Bank Charges	28,841	24,044
Computer Expenses	12,046	11,530
FBT	1,038	2,912
Freight & Cartage	29,369	25,233
General Expenses	2,932	3,366
Insurance	10,906	10,272
Legal Expenses	1,874	14,563
Loss on Disposal of Fixed Assets	1,180	2,076
Printing & Stationery	11,401	9,757
Rent/Lease Property	6,339	6,366
Electricity	1,512	1,712
Low Value Assets	2,570	2,015
Accountancy Fees	4,315	4,315
Audit Fees	3,900	4,156
Amortisation & Depreciation	11,271	9,750
Total Other Expenses	129,493	132,465

13. Related Parties

There are no related parties as at 31 March 2020 (Last year - nil).

14. Capital Commitments

There are no capital commitments as at 31 March 2020 (Last year - nil).

15. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 March 2020 (Last year - nil).

16. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

17. Events After the Balance Date

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by the New Zealand Government to contain the virus have affected economic activity post 31 March 2020. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such safety and health measures for our people (like social distancing and working from home).

At this stage, the impact on our business and results is limited. Whilst uncertain, we do not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our financial condition or liquidity. We will continue to follow the New Zealand Government's policies and advice and will continue our operations in the best and safest way possible without jeopardizing the health of our people.

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Speedway NZ Inc

Report on the Performance Report

Opinion

We have audited the performance report of Speedway NZ Inc, which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 31 March 2020, the statement of financial position as at 31 March 2020 and the statement of accounting policies and other explanatory information.

In our opinion the reported outcomes and outputs and quantification of the outputs to the extent practicable, in the statement of service performance are suitable; the accompanying performance report presents fairly, in all material respects, the entity information, the service performance, the financial position of Speedway NZ Inc as at 31 March 2020 and its financial performance, and cash flows for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows. Statement of accounting policies and note to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the performance report section of our report. We are independent of Speedway NZ Inc 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, Speedway NZ Inc.

Responsibilities of the Directors for the Performance Report

The Directors are responsible for identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance, the preparation and fair presentation of the performance report on behalf of the entity which comprises the entity information, the statement of service performance and the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and such internal control as the Trustees determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Directors are responsible on behalf of Speedway NZ Inc 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 Committee either intend to liquidate Speedway NZ Inc, or to cease operations, or have no realistic alternative but to do so.

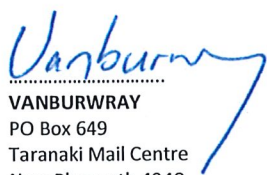
Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ASAE (NZ) 3000, 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 incorporation's internal control.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the executive committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Incorporation'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 Incorporation 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.


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25 June 2020



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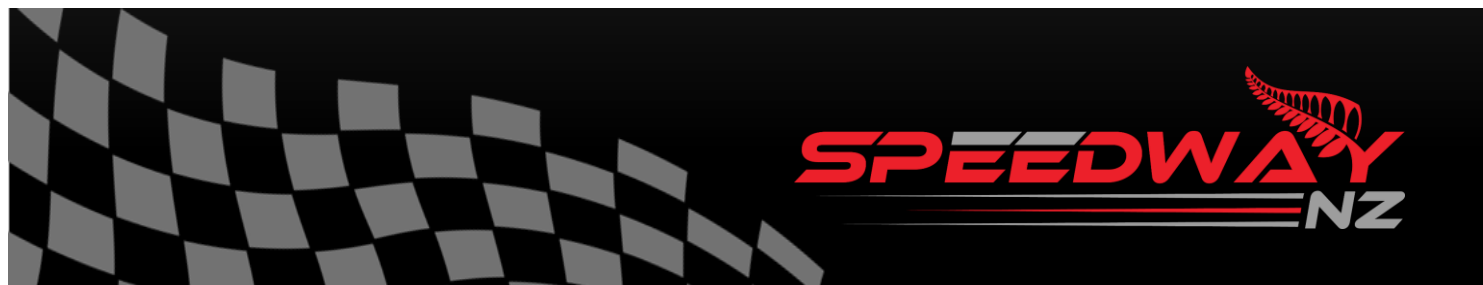
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Members of the New Zealand
Institute of Chartered Accountants



Financial Summary

	2020/21 Predicted	2019/20 Actual	2019/20 Predicted	2018/19 Actual	2017/18 Actual
Operating Revenue					
Competitors Licences	296485	483399	448600	478322	465921
One day Licences	38637	96161	83000	85313	93852
Technical Fund	35494	57870	55000	57103	54104
MSNZ Fund	11635	18783	17000	17304	19304
Club Membership	57501	93464	80000	80039	34315
Competitor Infringement	15030	20500	12900	12240	15700
AGM Income		11832	7500	70661	60236
Electronic Lapscoreing	54552	92594	84000	90736	87740
Grants Received	20000	20000	40000	36500	94255
Sponsorship Income		5000		49000	60781
Promotions Teams Income	14517	66086	50300	51920	56836
Track Fees	54845	52745	46500	46965	44785
Permit Fees	82947	121139	114150	125779	123631
Technical Equipment Sales	5119	9864	6720	7673	9195
Gross Surplus from Trading	686762	1149437	1045670	1209555	1220655
Less Expenses					
Administration and Financial					
Accountancy Fees	4315	4315	4315	4315	4100
Accident Compensation Levies	1997	1997	3000	2722	3240
AGM Expenses		35734	10000	70759	60864
Audit Fees	4156	3900	4300	4156	4156
Bad Debts					
Bank Charges	15455	25341	23150	24044	22353
Communication Costs	4440	4457	5000	5715	6747
Computer Expenses	10570	12046	11000	11530	11453
Competitor Infringement	3285	3756	7000	250	8497
Executive Meetings	25200	50461	75800	70222	50620
Electronic Lapscoreing	44489	74794	87500	79006	77637
Fringe Benefit Tax		1038	2900	2912	5294
General Expenses	3000	2932	3000	3381	2954
Insurance	14900	12780	11000	10272	13325
Legal Expenses - Deductible			10000	14563	24055
Licences	53045	98708	83000	82823	49625
Officials Expenses	4046	34108	4800	19583	14064
Permit Fees Expenses	108188	136048	110350	114659	116045
Printing and Stationery	10867	11401	9500	9757	5764
Rent/Lease Property	6174	6339	6600	6366	6348
Training	14900	16966	34000	10156	18063
Vehicle Inspection/Compliance	2404	6676	11775	5520	6881
	331431	543797	517990	552711	512085



	2020/21 Predicted	2019/20 Actual	2019/20 Predicted	2018/19 Actual	2017/18 Actual
Operating					
Advertising	3043	9591	6600	7572	2531
Electricity	1620	1512	1700	1712	1677
Freight & Cartage	19351	29456	24000	25233	23923
Low Value Assets	3350	2570	2000	2015	1688
Promotions Expenses	13500	52804	45850	35231	42862
Sponsorship Expenses		509	5000	3169	16125
Track Expenses	38600	32024	30000	28193	31262
Vehicle Expenses	12167	8852	5750	5596	10012
Wages	319714	293631	315200	374308	393520
Technology		1500			
Technical Expenses	47725	48354	65650	44363	68278
Refunds	3010	3852	4745	10752	
	462080	484655	506495	538144	591878
Non Cash					
Depreciation/Amortisation	17659	11271	9500	9750	18107
Asset Write Off		1180	500		227
Bad Debts Write off			800	400	870
Total Non Cash	17659	12451	10800	10150	19204
Total Expenses	811170	1040903	1035285	1101005	1123167
Operating Deficit before Other Income	-124408	108534	10385	108550	97488
Other Income					
Interest Received	389	463	300	568	486
Donations in Kind		20			
Covid-19 Wage Subsidy Received	29275	2343			
Sundry Income	4269	4948	1000	3153	1783
Gain on sale		505		3248	
Loss on sale					
Net surplus/deficit(-) before tax	-90475	116813	11685	115519	99757

Covid-19 presented a number of challenges, none greater than financial forecasting. Four budgets were prepared and drafted for the 2020/21 season as we navigated the various levels, unknown around the return to mass gatherings and implications on the economy.

The final result being a pretty brutal “worse case” budget, with designated 3 month review points to ensure flexibility as we navigate Covid-19, the economy and the resulting impact on the sport.