

Oamaru Harness Racing Club Incorporated

Performance Report

For the Year Ended 31 July 2023

Oamaru Harness Racing Club Incorporated
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For the Year Ended 31 July 2023

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Oamaru Harness Racing Club Incorporated

Entity Information

For the Year Ended 31 July 2023

Oamaru Harness Racing Club Incorporated is a club, registered under the Incorporated Societies Act 1908.

Entity's Purpose or Mission	The primary objective of the Club is to promote, conduct and control harness racing and is registered with the Harness Racing New Zealand Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Industry Act 2020.
Nature of Business	Harness Racing Club
Incorporated Society Number	226993
Additional Information	<p>The Club is incorporated under the Incorporated Societies Act 1908 and is a recognised industry organisation in accordance with the Racing Industry Act 2020.</p> <p>As the Club is primarily involved in the conduct and promotion of race meetings - rather than the generation of profit - it is considered a not-for-profit entity for financial reporting purposes. Nonetheless, any profit generated provides the Club with more resources that make future operations more sustainable; these resources are held as cash reserves and available for use by the Club as the need arises.</p> <p>The Club is party to various agreements with other racing clubs with respect to the operation of assets (racetracks) that are jointly owned and operated by member Clubs. These arrangements, however, do not create a separate legal entity that the Club controls; the extent of the operation recognised by the Club is limited to its share of the assets and its own costs spent on the use and maintenance of the assets.</p>

Contact Details

Physical Address:

C/- Southern Harness Racing
Oamaru Racecourse, Oamaru

Postal Address:

C/- Southern Harness Racing
General manager: Jason Broad
PO Box 96
Invercargill

Phone: (03) 217 9117

Email: admin@southernharness.co.nz

Oamaru Harness Racing Club Incorporated

Entity Information (Continued)

For the Year Ended 31 July 2023

Auditor	Audit Professionals Limited Chartered Accountants Dunedin
Bankers	ANZ Bank Dunedin
Solicitors	Murray Little Cruickshank Pryde Invercargill
IRD Number	10-534-682
Entity Structure	<p>The Club is primarily engaged in a service activity with focus on conducting and promoting race meetings consistent with existing racing rules and regulations.</p> <p>The Club's leadership and management team - along with a good number of volunteer members and staff - are involved in ensuring that race meetings are conducted as planned and to a level expected by participants, members and regulators alike. Committee members: David Ovens (President), J Wilson, J Greaney, D Kininmont, B Williamson, R Wilson, C D McKay, P Williamson, M Williamson, C McLeod and S Ellife.</p>
Main Sources of Cash and Resources	<p>The Club's mainline revenue is industry funding from the Code which is used to defray the costs and expenses on the Club's race meetings.</p> <p>The Club is also engaged in sale of goods and services to members and the public from which revenues are generated to augment its operational requirements. Goods sold include various race-related items, agricultural products and bar sales.</p> <p>Revenue generated from investments and use of Club's assets include interest and other fees.</p>

Oamaru Harness Racing Club Incorporated

Entity Information (Continued)

For the Year Ended 31 July 2023

Main Methods Used to Raise Funds The terms and amount of industry funding revenue are agreed by the Code and the Club at the beginning of each racing year based on planned race-meeting events and activities.

In addition, proceeds from the sale of goods and services (including charges for use of the Club's assets) are based on agreed prices determined with reference to current market prices for such goods and services.

The Club also receives grants, subsidies and donations from various sources including Club members, individual and corporate sponsors and industry organisations (the Code and other clubs).

Of particular note, the Club receives services in kind which are considered vital in its race-meeting events; and although these are highly appreciated, these are difficult to value and hence, not included in this Performance Report.

Entity's Reliance on Volunteers and Donated Goods or Services As discussed above, the Club is a recipient / beneficiary of various goods and services in kind. These proceeds are vital in the Club's race meeting events.

Certain donated goods include real properties made in favour of the Club and which are used in the conduct of the Club's operations. In some instances, donated goods have attached conditions which the Club has to satisfy before full entitlement over the goods is vested in the Club. Until such time, the donated goods, though available for use by the Club, is presented as a present obligation in the Club's statement of financial position.

Services in kind come in the form of volunteers both during race meeting events and off-season. Volunteers (mostly members of the Club) are involved in the set-up of race meeting events, various activities during the event to ensure orderly conduct of the race, and in the day-to-day upkeep and maintenance of the Club's premises.

Without these donated goods and services, the Club would have required more funds to defray costs and expenses which would have potentially made the conduct of race meeting events even more challenging. On this basis, the Club highly values these donated goods and services and considers them a vital part of its operations.

Oamaru Harness Racing Club Incorporated

Statement of Service Performance

For the Year Ended 31 July 2023

Description of the Club's Outcomes

The Club is primarily engaged in the conduct and promotion of harness racing. Race meetings are held at the Oamaru Racecourse, Oamaru.

To ensure that the Club meets its goals, prize money (stakes) has to be built-up from various sources that consequently enables a more attractive race participation.

The Club's management has also been actively working with the Code (HRNZ) and Southern Harness Racing to ensure that industry funding remains a steady source of operational funding for race meetings.

Description of Outputs	Actual 2023	Actual 2022
Number of Race Meetings Held	5	5
Number of Races	48	48
Number of Horses Started	483	504
Total Stakes Offered	\$537,500	\$480,500
Total Stakes Paid (includes \$11,500 Club Contribution)	\$527,498	\$466,973

Race meetings were held on 18 September 2022, 16 October 2022, 7 December 2022, 2 February 2023 and 8 March 2023.

The accompanying notes form part of these financial statements.

Oamaru Harness Racing Club Incorporated

Statement of Financial Performance

For the Year Ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Race Meeting Revenue	1	657,163	589,436
Other Operating Revenue	3	17,977	557
Finance Revenue	5	27,695	9,844
Total Revenue		702,835	599,837
Less Expenses			
Race Meeting Costs & Expenses	2	614,217	572,768
Other Operating Expenses	4	130,276	61,185
Total Expenses		744,493	633,953
(Deficit) for the Year		(41,658)	(34,116)

The accompanying notes form part of these financial statements.

Oamaru Harness Racing Club Incorporated

Statement of Financial Position

As at 31 July 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and Bank Accounts	6	83,371	1,126
Accounts Receivable		895	1,550
Accrued Interest		25,676	9,782
Prepaid insurance		27,800	-
GST Refund Due		4,330	1,025
Current Investments	7	650,000	801,623
Total Current Assets		792,072	815,106
Non-Current Assets			
Property, Plant & Equipment	8	263,300	282,624
Total Non-Current Assets		263,300	282,624
Total Assets		1,055,372	1,097,730
Current Liabilities			
Accounts Payable	9	-	700
Total Current Liabilities		-	700
Total Liabilities		-	700
Net Assets		1,055,372	1,097,030
Accumulated Funds			
Accumulated Surpluses	10	1,055,372	1,097,030
Total Accumulated Funds		1,055,372	1,097,030

For and on behalf of Oamaru Harness Racing Club Incorporated

J. Owens President

9 October 2023

The accompanying notes form part of these financial statements.

Oamaru Harness Racing Club Incorporated

Statement of Cash Flows

For the Year Ended 31 July 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Industry Profit Distribution & Other Race Meeting Receipts	128,521	120,763
Donations, Fundraising & Other Similar Receipts	30,116	550
Fees, Subscriptions & Other Receipts from Members	1,160	617
Net GST movement	(3,305)	4,922
	156,492	126,852
Cash was applied to:		
Payments to Suppliers & Employees	(236,271)	(188,161)
Donations Paid	(1,400)	(700)
	(237,671)	(188,861)
Net Cash Flows (to) Operating Activities	(81,179)	(62,009)
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Interest Receipts	11,801	1,266
Receipts from Maturity of Bank Deposits	851,623	50,000
Cash was applied to:		
Interest reinvested and new Bank Deposits	(700,000)	(1,266)
Net Cash Flows from Investing and Financing Activities	163,424	50,000
Net Increase/(Decrease) in Cash Held	82,245	(12,009)
Cash at the Beginning of the Year	1,126	13,135
Cash at the End of the Year	83,371	1,126
This is represented by:		
ANZ Bank Current Account	32,452	1,126
ANZ Bank Call Account	50,919	-
Total Cash & Bank Balances	83,371	1,126

Note that the Bank accounts above exclude the ANZ term deposits which are shown separately.

The accompanying notes form part of these financial statements.

Oamaru Harness Racing Club Incorporated

Statement of Accounting Policies

For the Year Ended 31 July 2023

Reporting Entity

Oamaru Harness Racing Club ("the Club") is incorporated under the Incorporated Societies Act 1908. The primary objective of the Club is to promote, conduct and control harness racing and is registered with Harness Racing New Zealand Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Industry Act 2020.

Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of harness racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting.

Where a specific transaction is not covered by PBE SFR-A (NFP) - Accrual (PBE accrual standard), the Club applied guidelines under Tier 2 PBE Accounting Standards (Reduced Disclosure Regime).

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Financial Performance and Statement of Financial Position on a historical cost basis are followed by the club, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollar.

The Performance Report is prepared under the assumption that the Club will continue to operate in the foreseeable future.

Specific Accounting Policies

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

(a) Revenue Recognition

Revenue is recognised when there is a legal right to receive cash either in the current period or in the future. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from sale of goods is recognised when the inventories are sold while revenue from the sale of services is recognised as revenue by reference to the stage of completion of the service at balance date, based on the actual service provided as a percentage of the total service to be provided.

Oamaru Harness Racing Club Incorporated
Statement of Accounting Policies (Continued)
For the Year Ended 31 July 2023

(a) Revenue Recognition (Continued)

Revenue arising from grants, donations, subsidies and items of similar nature (collectively, revenues from non-exchange transactions) is recognised as revenue upon receipt of the asset unless a condition ("use or return") is attached; in which case, a liability is initially recognised and upon satisfaction of the condition, the liability is reduced and revenue is recorded.

Interest revenue is recognised when it is accrued.

The Club also receives services-in-kind from various volunteers and members in conducting race meeting events. Although these are highly valued by the Club, these are difficult to measure and hence, not included in the Performance Report. Goods received in kind are recorded as assets when they are received.

(b) Expenses

Expenses are recognised when there is a legal obligation to pay cash either in the current period or in the future. This is the point where the expense is incurred by the Club.

(c) Trade Receivables

Receivables are recognised by the Club once it has the legal right to collect the cash in the future. Receivables are initially recorded at the amount owed and adjusted for impairment when there is likelihood that the amount (or some portion of it) will not be collected. The Club's receivables are normally collectible within 30 days.

(d) Property, Plant & Equipment

Property, Plant and equipment items are recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation where these are incurred.

Subsequent to initial recognition, property, plant and equipment are measured using the cost model. Under the cost model, the item is carried at cost net of accumulated depreciation and any impairment losses.

Depreciation is recorded to spread the cost of the asset over the expected useful life of the asset, using the straight line method. The expected useful life, depreciation method and any significant residual value are reviewed on a regular basis.

The following estimated depreciation rates have been used:

Buildings	25 – 100 years
Plant & Equipment	15 – 20 years
Motor Vehicles	10 years

The Club recognises impairment loss on its property, plant and equipment when it is assessed to exist usually indicated when the assets can no longer be used (or no longer serviceable for the intended purposes) in the normal operations of the Club other than those held for resale. Such loss is recorded as an adjustment to the value of the asset and recognised in the statement of financial performance.

Oamaru Harness Racing Club Incorporated
Statement of Accounting Policies (Continued)

For the Year Ended 31 July 2023

(d) Property, Plant & Equipment (Continued)

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

Gains and losses on disposal of plant and equipment are taken into account in determining the net result for the year.

(e) Income Tax

The Club is a racing club, as defined in section 5(1) of the Racing Industry Act 2020 and is therefore exempt from income tax in accordance with the provisions of Section CW 47(2) of the Income Tax Act 2007.

(f) Investments

Investments are bank deposits and loans recognised when paid and initially measured at the amount paid.

(g) Goods and Services Taxation (GST)

The Club is registered for GST. Revenues and expenses have been recognised in the performance report exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

(h) Subscriptions

Subscriptions are recognised on an accrual basis.

(i) Trade Creditors

Payables represent amounts owing by the Club to suppliers for goods or services received. These are classified as current if they are due to be settled within the next 12 months from the year end reporting date. These are recorded at the amount owing and are normally non-interest bearing.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from the previous performance report.

Oamaru Harness Racing Club Incorporated

Notes to the Performance Report

For the Year Ended 31 July 2023

1 Race Meeting Revenue

	2023	2022
	\$	\$
	(5 race meetings)	(5 race meetings)
Stakes Funding - HRNZ and Southern Harness Racing Top-ups	515,998	466,973
Venue Payment – HRNZ	80,690	75,000
High Use Funding – HRNZ	38,000	38,000
Support Funding (incl Covid Relief Funding)	-	1,763
Total Funding	634,688	581,736
Sponsorship	6,869	7,150
Donation – Oamaru Joint Grounds Committee – 2022 lane project	8,494	550
Hospitality/Room Hire Income (Raceday Functions)	500	-
Community Grant	4,725	-
Bar Income – tenant Clubs	1,252	-
Bar income – public bar	635	-
Total Race Meeting Revenue	657,163	589,436

The Community Grant was received from Trillian Trust Ltd \$4,725 towards race meeting expenses. The Committee would like to express appreciation for this financial support.

2 Race Meeting Expenses

	2023	2022
	\$	\$
	(5 race meetings)	(5 race meetings)
Stakes Paid through Southern Harness Racing	515,998	466,973
Club's Contribution to Stakes	11,500	3,000
Total Stakes Paid	527,498	469,973
High Use Funding Allocated to Oamaru Joint Ground Committee	-	32,600
Advertising	3,400	2,800
Race Meeting Services (incl Security)	16,356	13,415
Race Meeting Sponsor Expenses (incl Trophies and Dress Rugs)	7,666	3,633
Racebook Costs	2,675	1,518
Racecourse Rental	35,000	35,000
Sponsorship and Promotion	363	219
Race Meeting Wages	13,299	10,901
Tote Wages	7,960	2,709
Total Race Meeting Expenses	614,217	572,768

Net Surplus from Race Meetings	42,946	16,668
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Oamaru Harness Racing Club Incorporated
Notes to the Performance Report (Continued)

For the Year Ended 31 July 2023

3 Other Operating Revenue	2023	2022
	\$	\$
Membership Subscriptions	574	557
Community Grant – RSDF Project	16,897	-
Sundry Revenue	506	-
Total Other Operating Revenue	<u>17,977</u>	<u>557</u>

In 2023, two grants totaling \$16,897 were received from the Racing Safety Development Fund. \$7,500 was for the 2022 lane project and \$9,397 was for the venue health and safety project.

4 Other Operating Expenses	2023	2022
	\$	\$
Audit and Accountancy Fees	2,500	2,450
Bank Fees	167	201
Committee & AGM Costs	131	523
Depreciation	19,324	20,021
Conference Expenses	442	-
Course Lease Fee - Oamaru Racecourse Trustees	700	700
Donations Paid	1,400	700
Insurance	57,743	775
Loss on Disposal of Plant and Equipment	-	465
Professional Fees	2,589	7,350
Postage, Printing & Stationery	515	388
Repair and Maintenance - Track	10,353	223
Secretarial Fees	29,000	26,589
Sundry Expenses	320	689
Vehicle Expenses	254	111
2022 RSDF lane project spending	15,994	-
2023 RSDF health and safety project spending	16,644	-
Total Other Operating Expenses	<u>130,276</u>	<u>61,185</u>

5 Finance Revenue	2023	2022
	\$	\$
Interest Revenue	27,695	9,844
Total Finance Revenue	<u>27,695</u>	<u>9,844</u>

6 Cash and Bank Accounts	2023	2022
	\$	\$
ANZ Bank – Current Account	32,452	1,126
ANZ Bank – Call Account	50,919	-
Total Cash and Bank Accounts	<u>83,371</u>	<u>1,126</u>

Oamaru Harness Racing Club Incorporated
Notes to the Performance Report (Continued)

For the Year Ended 31 July 2023

7 Current Investments	2023	2022
	\$	\$
ANZ Bank Term Deposit (1006)	-	274,816
ANZ Bank Term Deposit (1008)	-	526,807
ANZ Bank Term Deposit (1009)	650,000	-
Total Current Investments	650,000	801,623

The Club has investments in term deposits with banks for which interest revenue is recognised during the term of the investment. These investments have original maturities of more than 90 days or those restricted for specific purposes and are rolled on a continuing basis unless used by the Club for its operational cash requirements. Unrestricted term deposits with original maturities of at least or less than 90 days are classified by the Club as cash and cash equivalents. Term deposits with a maturity date within 12 months of balance date have been recorded as 'current investments'.

8 Property, Plant & Equipment	Opening Carrying Amount	Purchases/ (Disposals)	Depreciation	Closing Carrying Amount
2023	\$	\$	\$	\$
Land	40,000	-	-	40,000
Buildings and Track	214,902	-	(15,243)	199,659
Computer Equipment	231	-	(116)	115
Course Equipment	4,610	-	(922)	3,688
Plant & Machinery	22,881	-	(3,043)	19,838
Total Property, Plant & Equipment	282,624	-	(19,324)	263,300

2022	Opening Carrying Amount	Purchases/ (Disposals)	Depreciation	Closing Carrying Amount
	\$	\$	\$	\$
Land	40,000	-	-	40,000
Buildings and Track	230,145	-	(15,243)	214,902
Computer Equipment	462	-	(231)	231
Course Equipment	5,763	-	(1,153)	4,610
Office Equipment	185	(185)	-	-
Plant & Machinery	26,555	(280)	(3,394)	22,881
Total Property, Plant & Equipment	303,110	(465)	(20,021)	282,624

The land is a paddock beside the racecourse. The land has a recent rateable value of \$205,000 (2022: \$205,000).

Oamaru Harness Racing Club Incorporated
Notes to the Performance Report (Continued)
For the Year Ended 31 July 2023

9 Oamaru Racecourse Facilities

In past years, the Club entered into a formal seven year lease with the Trustees of the Oamaru Racecourse for the lease of the Crown Reserve land and buildings. The Club currently pays \$700 per year to Oamaru Racecourse Trustees and also pays \$7,000 + GST as course venue hire per race meeting to Oamaru Racecourse Joint Grounds Committee. Under the terms of the lease the Club has transferred the day to day management of the facilities to the Oamaru Racecourse Joint Grounds Committee. This Committee is a voluntary committee established in 1953 and its activities are sanctioned under section 29 of the Reserves Act 1977. The legislation also imposes an obligation on this committee to maintain separate financial statements and file these annually with the Audit Office and the local office of the Department of Conservation.

10 Accumulated Surpluses

	2023	2022
	\$	\$
Opening Balance	1,097,030	1,131,146
(Deficit) for the Year	(41,658)	(34,116)
Closing Balance	<u>1,055,372</u>	<u>1,097,030</u>

11 Transactions & Balances with Key Management Personnel & Close Members of their Family

Key management personnel (KMP) of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team who exercise control or significant influence over the financial and operating decision-making of the Club. For purposes of financial reporting disclosures, the Club also considers transactions with close members of the families KMP as related party transactions.

Transactions

KMP are also members of the Club and pay membership fees and other fines and charges on the same rate and terms as charged to other members who are not KMP. In addition, members of the Club may have an interest in racing through ownership, breeding, training, driving or similar capacity. KMP and close members of their family may also join races and be eligible for stake money from the Club under normal trade terms and conditions applicable to other persons not otherwise considered KMP.

With the exception of the regular fees and charges, compensation and race-related transactions under normal terms, there have been no other transactions between the Club and its KMP and close family members during the year (2022: nil).

Oamaru Harness Racing Club Incorporated
Notes to the Performance Report (Continued)
For the Year Ended 31 July 2023

12 Arrangement with Southern Harness Racing Incorporated

The Oamaru Harness Racing Club joined the Southern Harness Racing Bureau on 1 April 2021. Harness Racing Clubs in the Southland and Otago regions developed a regionalised model which was introduced for the 2017 financial year. Under the Heads of Agreement a new structure was developed with the commissions on Off Course and Fixed Odds betting turnover and Group Race subsidies being paid to Southern Harness Racing. This was part of a bulk funded agreement with Harness Racing New Zealand (HRNZ) and the New Zealand Racing Board (now Racing New Zealand). There have been subsequent changes to this model since 2017.

From August 2020 Clubs hosting Race Meetings now receive a Venue Payment per race day rather than any bulk funded commissions. This is to assist them with their race meeting running costs. Southern Harness Racing are responsible for race programming and the allocation of stakes funding. HRNZ are responsible for the payment of all Stakes. A key aim of this structure is to ensure consistent race programming and increased stakes across all meetings.

13 Related Parties

There are no significant transaction that were on terms and conditions that are likely to be different from the terms and conditions or transactions in similar circumstances, involving related parties during the financial year (2022: Nil).

14 Commitments

The Club has no commitments as at 31 July 2023 (2022: Nil).

15 Contingent Liabilities and Guarantees

The Club has no contingent liabilities and no guarantees as at 31 July 2023 (2022: Contingent Liabilities Nil. Guarantees Nil.)

16 Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance Report.

Independent Auditor's Report

to the Members of Oamaru Harness Racing Club Incorporated

Our Opinion

We have audited the performance report of Oamaru Harness Racing Club Incorporated (the Club) which comprises the statement of financial position as at 31 July 2023 and the entity information, the statement of service performance, the statement of financial performance, and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion the accompanying performance report presents fairly, in all material respects:

- (a) the entity information for the year ended 31 July 2023;
- (b) the financial position of the Club as at 31 July 2023 and its financial performance and cash flows for the year ended on that date
- (c) the service performance for the year ended 31 July 2023 consistent with the Club's service performance criteria

in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information (NZ)*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of the Club 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 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.

Our firm has provided accounting assistance with the presentation of the performance report. This assistance has not impaired our independence as auditors of the Club.

Committee's Responsibilities for the Performance Report

The Committee is responsible, on behalf of the Club for:

- (a) the preparation and fair presentation of the entity information, financial statements and service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit);
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as those charged with governance determine is necessary to enable the preparation of the financial statements and service report information that are free from material misstatement, whether due to fraud or error.

In preparing the performance report the Committee is responsible for assessing the Club's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the entity information, financial statements as a whole and the service performance information 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) and NZAS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

A further description of our responsibilities for the audit of the performance report is located on the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/>.

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

Audit Professionals Limited

Chartered Accountants
9 October 2023

Dunedin