

**Central Otago Trotting Club Incorporated**

**Performance Report**

**For the Year Ended 31 March 2023**

# Central Otago Trotting Club Incorporated

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## Central Otago Trotting Club Incorporated

### Entity Information

For the Year Ended 31 March 2023

<b>Type of Entity</b>	Central Otago Trotting 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>	226573
<b>Additional Information</b>	<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 operation of assets (racetracks) that are jointly owned and operated by member Clubs. These arrangements, however, do not create a separate legal entity that the Club controls; the extent of the operation recognised by the Club is limited to its share of the assets and its own costs spent on the use and maintenance of the assets.</p>
<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>

## Central Otago Trotting Club Incorporated

### Entity Information (continued)

For the Year Ended 31 March 2023

<b>Auditor</b>	Audit Professionals Limited Chartered Accountants Dunedin
<b>Bankers</b>	BNZ Bank Alexandra
<b>Solicitors</b>	Murray Little Cruickshank Pryde Invercargill
<b>IRD Number</b>	010-069-386
<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: Graham Sinnamon, John Hamilton, George Flannery, Neville Armstrong, Steve Airey, Richard Morgan, Karen Glassford, Tracey Woodhouse, Phil Smith, Greg Stuart, Norm Weir, Jim Page, John Harley.</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 of the Club's race meetings.</p> <p>The Club is also engaged in the 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 the Club's assets include interest and other fees.</p>

## Central Otago Trotting Club Incorporated

### Entity Information (continued)

#### For the Year Ended 31 March 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 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 received is vested in the Club. Until such time, the donated goods, though available for use by the Club, are 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 event, 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.

## Central Otago Trotting Club Incorporated

### Statement of Service Performance

#### For the Year Ended 31 March 2023

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

The Club is primarily engaged in the conduct and promotion of harness racing in the Central Otago area. One race meeting is held annually at Omakau Racecourse, Omakau.

To ensure that the Club meets its goals, prize money (stakes) is obtained by bulk funding from HRNZ. The Club has the ability to top-up this stakes funding if it wishes. This 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	1	1
Number of Races	11	11
Number of Horses Started	104	114
Total Stakes Offered	\$148,000	\$145,000
Total Stakes Paid	\$139,805	\$139,680

The 2023 race meeting was held on 2 January 2023.

## Central Otago Trotting Club Incorporated

### Statement of Financial Performance

For the Year Ended 31 March 2023

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Race Meeting Revenue	1	251,816	244,787
Other Operating Revenue	3	48,748	50,009
Finance Revenue	5	537	200
<b>Total Revenue</b>		<b>301,101</b>	<b>294,996</b>
<b>Less Expenses</b>			
Race Meeting Costs & Expenses	2	216,863	220,395
Other Operating Expenses	4	91,222	85,100
Unrealised Loss on Investments	6	13,550	12,511
<b>Total Expenses</b>		<b>321,635</b>	<b>318,006</b>
<b>(Deficit) for year</b>		<b>(20,534)</b>	<b>(23,010)</b>

The accompanying notes form part of these financial statement

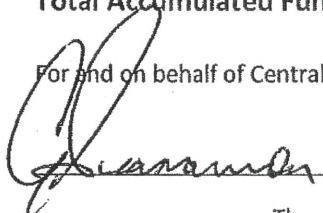
Central Otago Trotting Club Incorporated

Statement of Financial Position

As at 31 March 2023

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
BNZ Bank Current Account		68,409	66,138
BNZ Bank Call Account		34	33
Cash and Bank Accounts		68,443	66,171
Accounts Receivable		11,085	32,012
GST Receivable		2,296	3,801
Prepayments		202	786
Loan – The Central Otago Equestrian Club Incorporated	7	-	9,000
<b>Total Current Assets</b>		<b>82,026</b>	<b>111,770</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	8	321,273	298,263
Non-current investments	6	73,939	87,489
Advance – Southern Harness Racing Incorporated	9	-	250
<b>Total Non Current Assets</b>		<b>395,212</b>	<b>386,002</b>
<b>Total Assets</b>		<b>477,238</b>	<b>497,772</b>
<b>Current Liabilities</b>			
Accounts Payable		-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>-</b>	<b>-</b>
<b>Net Assets</b>		<b>477,238</b>	<b>497,772</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses	10	477,238	497,772
<b>Total Accumulated Funds</b>		<b>477,238</b>	<b>497,772</b>

For and on behalf of Central Otago Trotting Club Incorporated

 President

1/8/ 2023

The accompanying notes form part of these financial statements.



## Central Otago Trotting Club Incorporated

### Statement of Cash Flows

For the Year Ended 31 March 2023

	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Industry Profit Distribution & Other Race Meeting Receipts	107,881	88,945
Donations, Fundraising & Other Similar Receipts	59,758	21,225
Fees, Subscriptions & Other Receipts from Members	16,472	13,054
Net GST movement	1,505	395
	<b>185,616</b>	<b>123,619</b>
<b>Cash was applied to:</b>		
Payments to Suppliers & Employees	152,717	165,269
Donations Paid	1,300	900
	<b>154,017</b>	<b>166,169</b>
<b>Net Cash Flows from/(to) Operating Activities</b>	<b>31,599</b>	<b>(42,550)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Receipts from the Sale/Maturity of Investments	-	61,888
Interest, Dividends & Other Investment Receipts	537	2,313
Repayment of Advance – Southern Harness Racing	250	-
	<b>787</b>	<b>64,201</b>
<b>Cash was applied to:</b>		
Payments to Purchase Investments	-	(17,768)
Payments to Purchase Property, Plant & Equipment	(30,114)	-
	<b>(30,114)</b>	<b>(17,768)</b>
<b>Net Cash Flows from (to) Investing and Financing Activities</b>	<b>(29,327)</b>	<b>46,433</b>
Net Increase in Cash Held	2,272	3,883
Cash at the Beginning of the Year	66,171	62,288
<b>Cash at the End of the Year</b>	<b>68,443</b>	<b>66,171</b>
<b>This is represented by:</b>		
BNZ Bank Current Account	68,409	66,138
BNZ Bank Call Account	34	33
<b>Total Cash &amp; Bank Balances</b>	<b>68,443</b>	<b>66,171</b>

The accompanying notes form part of these financial statements.

## Central Otago Trotting Club Incorporated

### Statement of Accounting Policies

#### For the Year Ended 31 March 2023

##### Reporting Entity

Central Otago Trotting 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), 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.

## Central Otago Trotting Club Incorporated

### Statement of Accounting Policies (continued)

#### For the Year Ended 31 March 2023

##### (a) Revenue Recognition (continued)

Revenue from the sale of goods is recognised when the inventories are sold while revenue from 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.

Subscriptions are recognised on an accrual basis.

##### (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) 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.

##### (d) Property, Plant & Equipment

Property, plant and equipment is measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset.

After 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 for buildings and the diminishing value method for other assets. The expected useful life, depreciation method and any significant residual value are reviewed on a regular basis.

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 repairs and maintenance costs 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.

**Central Otago Trotting Club Incorporated**  
**Statement of Accounting Policies (continued)**  
**For the Year Ended 31 March 2023**

**(d) Property, Plant & Equipment (continued)**

The estimated useful lives used for depreciation are:

Course Improvements	10-20 years
Omakau Racecourse	50 years
Plant & Equipment	10 years

**(e) Income Tax**

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

**(f) Investments**

Investments compromise bank term deposits, a loan recognised upon purchase and initially measured at the amount paid and a investment in a managed fund portfolio recorded at the lower of cost or current market price.

**(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) 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.

## Central Otago Trotting Club Incorporated

### Notes to the Performance Report

#### For the Year Ended 31 March 2023

<b>1 Race Meeting Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
	(1 race meeting)	(1 race meeting)
Stakes Funding – HRNZ and Southern Harness Racing Top-Up	134,805	139,680
Venue Payment – HRNZ	56,980	55,200
Covid Support Payment - HRNZ	-	2,791
<b>Total Funding</b>	<b>191,785</b>	<b>197,671</b>
Admission and Gate Sales	15,279	14,880
Sponsorship Revenue	18,352	18,348
Grants Revenue (towards Raceday)	17,693	7,592
Site Fees	1,652	1,248
Racebook Sales	1,597	1,532
Canteen Sales	784	614
Bar Sales	2,859	1,995
Sundry Revenue	1,815	907
<b>Total Race Meeting Revenue</b>	<b>251,816</b>	<b>244,787</b>

Grants were from Trillian Trust Limited \$10,000, Pub Charity Limited \$4,043, Bendigo Valley \$2,000, Bob Turnbull Trust \$1,650 towards stakes, big screen, and other race meeting expenses.

<b>2 Race Meeting Costs &amp; Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
	(1 race meeting)	(1 race meeting)
Stakes Paid through Southern Harness Racing	134,805	139,680
Club Stakes Paid top up	5,000	-
Advertising	7,124	8,297
Big Screen	10,218	10,366
Entertainment/On Course Promotion	5,396	4,192
Race Meeting Services (includes security)	11,152	10,584
Raceday Sponsors Expenses (includes trophies and refreshments)	2,478	3,347
Racebook Costs 2023	3,795	-
Racebook Costs 2022 and 2021	-	6,765
Sponsorship and Promotion Fees	1,344	1,366
Ticket Printing	-	192
Public Bar Expenses	2,143	-
Race Meeting Wages	3,845	2,421
Tote Wages	25,648	28,859
Sundry Expenses	3,915	4,326
<b>Total Race Meeting Costs &amp; Expenses</b>	<b>216,863</b>	<b>220,395</b>

**Central Otago Trotting Club Incorporated**  
**Notes to the Performance Report (continued)**  
**For the Year Ended 31 March 2023**

<b>3 Other Operating Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Membership Subscriptions	6,260	8,774
Motorhome/Caravan Fees	9,001	3,491
Grant Revenue	33,096	35,280
Donation Revenue	130	1,675
Sundry Revenue	261	789
<b>Total Other Operating Revenue</b>	<b>48,748</b>	<b>50,009</b>

A one-off grant of \$20,000 was received from Aotearoa Gaming Trust towards the development of an irrigation system on the course and a NZHR Infrastructure Funding grant of \$13,096 was received towards the formation of the Jog Track. The committee wishes to thank these entities for this financial support.

<b>4 Other Operating Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Audit Fee	1,800	1,750
Bank fees	40	40
Committee & AGM Costs	649	1,774
Conference Expenses	2,145	-
Depreciation	7,104	6,094
Donations Paid	1,300	900
Insurance	1,045	1,559
Legal Cost	-	1,925
Motorhome Expenses	2,083	635
Postage, Printing and Stationery	2,158	2,016
Property Expenses (Omakau Racecourse)	21,444	-
Racecourse Rental for Year	16,000	20,000
Repairs & Maintenance	-	38
Secretarial Services	7,450	7,502
Sundry Expenses	435	10
Formation of Jog Track (Omakau Racecourse)	27,569	-
Track Resurfacing	-	40,857
<b>Total Other Operating Expenses</b>	<b>91,222</b>	<b>85,100</b>

Property expenses (Omakau Racecourse) includes the \$9,000 loan to Central Otago Equestrian Club Incorporated that was made in prior years and which has now been written off in full. Refer note 7.

<b>5 Finance Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest Revenue	537	200
<b>Total Finance Revenue</b>	<b>537</b>	<b>200</b>

## Central Otago Trotting Club Incorporated

### Notes to the Performance Report (continued)

For the Year Ended 31 March 2023

#### 6 Non- Current Investments

	2023	2022
	\$	\$
New Zealand Funds Management Limited	73,939	87,489
<b>Total Non-current Investments</b>	<b>73,939</b>	<b>87,489</b>

\$100,000 was invested in New Zealand Funds Management Limited in the 2021 financial year. It is invested in a mix of income, inflation and growth portfolios. This is reduced by \$26,061 to recognise its market value at 31 March 2023. The balance in the Fund at 18 July 2023 was \$75,727.

#### 7 Loan to Central Otago Equestrian Club Incorporated

	2023	2022
	\$	\$
Opening Balance	-	9,000
<b>Closing Balance</b>	<b>-</b>	<b>9,000</b>
<b>Total Loan</b>	<b>-</b>	<b>9,000</b>

This loan was made several years ago. It was unsecured and interest free. However, it is now considered that it is no longer recoverable. Accordingly, it has been written off as an expense in the year ended 31 March 2023 as a component of the property expenses (refer to note 4).

#### 8 Property, Plant & Equipment

	Opening Carrying Amount	Purchases/ (Sales or Disposals)	Depreciation & Impairment	Closing Carrying Amount
	\$	\$	\$	\$
<b>2023</b>				
Course Improvements	19,635	-	1,961	17,674
Omakau Racecourse	270,600	-	4,341	266,260
Plant & Equipment	8,028	-	803	7,225
Irrigation Development	-	30,114	-	30,114
<b>Total Property, Plant &amp; Equipment</b>	<b>298,263</b>	<b>30,114</b>	<b>7,105</b>	<b>321,273</b>
<b>2022</b>				
Course Improvements	2,728	17,768	861	19,635
Omakau Racecourse	274,941	-	4,341	270,600
Plant & Equipment	8,920	-	892	8,028
<b>Total Property, Plant &amp; Equipment</b>	<b>286,589</b>	<b>17,768</b>	<b>6,094</b>	<b>298,263</b>

The rating valuation of Omakau Racecourse was last updated in 2022. The land has a rating valuation of \$850,000 (previously \$650,000) and the buildings has a rating valuation of \$880,000 (previously \$690,000). The Central Otago Trotting Club Inc has a 50% ownership interest in the Omakau Racecourse with the remaining 50% interest being owned by Central Otago Racing Club Incorporated.

**Central Otago Trotting Club Incorporated**  
**Notes to the Performance Report (continued)**  
**For the Year Ended 31 March 2023**

<b>9 Advance – Southern Harness Racing Incorporated</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Advance to Southern Harness Racing Incorporated	-	250
	<u>-</u>	<u>250</u>

<b>10 Accumulated Surpluses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	497,772	520,782
(Deficit) for the Year	(20,534)	(23,010)
<b>Closing Balance</b>	<b><u>477,238</u></b>	<b><u>497,772</u></b>

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

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



## Central Otago Trotting Club Incorporated

### Notes to the Performance Report (continued)

#### For the Year Ended 31 March 2023

#### 13 Related Parties

Five Club committee members are also on the committee of Central Otago Equestrian Club Incorporated which has a \$9,000 loan from the Club. There are no significant related party transactions during the financial year (2022: \$Nil) that were on terms and conditions that are likely to be different from the terms and conditions transactions in similar circumstances, involving parties that are not related.

#### 14 Commitments

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

#### 15 Contingent Liabilities and Guarantees

The Club has no contingent liabilities and no guarantees as at 31 March 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, other than to note that a further \$10,000 was lent to Central Otago Equestrian Club Incorporated recently to assist their cash flows.

## ***Independent Auditor's Report***

to the Members of Central Otago Trotting Club Incorporated

### **Our Qualified Opinion**

We have audited the financial statements of Central Trotting Club Incorporated (the Club) which comprise the statement of financial position as at 31 March 2023 and 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements included in the accompanying Performance Report present fairly, in all material respects, the financial position of the Club as at 31 March 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).

### **Basis for Qualified Opinion**

In common with other organisations of a similar nature, control over the revenues from admission fees, bar sales, canteen sales, race book 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)). 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.

### **Information Other than the Financial Statements and Auditor's Report**

Other information included in the Performance Report with the financial statements comprises the entity information and the statement of service performance. The Committee members are responsible for this other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We are required to report any misstatement of other information. We have nothing to report in this regard.

### **Committee Members' Responsibilities for the Financial Statements**

The Committee members are responsible, on behalf of the Club, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit) and for such internal control as the Committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements the Committee members are 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 members either intend 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: [https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)

This report is made solely to the Committee members as a body. Our audit work has been undertaken so that we might state to the Club's Committee 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 the Club's Committee members, as a body, for our audit work, for this report or for the opinions we have formed.

  
Chartered Accountants  
2 August 2023

Dunedin