



2022

# ANNUAL REPORT



For year ending 31st March 2022

# Expertise that works for you



**Local knowledge, good science,  
technology and expertise matter.**

So does supporting those doing great work in the agri-sector, which is why we're proud to partner with the Canterbury A&P Association in helping them bring The Show to life.

  
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better New Zealand**

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## AUDITOR

KPMG

## LEGAL ADVISORS

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## Annual General Meeting

The Annual General Meeting of Members of the Canterbury Agricultural and Pastoral Association, held at The Hornby Working Mens Club on Wednesday 24 August 2022 at 3pm.



# At the heart of everything we do is rural leadership.



The Canterbury Agricultural and Pastoral Association (CAPA) is woven into the fabric of the province. It is a name synonymous with the annual A&P Show, which has grown over the years to become the largest of its kind in New Zealand.

The Show is an opportunity for town and the rural sector to meet, providing a glimpse into the backbone of the New Zealand economy.

We are New Zealand's oldest and largest Agricultural and Pastoral Association. We have a strong heritage of celebrating excellence in agriculture and building a connected rural community.

Established in 1863, it is an association under the Agricultural and Pastoral Societies Act 1908 and membership is open to anyone interested in furthering the progress of agriculture.

While we will always celebrate our heritage and community spirit, we are also in a unique position as agricultural leaders. We work with agricultural and political leaders, to break down the rural/urban divide and help them progress agriculture in innovative and socially conscious ways.

We are highly connected across the agricultural sector due to our:

- Location in New Zealand's largest food & fibre region
- Expertise and skillset held by our board and general committee
- Wide diversity of knowledge and appreciation in many agricultural & pastoral areas
- Focus on the future of the sector and affecting change - not just showing



Canterbury A&P Association is more than a membership organisation or event provider, it's a community of passionate agricultural professionals who are proud of the work they do.

Our members and stakeholders celebrate successes, share ideas, advocate, grow and progress agriculture together.

CAPA's role is to be the foundation for this community, to provide spaces to celebrate excellence, share ideas and learn. To support others in their pursuit of progress and to build the foundations for the future of agriculture in Canterbury.

The CAPA annual report reflects our financial year ending 31st March 2022. In line with our sustainability endeavours, we have a limited print run of 200 copies with the report available online.

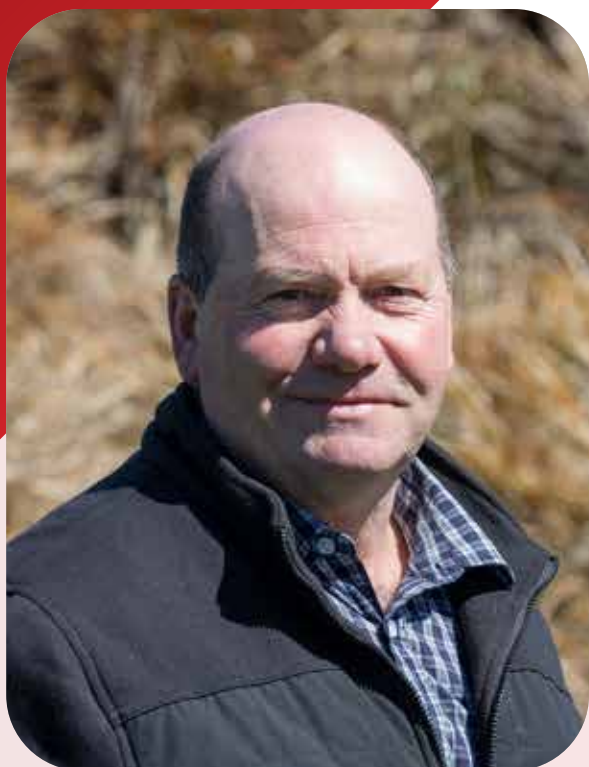


<https://theshow.co.nz/about-the-show/canterbury-a-p-association/member-ship-show/annual-general-meeting>





# PRESIDENT'S REPORT



**CHRIS HARRIS**  
**PRESIDENT**

Three years have passed since the last Show and my election as President; whether you liked it or not, you were stuck with me.

Like much of the world, our plans dramatically changed in March 2020. The COVID-19 pandemic shut down entire sectors of the economy, throwing many out of work, forcing many to work from home, and others to provide essential frontline services in dangerous conditions. This was no different for A&P Associations across New Zealand, who all struggled. CAPA, with our community's support and the lessons learned along the way, has survived, and we are all very much looking forward to this year's Show.

It is encouraging to see the tremendous work going on behind the scenes this year in preparation for the 2022 Show and future Shows.

During a period of considerable change for CAPA it was sad to see Dugald, Jonathan, and Mel leave the Association, all of whom were part of our CAPA family and had huge Show IP. It is positive that we have a new CAPA Team to deliver this year's Show, and it will be up to us, the General Committee, to volunteer our historical knowledge to ensure success.

Understandably with the Christchurch City Council Loan, there will be many of you concerned about the Association's finances; I can assure you that we are in very safe hands with Steve Barry at the helm of finance, and I would like to thank him for his unstinting efforts and commitment.

It is fantastic that kids can come for free to this year's Show, I was at the first meeting with Kiwi Gaming Foundation in 2021, and this is a game changer for The Show. In these tough economic times, it talks to our family-focused ethos.

More hands definitely make light work, and we look forward to welcoming back our volunteers, past and new; we hope that you will enjoy our hospitality and know that you are a valued part of our Associations history.

The Show would not be possible without the significant support of loyal sponsors. We thank them for coming back on board and welcome all new sponsors to our committed community.

My mother, Mavis Harris, was a show jumper for New Zealand, and I have her to thank for my involvement at The Show from a very early age; even though she has her name on many of our trophies, I can proudly say that my name is on more.

The 2022 Show ends my tenure as President. I look forward to being more hands-on within the Equestrian Sector and, if I can get my back sorted, back to competing.



# CHAIRMAN'S REPORT

Dear Members,

It has been another challenging year.

The pandemic environment has continued to challenge us and has effectively wiped out our balance sheet over the past two and a half years.

Having commenced preparation for the 2021 Show and incurred costs until August 2021, the latest outbreak of the pandemic at that time saw the impact of the traffic light system and the necessary decision to again cancel The Show for the second year in a row.

Whilst the board had already initiated transitioning the management of The Show in house, we were then forced to bring the Event Director contract with TDM to a close, but unfortunately, not without significant cost. Accordingly, we have now changed the business model to reduce costs. We now employ our own staff under the guidance of our General Manager, Tracy Ahern, who has managed a difficult twelve months with unwavering resilience and positivity.

Our Finance director, Steve Barry, has also been extremely active overseeing the financial management transition and he, has also committed a significant amount of time, way and above what might have been expected to help ensure we stave off any risk of insolvency. These have included lengthy discussions with the Christchurch City Council who have been supportive, and we have now negotiated a million-dollar loan to ensure we have the working capital to deliver The Show in 2022. In that regard, Steve has been working with the new finance team, both internally and externally, to build a new business model and associated budget, that hopefully will give us plenty of confidence to deliver a profitable and sustainable Show in 2022.

More specifically the Christchurch City Council loan is being underpinned by the work Steve is leading on developing the Wigram land opportunity. This is ongoing and challenging, but hopefully will reward us with a successful capital development and, provide us with much greater sustainability and a steady income stream in years to come.

Naturally the board's emphasis has had to be on survival and averting potential financial ruin. The strength of our relationships with ChristchurchNZ, the City's economic, tourism and event development agency, and the Council itself, have allowed us to leverage these opportunities and we thank the Mayor, and staff at both organisations for their support.



**STEWART  
MITCHELL**  
CHAIRMAN





Crises necessitate change (and provide new opportunities) and we now have an almost entirely new team driving The Show and the management of the Park. Some long serving staff have chosen to move on, as jobs have been repositioned, and I personally would like to thank the Operations staff, Dugald (retired) and Jonathan, and also Mel, our long-standing Show Secretary, for their understanding and forbearance through a time of turmoil and uncertainty, and wish them well for the future.

I believe the future is bright as long as we have no further pandemic interference. We have a new and invigorated team, opportunity to re-invent and re-imagine The Show, and we are working on a significant capital asset to underpin the financial future of the organisation.

We continue to innovate in the digital space and new initiatives are underway. Children will come free this year, which is HUGE, thanks to a significant grant from the Kiwi Gaming Foundation. We will also commence a 'Park & Ride' program from the central city this year, which will hopefully increase numbers and reduce parking (and emissions) challenges.

Finally, as always, a big thankyou to my fellow independent directors, Mark Clarkson and Melissa Davies, and to the General Committee and the volunteers, whose passion and commitment make this iconic organisation tick. As always, there has been an extraordinary contribution from the General Committee and volunteers who have had to 'ride with the punches', adjust to the new world order, and will now have to stand up their events as best they can, in a new and largely unknown event environment, with an untested business model.

My thanks also, particularly to our President, Chris Harris, Vice President, Anne Rogers and Junior Vice President, Bryce Murray, who along with our long standing and invaluable directors, Richard Lemon and Ian Stevenson, provide the nexus with the committee and volunteers.

I wish to acknowledge those sponsors that stuck with us throughout 2021 and now 2022, and our many other stakeholders, including major suppliers. We don't take you for granted and value your ongoing contribution, for many of you, year in year out.

Finally, let us hope we can hold a successful and uninterrupted Show in November. Whilst the world is still in Covid turmoil, we plan to deliver the most engaging and successful Show yet.



# GENERAL MANAGER'S REPORT



**TRACY AHERN**  
**GENERAL MANAGER**

## Resilience and Progress

Fiscal 2021 was certainly a roller coaster ride that kept us guessing. Like its predecessor, it was one of those years many people were pleased to see end.

The difficulties that came with the global pandemic stayed with us throughout the year. Despite the Government implementing the traffic light system and vaccines becoming available, CAPA was again unable to have anything like a normal operating year.

It's too easy to speak of what didn't go well. Instead, let's think of what did. The key achievements have been:

- New staff – all in house and development of a team culture 100% focused on CAPA.
- Development of a long-term tenancy strategy for the Park.
- Receiving a \$250,000 grant from Kiwi Gaming Foundation for kids to attend the 2022 Show for FREE.
- Launch of the new CAPA SuperShow Website, brand, and digital strategy. Moving our computer structure from on premise to the cloud improving the security of our intellectual property.
- Partnership with Corrections to allow substantial work to be completed at the park and to our facilities.
- Installed, populated and implemented ONSIDE Health & Safety – Park & Event Management APP.
- New carpet/flooring and painting of the CAPA Show offices.





## 2021 Highlights

1. NZ Ag Show, TVNZ – ON Demand Program – 2 Screenings – December 21 and April 22, watched by over 220,000 households within NZ and still growing. It is an excellent watch <https://www.tvnz.co.nz/shows/the-agricultural-show-2021>
2. Hazlett Children's Farmyard - Pivoted to a "bubble" model, which was very successful and funded by Kiwi Gaming Foundation. This model will be implemented in 2022 to increase the interaction with the farmyard animals.
3. Section Competitions and NZ Ag Online Shows continued under COVID restrictions. Aotearoa Regional Wine Competition, Young Auctioneers, Mint Lamb, Ram Fair, and Girls & Boys Ag Day continued under Covid restrictions.

## 2022 Highlights

1. Successful New Zealand Bloodstock Sales event.
2. Successful Rugby League Season.
3. Receipt of a comprehensive evaluation of the annual Show by MI Associates, a Global Event Delivery specialist, funded for us by ChristchurchNZ. This insightful report has seen the implementation of various plans to collect and use data from the 2022 Show to help shape and formalise CAPA's long-term strategy and business plan for 2023.
4. Thorough and robust operational and financial planning for the 2022 Show, incorporating new competitions, support of Rural Mental Health, Youth Focus, and a reimagined BaaBaa Bar, open in the evenings.

One thing COVID couldn't dampen was our desire to have a Show in 2022. There is an incredible appetite to have a Show this year, and the CAPA team believes it will be our "Best Show EVER!". Section committee members have been generous with their ideas, advice, and resources to make things happen, and it is because of this spirit of giving that we can do many of the things we are doing at this year's Show.

I came into the position of part-time General Manager in July 2021. It became apparent very quickly that this was not a part-time role. Transitioning from an event management company delivering The Show and managing the business to bringing the management all in house was a significant change, but one that has already and will continue to deliver better outcomes for the organisation.

Understandably, change has come with many challenges as we look to build a more robust organisation. Losing staff members unable to embrace the change and Dugald to retirement, slowed us down but has enabled us to establish a new team and culture with an emphasis on driving revenue from all events held at the Park and to look to new and innovative ways of generating income outside of Show week.

We have established an enthusiastic, focused, and dedicated team and strengthened our great network of volunteers throughout our Association. The generous support provided to our team and me by key General Committee members to develop and reshape IP around the show has been extraordinary. Their tireless efforts will ensure our members and visitors can continue to create inter-generational memories.

As we head towards a successful show this November and into 2023, we are in a stronger position than we have been for a long time, and despite the financial hurdles we still need to overcome, I feel very confident in the future direction of CAPA. It is an honour to be a small part of what CAPA has achieved.

# FINANCIALS

## STEVE BARRY DIRECTOR, AUDIT & RISK



### **The COVID impact on CAPA's financial position has been significant.**

Operating losses of \$844,484 accumulated over the last two plus affected financial years have resulted in a new loan debt of \$1.0m sourced from the CCC, to fund these losses and to provide sufficient financial resources to the organisation to be able to plan for and deliver a show in 2022. The repayment of this debt will place a significant financial burden on the organisation for the next ten years.

COVID alone, however cannot be blamed for the current financial position. CAPA has in truth lurched from one financial crisis to another since its move to Curletts Road in 1997 with its income and profitability being inadequate to sustain its needs and to accumulate sufficient reserves to be able at least in part, whether the impact of COVID on its financial position.

Without the historical and ongoing financial support of key external stakeholders, it is likely the organisation would have been confronted by the risk of liquidation in 2021/2022.

While recognising that CAPA is a member-based charitable organisation, it is essential for its long-term survival that it adopts a stronger business focus, diversifies its income streams and is willing to embrace change. Continuing to do what has been done in the past will not deliver the financial outcomes the organisation now needs to survive in the short term and to thrive into the future.

Continued reliance on external support needs to be replaced with a commitment to becoming a resilient and self-supporting business. External support can then be focused on supporting growth and improvement initiatives.

The outlook for the 2022 Show is positive. Robust financial planning is now in place and being implemented to ensure that a profitable Show is delivered, starting the recovery journey. With fair weather and a tail wind a good financial result is expected from this year's Show. A resurgence of COVID and the introduction of new restrictions and regulations remains a key risk. This is to a large degree mitigated by CAPA's eligibility for support under the Government's 'Event Support Payment Scheme', but such a scenario would still further adversely affect the organisation's financial position.

The Board is committed to the implementation of a strategy and business planning process to deliver the change needed while maintaining our focus on our values and being true to the organisation's history and purpose. It is essential that our members, committees, and other stakeholders embrace and actively participate in this to ensure long-term financial viability.



# STATEMENT OF FINANCIAL PERFORMANCE

Canterbury Agricultural & Pastoral Association  
For the year ended 31 March 2022

Account	Notes	2022	2021
<b>Revenue</b>			
Administration		270	37,800
Events		31,322	17,357
November Show		274,235	163,452
Donations		3,750	117,602
Non-Exchange Transactions		121,862	389,234
Operations		384,846	297,397
Saleyards Overhead & Expense Recoveries	11	160,131	124,233
Member Subscriptions		50,559	51,194
Interest		672	274
<b>Total Revenue</b>		<b>1,027,648</b>	<b>1,198,544</b>
<b>Direct Expenditure</b>			
Administration	10	387,499	108,668
Events		15,494	9,247
November Show		568,800	667,088
Operations		468,090	265,748
Saleyards	11	65,725	38,706
<b>Total Direct Expenditure</b>		<b>1,505,609</b>	<b>1,089,456</b>
<b>Overhead Expenditure</b>			
Fees Paid to Auditors		10,000	10,000
Bank Charges		1,054	1,430
Insurance	11	56,994	55,305
Interest		10,368	5,851
Rates	11	41,237	42,292
<b>Total Overhead Expenditure</b>		<b>119,653</b>	<b>114,878</b>
<b>Surplus from Operating Activities Before Depreciation &amp; Amortisation</b>		<b>(597,615)</b>	<b>(5,790)</b>
<b>Depreciation &amp; Amortisation</b>			
Depreciation & Amortisation		88,533	148,875
<b>Total Depreciation &amp; Amortisation</b>		<b>88,533</b>	<b>148,875</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>(686,148)</b>	<b>(154,665)</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the Compilation Report.

# STATEMENT OF MOVEMENT IN MEMBERS FUNDS

Canterbury Agricultural & Pastoral Association  
For the year ended 31 March 2022

Account	2022	2021
<b>MEMBERS FUNDS</b>		
Opening Balance	2,648,014	2,802,679
<b>Recognised Revenue &amp; Expenses</b>		
Profit (Loss) after Tax	(686,148)	(154,665)
<b>Total Recognised Revenue &amp; Expenses</b>	<b>(686,148)</b>	<b>(154,665)</b>
<b>Asset Revaluation Reserve</b>		
Revaluation of Land & Buildings	225,560	-
<b>Total Asset Revaluation Reserve</b>	<b>225,560</b>	-
<b>Total Member Funds</b>	<b>2,187,426</b>	<b>2,648,014</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the Compilation Report.





# STATEMENT OF FINANCIAL POSITION

Canterbury Agricultural & Pastoral Association  
For the year ended 31 March 2022

Account	Notes	2022	2021
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	4	716,386	385,804
Trade Debtors		51,037	70,311
Sundry Debtors and Prepayments		39,029	-
Stock on Hand		35,790	24,580
Total Current Assets		842,242	480,695
Non-Current Assets			
Property, Plant and Equipment	6	2,562,077	2,391,667
Intangible Assets	6	12,574	17,071
Farmlands Capital		607	591
Total Non-Current Assets		2,575,258	2,409,329
<b>TOTAL ASSETS</b>		<b>3,417,501</b>	<b>2,890,024</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade Creditors		36,947	32,302
Sundry Creditors and Accruals		37,120	28,179
Income in Advance		79,977	90,064
Goods and services tax		4,971	10,455
Total Current Liabilities		<b>159,015</b>	<b>161,000</b>
Non-Current Liabilities			
Income In Advance		71,060	81,009
Loans	12	1,000,000	-
Total Non-Current Liabilities		1,071,060	81,009
<b>TOTAL LIABILITIES</b>		<b>1,230,075</b>	<b>242,010</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>2,187,426</b>	<b>2,648,014</b>
<b>MEMBER FUNDS</b>			
Member funds		2,187,426	2,648,014
<b>TOTAL MEMBER FUNDS</b>		<b>2,187,426</b>	<b>2,648,014</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the Compilation Report.

# STATEMENT OF CASH FLOWS

Canterbury Agricultural & Pastoral Association  
For the year ended 31 March 2022

Account	Notes	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash was received from:</b>			
Donations, fundraising and other similar receipts		3,750	117,702
Receipts from providing goods or services		983,434	1,202,229
Interest, dividends and other investment receipts		672	3,162
Net Goods and Services Tax		-	37,786
<b>Cash was applied to:</b>			
Payments to suppliers and employees		1,612,518	1,313,071
Interest Paid		10,369	-
Net Goods and Services Tax		5,484	
<b>Net Cash Flows from Operating Activities</b>		<b>(640,515)</b>	<b>47,808</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash was applied to:</b>			
Payments to acquire property, plant and equipment		28,887	2,074
Cash flows from other investing and financing activities		16	-
<b>Net Cash Flows from Investing Activities</b>		<b>(28,903)</b>	<b>(2,074)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash was received from:</b>			
Proceeds from Loans borrowed from other parties		1,000,000	
<b>Net Cash Flows from Financing Activities</b>		<b>1,000,000</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents</b>		<b>330,582</b>	<b>45,734</b>
Opening Cash and cash equivalents		385,804	340,070
<b>Closing Cash and cash equivalents</b>	<b>4</b>	<b>716,386</b>	<b>385,804</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the Compilation Report.



Steve Barry, Director of Audit & Risk  
10.08.2022



Stewart Mitchell, Chairman  
10.08.2022

# NOTES TO THE FINANCIAL STATEMENTS

## Canterbury Agricultural & Pastoral Association For the year ended 31 March 2022

### 1. Reporting Entity

The Canterbury Agricultural & Pastoral Association is a Society governed by the Agricultural & Pastoral Societies Act 1908.

Canterbury Agricultural & Pastoral Association is registered as a Charitable Entity under the Charities Act 2005. Registration Number CC39172.

### 2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. They comply with the PBE Accounting standards as appropriate for Tier Two not-for-profit benefit entities. As a registered charity, the Canterbury Agricultural and Pastoral Society is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Association is a Tier Two reporting entity as it has expenditure less than \$30m and greater than \$2m.

#### Measurement Base

The financial statements have been prepared on the basis of historical cost except for the following material items in the statement of financial position:

- Buildings are stated at valuation
- Livestock is measured at market value

These financial statements are presented in New Zealand Dollars (\$), which is the Association's functional currency. All amounts have been rounded to the nearest dollar unless otherwise stated.

#### Going Concern

The financial statements have been prepared on a going concern basis. Further information on the impact of COVID-19 going concern can be found under note 15 of the financial statements.

### 3. Specific Accounting Policies

#### a) Depreciation & Amortisation

Depreciation has been charged on the basis of cost or valuation, at rates based on the expected economic life of the asset.

The following rates have been used:

- Buildings 2% - 6% SL
- Furniture & Fittings 8% - 40% DV
- Office Equipment 12% - 67% DV
- Plant & Machinery 2% - 67% DV
- Motor Vehicles 10% - 30% DV

The depreciable amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life be allocated on a systematic basis over its useful life.

The following rates have been used:

- Intangibles 15% SL

#### b) Valuation of Property, Plant & Equipment

Land and buildings (not including the Saleyards building), are included at depreciated replacement cost, due to the specialised nature of building. Other assets are stated at cost less depreciation to date. Property, plant & equipment are written down immediately if an impairment in the value of the asset causes the recoverable amount to fall below carrying amount.

#### c) 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. There are no restrictions over any of the cash and cash equivalent balances held by the company.

#### d) Trade Debtors

Trade debtors are valued at net realisable value after due allowance for doubtful debts.

#### e) Leases

Payments made under operating leases are recognised in the statement of financial performance on a basis representative of the pattern of benefits expected to be derived from the leased assets.

#### f) Canterbury Sale Yards

On the 18 December 2017, the Association renewed the lease with Canterbury Sale Yards (1996) Limited for a second term. Under the lease renewal document a number of key terms were changed with Canterbury Sale Yards (1996) Limited paying all outgoings going forward.

Canterbury Sale Yards (1996) Limited has the right to claim nine rights of renewal, each for 20 years – potentially a further 180 years from December 2017.

If the lease is not renewed, all ownership and occupancy benefits and costs revert to the Association.

#### Key terms

1. Beyond 2017 and for so long as Canterbury Sale Yards (1996) Limited has renewed its lease, rentals shall be zero. Canterbury Sale Yards (1996) Limited assumes responsibility for all outgoings including repairs and maintenance, property expenses, etc., subject only to an apportionment based on the availability of the premises to the Association.

2. The Sale Yards lease meets the definition of a "Finance Lease" under Accounting Standards. The Standard requires that the economic substance of the transaction be reported in the accounts, rather than emphasising the legal ownership.



The Association's gross investment in finance leases and the amount of unearned finance income has not been disclosed, as it cannot be calculated owing to the variable nature of the payments.

The unguaranteed residual value of the leased assets cannot be calculated because the potential length of the lease including all available renewal terms cannot be ascertained.

3. At the time of the renewal of the Canterbury Sale Yards lease on 18 December 2017, responsibility for the maintenance of the building passed to Canterbury Sale Yards (1996) Limited (CSY) as the lessee. CSY has advised CAPA that they believe that certain maintenance that was the responsibility of CAPA prior to this date, was not undertaken by it as it should have been the case in the ordinary course of business and as would be normal practice of a reasonable owner.

They are therefore of the view, that when assessing the current maintenance needs of the building in accordance with the new lease terms and conditions, that reasonable consideration should be given to the deferred maintenance inherited by them and that some of the responsibility for and costs associated with this sits with CAPA.

Determination of what the cost of any deferred maintenance that may have existed as at 18 December 2017, is a difficult and complex exercise. CSY and CAPA have agreed to jointly engage a specialist consultant to consider this matter and to provide an independent report to both Boards to review and consider. This report will form the basis of further discussions with CSY as to the maintenance now required, a programme to address such maintenance and the sharing of these costs, if any, in accordance with the above.

This gives rise to a potential significant future liability for CAPA, representing its contribution towards ensuring maintenance of the CSY asset is brought up to date and to an appropriate level, recognising the age and use of the buildings and associate improvements.

#### *g) Valuation of Livestock*

Livestock has been valued using market value.

#### *h) Income Taxation*

Canterbury Agricultural & Pastoral Association is wholly exempt due to Charitable Status from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

#### *i) 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.

#### *j) Revenue from Exchange and Non-Exchange Transactions*

##### Revenue from exchange transactions

##### Service

Revenue from services rendered is recognised in the statement of financial performance when the service is provided.

##### Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue is measured net of returns and trade discounts.

##### Interest Income

Interest income is earned for the use of cash and cash equivalents or any amounts due to the Association.

Interest income is recognised in the statement of financial performance as it is earned. Interest income is accrued using the effective interest rate method.

The effective interest rate exact discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest revenue each period.

##### Revenue from non-exchange transactions

##### *Non-exchange revenue*

Non-exchange transactions are those where the Association receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Association will receive an inflow of economic benefits or service potential; and
- The fair value of the asset can be measured reliably

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- The amount of the obligation can be estimated reliably.

The following are the specific recognition criteria in relation to the Association's non exchange transactions.

##### Grant and donations

Payments received under grants are recognised in the Statement of Financial Performance upon fulfilment of terms and conditions attached to each individual grant.

##### Donated Services

The Association sometimes receives donated services from volunteers. The Association has elected not to recognise these services as they are difficult to measure reliably.

##### *k) Related Parties*

The Association regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Association, or vice versa. Members of key management are regarded as related parties and comprise the Directors of the Association.

##### *l) Employee Benefits*

Short-term employee benefit liabilities such as provision for holiday pay are recognised when the Association has a legal or constructive obligation to remunerate employees for services provided and that are expected to be settled wholly before 12 months after the reporting date. Short-term employee benefits are measured on an undiscounted basis and expensed in the period in which employment services are provided.

#### 4. Cash and cash equivalents

	2022	2021
Current Account Trading	335,205	152,652
Current Account Donations	24,413	23,713
Business First Oncall Account	13,181	106,696
Rapid Save Account	343,330	102,743
Cash on Hand	257	-
<b>Total Cash and cash equivalents</b>	<b>716,386</b>	<b>385,804</b>

#### 5. Lease Commitments

In 2001 the Christchurch City Council acquired the Canterbury Agricultural Park Land. The Association has entered into a license for 100 years from 1 April 2001 with the Christchurch City Council to occupy 90.14 hectares of that land for one month in each year. The Association has also entered into a lease for 20 years from 1 July 2021 with the Christchurch City Council with respect to 2.03 hectares of that land. The rental cost of the land is based on the actual costs incurred for that year.

#### 6. Property, Plant and Equipment & Intangible Assets

	Cost/valuation 31 March 2021	2021 Additions	2021 Disposals	Depreciation Expense	Accumulated Depreciation 31 March 2021	Book Value 31 March 2021
	\$			\$	\$	\$
<b>Buildings (Valuation)</b>	2,122,000	-	-	42,440	42,440	2,079,560
<b>Buildings (Improvements)</b>	109,325	-	-	3,676	31,938	77,387
<b>Furniture &amp; Fittings</b>	9,776	-	-	336	7,205	2,572
<b>Office Equipment</b>	22,519	-	-	2,601	17,737	4,782
<b>Plant &amp; Machinery</b>	607,925	2,074	-	19,694	383,993	223,932
<b>Motor Vehicles</b>	17,358	-	-	1,264	13,925	3,433
	<b>2,888,904</b>	<b>2,074</b>	<b>-</b>	<b>70,013</b>	<b>454,798</b>	<b>2,391,667</b>

	Cost/valuation 31 March 2022	2022 Additions	2022 Disposals	Depreciation Expense	Accumulated Depreciation 31 March 2022	Book Value 31 March 2022
	\$			\$	\$	\$
<b>Buildings (Valuation)</b>	2,347,560	225,560	-	42,816	85,256	2,262,304
<b>Buildings (Improvements)</b>	99,960	-	9,366	8,398	30,970	68,991
<b>Furniture &amp; Fittings</b>	9,012	452	1,216	408	6,397	2,616
<b>Office Equipment</b>	25,686	9,237	8,838	4,021	12,920	12,765
<b>Plant &amp; Machinery</b>	583,447	19,199	40,908	26,982	370,067	213,380
<b>Motor Vehicles</b>	14,858	-	2,500	1,412	12,837	2,021
	<b>3,080,524</b>	<b>254,448</b>	<b>62,828</b>	<b>76,477</b>	<b>518,447</b>	<b>2,562,077</b>

	Cost/valuation 31 March 2021	2021 Additions	2021 Disposals	Depreciation Expense	Accumulated Depreciation 31 March 2021	Book Value 31 March 2021
	\$			\$	\$	\$
<b>Intangibles</b>	29,977	-	74,336	4,497	12,906	17,071

	Cost/valuation 31 March 2022	2021 Additions	2021 Disposals	Depreciation Expense	Accumulated Depreciation 31 March 2022	Book Value 31 March 2022
	\$			\$	\$	\$
<b>Intangibles</b>	29,977	-	-	4,497	17,403	12,574

The buildings were last independently valued in May 2020 by William Blake, a registered valuer with Bayleys Valuations Limited in association with Knight Frank. Mr Blake is a member of the New Zealand Institute of Valuers. The indemnity insurance valuation of the buildings at February 2022 is \$2,347,560 (2020: \$2,122,000). The revised revaluation of \$2,347,560 is recognised in the financial statements at balance date. The buildings are revalued at least every three years, and more frequently if necessary to ensure carrying amounts are not materially different from fair value as at balance date. The Christchurch City Council has a registered first mortgage over property at 71 Wigram Road, Wigram, Christchurch and protected security interest in all present and after acquired property of the Association.

## 7. Reconciliation of Operating and Net Surplus for the year Ended 31 March 2022

	2022 Year	2021 Year
<b>Net Cashflow from Operational Activities</b>	<b>(640,515)</b>	<b>47,808</b>
<b>Non Cash Items:</b>		
Depreciation & Amortisation	(88,533)	(148,875)
<b>Movement in Working Capital:</b>		
Movement in Stock	11,210	(7,300)
Movement in GST	5,484	(37,786)
Movement in Debtors	17,733	(83,008)
Movement in Creditors	7,198	74,682
<b>Net Surplus/(Deficit) for the year</b>	<b>(686,148)</b>	<b>(154,748)</b>

## 8. Related Party Disclosure

Tenth Dot Management Limited was contracted to administer the operations of the Canterbury Agricultural & Pastoral Association for part of the 2022 financial year during which time the Event Director was a Director in Tenth Dot Management Ltd and Beck & Caul Ltd, who provided services to the Canterbury Agricultural & Pastoral Association.

Fees and disbursements paid to these two entities were \$417,847 and were all incurred and paid in the ordinary course of business. Apart from this disclosure, there have been no other material related party transactions.

## 9. Sponsorship

Significant sponsors to the Canterbury Agricultural & Pastoral Association during the year were the following: the Christchurch City Council, Christchurch NZ Ltd, Bayleys Real Estate, Pub Charity Limited, Kiwi Gaming Foundation Ltd and Vero Insurance New Zealand Ltd.

## 10. Administration Expenses

In November 2021, CAPA reached an agreement for the termination of a Management Agreement in place with a third party to manage the operations of the organisation. These negotiations were difficult and complex resulting in significant accounting, legal and advisory costs along with a significant compensation payment. These costs which totalled in excess of \$150,000, are regarded by the Board of Directors as extraordinary and non-recurring.

## 11. Saleyards Overhead & Expense Recoveries

Canterbury Sale Yards (1996) Limited has entered into a new lease renewal document with The Canterbury Agricultural & Pastoral Association, which specifies The Canterbury Sale Yards (1996) Limited is liable for all overhead expenses relating to the saleyards building. Any closing profit/loss represents a change in accounting accruals.

Account	2022	2021
<b>Saleyards Revenue/Expense Summary</b>		
<b>Revenue</b>		
Saleyards Overhead & Expense Recoveries	(160,131)	(124,233)
<b>Saleyards Overhead &amp; Expense Recoveries Expenses</b>	<b>(160,131)</b>	<b>(124,233)</b>
Saleyards Overhead Expenses	65,725,36	38,706
Insurance (Saleyards)	56,994	55,305
Rates	41,237	42,292
<b>Total Expenses</b>	<b>163,957</b>	<b>136,302</b>
<b>Total Saleyards Revenue/Expense summary</b>	<b>(3,825)</b>	<b>(12,069)</b>

## 12. Loans and Borrowings

The Association has secured a loan from the Christchurch City Council of \$1,000,000 on 10 November 2021. The loan is repayable in tranches over the next 10 years, the loan is interest only until 31 March 2024 and then principle is payable on the loan from 1 April 2024 until the 30 November 2031.

The loan is secured over Buildings with the carrying amount recorded in the asset schedule. Interest rate is 3.15%

	2022	2021
<b>Loan</b>		
Christchurch City Council Loan	(1,000,000)	-



### 13. Youth Development Reserve

The Youth Development Reserve within equity represents the balance of public donations and bequests, whereby at the request of the donor the principal donation must be retained for Youth Development purposes within the Association, and principal and income earned on the fund may only be applied for Youth Development purposes. These funds have therefore been separated from general retained earnings of the Association.

All income and expenditure in relation to the Youth Development Fund is first recognised in the reported surplus or deficit for the year taken to retained earnings. The net balance of Youth Development Fund activities for the year is then transferred to the Youth Development Fund reserve within the Statement of Movements in Members Equity.

	2022 Year	2021 Year
Balance 1 April 2021	14,836	14,503
Specific Expenses Incurred	-	(100)
Interest & Fair Value Gains Earned	444	433
<b>Balance 31 March 2022 (From Retained Earnings)</b>	<b>15,280</b>	<b>14,836</b>

### 14. Statement of Changes in Members Funds

For the year ended 31 March 2021	Retained Earnings	Youth Development	Asset Revaluation Reserve	Total Equity
1 April 2020 Opening Balance	938,084	14,503	1,850,093	2,802,679
2021 Surplus/(deficit)	(154,666)	-	-	(154,666)
Transfer to/(from Equity) Reserves:	(333)	333	-	-
Revaluation of Property Plant & Equipment	-	-	-	-
<b>Balance 31 March 2021</b>	<b>783,085</b>	<b>14,836</b>	<b>1,850,093</b>	<b>2,648,014</b>

For the year ended 31 March 2022	Retained Earnings	Youth Development	Asset Revaluation Reserve	Total Equity
1 April 2021 Opening Balance	783,085	14,836	1,850,093	2,648,014
2022 Surplus/(deficit)	(686,148)	-	-	(686,148)
Transfer to/(from Equity) Reserves:	(444)	444	-	-
Revaluation of Property Plant & Equipment	-	-	225,560	225,560
<b>Balance 31 March 2022</b>	<b>96,493</b>	<b>15,280</b>	<b>2,075,653</b>	<b>2,187,426</b>

### 15. Impact of COVID-19 and Going Concern

COVID-19 has had a significant impact on the financial position of the Association.

This impact has and continues to be actively addressed with the \$1m loan for the Christchurch City Council being a critical part of the recovery plan initiated by the Board.

The economic outlook for NZ while challenging does not present the Association with any specific or significant additional risks that will inhibit the delivery of a successful Show in 2022.

The outlook for the November Show is, based on the sponsorship, trade booking and public support received to 30 July 2022 promising and is forecast to deliver a profit to the organisation for the financial year ending 31/3/2023.

The COVID risk to the Association remains in focus and is the subject of close and ongoing review by the Board of Directors. The Associations eligibility and participation in the Government Events Transition Support Scheme provides a significant financial risk mitigant in the event of another COVID lockdown or restrictions inhibiting the delivery of The Show in November 2022.

# INDEPENDENT AUDITOR'S REPORT

To the members of Canterbury Agricultural & Pastoral Association.

Report on the audit of the financial statements.

## Opinion

In our opinion, the accompanying financial statements of Canterbury Agricultural & Pastoral Association (the 'Association') on pages 13 to 21:

i. Present fairly in all material respects the Association's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit).

We have audited the accompanying financial statements which comprise:

- The statement of financial position as at 31 March 2022;
- The statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- Notes, including a summary of significant accounting policies.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Association 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 the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. Our responsibilities under ISAs (NZ) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

## Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent auditor's report and for no other purpose.

To the fullest extent permitted other than the members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

## Responsibilities of the Directors for the financial statements:

The Directors, on behalf of the Association, are responsible for:

- The preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being Public Benefit Entity Standards Reduced Disclosure Regime (Not For Profit));
- Implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- Assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent 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. They 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 these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at: <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>. This description forms part of our independent auditor's report.



**KPMG Christchurch, 11 August 2022**

# BOARD OF DIRECTORS

## EXTERNAL DIRECTORS

- Stewart Mitchell: Chairperson
- Steve Barry
- Melissa Davies
- Mark Clarkson

## GENERAL COMMITTEE NOMINATED DIRECTORS

- Richard Lemon
- Ian Stevenson
- Chris Harris as President of the Association

## BOARD PARTICIPANTS

(BY INVITATION WITH NO VOTING RIGHTS)

- Karena Finnie as CHCNZ Representative
- Anne Rogers as Vice President of the Association
- Tracy Ahern as General Manager

## BOARD OF DIRECTORS RETIREMENTS

- Stewart Mitchell retires by rotation and offers himself for re-election
- Melissa Davies retires by rotation and offers herself for re-election

# DIRECTORS' FEES

At the 2021 AGM the members approved the following resolution:

An increase in individual Directors fees from \$6,000 pa to \$12,000 pa and the Chair from \$14,000 pa to \$25,000 pa is proposed to take effect from 1 January 2022 subject to:

1. The 2021 Show proceeding as planned and the budgeted financial result for The Show being achieved +/- 20%
2. The General Committee ratifying this result at its December 2021 meeting.

Directors Fees to be reviewed bi-annually thereafter. This increase did not take effect because of the cancellation of the 2021 annual Show. A new resolution is now put to the members for approval:

An increase in individual Directors fees from \$6,000 pa to \$12,000 pa and the Chair from \$14,000 pa to \$25,000 pa is proposed to take effect from 1 July 2022 subject to:

1. The 2022 Show proceeding as planned and the budgeted financial result for The Show being achieved +/- 20%
2. The General Committee ratifying this financial result at its December 2022 meeting

Directors Fees are to be reviewed again in 2023, in accordance with the review cycle approved in the 2021 resolution and bi-annually thereafter.

The members should note that this proposed increase has been included in the annual budget for the period 1 April 2022 to 31 March 2023 and that this is not an additional unbudgeted expense. This budget was approved by the Board and subsequently ratified by the General Committee in May 2022.



# MEMBERS

The members are at the heart of any association and for CAPA the 2022 Show will launch a renewed focus on growing and diversifying our membership with youth, education Agri-tech and sustainability at the forefront.

Our strategic goal is to make membership of the Association a valued commitment, not just because of what “you get” but because of how it allows you to be involved with and support us bringing country to town each year and providing a unique and fun experience for children, families and the wider community.

For membership numbers, both historic and current, refer to our **website page** <https://theshow.co.nz/about-the-show/canterbury-a-p-association/member-ship-show/our-members>

## OFFICERS OF THE ASSOCIATION

### OFFICERS OF THE ASSOCIATION FOR THE ENSUING YEAR:

- President: Chris Harris
- Senior Vice-President: Anne Rogers
- Junior Vice-President: Bryce Murray

### OFFICE

Canterbury Agricultural Park,  
102 Curletts Road, Christchurch.  
PO Box 9002, Tower Junction  
Christchurch 8149.  
Phone (03) 343 3033  
Email [info@theshow.co.nz](mailto:info@theshow.co.nz)

As a result of the cancellation of the 2020 and 2021 Annual Shows, Chris Harris will remain the President of the Association, Anne Rogers the Vice President and Bryce Murray the Junior Vice President. The next election of officers will take place at the 2023 Annual General Meeting. In honour of our heritage, we have introduced a new section to the Association's website where you will now find a permanent list of the Officers of the Association dating back to 1863. See, <https://theshow.co.nz/about-the-show/canterbury-a-p-association/our-people-two/officers>

# IN REMEMBRANCE

Nan Morris and her husband Ron, at their farm “The Gums” in Leamington Valley Cheviot, were breeders of horses and ponies and passionate about In Hand Showing. It is fitting that Nan Morris’s generous bequest is utilised in the naming of the new Canterbury Agricultural & Pastoral Association Stable block.

## Nan Morris Stable Block

*With grateful thanks we remember*



# THE HAZLETT CHILDREN'S CITY FARMYARD

Despite COVID the Canterbury Agricultural and Pastoral Association altered how we brought the Country to Town for the children of Canterbury in both 2020 and 2021, bringing joy to many children in tough times. In 2020, we took the Farmyard to the central city, and last year it was opened exclusively for kids on our home patch.

School groups from around the region flocked to Canterbury Agricultural Park by (mostly) the busload. For some, it was their first bus ride, and for many, it could be the only farmyard experience they would ever have.

A 'bubble' system that complied with Covid regulations allowed the kids to spend plenty of time with the animals. The school response was such that bubbles of a hundred kids each entered the Farmyard every hour for three days. They enjoyed a sponsored lunch and completed activities run by the Children's University. It's a covid success story worth celebrating. We couldn't have done it without the generous sponsorship of Hazlett and the Kiwi Gaming Foundation, allowing all kids to attend for free.

The Farmyard is quite an enterprise, albeit one that doesn't generate any funds. The Show maintains its own ewes whose insemination is timed to treat the kids with the sight of lambs being born in a relaxing grassed maternity area. Goats are similarly prepared by an outside party, and chicken eggs are incubated for hatching during the event. We think about 350 baby animals are born during The Show. Even though The Show is going ahead more or less as normal in 2022, the Hazlett Children's Farmyard will again be staged in a Covid-safe environment, to maximise the experience for all visitors.

We're immensely grateful to Hazlett for all their unwavering support, year in and year out. There hasn't been a time when we have gone to them for extra help that they haven't provided it.

The Kiwi Gaming Foundation generously ensured in 2021 that all children came to the Hazlett Farmyard for free and have committed to do so again this year with a substantial grant which means children aged 18 years and under will be able to visit and experience The Show for free. So, we are expecting increased numbers of children, reflecting a special youth focus for the 2022 New Zealand Agricultural Show.





# ACKNOWLEDGEMENTS

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## ChristchurchNZ

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### COCHRANES

your farm machinery specialist



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**South Pacific Meats**

**Silver Fern Farms**  
**Hirepool Marquees**  
**Boehringer Ingelheim**  
**Carrfields**

**BNZ**  
**Fahey Fencing**  
**The Carlton Hotel**  
**KPMG**

