

**Wyndham Harness Racing Club Incorporated**

**Performance Report**

**For the Year Ended 30 April 2023**

**Wyndham Harness Racing Club Incorporated**

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**For the Year Ended 30 April 2023**

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## Wyndham Harness Racing Club Incorporated

### Entity Information

#### For the Year Ended 30 April 2023

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

<b>Entity's Purpose or Mission</b>	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.
<b>Nature of Business</b>	Harness Racing Club
<b>Incorporated Society Number</b>	225324
<b>Additional Information</b>	<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 (race tracks) 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>
<b>Contact Details</b>	<p>Physical Address: C/- Southern Harness Racing Ascot Park Racecourse 107-113 Racecourse Road Invercargill 9810</p> <p>Postal Address: C/- Southern Harness Racing General Manager Jason Broad PO Box 96 Invercargill</p> <p>Phone: (03) 217-9117</p> <p>Email: <a href="mailto:admin@southernharness.co.nz">admin@southernharness.co.nz</a></p>

## Wyndham Harness Racing Club Incorporated

### Entity Information (continued)

For the Year Ended 30 April 2023

<b>Auditor</b>	Audit Professionals Limited Chartered Accountants Dunedin
<b>Bankers</b>	SBS Bank Invercargill
<b>Solicitors</b>	Murray Little Cruickshank Pryde Invercargill
<b>IRD Number</b>	117-600-491
<b>Entity Structure</b>	<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: B Muir, B Duffy, R Ferguson, S O'Donnell, G McLellan, B Sinclair, IW Hunter, BJ Fahy, P Dobson, MGA Hunter, MH McKelvie, MR Hunter and BD McLellan.</p>
<b>Main Sources of Cash and Resources</b>	<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>

## Wyndham Harness Racing Club Incorporated

### Entity Information (continued)

#### For the Year Ended 30 April 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.

## Wyndham Harness Racing Club Incorporated

### Statement of Service Performance

#### For the Year Ended 30 April 2023

##### Description of the Club's Outcomes

The Club is primarily engaged in the conduct and promotion of harness racing in the Wyndham area. Race meetings are held at Young Quinn Raceway, Wyndham and 3 race meetings annually in Cromwell.

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 Southern Harness Racing and the Code (Harness Racing NZ) 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	8	6
Number of Races	81	61
Number of Horses Started	821	630
Total Stakes Offered	\$896,000	\$666,500
Total Stakes Paid	\$863,074	\$647,084

Race meetings were held at Wyndham on 8 September 2022, 13 October 2022, 6 November 2022, 18 March 2023, 6 April 2023 and Cromwell on 6 January 2023, 24 February 2023, 26 February 2023.

Wyndham Harness Racing Club Incorporated

Statement of Financial Performance

For the Year Ended 30 April 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Race Meeting Revenue	1	1,215,463	903,713
Sale of Goods	2	86,723	128,095
Rendering of Services	3	27,133	56,563
Other Operating Revenue	4	21,974	2,615
Finance Revenue	5	4,105	-
<b>Total Revenue</b>		<b>1,355,398</b>	<b>1,090,986</b>
<b>Less Expenses</b>			
Race Meeting Costs & Expenses	1	1,039,158	728,314
Cost of Sales	2	108,146	101,572
Cost of Rendering Services	3	21,186	45,501
Other Operating Expenses	6	81,167	49,743
<b>Total Expenses</b>		<b>1,249,657</b>	<b>925,130</b>
<b>Surplus for the Year</b>		<b>105,741</b>	<b>165,856</b>

The accompanying notes form part of these financial statements.

Wyndham Harness Racing Club Incorporated

Statement of Financial Position

As at 30 April 2023

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
SBS Bank Current Account		137,591	140,417
SBS Bank Call Account		31,808	31,645
Bank and Cash Accounts		169,399	172,062
Owing by RSDF Towards Track Resurfacing		-	35,985
Owing for Sale of Trees		-	49,682
Accrued interest on bank deposits		3,837	-
Other Accounts Receivable		75,106	45,078
Prepayment		7,199	3,796
GST Receivable		661	-
Livestock Inventory	7	31,580	40,000
Current Investments	8	150,000	-
<b>Total Current Assets</b>		<b>437,782</b>	<b>346,603</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	9	425,470	406,684
Advance – Southern Harness Racing Incorporated		-	1,500
<b>Total Non Current Assets</b>		<b>425,470</b>	<b>408,184</b>
<b>Total Assets</b>		<b>863,252</b>	<b>754,787</b>
<b>Current Liabilities</b>			
Accounts Payable		10,656	13,191
Grant received in Advance	3	8,120	-
GST Payable		-	2,871
<b>Total Current Liabilities</b>		<b>18,786</b>	<b>16,062</b>
<b>Total Liabilities</b>		<b>18,786</b>	<b>16,062</b>
<b>Net Assets</b>		<b>844,466</b>	<b>738,725</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses	10	844,466	738,725
<b>Total Accumulated Funds</b>		<b>844,466</b>	<b>738,725</b>

For and on behalf of Wyndham Harness Racing Club Incorporated



Date: 1/8/23

The accompanying notes form part of these financial statements



Wyndham Harness Racing Club Incorporated

Statement of Cash Flows

For the Year Ended 30 April 2023

	Note	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			
<b>Cash was received from:</b>			
Industry Profit Distribution & Other Race Meeting Receipts		304,249	238,400
Donations, Fundraising & Other Similar Receipts		97,860	31,291
Fees, Subscriptions & Other Receipts from Members		1,465	2,618
Receipts from Providing Goods or Services		151,664	79,288
Net GST movement		(3,532)	4,324
		<b>551,706</b>	<b>355,921</b>
<b>Cash was applied to:</b>			
Payments to Suppliers & Employees		370,568	277,784
Donations Paid		1,850	450
		<b>372,418</b>	<b>278,234</b>
<b>Net Cash Flows from Operating Activities</b>		<b>179,288</b>	<b>77,687</b>
<b>Cash Flows from Investing and Financing Activities</b>			
<b>Cash was received from:</b>			
Interest Receipts		268	-
Repayment of Advance – Southern Harness Racing Incorporated		1,500	-
		<b>1,768</b>	-
<b>Cash was applied to:</b>			
Investment in Bank Term Deposits		150,000	-
Purchase of Property Plant & Equipment		33,719	-
		<b>183,719</b>	-
<b>Net Cash Flows to Investing and Financing Activities</b>		<b>(181,951)</b>	-
Net increase/(decrease) in Cash Held		(2,663)	77,687
Cash at the Beginning of the Year		172,062	94,375
<b>Cash at the End of the Year</b>		<b>169,399</b>	<b>172,062</b>
<b>This is represented by:</b>			
SBS Bank Current Account		137,591	140,417
SBS Bank Call Account		31,808	31,645
<b>Total Cash &amp; Bank Balances</b>		<b>169,399</b>	<b>172,062</b>

The accompanying notes form part of these financial statements.

## Wyndham Harness Racing Club Incorporated

### Statement of Accounting Policies

#### For the Year Ended 30 April 2023

##### Reporting Entity

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

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 an 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.

## Wyndham Harness Racing Club Incorporated

### Statement of Accounting Policies (continued)

#### For the Year Ended 30 April 2023

Revenue from the 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.

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.

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 is 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 useful lives 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.

## Wyndham Harness Racing Club Incorporated

### Statement of Accounting Policies (continued)

#### For the Year Ended 30 April 2023

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 Property, Plant & Equipment are taken into account in determining the net result for the year.

**(e) Income Tax**

The Club is an Incorporated Society 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 recognised upon purchase 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.

**(j) Agricultural Assets**

Biological assets are measured at fair value less cost to sell. For livestock, the value published by the Inland Revenue Department are used as a guide.

#### **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.

## Wyndham Harness Racing Club Incorporated

### Notes to the Performance Report

#### For the Year Ended 30 April 2023

1 Race Meeting Revenue	2023	2022
	\$	\$
	(8 race meetings)	(6 race meetings)
Venue Funding - HRNZ	266,024	190,600
Stakes Funding – HRNZ and Southern Harness Racing Top-ups (includes group and feature race funding)	859,824	645,084
Covid Assistant Funding	-	1,080
Profit Share: The Races Limited Partnership	-	14,040
<b>Total Bulk Funding</b>	<b>1,125,848</b>	<b>850,804</b>
Admission & Gate Sales (Cromwell)	5,633	6,437
Grants	15,000	-
Donations	4,000	106
Net Bar Revenue	6,679	3,148
Racebook Sales	671	764
Raceday Course Rental	23,000	23,000
Sponsorship	32,995	19,104
Sundry Revenue	1,637	350
<b>Total Race Meeting Revenue</b>	<b>1,215,463</b>	<b>903,713</b>
<b>Race Meeting Costs &amp; Expenses</b>		
Stakes Paid through Southern Harness Racing	859,824	645,084
Club's Contribution to Stakes	3,250	2,000
<b>Total Stakes Paid</b>	<b>863,074</b>	<b>647,084</b>
Advertising	9,473	3,198
Bar, Catering & Sponsors Expenses	16,201	8,463
Cromwell Raceday Expenses (Happy Hire Tents)	8,042	5,194
Race Meeting Services (includes security)	33,816	17,543
Race Meeting Wages	29,267	14,905
Racebook Costs	10,693	5,515
Racecourse Rental & Course Related Costs	19,500	6,500
Sponsorship, Promotions and Entertainment	12,907	4,578
Tote Wages	31,765	15,016
Trophies	4,420	318
<b>Total Race Meeting Costs &amp; Expenses</b>	<b>1,039,158</b>	<b>728,314</b>
<b>Net Surplus from Race Meeting</b>	<b>176,305</b>	<b>175,399</b>

Grants, subsidies and donated assets are mostly cash and cash equivalents received from grantors; these are recorded as revenue upon receipt unless a condition exists on the transfer which requires the Club to return the asset received if the condition is not satisfied. In which case, the Club recognises the asset received initially as a liability and recognises revenue when the condition is satisfied. Grants were from Trillian Trust Limited \$5,000 and The Trusts Community Foundation \$10,000 for race meetings expenses. The Committee would like to express appreciation for this financial support.

Wyndham Harness Racing Club Incorporated  
Notes to the Performance Report (continued)  
For the Year Ended 30 April 2023

**2 Sale of Goods**

	2023	2022
	\$	\$
<b><u>Livestock</u></b>		
Sales – Dairy Heifers	-	59,618
Sales – Lambs	72,485	16,504
<b>Total Sales - Livestock</b>	<u>72,485</u>	<u>76,122</u>
Purchases – Beef Calves	-	-
Purchases – Lambs	28,371	38,777
Cartage	-	1,008
Opening Balance	40,000	31,350
Less: Closing Balance	<u>(31,580)</u>	<u>(40,000)</u>
<b>Cost of sales</b>	<u>36,791</u>	<u>31,135</u>
<b>Net surplus – sale of livestock</b>	<u><b>35,694</b></u>	<u><b>44,987</b></u>

Wyndham Harness Racing Club Incorporated  
Notes to the Performance Report (continued)  
For the Year Ended 30 April 2023

2 Sale of Goods (continued)	2023	2022
	\$	\$
<b><u>Farming Produce</u></b>		
Sales – Baleage	14,238	8,771
Farm Expenses	<u>(1,869)</u>	<u>(11,076)</u>
<b>Net surplus/(deficit) – sale of farming produce</b>	<b><u>12,369</u></b>	<b><u>(2,305)</u></b>

Wyndham Harness Racing Club Incorporated  
Notes to the Performance Report (continued)  
For the Year Ended 30 April 2023

2 Sale of Goods (continued)	2023	2022
	\$	\$
<u>Venue</u>		
Sales – Tree Work	-	43,202
<b>Total Sales - Venue</b>	<u>-</u>	<u>43,202</u>
Caretaker Salaries	24,450	25,826
Vehicle Expenses	6,612	5,802
Insurance	9,077	8,176
Electricity	7,174	6,185
Sundry Expenses	-	1,249
Lease Expense	2,700	2,700
Repairs & Maintenance (buildings, grounds, machinery & equipment)	19,473	9,423
<b>Cost of sales</b>	<u>69,486</u>	<u>59,361</u>
<b>Net (deficit) – Venue</b>	<u>(69,486)</u>	<u>(16,159)</u>
<u><b>Total Sale of Goods</b></u>		
<b>Total Revenue Sale of Goods</b>	<u><u>86,723</u></u>	<u><u>128,095</u></u>
<b>Total Cost of Sales</b>	<u><u>108,146</u></u>	<u><u>101,572</u></u>



Wyndham Harness Racing Club Incorporated  
Notes to the Performance Report (continued)  
For the Year Ended 30 April 2023

3 Rendering of Services	2023	2022
	\$	\$
<b><u>Track Fees</u></b>		
Track Fees – Revenue	10,526	10,179
Billboard Advertising	-	500
Grant – The Racing Safety Development Fund	-	31,291
<b>Total Revenue – Track Fees</b>	<u>10,526</u>	<u>41,970</u>
Track Costs	(1,532)	(78)
Track Resurfacing	(3,783)	(45,423)
<b>Net Surplus / (deficit) – Track Fees</b>	<u>5,211</u>	<u>(3,531)</u>

A grant of \$8,103 was also received in the year to 30 April 2023 from the Racing Safety Development Fund and this is recorded as being received in advance at 30 April 2023 as it is to be applied to a water tank replacement project in the 2024 financial year.

Wyndham Harness Racing Club Incorporated  
Notes to the Performance Report (continued)  
For the Year Ended 30 April 2023

<b>3 Rendering of Services (continued)</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Box/Paddock Rental</u></b>		
Box & Paddock Rental	16,607	14,593
Repairs & Maintenance (Fencing)	(15,871)	-
<b>Net surplus – Box/Paddock Rental</b>	<b><u>736</u></b>	<b><u>14,593</u></b>
<b><u>Total Rendering of Services</u></b>		
<b>Total Revenue Rendering of Services</b>	<b><u>27,133</u></b>	<b><u>56,563</u></b>
<b>Total Cost of Rendering Services</b>	<b><u>21,186</u></b>	<b><u>45,501</u></b>

**Wyndham Harness Racing Club Incorporated**  
**Notes to the Performance Report (continued)**  
**For the Year Ended 30 April 2023**

<b>4 Other Operating Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Membership Subscriptions	1,465	2,055
Members Bar Revenue	-	560
Donations	10,100	-
Centennial Revenue	9,409	-
Centennial Grant	1,000	-
<b>Total Other Operating Revenue</b>	<b>21,974</b>	<b>2,615</b>
<b>5 Finance Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest Revenue	4,105	-
<b>Total Finance Revenue</b>	<b>4,105</b>	<b>-</b>
<b>6 Other Operating Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
ACC Levies	264	252
Audit Fee	2,600	2,200
Bank Fees	107	-
Cleaning	1,012	85
Committee & AGM Costs	2,014	716
Conference Expenses	539	-
Depreciation	14,933	15,103
Centennial Costs	11,503	-
Donations	1,850	450
Legal & Other Professional Fees	1,375	1,403
Postage, Printing, Stationery	-	1,138
Secretarial Services	44,970	28,396
<b>Total Other Operating Expenses</b>	<b>81,167</b>	<b>49,743</b>

Wyndham Harness Racing Club Incorporated

Notes to the Performance Report (continued)

For the Year Ended 30 April 2023

7 Livestock Inventory	2023	2022
	\$	\$
Opening carrying amount	40,000	31,350
Increases due to purchases	28,371	38,777
Decreases due to sales	(54,075)	(42,772)
Net gain from changes in fair value attributable to physical and price changes	17,284	12,645
<b>Closing Carrying Amount</b>	<b>31,580</b>	<b>40,000</b>

The above is the reconciliation of the carrying amount of the Club's livestock. Fair value is determined using the current market value for such assets and adjustments in fair value of the livestock are included in the Statement of Financial Performance.

8 Current Investments	2023	2022
	\$	\$
SBS Bank Term Deposit (83-7)	50,000	-
SBS Bank Term Deposit (84-5)	100,000	-
<b>Total Current Investments</b>	<b>150,000</b>	<b>-</b>

9 Property, Plant & Equipment

2023	Opening Carrying Amount	Purchases/ (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
Land	24,139	-	-	24,139
Buildings	314,337	33,719	6,317	341,740
Plant & Equipment	43,288	-	4,995	38,293
Motor Vehicles	24,920	-	3,621	21,298
<b>Total Property, Plant &amp; Equipment</b>	<b>406,684</b>	<b>33,719</b>	<b>14,933</b>	<b>425,470</b>

The Club purchased a new shelter shed during the 2023 financial year.

2022	Opening Carrying Amount	Purchases/ (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
Land	24,139	-	-	24,139
Buildings	320,165	-	5,828	314,337
Plant & Equipment	48,160	782	5,654	43,288
Motor Vehicles	28,541	-	3,621	24,920
<b>Total Property, Plant &amp; Equipment</b>	<b>421,005</b>	<b>-</b>	<b>15,103</b>	<b>406,684</b>

Wyndham Harness Racing Club Incorporated

Notes to the Performance Report (continued)

For the Year Ended 30 April 2023

10 Accumulated Surpluses	2023	2022
	\$	\$
Opening Balance	738,725	572,869
Surplus for the Year	105,741	165,856
<b>Accumulated Net Surpluses</b>	<b>844,466</b>	<b>738,725</b>

11 Lease Commitment with Southland District Council	2023	2022
	\$	\$
Current Portion	2,700	2,700
Non-Current Portion	51,300	54,000
<b>Total Lease Commitment with Southland District Council</b>	<b>54,000</b>	<b>56,700</b>

This lease is for 29 hectares of land. The lease commenced on 1 July 2013 and is for 30 years.

**12 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 of 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 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).

## Wyndham Harness Racing Club Incorporated

### Notes to the Performance Report (continued)

For the Year Ended 30 April 2023

#### 13 Arrangement with Southern Harness Racing Incorporated

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 is 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.

#### 14 Related Parties

There are no significant transactions 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).

#### 15 Capital Commitments

The Club has no capital commitments as at 30 April 2023 (2022: Nil).

#### 16 Contingent Liabilities and Guarantees

The Club has no contingent liabilities and no guarantees as at 30 April 2023 (2022: Contingent Liabilities Nil. Guarantees Nil.)

#### 17 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 Wyndham Harness Racing Club Incorporated

### **Our Qualified Opinion**

We have audited the performance report of Wyndham Harness Racing Club Incorporated (the Club) which comprises the statement of financial position as at 30 April 2023 and the entity information, the statement of service performance, the statement of financial performance, movements in equity and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report: the accompanying performance report presents fairly, in all material respects:

- (a) the entity information for the year ended 30 April 2023;
- (b) the service performance for the year ended 30 April 2023 consistent with the Club service performance criteria
- (c) the financial position of the Club as at 30 April 2023 and its financial performance and cash flows for the year ended on that date

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 Qualified Opinion**

In common with other organisations of a similar nature, control over the revenues from donations, admission & gate sales, bar revenue and similar income prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Club, or to determine the effect of the limited control.

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 (NZAS) 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 qualified 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.

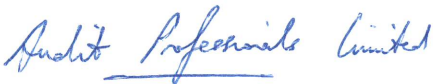
In preparing the performance report the Committee is responsible for assessing the Club's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Club or to 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.



Chartered Accountants  
2 August 2023

Dunedin