

**Northern Southland Trotting Club Incorporated**

**Performance Report**

**For the Year Ended 31 May 2023**

**Northern Southland Trotting Club Incorporated**  
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**For the Year Ended 31 May 2023**

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# Northern Southland Trotting Club Incorporated

## Entity Information

For the Year Ended 31 May 2023

Northern Southland Trotting 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

225680

### 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

Postal Address:

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

Phone: (03) 217-9117

Email: [admin@southernharness.co.nz](mailto:admin@southernharness.co.nz)

# Northern Southland Trotting Club Incorporated

## Entity Information (continued)

For the Year Ended 31 May 2023

<b>Auditor</b>	Audit Professionals Limited Chartered Accountants Dunedin
<b>Bankers</b>	SBS Bank Gore
<b>Solicitors</b>	Murray Little Cruickshank Pryde Invercargill
<b>IRD Number</b>	010-860-741
<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: N Gray, G Tither, P Hailes, D Orr, C McIntyre, S Campbell, RE Wilson, M Will, NA Timms, K Johnstone, R Dillon, B McIntyre.</p>
<b>Main Sources of Cash and Resources</b>	<p>The Club's mainline revenue is industry funding from the Code which is used to defray the costs and expenses on the Club's race meetings.</p> <p>The Club is also engaged in sale of goods and services to members and the public from which revenues are generated to augment its operational requirements. Goods sold include various race-related items, agricultural products and bar sales.</p> <p>Revenue generated from investments and use of Club's assets include interest and other fees.</p>

# Northern Southland Trotting 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, 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 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.

**Northern Southland Trotting 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. Race meetings are held 3 times per season at Ascot Park Raceway, Invercargill.

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 remains a steady source of operational funding for race meetings.

<b>Description of Outputs</b>	<b>Actual 2023</b>	<b>Actual 2022</b>
Number of Race Meetings Held	3	3
Number of Races	30	31
Number of Horses Started	283	305
Total Stakes Offered	\$390,000	\$391,000
Total Stakes Paid	\$369,194	\$374,358

Race meetings are held on 7 October 2022, 19 January 2023 and 11 March 2023 at Ascot Park Raceway, Invercargill.

The accompanying notes form part of these financial statements.

**Northern Southland Trotting Club Incorporated**  
**Statement of Financial Performance**  
**For the Year Ended 31 May 2023**

	Note	2023 \$	2022 \$
<b>Revenue</b>			
Race Meeting Revenue	1	459,786	479,266
Sales of Goods	3	18,285	35,838
Other Operating Revenue	4	1,815	4,106
Finance Revenue	5	10,929	4,319
<b>Total Revenue</b>		<b>490,815</b>	<b>523,529</b>
<b>Less Expenses</b>			
Race Meeting Costs & Expenses	2	445,598	479,878
Cost of Sales	3	2,603	22,284
Other Operating Expenses	6	33,500	33,956
<b>Total Expenses</b>		<b>481,701</b>	<b>536,118</b>
<b>Surplus/(Deficit) for the Year</b>		<b>9,114</b>	<b>(12,589)</b>

The accompanying notes form part of these financial statements.

**Northern Southland Trotting Club Incorporated**  
**Statement of Financial Position**  
**As at 31 May 2023**

	Note	2023 \$	2022 \$
<b>Current Assets</b>			
SBS Bank Current Account		50,736	18,631
SBS Bank Call Account		964	11,913
Cash and Bank Accounts		51,700	30,544
Accounts Receivable		1,100	35,218
Accrued Interest		1,624	969
Barley stock on hand		48,825	-
Investments – Bank Deposits	7	314,742	344,807
GST Receivable		545	-
<b>Total Current Assets</b>		<b>418,536</b>	<b>411,538</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	42,488	41,993
Term Investments	9	923	4,046
<b>Total Non-Current Assets</b>		<b>43,411</b>	<b>46,039</b>
<b>Total Assets</b>		<b>461,947</b>	<b>457,577</b>
<b>Current Liabilities</b>			
Accounts Payable		1,714	6,316
GST Payable		-	142
<b>Total Current Liabilities</b>		<b>1,714</b>	<b>6,458</b>
<b>Total Liabilities</b>		<b>1,714</b>	<b>6,458</b>
<b>Net Assets</b>		<b>460,233</b>	<b>451,119</b>
<b>Accumulated Funds</b>			
Accumulated Surpluses	10	460,233	451,119
<b>Total Accumulated Funds</b>		<b>460,233</b>	<b>451,119</b>

For and on behalf of Northern Southland Trotting Club Incorporated

X  President

5-9-2023

The accompanying notes form part of these financial statements.



**Northern Southland Trotting Club Incorporated**  
**Statement of Cash Flows**  
**For the Year Ended 31 May 2023**

	2023	2022
	\$	\$
<b>Cash Flows from Operating Activities</b>		
<b>Cash was received from:</b>		
Industry Profit Distribution & Other Race Meeting Receipts	85,577	45,450
Donations, Fundraising & Other Similar Receipts	44,375	33,116
Fees, Subscriptions & Other Receipts from Members	2,574	3,377
Receipts from Providing Goods or Services	18,285	38,881
Net GST movement	(687)	(439)
	<b>150,124</b>	<b>120,385</b>
<b>Cash was applied to:</b>		
Payments to Suppliers & Employees	167,564	153,730
Donations Paid	1,950	200
	<b>169,514</b>	<b>153,930</b>
<b>Net Cash Flows (to) Operating Activities</b>	<b>(19,390)</b>	<b>(33,545)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
<b>Cash was received from:</b>		
Interest Receipts	9,987	3,759
Dividend Receipts	180	-
Receipts from Sale of Alliance Group Shares	2,480	-
Receipts from Maturity of the Term Deposits	239,242	-
Repayment of Advance – Southern Harness Racing Incorporated	750	-
	<b>252,639</b>	<b>3,759</b>
<b>Cash was applied to:</b>		
Payments to Increase Bank Deposits	209,177	3,749
Payments to Purchase Plant and Equipment	2,916	5,269
	<b>212,093</b>	<b>9,018</b>
<b>Net Cash Flows from/(to) Investing and Financing Activities</b>	<b>40,546</b>	<b>(5,259)</b>
Net Increase / (Decrease) in Cash Held	21,156	(38,804)
Cash at the Beginning of the Year	30,544	69,348
<b>Cash at the End of the Year</b>	<b>51,700</b>	<b>30,544</b>
<b>This is represented by:</b>		
SBS Bank Current Account	50,736	18,631
SBS Bank Call Account	964	11,913
<b>Total Cash &amp; Bank Balances</b>	<b>51,700</b>	<b>30,544</b>

The accompanying notes form part of these financial statements.

# Northern Southland Trotting Club Incorporated

## Statement of Accounting Policies

### For the Year Ended 31 May 2023

#### Reporting Entity

Northern Southland Trotting 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 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.

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.

**Northern Southland Trotting Club Incorporated**  
**Statement of Accounting Policies (Continued)**  
**For the Year Ended 31 May 2023**

**(a) Revenue (Continued)**

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 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) 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 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.

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 diminishing value method. The expected useful life, depreciation method and any significant residual value is reviewed on a regular basis.

The following estimated useful lives have been used:

Plant & Equipment	15 – 20 years
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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.

**(e) Income Tax**

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

**Northern Southland Trotting Club Incorporated**  
**Statement of Accounting Policies (Continued)**  
**For the Year Ended 31 May 2023**

**(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, and bank term deposits.

**(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.



# Northern Southland Trotting Club Incorporated

## Notes to the Performance Report

For the Year Ended 31 May 2023

### 1 Race Meeting Revenue

	2023 \$ (3 race meetings)	2022 \$ (3 race meetings)
Stakes Funding – HRNZ and Southern Harness Racing Top-ups (includes Group Race Funding)	363,193	374,358
Venue Funding - HRNZ	48,165	44,550
HRNZ Additional Funding	-	23,500
HRNZ Support Funding	-	900
<b>Total Stakes and other HRNZ Funding</b>	<b>411,358</b>	<b>443,308</b>
Sponsorship Revenue	32,835	30,700
Gold Card Room Sales	2,761	2,687
Bar Sales	832	1,391
Equalisator Fundraiser - Revenue	-	1,180
Grants	12,000	-
<b>Total Race Meeting Revenue</b>	<b>459,786</b>	<b>479,266</b>

Three grants were from Trillian Trust Ltd totalling \$12,000 towards racecourse rental, photo finish services and facebook printing . The Committee would like to express appreciation for this financial support.

### 2 Race Meeting Costs & Expenses

	2023 \$ (3 race meetings)	2022 \$ (3 race meetings)
Stakes Paid through Southern Harness Racing	363,193	374,358
Club's Contribution to Stakes	6,000	20,500
<b>Total Stakes Paid</b>	<b>369,193</b>	<b>394,358</b>
Advertising	3,551	1,566
Equalisator Fundraiser Costs	-	4,723
Gold Card Room Expenses	3,055	-
Race Meeting Services (includes Security)	10,129	10,825
Race Meeting Sponsor Expenses (includes Trophies and Dress Rugs)	13,559	27,912
Racebook Costs	3,543	1,445
Racecourse Rental	24,000	21,000
Sponsorship & Promotion Fees	2,186	2,163
Race Meeting Wages	9,678	7,091
Tote Wages	6,704	6,465
<b>Total Race Meeting Costs &amp; Expenses</b>	<b>445,598</b>	<b>478,048</b>

**Northern Southland Trotting Club Incorporated**  
**Notes to the Performance Report (Continued)**  
**For the Year Ended 31 May 2023**

**3 Sale of Goods**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b><u>Farm</u></b>		
Sales - Baleage	15,785	33,838
<b>Total Sales</b>	<b>15,785</b>	<b>33,838</b>
Rates	2,524	2,270
Fertiliser, Sowing, Spraying & Soil Test	41,764	21,844
Harvest barley	7,140	-
Less Barley stock on hand	(48,825)	-
<b>Cost of sales</b>	<b>2,603</b>	<b>24,114</b>
<b>Net surplus – farm sales</b>	<b>13,182</b>	<b>11,554</b>
<b><u>Stud Fees</u></b>		
Sales – Stud Fees	2,500	2,000
<b>Net surplus – sale of stud fees</b>	<b>2,500</b>	<b>2,000</b>
<b>Total Sale of Goods</b>	<b>18,285</b>	<b>35,838</b>
<b>Total Cost of Sales</b>	<b>2,603</b>	<b>24,114</b>

**Northern Southland Trotting Club Incorporated**  
**Notes to the Performance Report (Continued)**  
**For the Year Ended 31 May 2023**

<b>4 Other Operating Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Membership Subscriptions	1,815	3,617
Donations Revenue	-	200
Sundry Revenue	-	289
<b>Total Other Operating Revenue</b>	<b>1,815</b>	<b>4,106</b>
<b>5 Finance Revenue</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest Revenue	10,642	4,319
Dividend Revenue	180	-
Gain from Sale of Investments	107	-
<b>Total Finance Revenue</b>	<b>10,929</b>	<b>4,319</b>
<b>6 Other Operating Expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Audit Fee	1,800	1,780
Committee & AGM Costs	3,231	7,092
Conference Expenses	2,189	290
Depreciation	2,422	1,514
Donations Paid	1,950	200
Insurance/ACC	306	1,738
Postage, Printing & Stationery	483	791
Secretarial Services	16,750	16,495
Volunteer Expenses	3,271	3,996
Sundry Expenses	1,098	60
<b>Total Other Operating Expenses</b>	<b>33,500</b>	<b>33,956</b>
<b>7 Investments – Bank Deposits</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
SBS Bank Term Deposit (15-7)	-	114,947
SBS Bank Term Deposit (16-5)	105,565	142,024
SBS Bank Term Deposit (17-3)	-	87,836
SBS Bank Term Deposit (18-1)	209,177	-
<b>Total Investments – Bank Deposits</b>	<b>314,742</b>	<b>344,807</b>

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 and are rolled on a continuing basis unless used by the Club for its operational cash requirements. Term deposits with original maturities of less than 90 days are classified by the Club as cash and cash equivalents.

**Northern Southland Trotting Club Incorporated**  
**Notes to the Performance Report (Continued)**  
**For the Year Ended 31 May 2023**

<b>8 Property, Plant &amp; Equipment</b>	<b>Opening Carrying Amount</b>	<b>Purchases/ (Sales or Disposals)</b>	<b>Depreciation &amp; Impairment</b>	<b>Closing Carrying Amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>				
Land	16,001	-	-	16,001
Plant & Equipment	24,806	2,916	2,184	25,538
Office Equipment	1,186	-	237	949
<b>Total Property, Plant &amp; Equipment</b>	<b>41,993</b>	<b>2,916</b>	<b>2,421</b>	<b>42,488</b>
	<b>Opening Carrying Amount</b>	<b>Purchases/ (Sales or Disposals)</b>	<b>Depreciation &amp; Impairment</b>	<b>Closing Carrying Amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>				
Land	16,001	-	-	16,001
Plant & Equipment	20,754	5,269	1,217	24,806
Office Equipment	1,483	-	297	1,186
<b>Total Property, Plant &amp; Equipment</b>	<b>38,238</b>	<b>5,269</b>	<b>1,514</b>	<b>41,993</b>

The latest rating valuation capital value of the Club property at 67 Racecourse Road Balfour is \$851,000 (2022: \$851,000).

<b>9 Term Investments</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Farming Shares</b>		
Alliance Group Shares	-	2,373
Balance Agri Nutrients Shares	923	923
	<b>923</b>	<b>3,296</b>
<b>Advances</b>		
Advance – Southern Harness Racing Incorporated	-	750
<b>Total Term Investments</b>	<b>923</b>	<b>4,046</b>

<b>10 Accumulated Surpluses</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	451,119	463,708
Surplus/(Deficit) for the Year	9,114	(12,589)
<b>Closing Balance</b>	<b>460,233</b>	<b>451,119</b>



**Northern Southland Trotting Club Incorporated**  
**Notes to the Performance Report (Continued)**  
**For the Year Ended 31 May 2023**

**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 family members of KMP as related party transactions.

**Transactions**

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

With the exception of the regular fees and charges, compensation and race-related transactions under normal terms, there have been no 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 have developed a regionalised model which was introduced during the 2017 financial year. Under the Heads of Agreement a structure was developed with the commissions on 'Off Course' and 'Fixed Odds' betting turnover and Group Race subsidies being paid to Southern Harness Racing Incorporated to administer the stakes payment on the behalf of the Clubs. This was part of a bulk funded agreement with Harness Racing New Zealand and the Racing Industry Transition Agency (now Racing New Zealand). Clubs hosting Race Meetings received any On Course Betting Commission as part of their Bulk Funding. There have been subsequent changes to this model since 2017.

From 1 August 2020 Clubs hosting race meetings now receive a Venue Payment per race day rather than any bulk funded commissions, 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.

**13 Related Parties**

There is no significant related party transaction during the financial year (2020: Nil) that were on terms and conditions that are likely to be different from the terms and conditions transactions in similar circumstances, involving unrelated parties.

**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 Northern Southland Trotting Club Incorporated

### **Our Qualified Opinion**

We have audited the performance report of Northern Southland Trotting 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, the financial statements included in the accompanying Performance Report present fairly, in all material respects:

- (a) the entity information for the year ended 31 May 2023;
- (b) the financial position of the Club as at 31 May 2023 and its financial performance and cash flows for the year ended on that date
- (c) the service performance for the year ended 31 May 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 Qualified Opinion**

In common with other organisations of a similar nature, control over the revenues from sponsorship, baleage sale, stud fees 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.

### **Committee's Responsibilities for the Performance Report**

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

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

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

### **Auditor's Responsibilities for the Audit of the Performance Report**

Our objectives are to obtain reasonable assurance about whether the entity information, financial statements as a whole and the service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZAS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

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

This report is made solely to the Club's Members as a body. Our audit work has been undertaken so that we might state to the Members those matters which we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Club and its Members, as a body, for our audit work, for this report or for the opinions we have formed.

*Audit Professionals Limited*

Chartered Accountants  
6 September 2023

Dunedin