

Invercargill Harness Racing Club Incorporated

Performance Report

For the Year Ended 30 June 2025

Invercargill Harness Racing Club Incorporated

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For the Year Ended 30 June 2025

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Invercargill Harness Racing Club Incorporated

Entity Information

For the Year Ended 30 June 2025

Legal Name	Invercargill Harness Racing Club Incorporated
Type of Entity and Legal Basis	Invercargill Harness Racing Club Incorporated is a club, registered under the Incorporated Societies Act 2022.
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	225317
Entity Structure	<p>The Club operates as a single unit. The Club is incorporated under the Incorporated Societies Act 2022 and is a recognised industry organisation in accordance with the Racing Industry Act 2020.</p> <p>As the Club is primarily involved in the conduct and promotion of race meetings - rather than the generation of profit - it is considered a not-for-profit entity for financial reporting purposes. Nonetheless, any profit generated provides the Club with more resources that make future operations more sustainable; these resources are held as cash reserves and available for use by the Club as the need arises.</p> <p>The Club is party to various agreements with other racing clubs with respect to operation of assets (race tracks) that are jointly owned and operated by member Clubs. These arrangements, however, do not create a separate legal entity that the Club controls; the extent of the operation recognised by the Club is limited to its share of the assets and its own costs spent on the use and maintenance of the assets.</p>
Contact Details	<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: admin@southernharness.co.nz</p>
Auditor	Audit Professionals Limited Chartered Accountants, Dunedin
Bankers	SBS Bank Invercargill

Invercargill Harness Racing Club Incorporated

Entity Information (continued)

For the Year Ended 30 June 2025

Solicitors Murray Little
Cruickshank Pryde, Invercargill

IRD Number 027-720-072

Entity's Governance Arrangements The Club is primarily engaged in a service activity with focus on conducting and promoting race meetings consistent with existing racing rules and regulations.

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: C Heyrick (President), P Kett, M Little, B McCulloch, G D Shirley, Mrs W Swain, J McMath, M Reidie and S Ramsay.

Entity's Reliance on Volunteers and Donated Goods or Services The Club is a recipient / beneficiary of various goods and services in kind. These proceeds are vital in the Club's race meeting events.

Certain donated goods include real properties made in favour of the Club and which are used in the conduct of Club's operations. In some instances, donated goods have attached conditions in them which the Club has to satisfy before full entitlement over the goods received is vested in the Club. Until such time, the donated goods, though available for use by the Club, is presented as a present obligation in the Club's statement of financial position.

Services in kind come in the form of volunteers both during race meeting events and off-season. Volunteers (mostly members of the Club) are involved in the set-up of race meeting events, various activities during the event to ensure orderly conduct of the race, and in the day-to-day upkeep and maintenance of the Club's premises.

Without these donated goods and services, the Club would have required more funds to defray costs and expenses which would have potentially made the conduct of race meeting events even more challenging. On this basis, the Club highly values these donated goods and services and considers them a vital part of its operations.

Invercargill Harness Racing Club Incorporated

Statement of Service Performance

For the Year Ended 30 June 2025

Description of the Club's Medium to Long-Term Objectives

The Club is primarily engaged in the conduct and promotion of harness racing. Race meetings are held at Ascot Park Racecourse, 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 and The Code (Harness Racing NZ) to ensure that industry funding remains a steady source of operational funding for race meetings.

Description of Key Activities	Quantity	
	Actual 2025	Actual 2024
Number of Race Meetings Held	14	13
Number of Races	126	121
Number of Horses Started	1194	1,095
Total Stakes Offered	\$2,041,270	\$1,969,500
Total Stakes Paid (excluding Club's contribution to Stakes)	\$1,972,529	\$1,831,271

The Club's race meetings were held on 8 August 2024, 12 September 2024, 20 October 2024, 22 November 2024, 27 November 2024, 20 December 2024, 30 January 2025, 12 March 2025, 3 April 2025, 24 April 2025, 27 April 2025, 18 May 2025, 2 June 2025, and 12 June 2025.

Invercargill Harness Racing Club Incorporated
Statement of Financial Performance
For the Year Ended 30 June 2025

	Notes	2025 \$	2024 \$
Revenue			
Racing Revenue	1	2,379,971	2,218,705
Grants, subsidies, and donations	2	35,985	84,418
Sponsorship		36,430	35,875
Revenue from other commercial activities	3	3,404	7,358
Members subscriptions and other member-related fees		6,489	6,452
Finance Revenue	4	35,529	40,001
Total Revenue		2,497,808	2,392,809
Less Expenses			
Stakes Paid (excluding Club's contribution to Stakes)		1,972,529	1,831,271
Racing Expenses	1	324,439	303,623
Expenses directly related to commercial activities	5	4,028	5,092
Repairs and maintenance – Ascot Parks President room upgrade		-	7,383
Administration expenses	6	88,424	80,357
Salaries and outsourced personnel		74,892	63,914
Advertising		10,907	9,329
Depreciation	11	5,842	1,244
Other expenses	7	167,238	16,382
Total Expenses		2,648,299	2,318,595
(Deficit)/Surplus for the year		(150,491)	74,214

The accompanying notes form part of these financial statements.

Invercargill Harness Racing Club Incorporated
Statement of Financial Position
As at 30 June 2025

	Notes	2025 \$	2024 \$
Current Assets			
Cash and Short-term deposits	8	70,294	60,413
Trade and other Receivables	12	64,219	93,453
Inventory	9	2,650	3,044
Investments	10	197,018	331,141
Total Current Assets		334,181	488,051
Non-Current Assets			
Property, Plant & Equipment	11	72,213	78,055
Investment – SBS Capital Bond (matures 19 July 2029)	10	300,000	300,000
Total Non-Current Assets		372,213	378,055
Total Assets		706,394	866,106
Current Liabilities			
Accounts Payable		32,147	41,368
Total Current Liabilities		32,147	41,368
Total Liabilities		32,147	41,368
Net Assets		674,247	824,738
Accumulated Funds			
Accumulated Surpluses or Deficits	13	674,247	824,738
Total Accumulated Funds		674,247	824,738

This performance report has been approved by the committee members

Committee Member



Date:

5 November 2025

Invercargill Harness Racing Club Incorporated
Statement of Cash Flows
For the Year Ended 30 June 2025

	2025	2024
	\$	\$
Cash Flows from Operating Activities		
Operating receipts:		
Industry Profit Distribution & Other Race Meeting Receipts	437,644	334,072
Gross sales from commercial activities	3,404	7,358
Grants, subsidies and donations Receipts	72,415	109,025
Membership fees and subscriptions	6,029	6,452
Net GST movement	(8,108)	2,194
	<u>511,384</u>	<u>459,101</u>
Less operating payments:		
Employee remuneration and other related payments	(74,892)	(63,914)
Payments related to commercial activities	(574,937)	(367,610)
Donations Paid – Ascot Park Consortium	(26,625)	(12,330)
Other Donations Paid	(2,300)	(4,052)
	<u>(678,754)</u>	<u>(447,906)</u>
Net Cash Flows (to)/from Operating Activities	<u>(167,370)</u>	<u>11,195</u>
Cash Flows from Other Activities		
Cash was received from:		
Interest Receipts	43,130	27,936
Capital from Workouts Committee	-	8,918
Receipts from maturity of bank deposits	134,121	-
Cash was applied to:		
Payments to increase bank deposits	-	(27,827)
Payments for purchase of Fixed Assets	-	(13,579)
Net Cash Flows from/(to) Other Activities	<u>177,251</u>	<u>(4,552)</u>
Net Increase in Cash Held	9,881	6,643
Opening Cash	60,413	53,770
Closing Cash	<u>70,294</u>	<u>60,413</u>

Note that the Cash & Bank Balances shown above exclude the Bank Term Deposits as shown in Note 8.

Invercargill Harness Racing Club Incorporated

Statement of Accounting Policies

For the Year Ended 30 June 2025

Reporting Entity

Invercargill Harness Racing Club ("the Club") is incorporated under the Incorporated Societies Act 2022. 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 the XRB's Tier 3 (NFP) Standard on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$5,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the Club will continue to operate in the foreseeable future.

Where a specific transaction is not covered by the XRB's Tier 3 (NFP) 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 (\$).

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.

Invercargill Harness Racing Club Incorporated

Statement of Accounting Policies (Continued)

For the Year Ended 30 June 2025

(a) Revenue Recognition (Continued)

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 documented expectation over its use is attached; in which case, a liability is initially recognised and upon satisfaction of the expectation, 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, they 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) 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 items are recognised at cost less aggregate depreciation. Historical cost includes expenditure directly attributable to the acquisition of assets and includes the cost of replacements that are eligible for capitalisation where these are incurred.

Subsequent to initial recognition, property, plant and equipment is measured using the cost model. Under the cost model, the item is carried at cost net of accumulated depreciation and any impairment losses.

Depreciation is recorded to spread the cost of the asset over the expected useful life of the asset, using the straight-line method for plant and equipment. The expected useful life, depreciation method and any significant residual value are reviewed on a regular basis.

The following estimated useful lives have been used:

Land and Track Improvements	Nil
Plant & Equipment	20 years
Furniture & Fittings	10-12.5 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.

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.

Invercargill Harness Racing Club Incorporated

Statement of Accounting Policies (Continued)

For the Year Ended 30 June 2025

(f) Investments

Investments are recognised upon purchase and initially measured at the amount paid. Investments are carried at cost less impairment. The Club's investments comprise term deposits and other debt instruments.

(g) Goods and Services Taxation (GST)

The Club is registered for GST. Revenue and expenses have been recognised in the performance report exclusive of GST. 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) 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.

(j) Cash and Short Term Deposits

Cash and Short-Term deposits in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in accounting policies

The Club adopts the new XRB's Tier 3 (NFP) Standard which replaces the former PBE SFR - Accrual (NFP) Standard from 1 April 2024. There are no changes to the figures reported in the performance report arising from the adoption of these new standards. Other than that, there have been no changes in accounting policies adopted since the prior year.

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report

For the Year Ended 30 June 2025

1. Racing Revenue and Expenses

Racing revenues comprise the amounts received or receivable for services provided and goods sold that directly relate to race meeting events conducted by the Club during the financial year. These primarily include industry distributions from Racing New Zealand and the Code and other receipts that directly relate to the Club's race meeting activities from members of the Club (aside from membership fees included in other operating income) and third parties.

The Club incurred certain direct costs and expenses in conducting its race meeting days and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. Direct costs and expenses on racing are presented below.

Racing Revenue	2025	2024
	\$	\$
	(14 race meetings)	(13 race meetings)
Stakes Funding – HRNZ	1,972,529	1,831,271
Venue Payment – HRNZ	277,184	255,737
Track Allowance – HRNZ	70,406	96,252
Workouts/Trials Nomination Fees - HRNZ	3,826	3,813
Total Funding	2,323,945	2,187,073
Members Bar Revenue	5,805	5,246
Room Hire & Hospitality	50,221	26,386
Total	2,379,971	2,218,705

Racing Expenses	2025	2024
	\$	\$
	(14 race meetings)	(13 race meetings)
Club's Contribution to Stakes	16,500	40,500
Iron Horse Bonus	27,500	27,500
Members bar expenses	6,364	6,362
On Course Announcing	2,200	1,650
Race Meeting Services (incl Security)	41,588	33,507
Race Meeting Sponsor Expenses (incl Trophies and Dress Rugs)	24,025	18,571
Racebook Costs	8,603	6,915
Racecourse Rental	126,000	117,000
Room hire and hospitality expenses	30,839	14,720
Sponsorship and Promotion	11,734	11,594
Sponsors Expenses – Bar and Catering	17,288	12,372
Workouts/Trials Expenses	4,462	3,864
Sundry Expenses	7,336	9,068
Total	324,439	303,623

Invercargill Harness Racing Club Incorporated Notes to the Performance Report (Continued) For the Year Ended 30 June 2025

2. Grants, Subsidies and Donations

	2025	2024
	\$	\$
Trillian Trust	-	33,000
ILT Foundation	7,500	7,500
General Donations -Woodlands Stud (towards fundraising)	6,000	14,918
Donations – towards Raceday	12,360	12,500
Grants – HRNZ/TAB Gaming Fund	10,125	16,500
Total	35,985	84,418

2025 Grants – HRNZ Infrastructure Fund was received from HRNZ for Track lighting upgrade \$10,125 the projects were completed at 30 June 2025. The committee thanks the entities for their financial support.

3. Revenue from Other Commercial Activities

	2025	2024
	\$	\$
Bar Income	1,103	6,004
Sundry Revenue	2,301	1,354
Total	3,404	7,358

4. Finance Revenue

Interest revenue primarily arises from investments in banks in the form of cash, and bank deposits and is measured using the effective interest method.

	2025	2024
	\$	\$
Interest from bank and term deposits	35,529	40,001
Total	35,529	40,001

5. Expenses Directly Related to Commercial Activities

	2025	2024
	\$	\$
Bar Expenses – Other	755	1,353
Bar Expenses – Tenant Clubs	3,273	3,739
Total	4,028	5,092

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2025

6. Administration Expenses

Costs and expenses relating to the overall costs of running the Club include staff time and asset costs. These are recognised as incurred and are presented in the table below. This includes depreciation expenses incurred in relation to the revenues generated by the Club; all other direct costs and expenses are presented in note 1.

	2025	2024
	\$	\$
Review/Audit Fee	3,500	3,400
Admin Disbursements	1,187	1,290
Bank Fees	21	18
Committee & AGM Costs	2,031	2,511
Conference Expenses	2,152	930
ACC Levies	241	250
Secretarial Fees	79,292	71,958
Total	88,424	80,357

7. Other Expenses

	2025	2024
	\$	\$
Donations	2,300	4,052
Donations – Ascot Park Consortium for Swabbox, stabling resurface and light upgrade	26,625	12,330
Grandstand Toilet Upgrade	138,313	-
Total	167,238	16,382

8. Cash and Short-term Deposits

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2025	2024
	\$	\$
Cash on Hand	1,200	1,200
SBS Bank – Current Account	51,161	45,952
SBS Bank – Call Account	17,933	13,261
Total	70,294	60,413

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2025

9. Inventory

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

After initial recognition, inventory held for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. The Club uses FIFO cost formula in valuing inventory.

	2025	2024
	\$	\$
Bar Stock	2,650	3,044
Total	2,650	3,044

10. Investments

Bank Term Deposits

The Club has investments in term deposits at SBS Bank for which interest revenue is recognised during the term of the investments. These investments have original maturities of more than 90 days. Term deposits with original maturities of less than 90 days are classified as cash and short-term deposits in note 8.

	2025	2024
	\$	\$
Current Portion - Bank Term Deposits		
SBS Term Investment 52-3	120,818	113,426
SBS Term Investment 84-9	76,200	71,693
SBS Term Investment 82-2	-	73,918
SBS Term Investment 85-7	-	72,104
Total – Bank Term Deposits	197,018	331,141

Investment valuation

		2025					
Asset Class	Valuation Method	Opening Carrying Amount	Purchases	Sales	Income	Gains/(Losses) or Impairment	Closing Carrying amount
		\$	\$	\$	\$	\$	\$
Bank Term Deposits	Cost less any Impairment	331,141	-	146,022	11,899	-	197,018
SBS Capital Bonds	Cost less any Impairment	300,000	-	-	-	-	300,000
Total		631,141	-	146,022	11,899	-	497,018

		2024					
Asset Class	Valuation Method	Opening Carrying Amount	Purchases	Sales	Income	Gains/(Losses) or Impairment	Closing Carrying amount
		\$	\$	\$	\$	\$	\$
Bank Term Deposits	Cost less Impairment	303,314	27,827	-	-	-	331,141
SBS Capital Bonds	Cost less Impairment	300,000	-	-	-	-	300,000
Total		603,314	27,827	-	-	-	631,141

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2025

11. Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment is measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Club and if the cost or fair value can be measured reliably. Subsequent costs that meet the recognition criteria are recognised in the carrying value of the item of property, plant and equipment. Subsequent to initial recognition, property, plant and equipment are measured using the cost model. Under the cost model, the item is carried at cost net of accumulated depreciation and any impairment losses.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when the Club assesses that it has no further economic benefits or service potential expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in surplus or deficit except to the extent of any revaluation reserve previously recognised for the particular asset which is transferred to accumulated comprehensive revenue and expense.

Depreciation

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment of property, plant and equipment

The Club considers its property, plant and equipment as cash generating assets and performs annual impairment testing for those class of assets carried using the cost model to determine whether there is any indication that the asset may be impaired. If such indication exists, the Club estimates the recoverable amount which is the higher of the asset's fair value less costs of disposal and its value in use. When the carrying amount exceeds the recoverable amount of the asset, it is considered impaired and written down to its recoverable amount. Any impairment losses are included in surplus or deficit. Based on its assessment, the Club concluded that its assets are not assessed as impaired as of reporting date.

	Opening balances		Current year movements				Closing balances		Estimated useful life used for depreciation
	Cost / valuation	Acc. depreciation / impairment	Disposals / Transfers (cost)	Disposals / Transfers (acc. dep.)	Impairment charges	Depreciation	Cost / valuation	Acc. depreciation / impairment	
2025	\$	\$	\$	\$	\$	\$	\$	\$	
Land and track improvements	52,578	-	-	-	-	-	52,578	-	Not depreciated
Plant and equipment	21,407	(9,335)	-	-	-	4,281	21,407	13,617	20 years
Furniture and Fittings	13,579	(174)	-	-	-	1,560	13,579	1,734	10 to 12.5 years
	87,564	(9,509)	-	-	-	5,842	87,564	15,351	72,213

	Opening balances		Current year movements				Closing balances		Estimated useful life used for depreciation
	Cost / valuation	Acc. depreciation / impairment	Disposals / Transfers (cost)	Disposals / Transfers (acc. dep.)	Impairment charges	Depreciation	Cost / valuation	Acc. depreciation / impairment	
2024	\$	\$	\$	\$	\$	\$	\$	\$	
Land and track improvements	52,578	-	-	-	-	-	52,578	-	Not depreciated
Plant and equipment	21,407	(8,265)	-	-	-	1,070	21,407	(9,335)	20 years
Furniture and Fittings	-	-	-	-	-	174	13,579	(174)	10 to 12.5 years
	73,985	(8,265)	-	-	-	1,244	87,564	(9,509)	78,055

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2025

12. Trade and Other Receivables

	2025	2024
	\$	\$
Accounts Receivable	37,303	67,045
Accrued Interest	10,170	17,771
GST Refund Due	16,746	8,637
Total	64,219	93,453

13. Accumulated Surpluses or Deficits

	2025	2024
	\$	\$
Opening Balance	824,738	750,524
(Deficit)/Surplus for the Year	(150,491)	74,214
Closing Balance	674,247	824,738

14. Fixed Assets Leased to the Consortium

Invercargill Harness Racing Club Incorporated is a member of the Ascot Park Consortium that leases the land and buildings from Southland Racing Club Incorporated. The lease agreement is for a term of 200 years from July 1986, at the peppercorn rental of \$10 per annum. The Consortium is liable for all the outgoings relating to the leased assets and also to maintain the asset in the "present" condition. The outgoings incurred by the Consortium are recovered from the members on the number of race days held during the year. The other members of the Consortium are Southland Racing Club Incorporated and Southland Greyhound Club Incorporated.

15. 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. There have been subsequent changes to this model since 2017.

From 1 August 2020 Club's hosting Race Meetings now receive a Venue Payment per race day rather than any bulk funded commissions, this is to assist them with their race meeting running costs. Southern Harness Racing are responsible for race programming and the allocation of stakes funding. HRNZ are responsible for the payment of all stakes. A key aim of this structure is to ensure consistent race programming and increased stakes across all meetings.

The effect this has had on the financial statements is shown below:

Income:

2024 Total Industry Stakes Funding - \$1,828,069 (13 race meetings)

2024 Group Race Funding - \$279,000

2024 Industry Club/Race Meeting Funding - \$255,737

2024 Industry High Use Venue Funding \$96,252

2025 Total Industry Stakes Funding -\$1,972,529 (14 race meetings)

2025 Group Race Funding - \$302,000

2025 Industry Club/Race Meeting Funding - \$277,184

2025 Industry High Use Venue Funding - \$70,406

Expenses:

2024 Stakes Paid Out - \$1,871,771 (13 race meetings)

2025 Stakes Paid Out - \$1,972,529 (14 race meetings)

Invercargill Harness Racing Club Incorporated

Notes to the Performance Report (Continued)

For the Year Ended 30 June 2025

16. Related Parties Transactions

Southern Harness Racing Incorporated is a related party of Invercargill Harness Racing Club Incorporated as the Club is a member of the Southern Harness Racing group. Secretarial fees, disbursement fees, promotional fees, website fees and mobile barrier fees of \$96,713 excluding GST (2024: \$96,759) have been paid to Southern Harness Racing Incorporated from the Club and nil was owing at balance date (2024: Nil).

17. Contingent Liabilities and Capital Commitments

The Club has no contingent liabilities as at 30 June 2025 (2024: Nil).

The Club has no capital commitments as at 30 June 2025 (2024: Nil).

18. Events Occurring After Balance Date

There were no events that have occurred after the balance date that would have a significant impact on the Performance report.

19. Race Meeting Performance

	2025	2024
	\$	\$
Race Meeting Revenue	(14 race meetings)	(13 race meetings)
Stakes Funding – HRNZ	1,972,529	1,831,271
Venue Payment – HRNZ	277,184	255,737
Track Allowance – HRNZ	70,406	96,252
Workouts/Trials Nomination Fees - HRNZ	3,826	3,813
Total Funding	2,323,945	2,187,073
Sponsorship	36,430	35,875
Members Bar Revenue	5,805	5,246
Raceday grants (ILT Foundation \$7,500)	7,500	40,500
Room Hire & Hospitality (incl Cup Day tents income)	50,220	26,386
Donations (towards raceday)	12,360	12,500
Total Race Meeting Revenue	2,436,260	2,307,580
Race Meeting Expenses		
Stakes Paid	1,972,529	1,831,271
Club's Contribution to Stakes	16,500	40,500
Total Stakes Paid	1,989,029	1,871,771
Iron Horse Bonus	27,500	27,500
Advertising	10,907	9,329
Sundry Expenses	7,336	9,068
Members bar expenses	6,364	6,362
On Course Announcing	2,200	1,650
Race Meeting Services (incl Security)	41,588	33,507
Race Meeting Sponsor Expenses (incl Trophies and Dress Rugs)	24,025	18,571
Racebook Costs	8,603	6,915
Racecourse Rental	126,000	117,000
Room hire and hospitality expenses (incl Cup Day tents expenses)	30,839	14,720
Sponsorship and Promotion	11,734	11,594
Sponsors Expenses – Bar and Catering	17,288	12,372
Race Meeting Wages	50,155	44,151
Tote Wages	24,737	19,763
Workouts/Trials Expenses	4,462	3,864
Total Race Meeting Expenses	2,382,767	2,208,137
Net Surplus from Race Meetings	53,493	99,443

Independent Assurance Practitioner's Review Report to the members of Invercargill Harness Racing Club Incorporated

Report on the Performance Report

We have reviewed the accompanying performance report of Invercargill Harness Racing Club Incorporated (the Club) which comprise the statement of financial position as at 30 June 2025, and the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and the notes to the performance report that include other explanatory information.

Committee Members' Responsibility for the Performance Report

The Committee Members are 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 the Tier 3 (NFP) Standard adopted by the Club; and
- (c) for such internal controls as the Committee Members consider are necessary to enable the preparation of performance report that are free from material misstatement, whether due to fraud or error.

Assurance Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying performance report. We conducted our review in accordance with International Standard on Review Engagements (New Zealand) (ISRE (NZ))2400, *Review of Historical Financial Statements Performed by an Assurance Practitioner who is the not the Auditor of the Entity* and the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Those standards require us to conclude whether anything has come to our attention that causes us to believe that the performance report, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. Those standards also require us to comply with relevant ethical requirements.

A review of the performance report in accordance with ISRE (NZ) 2400 and ISAE (NZ) 3000 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures selected depend on our judgement, including the areas identified where a material misstatement is likely to arise and includes performance procedures to obtain evidence and evaluating whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and ISAE (NZ) 3000 (Revised). Accordingly, we do not express an audit opinion on this performance report.

Our firm has provided accounting assistance with the preparation and presentation of the performance report. This assistance has not impaired our independence as reviewers of the Club.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are not suitable;
- (b) the performance report for the year ended 30 June 2025 does not present, in all material respects, the financial position of Invercargill Harness Racing Club Incorporated as at 30 June 2025, and its financial performance and cash flows for the year then ended, in accordance with the Tier 3 (NFP) Standard.

Restriction on Distribution or Use

This report is made solely to the Committee members, as a body. Our review work has been undertaken so that we might state to the members those matters which we are required to state to them in a review 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's and Committee members, as a body, for our review procedures, for this report or for the conclusion we have formed.

Audit Professionals Limited

Chartered Accountants

5 November 2025

Dunedin