

# **Performance Report**

**Rangiora Harness Racing Club Incorporated**

**For the year ended 31 July 2022**

# Contents

- 3 Entity Information
- 5 Approval of Financial Report
- 6 Statement of Service Performance
- 7 Statement of Financial Performance
- 8 Statement of Financial Position
- 9 Statement of Cash Flows
- 10 Statement of Accounting Policies
- 12 Notes to the Performance Report
- 16 Independent Auditor's Report

# Entity Information

Rangiora Harness Racing Club Incorporated  
For the year ended 31 July 2022

**'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.

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.

**Physical Address**

312 Lehmans Road, Rangiora, New Zealand

**Postal Address**

PO Box 195, Rangiora, New Zealand, 7440

Email: rangioraharness@gmail.com

Website: www.rangioraharness.com

---

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 2022

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 2022.

APPROVED



Greg Wright

President

Date

6/2/23



Russell Latimer

Treasurer

Date

6/2/23



# Statement of Service Performance

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2022

'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 31/7/2022, all held at Rangiora Raceway. The Club lost its first race day of the season on 29 August 2021, due to Covid 19. There were also two other race days where the public were not permitted to attend due to the Red Traffic light setting regulations. In the previous year only four meetings were held, with 6 meetings cancelled due to the COVID-19 pandemic. The Club's revenue and expenses this year were accordingly higher.

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.

	2022	2021
<b>Description and Quantification</b>		
Ordinary Members	130	134
Honorary Members	35	35
Number of Race meetings	9	9
Total Races	94	90
Total Number of Starters	1,068	1,104
Stakes	912,879	730,779

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 2022

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

<b>Account</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>			
Fees, subscriptions and other revenue from members	1	3,331	2,917
Revenue from providing goods or services	1	1,413,704	1,226,542
Interest, dividends and other investment revenue	1	717	224
Other revenue	1	26,558	3,147
<b>Total Revenue</b>		<b>1,444,309</b>	<b>1,232,829</b>
<b>Expenses</b>			
Costs related to providing goods or service	2	1,335,951	1,217,709
Other expenses	2	130,846	96,052
<b>Total Expenses</b>		<b>1,466,797</b>	<b>1,313,761</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(22,488)</b>	<b>(80,932)</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 2022

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

Account	Notes	2022	2021
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash	3	459,868	509,681
Investments	3	24,138	0
Debtors and prepayments	3	3,036	5,753
<b>Total Current Assets</b>		<b>487,041</b>	<b>515,433</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	5	1,337,775	1,360,682
<b>Total Non-Current Assets</b>		<b>1,337,775</b>	<b>1,360,682</b>
<b>Total Assets</b>		<b>1,824,816</b>	<b>1,876,115</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses	4	12,238	939
Other current liabilities	4	543	40,654
<b>Total Current Liabilities</b>		<b>12,781</b>	<b>41,593</b>
<b>Total Liabilities</b>		<b>12,781</b>	<b>41,593</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>1,812,035</b>	<b>1,834,522</b>
<b>Accumulated Funds</b>			
Accumulated surpluses or (deficits)	6	844,727	867,215
Reserves	7	967,308	967,308
<b>Total Accumulated Funds</b>		<b>1,812,035</b>	<b>1,834,522</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 2022

'How the entity has received and used cash'

<u>Account</u>	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Revenue from providing goods or services	1,441,446	1,226,747
Fees from members	3,109	2,652
Investment Income	717	224
Payments to suppliers and employees	(1,470,947)	(1,259,806)
<b>Total Cash Flows from Operating Activities</b>	<b>(25,676)</b>	<b>(30,183)</b>
<b>Cash Flows from Investing and Financing Activities</b>		
Payments to acquire investments	(24,138)	0
Payments to acquire property, plant and equipment	0	0
Receipts from the Sale of Property, Plant & Equipment	0	0
<b>Total Cash Flows from Investing and Financing Activities</b>	<b>(24,138)</b>	<b>0</b>
<b>Net Increase/ (Decrease) in Cash</b>	<b>(49,813)</b>	<b>(30,183)</b>
<b>Cash Balances</b>		
Cash and cash equivalents at beginning of period	509,681	539,864
Cash and cash equivalents at end of period	459,868	509,681
<b>Net change in cash for period</b>	<b>(49,813)</b>	<b>(30,183)</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 2022

## '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).



### **Tier 2 PBE Accounting Standards Applied**

The Club has applied the following Tier 2 PBE Accounting Standard as it has not been covered in the PBE standards (accrual):

PBE IPSAS 8, Interests in Joint Ventures

The Club holds significant interests in a joint venture of the Rangiora Racecourse. PBE standards (accrual) are silent with respect to this item. Hence, the Club has applied the related Tier 2 PBE standards in accounting for equity investment.

On this basis, the Club consolidates its proportional interest in the Rangiora Racecourse Joint Venture within this Performance Report.

### **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.

---

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 2022

Account	2022	2021
<b>1. Analysis of Revenue</b>		
<b>Fees, subscriptions and other revenue from members</b>		
Members Subscriptions	3,331	2,917
<b>Total Fees, subscriptions and other revenue from members</b>	<b>3,331</b>	<b>2,917</b>
<b>Revenue from providing goods or services</b>		
Commission Concessionaires	503	591
Course Revenue - Joint Account	165,165	188,329
Gate Receipts	7,317	10,382
Grant Income	44,237	6,857
Hospitality	11,482	30,465
HRNZ Bulk Funding	1,130,536	902,753
HRNZ Funding Adjustment	0	1,196
HRNZ funding extra	18,409	68,600
HRNZ Infrastructure Funding	19,591	0
Race Books/Pen/Hat Sales	55	0
Sponsorship	16,409	17,370
<b>Total Revenue from providing goods or services</b>	<b>1,413,704</b>	<b>1,226,542</b>
<b>Interest, dividends and other investment revenue</b>		
Interest Income	717	224
<b>Total Interest, dividends and other investment revenue</b>	<b>717</b>	<b>224</b>
<b>Other revenue</b>		
Bequests	25,000	0
Fundraising	0	1,188
Sundry Revenue	1,558	1,958
<b>Total Other revenue</b>	<b>26,558</b>	<b>3,147</b>
<b>Account</b>	<b>2022</b>	<b>2021</b>

## 2. Analysis of Expenses

<b>Costs related to providing goods or services</b>		
Clerk Of The Course	7,675	5,050
Big Screen	8,925	5,750
Billboards	0	3,780
Complimentary Catering	2,788	2,976
Complimentary Refreshments	1,504	1,336
Course Expenses - Joint Account	187,857	228,649
Entertainment & Promotions	6,219	13,229
Farrier	2,348	2,348
First Aid	0	551
Gate Attendants	2,500	2,500
Hospitality Expenses	9,052	20,372
Marketing costs	645	230
Other Race Meeting Expenses	0	2,859
Pens	0	243
Photofinish	8,235	8,043
Press Advertising	1,894	131
Race Books	11,184	11,504
Race Day Preparation	12,500	11,250
Race Day Wages	43,221	40,964
Racecourse Rental	94,500	94,500
Security & Cash Handling	6,199	7,126
Sponsors Hospitality	5,150	5,457
Stakes	912,879	730,779
Starter	0	3,287
Toilet Trailer Hire	2,412	2,412

Totalisator Wages	6,925	6,151
Trials Days Expenses	0	216
Trophies	1,339	6,016
<b>Total Costs related to providing goods or services</b>	<b>1,335,951</b>	<b>1,217,709</b>
<b>Other expenses</b>		
ACC Levies	385	269
Administrator wages (contractor)	22,153	23,249
Audit Fees	9,265	4,057
Bad Debts	0	109
Bank Fees	120	120
Computer Support & Software Fees	882	213
Consulting & Accounting	141	2,271
Depreciation	22,906	24,483
Donations	579	1,926
Fundraising Expenses	0	248
General Expenses	337	622
Insurance	4,334	0
Interest Expense	0	2
Legal Expenses	675	2,165
Meetings & Conference	5,090	3,937
Mobile Expenses	273	656
Postage, Printing & Stationery	1,573	1,843
Repairs & Maintenance	53,769	26,180
Sponsors Promotions	910	840
Sundry Expenses	7,335	2,641
Telephone & Tolls	0	46
Website	119	177
<b>Total Other expenses</b>	<b>130,846</b>	<b>96,052</b>
<b>Account</b>	<b>2022</b>	<b>2021</b>

### 3. Analysis of Assets

<b>Bank accounts and cash</b>		
RHRC 00 account	172,966	223,325
RHRC Savings 30 Account	286,902	286,356
<b>Total Bank accounts and cash</b>	<b>459,868</b>	<b>509,681</b>
ANZ Term Deposit	24,138	0
<b>Total Investments</b>	<b>24,138</b>	<b>0</b>
<b>Debtors and prepayments</b>		
Accounts Receivable	2,803	3,988
Racecourse Management Committee	233	0
GST	0	1,765
<b>Total Debtors and prepayments</b>	<b>3,036</b>	<b>5,753</b>
<b>Account</b>	<b>2022</b>	<b>2021</b>

### 4. Analysis of Liabilities

<b>Creditors and accrued expenses</b>		
Accounts Payable	7,238	939
Accrued Expenses	5,000	0
<b>Total Creditors and accrued expenses</b>	<b>12,238</b>	<b>939</b>
<b>Other current liabilities</b>		
Membership (Next Year) in Advance	98	320
Racecourse Management Committee	0	40,320
GST	409	0
Wages Deductions Payable	37	14
<b>Total Other current liabilities</b>	<b>543</b>	<b>40,654</b>

Account

5. Property, Plant and Equipment

This Year	Opening Carrying Amount	Revaluation	Purchases	Disposals	Current	
					Depreciation and Impairment	Closing Carrying Amount
Land	527,433	0	0	0	0	527,433
Buildings	793,181	0	0	0	(15,909)	777,272
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>0</b>	<b>0</b>	<b>0</b>	<b>(22,906)</b>	<b>1,337,775</b>

Last Year	Opening Carrying Amount	Revaluation	Purchases	Disposals	Current	
					Depreciation and Impairment	Closing Carrying Amount
Land	527,433	0	0	0	0	527,433
Buildings	809,091	0	0	0	(15,909)	793,181
Plant and Equipment	42,023	0	0	0	(7,224)	34,799
Furniture and Fittings	6,353	0	0	0	(1,242)	5,111
Office Equipment	265	0	0	0	(108)	157
	<b>1,385,165</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(24,483)</b>	<b>1,360,682</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 August 2019.

Account 2022 2021

6. Accumulated Funds

Account	2022	2021
<b>Accumulated Funds</b>		
Opening Balance	867,215	948,146
Accumulated surpluses or (deficits)	(22,488)	(80,932)
<b>Total Accumulated Funds</b>	<b>844,727</b>	<b>867,215</b>
<b>Total Accumulated Funds</b>	<b>844,727</b>	<b>867,215</b>



Account	2022	2021
<b>7. Breakdown of Reserves - Revaluation Reserve</b>		
<b>Reserves</b>		
Reserves	967,308	967,308
<b>Total Reserves</b>	<b>967,308</b>	<b>967,308</b>

### 8. Commitments

There are no commitments as at 31 July 2022 (Last year - nil).

### 9. 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.

### 10. Ability to Continue Operating

The entity will continue to operate for the foreseeable future.

### 11. 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.

---

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 15, which comprise the entity information, statement of service performance, statement of financial performance and statement of cash flows for the year ended 31 July 2022, the statement of financial position as at 31 July 2022, 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 2022 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**

6 February 2023  
Christchurch