

Winton Harness Racing Club Incorporated

Performance Report

For the Year Ended 30 June 2023

Winton Harness Racing Club Incorporated

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For the Year Ended 30 June 2023

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Winton Harness Racing Club Incorporated

Entity Information

For the Year Ended 30 June 2023

Winton 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

225369

Additional Information

The Club is incorporated under the Incorporated Societies Act 1908 and is a recognised industry organisation in accordance with the Racing Industry Act 2020.

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.

The Club is party to various agreements with other racing clubs with respect to 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.

Contact Details

Physical Address:

C/- Southern Harness Racing
Ascot Park Racecourse
107-113 Racecourse Road
Invercargill 9810

Postal Address:

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

Phone: (03) 217-9117

Email: admin@southernharness.co.nz

Winton Harness Racing Club Incorporated

Entity Information (Continued)

For the Year Ended 30 June 2023

Auditor	Audit Professionals Limited Chartered Accountants Dunedin
Bankers	SBS Bank Invercargill
Solicitors	Murray Little Cruickshank Pryde Invercargill
IRD Number	011-191-754
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.</p> <p>Committee members: I Goodman (President), B Gray, K Larsen, KP McNaught, AW Kyle, N Skinner, MD Fairbairn, C Faithful, R Stevens, B Rae, A Black & N Kean.</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, rental and other fees.</p>

Winton Harness Racing Club Incorporated

Entity Information (Continued)

For the Year Ended 30 June 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 sale of goods and services (including charges for use of the Club's assets) are based on agreed price 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 Club's operations. In some instances, donated goods have attached conditions in them which the Club has to satisfy before full entitlement over the goods received 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.

Winton Harness Racing Club Incorporated

Statement of Service Performance

For the Year Ended 30 June 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 Central Southland Raceway, Winton.

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 (HRNZ) to ensure that industry funding remain a steady source of operational funding for race meetings.

Description of Outputs	Actual 2023	Actual 2022
Number of Race Meetings Held	11	9
Number of Races	107	84
Number of Horses Started	1,100	910
Total Stakes Offered	\$1,182,500	\$866,000
Total Stakes Paid	\$1,147,421	\$846,138

The Club's race meetings were held on the 25 August 2022, 24 September 2022, 13 November 2022, 17 November 2022, 8 December 2022, 24 December 2022, 11 January 2023, 13 April 2023, 13 May 2023, 27 May 2023 and 30 June 2023.

Winton Harness Racing Club Incorporated

Statement of Financial Performance

For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue			
Race Meeting Revenue	1	1,437,037	1,095,033
Sale of Livestock	3	34,419	33,550
Rendering of Services	4	10,500	10,500
Other Operating Revenue	5	34,723	46,077
Finance Revenue	6	16,324	6,884
Total Revenue		1,533,003	1,192,044
Less Expenses			
Race Meeting Costs & Expenses	2	1,330,658	1,002,614
Cost of Sales	3	(100)	28,225
Other Operating Expenses	7	190,005	129,383
Total Expenses		1,520,563	1,160,222
Surplus for the year		12,440	31,822

The accompanying notes form part of these financial statements.

Winton Harness Racing Club Incorporated

Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and Bank Accounts	8	90,050	156,155
Accounts Receivable		25,697	5,258
Accrued Interest		5,475	2,405
Inventories	9	28,000	14,900
Investment – Bank Term Deposits	10	474,799	461,774
GST Receivable		4,277	-
Total Current Assets		628,298	640,492
Non-Current Assets			
Property, Plant & Equipment	11	100,278	58,458
Advance – Southern Harness Racing		-	2,000
Total Non-Current Assets		100,278	60,458
Total Assets		728,576	700,950
Current Liabilities			
Accounts Payable		17,809	225
GST Payable		-	2,398
Total Current Liabilities		17,809	2,623
Total Liabilities		17,809	2,623
Net Assets		710,767	698,327
Accumulated Funds			
Accumulated Surpluses	10	710,767	698,327
Total Accumulated Funds		710,767	698,327

For and on behalf of Winton Harness Racing Club Incorporated

 President

1.9. 2023

The accompanying notes form part of these financial statements.

Winton Harness Racing Club Incorporated

Statement of Cash Flows

For the Year Ended 30 June 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Industry Profit Distribution & Other Race Meeting Receipts	258,515	245,238
Donations, Fundraising & Other Similar Receipts	43,742	35,924
Fees, Subscriptions & Other Receipts from Members	1,790	1,859
Receipts from Providing Goods or Services	54,712	45,341
Covid-19 Wage Subsidy Receipts	-	5,744
Net GST movement	(6,675)	1,193
	352,144	335,299
Cash was applied to:		
Payments to Suppliers & Employees	(369,181)	(287,756)
Other Donations Paid	(750)	(100)
	(369,931)	(287,856)
Net Cash Flows from/(to) Operating Activities	(17,787)	47,443
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Receipts from Maturity of Bank Deposit	59,028	-
Interest Receipts	13,254	5,458
Repayment of Advance – Southern Harness Racing	2,000	-
Cash was applied to:		
Payments to Increase Bank Deposits	(72,053)	(5,458)
Payment to Acquire Property, Plant and Equipment	(50,547)	-
Net Cash Flows (to) Investing and Financing Activities	(48,318)	-
Net Increase/(Decrease) in Cash Held	(66,105)	47,443
Cash at the Beginning of the Year	156,155	108,712
Cash at the End of the Year	90,050	156,155
This is represented by:		
SBS Current Account	89,280	155,595
SBS Call Account	770	560
Total Cash & Bank Balances	90,050	156,155

The accompanying notes form part of these financial statements.

Winton Harness Racing Club Incorporated

Statement of Accounting Policies

For the Year Ended 30 June 2023

Reporting Entity

Winton Harness Racing Club (henceforth, "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 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 are recognised when the inventories are sold while revenue from sale of services are 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.

Winton Harness Racing Club Incorporated

Statement of Accounting Policies (Continued)

For the Year Ended 30 June 2023

(a) Revenue Recognition (Continued)

Revenue arising from grants, donations, subsidies and items of similar nature (collectively, revenues from non-exchange transactions) are recognised as revenue upon receipt of the asset unless a condition ("use or return" the asset received) 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 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) Inventories

Inventory is measured at cost upon initial recognition when title over the goods purchased is transferred to the Club. For inventory acquired through non-exchange transactions (i.e. for no cost or for a nominal cost to the Club), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost or selling price; any decline in value is recognised as expenses as part of direct cost of sales.

Agricultural produce and harvests are recognised on initial recognition and at each reporting date at their fair value with reference to current market price less cost to sell at the point of harvest.

(d) Accounts Receivable

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.

(e) Property, Plant & Equipment

Property, plant and equipment 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 useful lives have been used:

Land - tracks	20 years
Plant & Equipment	10 – 50 years
Furniture & Fittings	50 years
Motor Vehicles	15 – 20 years

Winton Harness Racing Club Incorporated
Statement of Accounting Policies (Continued)
For the Year Ended 30 June 2023

(e) Property, Plant & Equipment (Continued)

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 adjustment to the value of the asset and recognised in the statement of financial performance.

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 fixed assets are taken into account in determining the net result for the year.

(f) 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.

(g) Investments

Investments are recognised upon purchase and initially measured at the amount paid. The Club's investments include investment in shares / equity in other entities, term deposits and other debt instruments.

(h) 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.

(i) Subscriptions

Subscriptions are recognised on an accrual basis.

(j) Livestock

Livestock on hand is recorded at market value.

(k) Accounts Payable

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 previous performance report.

Winton Harness Racing Club Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2023

1 Race Meeting Revenue

	2023	2022
	\$	\$
	(11 race meetings)	(9 race meetings)
Venue Payment – HRNZ	171,514	130,088
High Use Venue Funding – HRNZ	87,604	71,676
Stakes Funding – HRNZ and Southern Harness Racing Top-ups	1,137,421	846,138
Abandonment Funding – HRNZ	-	27,838
Total Funding	1,396,539	1,075,740
Sponsorship	13,283	16,385
Bar Sale – Public	6,321	2,459
Bar Sale – Members	2,344	-
Sundry Revenue	-	449
Grants	18,550	-
Total Race Meeting Revenue	1,437,037	1,095,033

Grants were from Trillian Trust Ltd \$18,550 towards race meeting expenses. The Committee would like to express appreciation for this financial support.

2 Race Meeting Expenses

	2023	2022
	\$	\$
	(11 race meetings)	(9 race meetings)
Stakes Paid through Southern Harness Racing	1,137,421	846,138
Club's Contribution to Stakes	10,000	25,000
Total Stakes Paid	1,147,421	871,138
Advertising	3,410	2,920
Bar Expenses – Public	6,212	1,349
Race Meeting Services (incl Security)	21,828	19,869
Race Meeting Sponsor Expenses (incl Trophies and Dress Rugs)	6,925	5,018
Racebook Costs	4,705	3,976
Racecourse Rental	88,000	63,000
Sponsorship and Promotion	1,717	1,478
Race Meeting Wages	35,726	26,611
Tote Wages	13,493	7,255
Sundry Expenses	1,221	-
Total Race Meeting Expenses	1,330,658	1,002,614
Net Surplus from Race Meetings	106,379	92,419

Winton Harness Racing Club Incorporated
Notes to the Performance Report (Continued)
For the Year Ended 30 June 2023

3 Sale of Livestock	2023	2022
	\$	\$
<u>Livestock</u>		
Sales – Beef Cattle	34,419	33,550
Total Sales	<u>34,419</u>	<u>33,550</u>
Purchases – Beef Cattle	13,000	8,925
Opening stock on hand	14,900	34,200
Less: Closing stock on hand	(28,000)	(14,900)
Cost of Sales	<u>(100)</u>	<u>28,225</u>
Net Surplus from Sale of livestock	<u>34,519</u>	<u>5,325</u>

4 Rendering of Services	2023	2022
	\$	\$
Billboard Advertising	10,500	8,000
Service Fees	-	2,500
Total Other Operating Revenue	<u>10,500</u>	<u>10,500</u>

5 Other Operating Revenue	2023	2022
	\$	\$
Contribution towards 2022 safety glass project (north grandstand) – received from the Trustees of the Winton Racecourse Reserve	8,643	-
Covid-19 Wage Subsidy	-	5,744
Donations Received	4,500	955
Grants – Racing Safety Development Fund	-	29,969
Grants – Other	20,000	5,000
Membership Subscriptions	1,580	2,118
Sundry Revenue	-	2,291
Total Other Operating Revenue	<u>34,723</u>	<u>46,077</u>

In 2023 a \$20,000 grant from Racing Safety Development Fund was received towards the purchase of a new water tanker, purchased December 2022.

6 Finance Revenue	2023	2022
	\$	\$
Interest from bank and term deposits	16,324	6,884
Total Finance Revenue	<u>16,324</u>	<u>6,884</u>

Winton Harness Racing Club Incorporated
Notes to the Performance Report (Continued)
For the Year Ended 30 June 2023

7 Other Operating Expenses	2023	2022
	\$	\$
Audit Fee	2,700	2,600
Bank Fees	18	18
Committee & AGM Costs	2,903	513
Conference Expenses	1,390	-
Depreciation	8,727	6,702
Donations Made	750	100
Insurance (ACC Levies)	158	227
Postage, Printing, and Stationery	538	550
Repairs & Maintenance – contribution towards new windows in members grandstand	11,700	-
Project – Café Rebuild	-	10,978
Project – Grandstand Window Replacement	-	17,285
Project – Tote Demolishment	-	26,350
Project - partial re-roof north grandstand	56,640	-
Project - Track resurfacing	41,848	-
Secretarial Fees	62,060	61,563
Sundry Expenses	471	1,740
Track and Training Costs	-	362
Vehicle Expenses (Workouts vehicle)	102	395
Total Other Operating Expenses	190,005	129,383

8 Cash and Cash Equivalents	2023	2022
	\$	\$
SBS Bank – Current Account	89,280	155,595
SBS Bank – Call Account	770	560
Total Cash and Cash Equivalents	90,050	156,155

9 Livestock Inventory	2023	2022
	\$	\$
Opening carrying amount	14,900	34,200
Increases due to purchases	13,000	8,925
Decreases due to sales	(34,419)	(33,550)
Net gain from changes in fair value	34,519	5,325
Closing Carrying Amount	28,000	14,900

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.

Winton Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2023

10 Current Investments

	2023	2022
	\$	\$
SBS Bank Term Deposit (99-1)	-	59,028
SBS Bank Term Deposit (102-8)	308,170	300,507
SBS Bank Term Deposit (105-4)	166,629	102,239
Total Current Investments	474,799	461,774

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'.

11 Property, Plant & Equipment

	Opening Carrying Amount	Purchases/ (Disposals)	Depreciation & Loss on Disposal	Closing Carrying Amount
	\$	\$	\$	\$
2023				
Freehold Land - track	8,826	-	575	8,251
Plant & Equipment	39,254	2,666	4,520	37,401
Motor Vehicles	8,294	40,000	3,331	44,963
Furniture & Fittings	2,084	7,881	301	9,664
Total Property, Plant & Equipment	58,458	50,547	8,727	100,278
2022				
Freehold Land - track	9,401	-	575	8,826
Plant & Equipment	44,135	-	4,881	39,254
Motor Vehicles	9,430	-	1,136	8,294
Furniture & Fittings	2,194	-	110	2,084
Total Property, Plant & Equipment	65,160	-	6,702	58,458

12 Accumulated Surpluses

	2023	2022
	\$	\$
Opening Balance	698,327	666,505
Surplus for the Year	12,440	31,822
Closing Balance	710,767	698,327

Winton Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2023

13 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 KMP's family as related party transactions.

Transactions

KMPs 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 KMPs. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. KMPs 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 KMPs. 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 KMPs and close members of their family during the year (2022: Nil).

14 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 RITA). 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.

15 Related Parties

There were no significant related party transactions during the financial year that were on terms and conditions that are likely to be different from the terms and conditions of transactions in similar circumstances, involving parties that are not related (2022: \$63,000 racecourse rented for use of grounds. H Hunter, ex committee member, is Trustee of the Winton Racecourse Reserve).

16 Commitments

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

Winton Harness Racing Club Incorporated
Notes to the Performance Report (Continued)
For the Year Ended 30 June 2023

17 Contingent Liabilities and Guarantees

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

18 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 Winton Harness Racing Club Incorporated

Our Opinion

We have audited the performance report of Winton Harness Racing Club Incorporated (the Club) which comprises the statement of financial position as at 30 June 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 30 June 2023;
- (b) the financial position of the Club as at 30 June 2023 and its financial performance and cash flows for the year ended on that date
- (c) the service performance for the year ended 30 June 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.



Chartered Accountants
1 September 2023

Dunedin