



2010

**“Learning without thought is labour  
lost; thought without learning  
is perilous”**

**Confucius 551BC – 479BC**

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# Board Members

**Mr Campbell Moncur (Chair)**

Independent

**Brigit Hearn**

Appointed by Harness Racing NZ

**Ms Liz Luck**

Appointed by NZ Thoroughbred Racing

**Mr Ray Egarr**

Appointed by Equestrian Sports NZ

**Mr Bill Colgan**

Appointed by NZ Racing Board

**Chief Executive**

**Mr B Howat**

teamwork



# Industry Advisory Council

**Mr M Austin**

Appointed by NZ Harness Racing Trainers & Drivers Association

**Mr C Brewer**

Appointed by NZ Farriers Association

**Mr R D Collett**

Appointed by NZ Trainers Association

**Mr B Colgan**

Appointed by NZ Racing Board

**Mr K Coppins**

Appointed by Greyhound Racing NZ

**Mrs K Currie**

Appointed by NZ Pony Clubs Association

**Mrs L Dunbar**

Appointed by NZ Thoroughbred Breeders Association

**Mr R Egarr**

Appointed by Equestrian Sports NZ

**Mr P Ferguson**

Appointed by NZ Harness Racing Trainers & Drivers Association

**Mrs B Hearn**

Appointed by Harness Racing NZ

**Miss K Hill**

Appointed by Harness Racing New Zealand

**Ms S Laphorne**

Appointed by Equestrian Sports NZ

**Ms L Luck**

Appointed by NZ Thoroughbred Racing

**Mr J McInerney**

Appointed by Greyhound Racing NZ

**Mrs A Phillips**

Appointed by NZ Standardbred Breeders Association

**Mr R Smith**

NZ Thoroughbred Racing Apprenticeship Board

**Mr G Styles**

Appointed by NZ Racecourse Managers Association

**Mr D Taylor**

Appointed by NZ Jockeys Association

**Ms S Waters**

Field Officer and Equine Tutor NZ Thoroughbred Breeders Association

**Mrs C Wright**

Appointed by NZ Riding for Disabled

# NZ Equine Industry Training Organisation (Inc)

The NZ Equine Industry Training Organisation was established under the Industry Training Act 1992 and subsequent amendments. It has serviced Industry and Providers since 1993.

## Staff

B Howat, Chief Executive

D Brown, Operations Manager

## Member Organisations

NZ Racing Board	NZRB
Equestrian Sports NZ	ESNZ
Greyhound Racing NZ	GRNZ
Harness Racing NZ	HRNZ
NZ Harness Racing Trainers and Drivers Association	
NZ Jockeys Association	NZJA
NZ Pony Clubs Association	NZPCA
NZ Racecourse Managers Association	
NZ Riding for the Disabled	NZRDA
NZ Standardbred Breeders Association	
NZ Thoroughbred Breeders Association	NZTBA
NZ Thoroughbred Racing	NZTR
NZ Trainers Association	NZTA

## Purpose

The NZEITO is responsible for setting skill standards for, and administering delivery of, industry based training and to encourage and improve industry based training. It also has a role to provide for the protection of people receiving industry based training.

## Our Vision

To lead the equine industry by inspiring professionalism and excellence through internationally recognised training.

# Major Responsibilities Include

1. Provide leadership within industry relating to skill and training needs by:
  - (a) Identifying current and future skill needs; and
  - (b) Developing strategic training plans (STPs) to assist the industry to meet those needs; and
  - (c) Promoting training that will meet those needs to employers and employees.
2. Developing and registering qualifications to meet the needs of Industry and Providers.
3. Working closely with Secondary Schools and Tertiary Providers to promote the government's seamless education strategy. (Gateway)
4. Participating in accreditation and moderation of all Training Providers.
5. Evaluating training programmes.
6. Establishing national policy for the administration of the NZ Equine Industry Training Scheme.



# Chairman's Report 2010

## Overview

There have been significant developments in the ITO sector since I took over as Chairman following the August 2010 board meeting.

The Tertiary Education Commission (TEC) has been considering how the three core roles of Industry Training Organisations (ITO's) might be best supported in the context of the current economic conditions and the tightening of performance requirements.

The three core roles of ITO's are to:

- Set skills standards;
- develop arrangements for training; and
- provide leadership within industry on skills and training.

Based on a presentation given by TEC in January 2011 to the Equine ITO Board and Code Chief Executives it is clear that under the TEC's new performance linked funding model they do not see the Equine ITO remaining as a standalone ITO due to its small scale.

### **The Key Messages from the TEC Presentation Were:**

- They are looking for efficient and effective organisations that provide value for money and deliver on the Tertiary Education Strategy (TES);
- No additional government funding;
- Opportunities exist to rationalise the ITO sector;
- Focus on performance linked funding and value for money;
- Continuation of compliance audits and recovery of funding, where forecast numbers have not been delivered;
- Small scale ITO's will struggle to survive under the new policy;

The Equine ITO is operating under a one year funding approval scheme reflecting the need to improve its performance and consider its options for organisational change.

The TEC is actively encouraging and facilitating efficient collaboration and mergers between the various ITO's and based on the changed focus on how funding will be delivered in the future there seems little likelihood that the Equine ITO will be able to continue as a stand alone ITO past 2011.

In light of this discussions have been held between TEC and the Equine and Horticulture ITO to investigate the options around establishing a single industry

training organisation that represents and is supported by the equine and horticulture industries.

In advance of this the Equine ITO has identified aspects of the Equine ITO functions that need to be ring fenced as part of any merger negotiations.

Work is also progressing around the options to merge a wider group of ITO's covered by the Primary Sector Group but this is likely to be a lengthy process.

With the change in TEC focus it is inevitable that the equine ITO will not be able to continue as a standalone ITO and that it is in the interest of equine industry training to investigate a merger option with a suitable partner sooner rather than later.

By being part of a larger ITO will mean having access to; more people, greater coverage, structured systems and IT resources, and potentially access to expertise that we have not had before.



passion

## Training Activity

New Zealand Thoroughbred Racing has worked to actively promote learning and development within the code throughout 2010 and have started to see an increase in the number of students in the stable practice and stable management areas. These students are able to complete their qualifications largely in the workplace, with the support of NZTR tutors.

NZTR employed an Apprentice Jockey Mentor in the last quarter of the year to work closely with employers, Probationers and Apprentice Jockeys. The results from this initiative have already started to become apparent and it is pleasing to see these young people being given additional support to succeed in a very challenging environment.

Whilst numbers of Apprentice Jockeys haven't increased significantly in the past year, NZTR undertook a review of their systems in 2010. A number of changes and initiatives are being rolled out through 2011 and these are expected to enhance the current system and encourage more apprentice jockeys as a result.

Harness Racing New Zealand had 80 trainees/modern apprentices studying towards their level three or level four national certificates across five regions; Auckland, Waikato, Canterbury Otago and Southland in 2010.

They take a holistic approach to training by offering "Kidz Kartz" and the schools programme "Harnessing Your Horsepower" to young people aged between 6 and 16 years.

Equine unit standards are provided currently to seventy nine Secondary School students through the "Gateway" programme.

One of the important projects undertaken in the last 12 months has been the development of trainee workbooks and tutor resources for all unit standards in the qualifications. In conjunction with this, the sectors have been assessing trainee numeracy and literacy within the equine industry using the TEC assessment tool.

They continue to encourage and promote education and careers within the equine industry through attendance at school career expos, major equine events such as "Horse of the Year."

**Campbell Moncur,**  
NZEqITO Inc. Chairman

# Report from the Chief Executive

This last year has set the platform for change in 2011. For nearly two years the ITO has been part of the Primary Sector Group (PSG) which includes FITEC (Forestry), AgITO (Agriculture) HortITO (Horticulture), SITO (Seafood) NZITO (Dairy Manufacturing), Sports Turf ITO and NZEqITO. In 2010 there have been discussions around whether or not the group should become one ITO. Those discussions are ongoing. However, Government has sent strong messages to all Industry Training Organisations (ITOs) about the need to rationalise.

The PSG also instigated a process for examining our collective qualifications and identifying points where we share common objectives and outcomes. This work will continue for a number of years.

A school's programme has been one outcome of the PSG collaboration and we have agreed to fund the FITEC National Careers Manager to run the school programme on our behalf. This means our ITO will have national access to schools to promote our industry.



training

Ministry of Education has directed funding to the PSG in order to set up 8 Trade Academies throughout New Zealand. These are school based programmes beginning in Year 11. The programme runs for three years using unit standards in order to prepare students for Primary sector industries. The Equine industry is working towards becoming involved in this scheme from 2012 onwards.

Following discussions with the NZ Farriers Association in 2010 we established a partnership with the Telford Rural Polytechnic who will offer a twelve month pre-apprenticeship course for Farriers. The course start date has not yet been set.

Discussions between the ITO and the Open Polytechnic are underway. The aim is to set up an e-learning, long distance education programme in management. The course will be designed around an individual's learning style and tailored for personal circumstances.

Funding for the ITO is based around a system called "STM's" – standard training measures. For 2010 the ITO was funded for 180 STM's but in reality only achieved 54. The funding comes in advance and this meant a large sum had to be re-paid to the Tertiary Education Commission. The shortfall meant the ITO operated at a loss for the year.



During the year the Tertiary Education Commission (TEC) did their first compliance audit on the ITO. The audit was to check that those trainees they funded were employed and achieving credits. Based on their findings the ITO had to repay the Tertiary Education Commission \$30,956 (GST Excl) for trainees who did not meet the funding requirements.

Some of these anomalies were due to our IT reporting system need updating. There were major problems getting the system to finish trainees on the system and so they stayed on longer than intended. So in 2010 the ITO went into partnership with FITEC (Forestry Industry Training Organisation). While the new system took awhile to settle down it is now providing the ITO with comprehensive and timely information.

During 2010 26 industry trainees graduated with their national certificate. We congratulate them on their achievement.

**Bruce Howat,**  
NZEqITO Inc. CEO



# Annual Accounts 2010



Grant Thornton

## Independent Auditor's Report

### Audit

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### To the members of the NZ Equine Industry Training Organisation Incorporated

#### Report on the Financial Statements

We have audited the financial statements of the NZ Equine Industry Training Organisation Incorporated on pages 16 - 22, which comprise the statement of financial position as at 31 December 2010, and the statement of financial performance, statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Board's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand).

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

Chartered Accountants

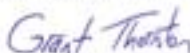
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditors we have no relationship with, or interests in, the NZ Equine Industry Training Organisation Incorporated.

**Opinion**

In our opinion, the financial statements on pages 16 - 22 present fairly, in all material respects, the financial position of the NZ Equine Industry Training Organisation Incorporated as at 31 December 2010, and of its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



**Grant Thornton New Zealand Audit Partnership**  
Wellington, New Zealand  
12 April 2011

# NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010	2009
<b>ITF INCOME</b>			
ITF STM Income			
<b>LESS ITF PAYMENTS</b>	Note 2	156,904	341,717
Harness Racing NZ		13,157	29,105
NZ Equine Education Trust		38,472	49,129
NZ Greyhound Racing Association		4,193	7,539
NZ Horticulture Industry Training Organisation Inc.		-	61,283
NZ Racecourse Managers Association		3,941	5,373
NZ Thoroughbred Breeders Association		8,598	3,511
NZ Thoroughbred Racing		11,813	26,039
NZ Riding for the Disabled		260	-
		<b>(80,434)</b>	<b>(181,979)</b>
		<b>76,470</b>	<b>159,738</b>
<b>MA INCOME</b>			
MA Income		151,018	111,300
<b>LESS MA PAYMENTS</b>			
Administration		-	5,832
Harness Racing NZ		35,852	26,990
NZ Racecourse Managers Guild		1,000	914
NZ Thoroughbred Breeders Association		13,350	22,650
NZ Thoroughbred Racing		40,052	34,140
STM Harness Racing NZ		17,369	-
STM Thoroughbred Breeders Association		1,276	-
STM Thoroughbred Racing		18,050	-
		<b>(126,949)</b>	<b>(90,526)</b>
		<b>24,069</b>	<b>20,774</b>
<b>OTHER INCOME</b>			
TEC Literacy Income	Note 13	-	22,688
Industry Income	Note 4	200,000	91,500
TEOC - SLC		10,000	64,560
TEOC - SLC - Labour Market Research		7,078	32,069
TEOC - SLC - Workforce 20/20		1,750	1,750
NZQA & Industry Credit Funds		14,074	20,975
NZQA Registration Recharge		-	2,767
Other Income & Industry Fuel Recharges		7,416	3,689
Short Term Interest Received		28,558	25,334
		<b>268,876</b>	<b>265,332</b>
<b>EXPENDITURE</b>			
Accountancy Fees	Note 10	10,000	10,000
Agriculture ITO		375	-
Audit Fees		4,466	3,600
Chairperson's Travel & Expenses		1,544	3,868
Chairperson's Honorarium	Note 10	5,000	5,000
Computer Expenses	Note 3	48,515	6,631
Conference Expenses		1,515	1,473
Consultancy Fees		80,442	96,094
Depreciation	Note 7	19,461	4,589
Judicial Control Authority		1,750	1,750
Meeting Expenses		11,066	10,250
Moderation		8,422	4,753
NZ Racing Board Literacy Project		-	510
NZQA Registration		3,881	10,920
Office Expenses & Membership Fees		14,745	11,978
Promotion Expenses		15,077	15,919
Rent	Note 10	5,479	1,826
Re-recognition Expenses		3,902	675
Staff Costs	Note 3	106,206	52,855
Staff Training		1,400	230
TEC Literacy Expenditure	Note 13	28,500	35,713
Telephone & Communication		8,344	7,462
TEOC - SLC - Labour Market Research		-	25,000
TEOC - SLC - Workforce 20/20		1,750	1,750
Training Development & Review		8,859	13,784
Travelling Expenses & Industry Fuel Costs		38,030	37,163
		<b>428,729</b>	<b>363,793</b>
		<b>(59,314)</b>	<b>82,051</b>
<b>NET SURPLUS/(DEFICIT)</b>			

The accompanying notes form part of these financial statements



## NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc

### STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	2010	2009
<b>ACCUMULATED FUNDS</b>		
Opening Balance	427,932	345,881
Net Surplus/(Deficit)	(59,314)	82,051
	<u>368,618</u>	<u>427,932</u>
Represented by:		
<b>CURRENT ASSETS</b>		
Cash at Bank	66,882	4,656
Westpac Ready Access Account	503,247	401,815
GST Receivable	3,410	10,081
Accounts Receivable & Other Receivables <i>Note 5</i>	257,103	149,613
Literacy Work in Progress	84,079	17,130
	<u>914,721</u>	<u>583,295</u>
<b>SHORT TERM BANK DEPOSITS</b> <i>Note 6</i>	231,341	227,333
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment <i>Note 7</i>	45,992	28,148
<b>TOTAL ASSETS</b>	<b>1,192,054</b>	<b>838,776</b>
Less:		
<b>CURRENT LIABILITIES</b>		
Accounts Payable <i>Note 8</i>	583,096	273,955
GSB Trading Clearing	921	921
Unspent Grants <i>Note 9</i>	239,419	135,968
	<u>823,436</u>	<u>410,844</u>
<b>NET ASSETS</b>	<u><b>368,618</b></u>	<u><b>427,932</b></u>

The members of the New Zealand Equine Industry Training Organisation Inc. authorised these Financial Statements for issue on 12th April 2011.



**Campbell Moncur**  
Chairman of the NZ Equine  
Industry Training  
Organisation



**Ray Egarr**  
Board Member of the NZ  
Equine Industry Training  
Organisation

## NZ EQUINE INDUSTRY TRAINING ORGANISATION INC

### STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
Opening Balance	427,932	345,881
Net Surplus/(Deficit)	(59,314)	82,051
Total Recognised revenues & expenses	(59,314)	82,051
<b>Closing Balance</b>	<u><b>368,618</b></u>	<u><b>427,932</b></u>

The accompanying notes form part of these financial statements



# NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### Reporting Entity

NZ Equine Industry Training Organisation Incorporated ('NZEITO') is an incorporated society registered under the Incorporated Societies Act 1908. These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

NZEITO is a training organisation for the equine industry.

##### Measurement Base

The financial statements have been prepared on an historical cost basis.

##### Differential Reporting

Due to the NZEITO's size and lack of public accountability it qualifies for Differential Reporting. NZEITO has applied all Differential Reporting exemptions available to it except for the following financial reporting standards where full disclosure has been made: SSAP-22: Related Party Transactions.

##### Specific Accounting Policies

(a) Revenue is recognised in the Statement of Financial Performance in the period in which it is earned.

The NZEITO receives funding from Tertiary Education Commission ('TEC').

The funding period for TEC ITF funding corresponds to the NZEITO's financial year. ITF revenue is recognised based on the number of training modules completed during the year.

Funding received from TEC for the Literacy Programme is recognised as revenue according to the percentage of the programme completed.

Funding already received by NZEITO that is available for training programmes in subsequent financial years is deferred and recognised in Unspent Grants.

Expenses incurred for Literacy Programme modules still under development are deferred and recognised in Literacy work in progress.

(b) Accounts Receivable are recognised at their estimated realisable value.

(c) Property, Plant and Equipment assets are recognised at cost less accumulated depreciation.

Property, Plant and Equipment has been depreciated in these financial statements on a straight-line basis at the following rates:

Motor Vehicles	3 years	33%
Computer Hardware	3 years	33%
Pivotal Software	4 years	25%

(d) Short-term bank deposits are recognised at cost.

(e) These financial statements have been prepared on a GST-exclusive basis.

All assets and liabilities in the Statement of Financial Position are recognised exclusive of GST except receivables and payables which are recognised inclusive of any applicable GST.

(f) Income Tax: The NZ Equine Industry Training Organisation Incorporated is registered under the Charities Act 2005 and therefore is exempt from paying income tax. As such no provision has been made for any current or deferred tax.

##### Changes in Accounting Policies

There have been no changes in accounting policies this year. All policies have been applied on a basis consistent with that used in previous years.

##### Comparatives

Certain prior period comparatives have been reclassified to comply with current period presentation. Separate note disclosure is provided for significant reclassifications.



**NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010**

**2. REVENUE**

	2010	2009
TEC ITF Income		
Current Year funding received	186,816	341,717
Adjustment to prior year underachievement	1,044	-
2009 TEC Audit of Trainees repayment	(30,956)	-
<b>Total</b>	<b>156,904</b>	<b>341,717</b>

ITF Income in 2010 has decreased from 2009 due to the decrease in the number of STMs achieved in 2010: 64 (2009: 103).

**3. EXPENSES**

	2010 \$	2009 \$
Significant transactions are commented on below:		
Staff Costs	106,206	52,855
Computer Expenses	48,515	6,631

Staff Costs in 2010 include a full year of CEO salary whereas in 2009 the figure included 5 months of CEO salary.

Computer Expenses in 2010 include license costs for Pivotal software and monthly management fees to Fitec. The associated software asset is disclosed separately under Note 6. Property, Plant and Equipment.

The monthly management fees paid to Fitec are to maintain the training management system to ensure it meets TEC reporting requirements.

**4. INDUSTRY INCOME**

	2009 \$	2008 \$
Total income of \$576,798 (2009: \$718,349) includes the following grants:		
New Zealand Racing Board	200,000	90,000
NZ Pony Club Association	-	1,500
<b>Total Industry Income</b>	<b>200,000</b>	<b>91,500</b>

Funds received in 2010 from New Zealand Racing Board comprises \$190,000 approved funding for the 2010 year, and an additional \$10,000 of funding paid for the 2009 year. Increased funding from New Zealand Racing Board in 2010 corresponds to the increase in staff costs in this year.

**5. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES**

	2010 \$	2009 \$
Trade Receivables	48,197	54,938
New Zealand Racing Board	190,000	90,000
Prepayments	10,897	4,601
Other	8,009	614
<b>Total Accounts Receivable and Other Receivables</b>	<b>257,103</b>	<b>149,613</b>

Within the 2009 comparative information, \$17,130 of Literacy Work in Progress was reclassified from Accounts Receivable and Other Receivables to Literacy Work in Progress to align with the current period presentation.

**6. SHORT-TERM BANK DEPOSITS**

	Interest Rate	Maturity	2010 \$	2009 \$
Westpac	5.2% pa	17-Oct-11	43,913	42,113
Westpac	5.3% pa	27-Jun-11	133,724	133,724
Westpac	5.0% pa	16-May-11	51,496	51,496
<b>Total Short-Term Bank Deposits</b>			<b>231,341</b>	<b>227,333</b>



# NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010

### 7. PROPERTY, PLANT & EQUIPMENT

COST	Vehicles	Hardware	Software	Total
<b>Balance as at 1 January 2009</b>	-	-	-	-
Additions	31,212	1,525	-	32,737
Disposals	-	-	-	-
<b>Balance as at 31 December 2009</b>	<b>31,212</b>	<b>1,525</b>	-	<b>32,737</b>
Additions	-	-	37,305	37,305
Disposals	-	-	-	-
<b>Balance as at 31 December 2010</b>	<b>31,212</b>	<b>1,525</b>	<b>37,305</b>	<b>70,042</b>
<b>DEPRECIATION</b>	<b>Vehicles</b>	<b>Hardware</b>	<b>Software</b>	<b>Total</b>
<b>Balance as at 1 January 2009</b>	-	-	-	-
Depreciation for the year	4,335	254	-	4,589
Disposals	-	-	-	-
<b>Balance as at 31 December 2009</b>	<b>4,335</b>	<b>254</b>	-	<b>4,589</b>
Depreciation for the year	10,404	508	8,549	19,461
Disposals	-	-	-	-
<b>Balance as at 31 December 2010</b>	<b>14,739</b>	<b>762</b>	<b>8,549</b>	<b>24,050</b>
<b>NET BOOK VALUE</b>				
<b>Balance at 1 January 2009</b>	-	-	-	-
<b>Balance at 31 December 2009</b>	<b>26,877</b>	<b>1,271</b>	-	<b>28,148</b>
<b>Balance at 31 December 2010</b>	<b>16,473</b>	<b>763</b>	<b>28,756</b>	<b>45,992</b>

### 8. ACCOUNTS PAYABLE

		2010 \$	2009 \$
Accounts Payable Board Members	<i>Note 10</i>	6,743	3,500
Accounts Payable Other Related Parties	<i>Note 10</i>	125,576	68,742
Trade Creditors		81,217	109,255
TEC ITF STM underachievement		338,604	92,458
TEC 2009 Audit of Trainees		30,956	-
<b>Total Accounts Payable</b>		<b>583,096</b>	<b>273,955</b>

NZEITO has an obligation to repay to TEC ITF funding from both the 2009 and 2010 years. This repayment reflects underachievement against budgeted STMs on which the ITF funding is based.

### 9. UNSPENT GRANTS

		2010 \$	2009 \$
Grant - TEC Skills		3,481	3,481
TEC - Literacy Programme	<i>Note 13</i>	235,938	132,487
<b>Total Unspent Grants</b>		<b>239,419</b>	<b>135,968</b>



# NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010

### 10. RELATED PARTIES

The NZEITO has the following Related Parties:

The New Zealand Racing Board provides funding, payroll and accounting services to NZEITO. Bill Colgan (General Manager Racing) from the New Zealand Racing Board is a member of the Board of NZEITO.

During the year the NZEITO made Honorarium payments to Anne Phillips and Campbell Moncur in their capacity as Chairperson of the NZEITO.

Anne Phillips resigned from the Board of NZEITO as at 30 August 2010 and Campbell Moncur was appointed to the Board as Chairperson on 1 September 2010.

Payments for attendance at NZEITO and other sector Board meetings were made during the year to Ray Egarr (Board Member) and Anne Phillips (Chairperson).

Services were provided to NZEITO by Liz Luck (Board Member) during the year in her capacity as Project Manager of the Literacy Programme.

		2010 \$	2009 \$
<b>New Zealand Racing Board Funding</b>			
Funding provided	<i>Note 4</i>	200,000	90,000
		<u>200,000</u>	<u>90,000</u>
<b>New Zealand Racing Board Expense Recovery</b>			
Accounting fees		10,000	10,000
Rent		5,479	1,826
Staff costs		106,206	52,855
		<u>121,685</u>	<u>64,681</u>
<b>Honorarium Payments</b>			
Anne Phillips		3,333	5,000
Campbell Moncur		1,667	-
		<u>5,000</u>	<u>5,000</u>
<b>Meeting Fees</b>			
Anne Phillips		1,000	1,750
Ray Egarr		1,000	1,250
		<u>2,000</u>	<u>3,000</u>
<b>Services Provided by Board Members</b>			
Liz Luck		43,486	6,185
		<u>43,486</u>	<u>6,185</u>
<b>Balances outstanding at 31 December were as follows:</b>			
<b>Receivable</b>			
New Zealand Racing Board	<i>Note 5</i>	190,000	90,000
<b>Total related party balances receivable</b>		<u><b>190,000</b></u>	<u><b>90,000</b></u>
<b>Payable</b>			
New Zealand Racing Board	<i>Note 8</i>	125,576	68,742
Anne Phillips		-	3,500
Campbell Moncur		1,667	-
Liz Luck		5,076	-
Ray Egarr		-	-
<b>Total related party balances payable</b>		<u><b>132,319</b></u>	<u><b>72,242</b></u>

Outstanding balances have been or are expected to be paid within three months of balance date, except where related to employee entitlements.

### 11. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There are no contingent liabilities or capital commitments as at 31 December 2010. (31 December 2009: Nil)

### 12. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The Tertiary Education Commission (TEC) had announced before balance date its intention to restructure the ITO sector and the NZEITO is currently investigating options of alternative structures. To date no definitive decisions have been made and the NZEITO has confirmed funding following balance date and therefore these financial statements have been prepared on a going concern basis. (2009: Nil)



**NZ EQUINE INDUSTRY TRAINING ORGANISATION Inc**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS continued**  
**AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2010**

**13. LITERACY PROGRAMME**

In September 2008, the Tertiary Education Commission approved funding to NZEITO for the development and implementation of industry training with embedded literacy and numeracy teaching.

The funding is being received over a three year period and the Literacy programme is expected to be completed within the same timeframe.

In accordance with the NZEITO's accounting policy, revenue for the Literacy programme is recognised in the financial statements according to the proportion of the total programme that has been completed.

Expenditure relating to partially completed programme credits is deferred in Literacy work in progress pending completion of the relevant credits.

	<b>2010</b>	<b>2009</b>
	%	%
Proportion of Literacy programme completed	18	6

	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Literacy programme receipts</b>		
Revenue recognised in the current year	-	22,688
Revenue recognised in prior years	74,413	51,725
Total Literacy revenue recognised	<u>74,413</u>	<u>74,413</u>
Literacy income received in advance in Unspent Grants	<i>Note 9</i> 235,938	132,487
<b>Total receipts for Literacy programme</b>	<b><u>310,351</u></b>	<b><u>206,900</u></b>

<b>Literacy programme expenditure</b>		
Expenses recognised in the current year (completed modules)	28,500	35,713
Expenditure deferred in Literacy work in progress (modules in progress)	84,079	17,130
Total Literacy expenditure in the current year	<u>112,579</u>	<u>52,843</u>
Literacy expenses recognised in prior years	63,043	10,200
<b>Total expenditure for Literacy programme</b>	<b><u>175,622</u></b>	<b><u>63,043</u></b>

In the 2008 financial year, \$51,725 of revenue was recognised for the Literacy programme prior to the completion of any of the programme. This meant that total revenue recognised for the programme exceeded the proportion of the programme completed during the 2008 and 2009 years.

In 2010, the Literacy programme has been completed to a level that corresponds to the total revenue recognised in those prior years. Accordingly, nil additional revenue has been recognised for the Literacy programme in 2010. Details of the total revenue recognised are provided in the Literacy programme receipts table above.

**14. INDUSTRY CONTRIBUTIONS AND/OR COURSE FEES**

The listed organisations have contributed the following amounts to STM outcomes (Exclusive of GST). The contributions have not been included in these Financial Statements.

	<b>2010</b>	<b>2009</b>
	\$	\$
NZ Thoroughbred Racing	282,286	291,928
Harness Racing NZ	198,607	247,665
NZ Thoroughbred Breeders' Association	54,571	4,639
NZ Greyhound Racing Association	38,636	7,075
	<u>574,100</u>	<u>551,307</u>

The amounts shown above represent management's estimate of contributions from industry bodies directly to trainers. As such, these amounts do not form part of the Financial Statements of the NZ Equine Industry Training Organisation Incorporated.







NZ Equine Industry Training Organisation Inc.

Annual Report

2010



New Zealand Equine Industry Training Organisation Inc.

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EDUCATION'S CONTRIBUTION TO EXCELLENCE