

## INDEPENDENT AUDITOR'S REPORT

To the Trustees of Bendigo Valley Sports and Charity Foundation

### Opinion

We have audited the financial statements of Bendigo Valley Sports and Charity Foundation ("the Foundation") on pages 3 to 18, which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive revenue and expenses, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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, the Foundation.

### Emphasis of matter

We draw attention to Note 14 of the Notes to the financial statements which state that like every industry Covid had a dramatic effect on the Trust. All venues were closed for a period of approximately seven weeks and over that time the Trust had zero income. As a requirement of their license the Trust still had to distribute funds and no part of the community missed out. Whilst some applicants had their amounts cut back, most received what they asked for. This was especially true for the education sector where all applicants received a grant equal to the previous year's figures.

However, as a result of the closure and the drop of income the number of grant applications approved by the Trust dropped from 581 (the previous year) to 499 for the current year.

Due to the uncertainty of the Covid Pandemic the Trust has informed all their operators that they will not be purchasing any new machines in the near future, and as such the Trust will not be borrowing money to purchase gaming machines.

This Trust is performing very well after the Level 4 lockdown but is not that naïve to predict the performance will continue next year. The Trust is very reliant on the Government and the level it sets

for the good of the country. Anything over Level 3 closes their industry down so the Trust is very cautious in making predictions going forward. However, providing the current Covid 19 levels or lower levels apply there should not be any effect on the Trust's ability to operate as a going concern.

Our opinion is not modified in respect of this matter.

#### **Responsibilities of Those Charged with Governance for the Financial Statements**

Those charged with governance are responsible on behalf of the Foundation for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, those charged with governance are responsible on behalf of the Foundation for assessing the Foundation'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 those charged with governance either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

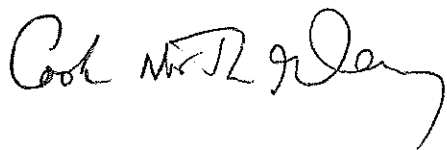
- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with those charged with governance 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.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance report.

**Restriction of Distribution or Use**

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

A handwritten signature in black ink, appearing to read "Cook North & Wong". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Cook North & Wong  
Dunedin  
1 September 2020

**BENDIGO VALLEY SPORTS AND CHARITY FOUNDATION**  
**SUMMARY OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Summary statement of income	2020	2019
<b>Revenue</b>		
Gaming machine profit	4,834,167	5,339,254
Interest received	246	245
Net gain on disposal of property, plant and equipment		
Other revenue		
<b>Operating revenue</b>	<u>4,834,413</u>	<u>5,339,499</u>
<b>Expenditure</b>		
Direct Gaming Costs	2,168,810	2,421,914
Depreciation	231,108	311,707
Indirect Gaming Costs	307,682	380,006
Interest expense	45,457	47,816
<b>Operating expenditure</b>	<u>2,753,057</u>	<u>3,161,443</u>
<b>Distribution to the Community</b>	<b>1,934,672</b>	<b>2,136,575</b>
<b>Surplus / Loss for the Year</b>	<u><u>146,684</u></u>	<u><u>41,481</u></u>

Summary Statement of Financial Position	2020	2019
<b>Community Equity</b>		
Current Assets	343,039	268,570
Non current Assets	1,265,117	1,129,682
<b>Total Assets</b>	<u>1,608,156</u>	<u>1,398,252</u>
Current liabilities	670,835	595,931
Non current liabilities	388,706	400,390
<b>Total liabilities</b>	<u>1,059,541</u>	<u>996,321</u>
<b>Net Assets</b>	<u><u>548,615</u></u>	<u><u>401,931</u></u>