

# **Performance Report**

**Rangiora Harness Racing Club Incorporated**

**For the year ended 31 July 2023**

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# Entity Information

Rangiora Harness Racing Club Incorporated  
For the year ended 31 July 2023

**'Who are we?', 'Why do we exist?'**

## **Legal Name of Entity**

Rangiora Harness Racing Club Incorporated

## **Entity Type and Legal Basis**

Incorporated Society.

## **Incorporated Societies Number**

Registered Number 219596

## **Entity's Purpose or Mission**

The primary objective of the club is to promote, conduct and control harness racing in North Canterbury. The Club is registered with Harness Racing New Zealand ("the code"), consistent with the Code's Constitution. The Club is a recognised industry organisation in accordance with the Racing Industry Act 2020.

## **Entity Structure**

Committee headed by the Club President.

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.

## **Main Sources of Entity's Cash and Resources**

The Club's main source of revenue is industry funding from the Code which is used to meet the costs and expenses of the Club's race meetings. The terms and amount of industry funding are agreed by the Code and the Club at the beginning of each racing season based on planned race-meeting events and activities.

The Club also receives income from gate entry fees, grants, members subscriptions and individual race and overall race day sponsorship. During the race meetings the club sells goods including various race-related items.

## **Main Methods Used by Entity to Raise Funds**

Proceeds from the sale of other goods and services (including charges for use of the the Club's assets) are based on agreed price determined with reference to current market prices for such goods and services.

The Club also receives, grants, subsidies and donations from various sources including Club members and industry organisations (RITA, the Code and other Clubs).



**Entity's Reliance on Volunteers and Donated Goods or Services**

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.

Services in kind come in the form of volunteers both during race meetings events and off-season. Volunteers (mostly members of the Club) are involved in the setup 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 services, the Club would have required more funds to meet 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.

**Additional Information**

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 operation more sustainable; these resources are held as cash reserves and available for use by the Club as the need arises.

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**Physical Address**

312 Lehmans Road, Rangiora, New Zealand

**Postal Address**

PO Box 195, Rangiora, New Zealand, 7440

Email: [rangioraharness@gmail.com](mailto:rangioraharness@gmail.com)

Website: [www.rangioraharness.com](http://www.rangioraharness.com)

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This information should be read in conjunction with the Independent Auditor's Report.

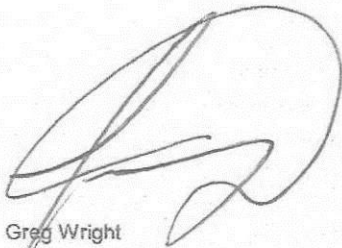


# Approval of Financial Report

Rangiora Harness Racing Club Incorporated  
For the year ended 31 July 2023

The Committee are pleased to present the approved financial report including the historical financial statements of Rangiora Harness Racing Club Incorporated for year ended 31 July 2023.

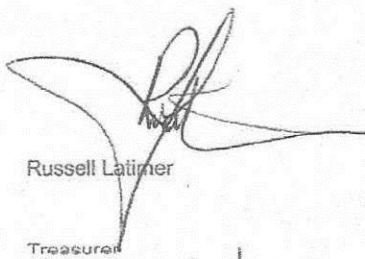
APPROVED



Greg Wright

President

Date ..... 30/1/24



Russell Latimer

Treasurer

Date ..... 30/1/24

# Statement of Service Performance

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2023

**'What did we do?', 'When did we do it?'**

## Description of Entity's Outcomes

The Club is licenced by Harness Racing NZ to conduct and promote harness racing at Rangiora Raceway.

RHRC were programmed for 10 race meetings during the season to 31/7/2023, all held at Rangiora Raceway. The Club lost its race day scheduled for 5 March 2023. This was due to heavy rain causing the track to be too wet to race on. The race day was abandoned. The primary race day of the year was held on 19 December 2022. This was the Christmas at the Races race day. The weather was inclement, deterring a number of people from attending, but there were still a large number of the pre-sold sites occupied.

To ensure that the Club meets its goal, stakes money 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 the code and the TAB to ensure that industry funding remains a steady source of operational funding for race meetings.

Our primary objective is to provide opportunities for owners, trainers and drivers to participate, while also providing entertainment and recreation for families and people of all ages. The emphasis at our main meetings is to provide activities and events which add to the racing itself and provide a fun day out for everyone.

The Club is also actively involved in the management of the Rangiora Racecourse in association with our co owners the Canterbury Jockey Club.

	2023	2022
<b>Description and Quantification</b>		
Ordinary Members	132	130
Honorary Members	35	35
Number of Race meetings	9	9
Total Races	92	94
Total Number of Starters	1,140	1,068
Stakes	929,897	912,879

This Statement should be read in conjunction with the Independent Auditor's Report.



# Statement of Financial Performance

Rangiora Harness Racing Club Incorporated  
For the year ended 31 July 2023

'How was it funded?' and 'What did it cost?'

Account	Notes	2023	2022
<b>Revenue</b>			
Fees, subscriptions and other revenue from members	1	2,937	3,331
Revenue from providing goods or services	1	1,378,652	1,413,704
Interest, dividends and other investment revenue	1	6,420	717
Other revenue	1	18,180	26,558
<b>Total Revenue</b>		<b>1,406,189</b>	<b>1,444,309</b>
<b>Expenses</b>			
Costs related to providing goods or service	2	1,431,113	1,335,951
Other expenses	2	67,328	130,846
<b>Total Expenses</b>		<b>1,498,440</b>	<b>1,466,797</b>
<b>Other income</b>			
Gain on Sale of Fixed Asset	5	1,103	0
<b>Total Revenue</b>		<b>1,103</b>	<b>0</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(91,148)</b>	<b>(22,488)</b>

This statement is to be read with the accompanying Accounting Policies, Notes and independent Auditor's Report.



# Statement of Financial Position

Rangiora Harness Racing Club Incorporated

As at 31 July 2023

'What the entity owns?' and 'What the entity owes?'

Account	Notes	2023	2022
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	129,684	459,868
Investments	3	274,441	24,138
Debtors and prepayments	3	12,264	3,036
<b>Total Current Assets</b>		<b>416,389</b>	<b>487,041</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	1,820,823	1,842,162
<b>Total Non-Current Assets</b>		<b>1,820,823</b>	<b>1,842,162</b>
<b>Total Assets</b>		<b>2,237,212</b>	<b>2,329,202</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	11,895	12,238
Other current liabilities	4	44	543
<b>Total Current Liabilities</b>		<b>11,939</b>	<b>12,781</b>
<b>Total Liabilities</b>		<b>11,939</b>	<b>12,781</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>2,225,273</b>	<b>2,316,421</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	6	753,579	844,727
Reserves	7	1,471,694	1,471,694
<b>Total Accumulated Funds</b>		<b>2,225,273</b>	<b>2,316,421</b>

This statement is to be read with the accompanying Accounting Policies, Notes and Independent Auditor's Report.





# Statement of Cash Flows

Rangiora Harness Racing Club Incorporated  
For the year ended 31 July 2023

'How the entity has received and used cash'

<u>Account</u>	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Revenue from providing goods or services	1,397,485	1,441,446
Fees from members	2,874	3,109
Investment Income	6,420	717
Payments to suppliers and employees	(1,486,496)	(1,470,947)
<b>Total Cash Flows from Operating Activities</b>	<b>(79,717)</b>	<b>(25,676)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Payments to acquire property, plant and equipment	(2,717)	0
Receipts from the sale of property, plant & equipment	2,554	0
Payments to acquire investments	(250,304)	(24,138)
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(250,467)</b>	<b>(24,138)</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(330,183)</b>	<b>(49,813)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	459,868	509,681
Cash and cash equivalents at end of period	129,684	459,868
<b>Net change in cash for period</b>	<b>(330,183)</b>	<b>(49,813)</b>

This statement should be read in conjunction with the Notes to the Performance Report and the attached Independent Auditor's Report.



# Statement of Accounting Policies

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2023

## 'How did we do our accounting?'

### Basis of Preparation

Rangiora Harness Racing Club ("the Club") is incorporated under the Incorporated Societies Act 1908. The primary objective of the Club is to promote, conduct and control harness racing and is registered with 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.

This Performance Report has 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. 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 PBE SFR-A (NFP) - Accrual (PBE accrual standard), the Club applied guidelines under Tier 2 PBE Accounting Standards Applied section of this Performance Report.

### Goods and Services Tax (GST)

The Club is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Income Tax

Rangiora Harness Racing Club Incorporated is exempt from New Zealand income tax in accordance with the provisions of Section CW 47 (2) of the Income Tax Act 2007.

### Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including deposits with original maturities of less than 90 days).



**Changes in Accounting Policies**

There have been no material changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

**Revenue Recognition**

The Club receives revenue in the form of grants, sponsorship, funding from Harness Racing New Zealand (HRNZ), gate receipts, and investment income.

Revenue is recognised in all instances when any conditions attached to the receipt of the revenue have been satisfied.

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This Statement should be read in conjunction with the statements comprising The Performance Report and the Independent Auditor's Report.





# Notes to the Performance Report

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2023

Account	2023	2022
<b>1. Analysis of Revenue</b>		
<b>Fees, subscriptions and other revenue from members</b>		
Members Subscriptions	2,937	3,331
<b>Total Fees, subscriptions and other revenue from members</b>	<b>2,937</b>	<b>3,331</b>
<b>Revenue from providing goods or services</b>		
Commission Concessionaires	464	503
Course Revenue - Joint Account	144,062	165,165
Gate Receipts	3,412	7,317
Grant Income	16,637	44,237
Hospitality	29,773	11,482
HRNZ Bulk Funding	1,169,741	1,130,536
HRNZ funding extra	0	18,409
HRNZ Infrastructure Funding	0	19,591
Punters Club	506	0
Race Books/Pen/Hat Sales	91	55
Sponsorship	13,965	16,409
<b>Total Revenue from providing goods or services</b>	<b>1,378,652</b>	<b>1,413,704</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	6,420	717
<b>Total Interest, dividends and other investment revenue</b>	<b>6,420</b>	<b>717</b>
<b>Other revenue</b>		
Bequests and donations	6,000	25,000
Other Income	12,000	0
Sundry Revenue	180	1,558
<b>Total Other revenue</b>	<b>18,180</b>	<b>26,558</b>

Account	2023	2022
<b>2. Analysis of Expenses</b>		
<b>Costs related to providing goods or services</b>		
Clerk Of The Course	12,498	7,675
Big Screen	6,925	8,925
Committee Expenses	154	0
Complimentary Catering	6,374	2,788
Complimentary Refreshments	2,266	1,504
Course Expenses - Joint Account	219,706	187,857
Entertainment & Promotions	6,947	6,219
Farrier	2,348	2,348
First Aid	655	0
Gate Attendants	2,500	2,500
Hospitality Expenses	22,374	9,052
Judge	380	0
Marketing costs	210	645
Mobile Gate Hire	4,500	0
Photofinish	8,609	8,235
Press Advertising	1,719	1,894
Race Books	13,200	11,184
Race Day Preparation	12,500	12,500
Race Day Wages	51,447	43,221
Racecourse Rental	94,500	94,500
Security & Cash Handling	8,776	6,199
Sponsors Hospitality	2,337	5,150
Sponsorship costs	1,000	0
Stakes	931,298	912,879
Starter	300	0
Toilet Trailer Hire	2,412	2,412
Totalisator Wages	10,181	6,925
Trophies	4,999	1,339
<b>Total Costs related to providing goods or services</b>	<b>1,431,113</b>	<b>1,335,951</b>
<b>Other expenses</b>		
ACC Levies	460	385
Administrator wages (contractor)	24,202	22,153

Audit Fees	5,000	9,265
Bank Fees	185	120
Computer Support & Software Fees	582	882
Consulting & Accounting	0	141
Depreciation	22,605	22,906
Donations	1,650	579
General Expenses	0	337
Insurance	1,448	4,334
Interest Expense	1	0
Legal Expenses	0	675
Meetings & Conference	6,072	5,090
Mobile Expenses	0	273
Postage, Printing & Stationery	3,832	1,573
Repairs & Maintenance	220	53,769
Sponsors Promotions	630	910
Sundry Expenses	284	7,335
Website	158	119
<b>Total Other expenses</b>	<b>67,328</b>	<b>130,846</b>

<b>Account</b>	<b>2023</b>	<b>2022</b>
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### 3. Analysis of Assets

<b>Bank accounts and cash</b>		
RHRC 00 account	89,355	172,966
RHRC Savings 30 Account	40,329	286,902
<b>Total Bank accounts and cash</b>	<b>129,684</b>	<b>459,868</b>
ANZ Term Deposit	24,441	24,138
Term Deposit #1 12 months	125,000	0
Term Deposit #2 6 months	125,000	0
<b>Total Investments</b>	<b>274,441</b>	<b>24,138</b>
<b>Debtors and prepayments</b>		
Accounts Receivable	2,150	2,803
Racecourse Management Committee	0	233
GST	5,238	0
Prepayments	4,876	0
Suspense	0	0
Rounding	0	0
<b>Total Debtors and prepayments</b>	<b>12,264</b>	<b>3,036</b>

<b>Account</b>	<b>2023</b>	<b>2022</b>
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### 4. Analysis of Liabilities

<b>Creditors and accrued expenses</b>		
Accounts Payable	1,895	7,238
Accrued Expenses	5,000	5,000
Grants Received in Advance	5,000	0
<b>Total Creditors and accrued expenses</b>	<b>11,895</b>	<b>12,238</b>
<b>Other current liabilities</b>		
Membership (Next Year) in Advance	35	98
Racecourse Management Committee	0	0
GST	0	409
PAYE Payable	0	0
Wages Deductions Payable	9	37
<b>Total Other current liabilities</b>	<b>44</b>	<b>543</b>



## 5. Joint Operations

The Club holds an interest in Rangiora Racecourse through a Deed of Management that confers joint control over the relevant activities of Rangiora Racecourse.

This interest is classified as a Joint Operation where the Club has both the rights to assets and obligations for the liabilities of the joint arrangement.

The Club accounts for its interests in the joint operation by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Rangiora Racecourse operations are outlined in the table below and the share of assets detailed in note 6.

	2023	2022
<b>Income</b>		
Rent	89,616	97,216
Track fees - Training	11,817	16,037
Track fees - Trials	42,540	42,810
Other income	90	9,102
<b>Total Income</b>	<b>144,062</b>	<b>165,165</b>
<b>Expenditure</b>		
Maintenance	62,998	46,079
Wages	104,005	95,248
Insurance	29,443	22,925
Other overheads	23,261	23,606
<b>Total Expenditure</b>	<b>219,706</b>	<b>187,857</b>
<b>Operating surplus / (deficit)</b>	<b>(75,644)</b>	<b>(22,692)</b>

**6. Property, Plant and Equipment**

This Year	Opening Carrying Amount	Revaluation	Purchases	Disposals	Current Depreciation and Impairment	Closing Carrying Amount
Land	947,917	0	0	0	0	947,917
Buildings	861,174	0	0	0	(16,722)	844,452
Plant and Equipment	28,882	0	2,717	(1,451)	(5,020)	25,128
Furniture and Fittings	4,115	0	0	0	(800)	3,315
Office Equipment	74	0	0	0	(64)	10
	<b>1,842,162</b>	<b>0</b>	<b>2,717</b>	<b>(1,451)</b>	<b>(22,605)</b>	<b>1,820,823</b>

Last Year	Opening Carrying Amount	Revaluation	Purchases	Disposals	Current Depreciation and Impairment	Closing Carrying Amount
Land	527,433	420,484	0	0	0	947,917
Buildings	793,181	69,319	0	0	(1,326)	861,174
Plant and Equipment	34,799	0	0	0	(5,918)	28,882
Furniture and Fittings	5,111	0	0	0	(996)	4,115
Office Equipment	157	0	0	0	(83)	74
	<b>1,360,682</b>	<b>489,803</b>	<b>0</b>	<b>0</b>	<b>(8,323)</b>	<b>1,842,162</b>

Fixed Assets are measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset. Subsequent to initial recognition, Land and Buildings and Improvements are measured at fair value. Plant and Equipment are measured at cost. Depreciation is recorded on all assets except for land. Depreciation rates are:

Buildings	1 - 2 %	Straight Line
All other assets (other than land)	10 - 30 %	Diminishing Value

The Club performs an annual impairment test on its fixed assets. If the recoverable amount of an asset is determined to fall below its carrying amount, then the resulting difference is recognized as an impairment loss in the Statement of Financial Performance for that period.

Land and Buildings and Improvements are recorded at their rateable value issued by the Waimakariri District Council. The last date of valuation was 1st July 2022. Last year's comparative financial statements have been adjusted to reflect the resulting valuation gain of \$489,803 not previously recognised in that year.

**7. Accumulated Funds**

<b>Accumulated Funds</b>		
Opening Balance	844,727	867,214.63
Accumulated surpluses or (deficits)	(91,148)	(22,487.81)
<b>Total Accumulated Funds</b>	<b>753,579</b>	<b>844,727</b>
<b>Total Accumulated Funds</b>	<b>753,579</b>	<b>844,727</b>

Account	2023	2022
<b>8. Breakdown of Reserves - Revaluation Reserve</b>		
<b>Reserves</b>		
Reserves	1,471,694.02	1,471,694
<b>Total Reserves</b>	<b>1,471,694</b>	<b>1,471,694</b>

### 9. Commitments

There are no commitments as at 31 July 2023 (Last year - nil).

### 10. Related Parties

Harness Racing New Zealand ("HRNZ") is a related party on the basis that HRNZ has significant influence over Rangiora Harness Racing Club Incorporated due to HRNZ's role of governance of the harness racing code in the racing industry. A significant portion of the Club's income is received from HRNZ in the form of funding. This income is conditional on the Club having race meetings.

### Transactions with key management personnel and close members of their family

Key management personnel (KMP) of the club include members of the Committee and various Sub-committees of the Club, who exercise control or significant influence over the financial and operating decision-making of the Club. For purpose of financial reporting disclosures, the Club also considers transactions with close members of the KMP's family as related party transactions.

### Transactions

KMP's are also members of the Club and pay membership fees and other charges on the same rate and terms as charged to other members. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. KMPs and close members of their family may also join races and be eligible for stake money from the Club under normal trade terms and conditions.

### 11. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

### 12. Events Subsequent to Balance Date.

There were no significant events and transactions that have occurred after the balance date that would have a material impact on the Performance Report.

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These notes should be read in conjunction with the statements comprising The Performance Report and the Independent Auditor's Report.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Rangiora Harness Racing Club Incorporated

### Report on the Performance Report

#### Opinion

We have audited the performance report of Rangiora Harness Racing Club Incorporated (the "Club") on pages 3 to 16, which comprise the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 31 July 2023, the statement of financial position as at 31 July 2023, and notes to the performance report, including a summary of significant accounting policies and other explanatory information.

In our opinion:

- a. The reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable;
- b. the accompanying performance report presents fairly, in all material respects:
  - the entity information for the year then ended;
  - the service performance for the year then ended; and
  - the financial position of Rangiora Harness Racing Club Incorporated as at 31 July 2023 and its financial performance, and cash flows for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

#### Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of Club in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Club.

#### Responsibilities of the Committee for the Performance Report

The Committee is responsible 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; and
  - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report
- in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and
- c. for such internal control as the Committee determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Committee is responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either 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 Performance Report**

Our objectives are to obtain reasonable assurance about whether the performance report is 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 ISAE (NZ) 3000 (Revised) 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.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Restriction on use of our report**

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 Club's Members, as a body those matters which we are required to state to them in our audit 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 Members, as a body for our audit work, for this report or for the opinion we have formed.

*Nexia Audit Christchurch.*

**Nexia Audit Christchurch**

30 January 2024

Christchurch