

Gore Harness Racing Club Incorporated

Performance Report

For the Year Ended 31 May 2023

Gore Harness Racing Club Incorporated

Contents of Performance Report

For the Year Ended 31 May 2023

Entity Information	2 – 4
Statement of Service Performance	5
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Statement of Accounting Policies	9 – 11
Notes to the Performance Report	12 – 17
Independent Auditor’s Report	18

Gore Harness Racing Club Incorporated

Entity Information

For the Year Ended 31 May 2023

Gore 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 225309

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 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.

Contact Details

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

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General Manager Jason Broad
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Invercargill

Phone: (03) 217-9117

Email: admin@southernharness.co.nz

Gore Harness Racing Club Incorporated

Entity Information (continued)

For the Year Ended 31 May 2023

Auditor	Audit Professionals Limited Chartered Accountants Dunedin
Bankers	SBS Bank Gore
Solicitors	Murray Little Cruickshank Pryde Invercargill
IRD Number	010-270-219
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: R Cleland, C Wilson, P Baynes, G McClymont, T Cross, C Bristow, S McDougall, AJ Ryan, K Adams, L Barrie, S Matheson, T Holland, B Wallace and K Baynes.</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>

Gore Harness Racing Club Incorporated

Entity Information (continued)

For the Year Ended 31 May 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.

Gore Harness Racing Club Incorporated

Statement of Service Performance

For the Year Ended 31 May 2023

Description of the Club's Outcomes

The Club is primarily engaged in the conduct and promotion of harness racing in the Eastern Southland area.

Four race meetings were held in the 2022/2023 Racing Season, two were at the Gore Raceway and two at Young Quinn Raceway in Wyndham.

To ensure that the Club meets its goals, prize money (stakes) has to 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 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	4	4
Number of Races	40	39
Number of Horses Started	387	420
Total Stakes Offered	\$432,500	\$397,500
Total Stakes Paid	\$412,996	\$388,645

Race meetings are held on 11 August 2022 and 29 September 2022 at Young Quinn Raceway, Wyndham, and on 27 December 2022 and 19 February 2023 at Gore (Grass).

Gore Harness Racing Club Incorporated
Statement of Financial Performance
For the Year Ended 31 May 2023

	Note	2023 \$	2022 \$
Revenue			
Race Meeting Revenue	1	550,148	524,033
Rendering of Services	3	31,442	28,005
Other Operating Revenue	4	4,922	2,342
Finance Revenue	5	3,321	3,109
Total Revenue		589,833	557,489
Less Expenses			
Race Meeting Costs & Expenses	2	512,874	480,597
Cost of Rendering Services	3	21,522	9,848
Other Operating Expenses	6	67,450	35,692
Total Expenses		601,846	526,137
(Deficit)/Surplus for the year		(12,013)	31,352

The accompanying notes form part of these financial statements.

Gore Harness Racing Club Incorporated

Statement of Financial Position

As at 31 May 2023

	Notes	2023 \$	2022 \$
Current Assets			
SBS Bank – Current Account		194,015	86,688
SBS Bank – Call Account		136,619	19,148
Cash and Bank Accounts		330,634	105,836
Accounts Receivable		9,365	659
Accrued Interest		-	2,016
GST Receivable		1,552	-
Current Investments	7	-	217,131
Total Current Assets		341,551	325,642
Non Current Assets			
Property, Plant & Equipment	8	165,668	166,537
Term Investments	9	1,278	2,778
Total Non Current Assets		166,946	169,315
Total Assets		508,497	494,957
Current Liabilities			
GST Payable		-	879
Accounts Payable		26,432	-
Total Current Liabilities		26,432	879
Total Liabilities		26,432	879
Net Assets		482,065	494,078
Accumulated Funds			
Accumulated Surpluses	10	482,065	494,078
Total Accumulated Funds		482,065	494,078

For and on behalf of Gore Harness Racing Club Incorporated

 President

 2023

The accompanying notes form part of these financial statements.

Gore Harness Racing Club Incorporated

Statement of Cash Flows

For the Year Ended 31 May 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Industry Profit Distribution & Other Race Meeting Receipts	120,910	116,418
Donations, Fundraising & Sponsorship	36,167	18,970
Fees, Subscriptions & Other Receipts from Members	1,784	2,031
Receipts from Providing Goods or Services	26,422	28,005
Net GST movement	(1,772)	1,695
	183,511	167,119
Cash was applied to:		
Payments to Suppliers & Employees	(177,786)	(133,578)
Donations Paid	(2,331)	(700)
	(180,117)	(134,278)
Net Cash Flows from Operating Activities	3,394	32,841
Cash Flows from Investing and Financing Activities		
Cash was received from:		
Interest Receipts	5,185	2,937
Dividend	152	-
Repayment of Southern Harness Racing Advance	1,500	-
Receipts from Matured Term Deposits	217,132	-
	223,969	2,937
Cash was applied to:		
New bank term deposits and interest reinvested	-	(2,923)
Payments to purchase property, plant and equipment	(2,565)	(2,400)
	(2,565)	(5,323)
Net Cash Flows from/(to) Investing and Financing Activities	221,404	(2,386)
Net Increase in Cash Held	224,798	30,455
Cash at the Beginning of the Year	105,836	75,381
Cash at the End of the Year	330,634	105,836
This is represented by:		
SBS Bank – Current Account	194,015	86,688
SBS Bank – Call Account	136,619	19,148
Total Cash & Bank Balances	330,634	105,836

The accompanying notes form part of these financial statements.

Gore Harness Racing Club Incorporated

Statement of Accounting Policies

For the Year Ended 31 May 2023

Reporting Entity

Gore 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 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.

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.

Gore Harness Racing Club Incorporated
Statement of Accounting Policies (continued)
For the Year Ended 31 May 2023

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 accumulated 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. All property, plant and equipment are depreciated except for land, including the All Weather Track.

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	33 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.

Gore Harness Racing Club Incorporated
Statement of Accounting Policies (continued)
For the Year Ended 31 May 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 and 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 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. They are tested annually for impairment.

(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.

Gore Harness Racing Club Incorporated

Notes to the Performance Report

For the Year Ended 31 May 2023

1 Race Meeting Revenue

	2023	2022
	\$	\$
	(4 race meetings)	(4 race meetings)
Stakes Funding – HRNZ and Southern Harness Racing Top-ups	392,496	388,645
Venue Funding – HRNZ	120,620	115,800
Total Stakes and Venue Funding	513,116	504,445
Sponsorship Revenue	17,109	16,870
Sundry Revenue	290	618
Donations & Grants	19,633	2,100
Total Race Meeting Revenue	550,148	524,033

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 Ltd \$8,750 and The Trusts Community Foundation \$10,000 towards race meeting expenses. The Committee would like to express appreciation for this financial support.

2 Race Meeting Costs & Expenses

	2023	2022
	\$	\$
	(4 race meetings)	(4 race meetings)
Stakes Paid	392,496	388,645
Club's Contribution to Stakes	20,500	8,000
Total Stakes Paid	412,996	396,645
Advertising, Entertainment & Sponsors Expenses	10,909	8,618
Other Raceday Expenses (includes Trophies)	2,452	3,339
Race Meeting Services (includes Security)	12,765	12,010
Race Meeting Wages	13,286	9,861
Racebooks Expenses	4,665	4,103
Rent – Racecourse & Facilities	35,000	31,000
Sponsorship & Promotions	8,163	6,109
Tote Wages	12,638	8,912
Total Race Meeting Costs & Expenses	512,874	480,597

Gore Harness Racing Club Incorporated
Notes to the Performance Report (continued)
For the Year Ended 31 May 2023

3 Rendering of Services	2023	2022
	\$	\$
Revenue		
Farm Sales - Baleage and Standing Grass	31,442	28,005
Total sales	<u>31,442</u>	<u>28,005</u>
Expenses		
Rates	(3,893)	(3,632)
Farm Expenses	(315)	-
Cultivating & Sowing	-	(1,048)
Fertiliser & Sowing	(17,314)	(5,168)
	<u>(21,522)</u>	<u>(9,848)</u>
Net Surplus	<u>9,920</u>	<u>18,157</u>

4 Other Operating Revenue	2023	2022
	\$	\$
Membership Subscriptions	1,922	2,310
Member's Bar Revenue	-	32
Sundry – non raceday (including HRNZ Covid funding \$2,500)	3,000	-
Total Other Operating Revenue	<u>4,922</u>	<u>2,342</u>

5 Finance Revenue	2023	2022
	\$	\$
Interest Revenue	3,169	3,109
Dividend Revenue	152	-
Total Finance Revenue	<u>3,321</u>	<u>3,109</u>

Gore Harness Racing Club Incorporated
Notes to the Performance Report (continued)
For the Year Ended 31 May 2023

6 Other Operating Expenses	2023	2022
	\$	\$
Annual Meeting & Committee Costs	1,449	918
Audit Fee	2,000	1,500
Conference Expenses	1,294	277
Course & Equipment Maintenance	-	645
Depreciation	3,434	3,214
Donations Paid	2,331	700
Insurance	(86)	1,764
Legal & Other Professional Fee	469	1,403
Postage, Printing & Stationery	-	626
Secretarial Fees	21,500	18,800
Sundry Expenses	-	80
Track Repair & Maintenance	35,059	-
Track & Training Costs	-	5,765
Total Other Operating Expenses	67,450	35,692

7 Current Investments	2023	2022
	\$	\$
SBS Bank Term Deposit (8-6)	-	32,360
SBS Bank Term Deposit (10-7)	-	82,614
SBS Bank Term Deposit (12-3)	-	102,158
Total Current Investments	-	217,132

The Club had investments in term deposits with banks for which interest revenue was recognised during the term of the investment. These investments had 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.

In 2023, the Club did not reinvest the term deposits as they were in the process of transitioning to Westpac Bank.

Gore Harness Racing Club Incorporated

Notes to the Performance Report (continued)

For the Year Ended 31 May 2023

8 Property, Plant & Equipment

	Opening Carrying Amount	Purchases/ (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
2023				
Land	138,445	-	-	138,445
Buildings	5,167	-	212	4,955
Plant & Equipment	21,154	2,565	2,868	20,851
Motor Vehicles	1,771	-	354	1,417
Total Property, Plant & Equipment	166,537	2,565	3,434	165,668
	Opening Carrying Amount	Purchases / (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
2022				
Land	138,445	-	-	138,445
Buildings	5,379	-	212	5,167
Plant & Equipment	21,314	2,400	2,560	21,154
Motor Vehicles	2,213	-	442	1,771
Total Property, Plant & Equipment	167,351	2,400	3,214	166,537

The property owned by the Club is in Racecourse Road, Gore, and has a latest rateable value of land \$930,000 (2022: \$610,000), buildings \$25,000 (2022: \$20,000), total \$955,000 (2022: \$630,000).

9 Term Investments

	2023	2022
	\$	\$
Farming Shares		
Ballance Shares	1,272	1,272
Silver Fern Farms Shares	6	6
	1,278	1,278
Advance – Southern Harness Racing Incorporated		
Advance – Southern Harness Racing Incorporated	-	1,500
Total Term Investments	1,278	2,778

Gore Harness Racing Club Incorporated

Notes to the Performance Report (continued)

For the Year Ended 31 May 2023

10 Accumulated Funds	2023	2022
	\$	\$
Opening Balance	494,078	462,726
(Deficit)/Surplus for the Year	(12,013)	31,352
Closing Balance	482,065	494,078

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 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 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).

12 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 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.

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).

Gore Harness Racing Club Incorporated
Notes to the Performance Report (continued)
For the Year Ended 31 May 2023

14 Commitments

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

15 Contingent Liabilities and Guarantees

The Club has no contingent liabilities and no guarantees as at 31 May 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 Gore Harness Racing Club Incorporated

Our Qualified Opinion

We have audited the performance report of Gore Harness Racing Club Incorporated (the Club) which comprises the statement of financial position as at 31 May 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:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- (b) the accompanying performance report presents fairly, in all material respects, the financial position of the Club as at 31 May 2023 and its entity information, service performance, 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).

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from donations, baleage sales 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 in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, 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) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises the entity information, the statement of service performance, statement of financial performance, statement of financial position, statement of cash flows, and the accounting policies and notes to the performance report, in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit); and
- (c) such internal control as the Committee determines is necessary to enable the preparation of the performance report that is 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 performance report as a whole is free from material misstatement, whether due to fraud or error, including performing procedures to obtain evidence about and evaluating whether the reported outcomes and outputs and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable, 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) 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://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

This report is made solely to the Members as a body. Our audit work has been undertaken so that we might state to the Members those matters 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
2 August 2023

Dunedin