WAIKOUAITI RACING CLUB INCORPORATED

Performance Report for the year ended 31 July 2020

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Entity Information

"Who are we?", "Why do we exist?"
For the year ended 31 July 2020

Legal name	**Waikouaiti Racing Club Incorporated**
Type of entity for financial reporting	**Not-for-profit public benefit entity**
Legal basis	**Incorporated Societies Act 1908**
Type and legal structure	**Incorporated Society**
Governance structure	**Committee comprising President, Vice-President, and 8 other Committee members**

Entity structure

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.

Purpose / Mission Statement

The primary objective of the Club is to promote, conduct and control thoroughbred racing and is registered with the New Zealand Thoroughbred Racing Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Act 2003.

Main sources of cash and resources

The Club's mainline revenue is industry funding from the Code which is used to defray the costs and expenses on the Club's race meetings.

The Club is also engaged in sale of goods and services to members and the public from which revenues are generated to augment its operational requirements. Goods sold include various race-related items and bar sales.

Revenue generated from investments and use of Club's assets includes interest, dividends and other fees.

Main methods used to raise funds

The terms and amount of industry funding revenue are agreed by the Code and the Club at the beginning of each racing year based on planned race-meeting events and activities.

In addition, proceeds from sale of goods and services (including charges for use of 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, individual and corporate sponsors and industry organisations (RITA and the Code and other clubs). In particular, the Club receives from RITA gaming subsidies with respect to the Club's Class 4 gaming activities.

Of particular note, the Club receives services in kind which are considered vital in its race-meeting events; and although these are highly appreciated, these are difficult to value and therefore are not included in this Performance Report.

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

As discussed above, the Club is a recipient / beneficiary of various goods and services in kind. These proceeds are vital in the Club's race meeting events.

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.

Additional information:

The Club is incorporated under the Incorporated Societies Act 1908 and is a recognised industry organisation in accordance with the Racing Act 2003.

As the Club is primarily involved in the conduct and promotion of race meetings - rather than the generation of profit - it is considered a not-for-profit entity for financial reporting purposes. Nonetheless, any profit generated provides the Club with more resources that make future operations more sustainable; these resources are held as cash reserves and available for use by the Club as the need arises.

The Club is party to various agreements with other racing clubs with respect to operation of assets (race tracks) that are jointly owned and operated by member Clubs. These arrangements, however, do not create a separate legal entity that the Club controls; the extent of the operation recognised by the Club is limited to its share of the assets and its own costs spent on the use and maintenance of the assets.

Contact details:

Physical Address:	117 Racecourse Road, Glengarry, Invercargill 9810
Postal Address:	PO Box 8018, Invercargill 9845

Statement of Service Performance
"What did we do?" and "When did we do it?"
For the year ended 31 July 2020

Description of the Entity's Outcomes

The Club is primarily engaged in the conduct and promotion of thoroughbred racing in the Waikouaiti district and surrounds. Race meeting is held on New Year's Day each year and has been held for over 100 years at Waikouaiti racecourse in Otago.

To ensure that the Club meets its goals, prize money has to be built-up from various sources that consequently enable a more attractive race participation.

The Club's management has also been actively working with the Code and RITA to ensure that industry funding remain a steady source of operational funding for race meetings.

Description and Quantification (to the extent practicable) of the Entity's Outputs

	This year's season	Last year's season
Race Meetings	1	1
Races	8	6
Total Stakes	$98,000	$67,000

Additional Information

Race day was 1 January 2020 at Waikouaiti racecourse.

Statement of Financial Performance
"How was it funded?" and "What did it cost?"
For the year ended 31 July 2020

	Note	2020 $	2019 $
Race meeting revenues	*1.1*	195,043	143,903
Rendering of services	*1.2*	3,000	1,491
Other operating income	*1.3*	13,014	13,936
Finance revenue	*3.1*	2,457	3,323
Total revenue		**213,514**	**162,653**
Race meeting costs and expenses	*1.1*	160,615	130,045
Other operating expenses	*2*	40,503	32,538
Total expenses		**201,118**	**162,583**
Net surplus for the year		**12,396**	**70**

The above statement of financial performance should be read in conjunction with the accompanying notes.

Audit PROFFSSIONALS

Statement of Financial Position
"What the Club owns?" and "What the Club owes?"
As at 31 July 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	4	86,922	65,986
Receivables	5	2,012	5,877
Investments	6	47,516	45,855
Total Current Assets		**136,450**	**117,718**
Non-Current Assets			
Property, plant and equipment	7	210,651	216,369
Investments	6	3,334	3,334
Total Non-Current Assets		**213,985**	**219,703**
Total Assets		**350,435**	**337,421**
Liabilities			
Current Liabilities			
Trade and other payables	8	1,002	384
Total Current Liabilities		**1,002**	**384**
Total Liabilities		**1,002**	**384**
Total Assets less Total Liabilities (Net Assets)		**349,433**	**337,037**
Equity			
Accumulated surpluses	9	349,433	337,037
Total Equity		**349,433**	**337,037**

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Waikouaiti Racing Club Incorporated

..... President

16/10/2020

Audit PROFESSIONALS

Statement of Cash Flows
"How the Club has received and used cash"
For the year ended 31 July 2020

	Note	2020 $	2019 $
Cash Flows from Operating Activities			
Cash was received from:			
Industry profit distribution and other race meeting receipts		196,856	144,478
Receipts from providing services		3,000	4,357
Donations, fundraising and other similar receipts		10,000	10,000
Fees, subscriptions and other receipts from members		887	1,070
Cash was applied to:			
Payments to suppliers and employees		(181,009)	(161,487)
RITA charges		(13,500)	(13,500)
Net GST (paid)/received		3,906	(17)
Net Cash Flows from/ (to) Operating Activities		**20,140**	**(15,099)**
Cash flows from Investing and Financing Activities			
Cash was received from:			
Interest receipts		2,457	3,323
Withdrawn ASB deposits		-	30,000
Cash was applied to:			
Interest reinvested		(1,661)	(2,029)
New ASB deposits		-	(30,000)
Net Cash Flows from Investing and Financing Activities		**796**	**1,294**
Net Increase/ (Decrease) in Cash		**20,936**	**(13,805)**
Opening Cash		65,986	79,791
Closing Cash		**86,922**	**65,986**
This is represented by:			
Bank Accounts, deposits and cash	*4*	**86,922**	**65,986**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Audit PROFFSSIONALS

Statement of Accounting Policies
"How did we do our accounting?"
For the year ended 31 July 2020

BASIS OF PREPARATION

Reporting entity
Waikouaiti Racing Club Incorporated (henceforth, "the Club") is incorporated under the Incorporated Societies Act 1908. The primary objective of the Club is to promote, conduct and control thoroughbred racing and is registered with the New Zealand Thoroughbred Racing Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Act 2003.

Statement of compliance
The financial statements have been prepared in accordance with the Racing Act 2003, 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 thoroughbred 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 Society 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 (Reduced Disclosure Regime).

Measurement basis
The Performance Report is presented in New Zealand dollars.

Goods and Services Tax (GST)
The Club is registered for GST. All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income tax
The Club is exempt from income tax in accordance with the provisions of Section CW 47 (2) of the Income Tax Act 2007.

Investments
Investments are recorded at cost less impairment losses, except for the farm partnership which is accounted for by adjusting its value based on the Club's share of the partnership's financial performance.

SIGNIFICANT ACCOUNTING POLICIES

The Club's significant accounting policies are discussed in the following notes to the financial statements. The accounting policies adopted are consistent with PBE accrual standard appropriate for not-for-profit entities as issued by the *External Reporting Board.*

Changes in accounting policies
There have been no significant changes in the accounting policies adopted since the previous year.

Impact of adopting PBE – Simple Format Reporting (Accrual)
There have been no significant changes made as a result of adopting PBE – Simple Format Reporting (Accrual) standard compared to the Club's accounting policies in the prior years.

On this basis the Club has not restated opening balances and comparative statements; where a significant change is noted, these are discussed in the appropriate notes for the accounts affected.

The following items relate to those areas which the Club expects to have a significant change in the accounting policies applied in the previous years:

- *Revenue arising from non-exchange transactions*

  The Club recognises revenue and asset arising from non-exchange transactions (e.g., a grant, donation or subsidy) when it obtains control over the asset received.

  Under the PBE standard (accrual), however, if revenue is received from non-exchange transaction, the reporting entity should assess whether the asset received contains a stipulation to return the same to the transferor if the identified use has not been satisfied. These stipulations are called "conditions". In this instance, the entity initially recognises a liability until the condition is satisfied.

  The Club has no significant assets received from prior years with attached unfulfilled conditions; hence, affected items have not been restated.

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Notes to the Performance Report
For the year ended 31 July 2020

1. REVENUES AND DIRECT COSTS AND EXPENSES

Revenue is recognised when there is 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.

Revenue from sale of goods are recognised when the inventories are sold while revenue from sale of services are recognised as revenue by reference to the stage of completion of the service at balance date, based on the actual service provided as a percentage of the total service to be provided.

Revenue arising from grants, donations, subsidies and items of similar nature (collectively, revenues from non-exchange transactions) are recognised as revenue upon receipt of the asset unless a condition ("use or return" the asset received) is attached; in which case, a liability is initially recognised and upon satisfaction of the condition, the liability is reduced and revenue is recorded.

The Club also receives services-in-kind from various volunteers and members in conducting race meeting events. Although these are highly valued by the Club, these are difficult to measure and hence, not included in the Performance Report. Goods received in kind are recorded as assets when they are received.

1.1 Race meeting revenue and expenses

	2020 $	2019 $
Industry profit distribution		
NZTR Bulk Funding	88,000	62,000
NZTR Meeting Payment	15,000	15,000
Country Cup Funding	10,000	5,000
Event Funding	5,000	5,000
Racing Compliance	5,000	5,000
Venue	7,500	7,500
On-course totalisator income	7,149	7,247
Admission fees	8,765	14,032
Race meeting sponsorships	8,704	9,651
Stakes subsidies	800	3,259
Grant – Crown payment	25,500	-
Grant – Bendigo Valley Foundation	2,000	-
Grant – Racing Industry Transport Agency (RITA)	8,654	-
Race book sales	2,087	-
Other race meeting income	884	10,214
Total race meeting revenues	**195,043**	**143,903**
Stakes	98,000	67,000
RITA & NZTR charges	13,500	13,500
Advertising and promotions	1,113	1,465
Direct race meeting operating costs	5,674	7,343
Interislander Summer festival	5,853	-
Bar and catering expenses	1,197	8,423
Management/Secretarial fees	8,400	9,400
Salaries and wages (direct)	21,178	17,214
Race book printing costs	5,700	5,700
Total race meeting costs & expenses	**160,615**	**130,045**
Net race meeting surplus	**34,428**	**13,858**

1.2 Rendering of services

	2020 $	2019 $
Rental revenues	3,000	1,491
Total revenue on rendering of services	**3,000**	**1,491**

Audit PROFESSIONALS

1.3 Other operating income

	2020 $	2019 $
Grants and subsidies - NZTR	10,000	10,000
Members subscriptions and other fees	887	1,070
Other income	2,127	2,866
Total other operating revenue	**13,014**	**13,936**

Grants, subsidies and donated assets are mostly cash and cash equivalents received from grantors; these are recorded as revenue upon receipt unless a condition exists on the transfer which require the Club to return the asset received if the stipulation is not satisfied. In which case, the Club recognises the asset received initially as a liability and recognises revenue when the condition is satisfied.

There are no significant non-cash donated assets received during the year (2019: nil). Moreover, the Club has no unrecorded significant donated goods and assets for the year (2019: nil).

2. OTHER OPERATING EXPENSES

Expenses are recognised when there is legal obligation to pay cash either in the current period or in the future. This is the point where the expense is incurred by the Club.

	2020 $	2019 $
Depreciation	5,718	5,830
Rates	4,230	4,579
Heat, light and water	7,450	4,085
Repairs and maintenance	5,905	8,097
Insurance	2,956	2,866
Salaries and wages	4,471	1,480
Committee expenses	916	583
Audit fees	2,250	2,200
Legal fees	1,898	-
Other operating expenses	4,709	2,818
Total other operating expenses	**40,503**	**32,538**

3. FINANCE INCOME AND COSTS

3.1 Finance revenue

	2020 $	2019 $
Interest from bank and term deposits	2,457	3,323
Total finance revenue	**2,457**	**3,323**

4. CASH AND CASH EQUIVALENTS

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

	2020 $	2019 $
ASB Bank - Cheque Account	53,272	8,128
ASB Bank - Call Account	1,450	26,442
ASB Bank – Savings Account	10,298	10,151
Heartland Bank – Term Deposit	21,902	21,265
Total cash and cash equivalents	**86,922**	**65,986**

Audit PROFFSSIONALS

5. RECEIVABLES

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.

	2020 $	2019 $
Trade receivables	2,012	1,275
GST receivable	-	4,602
Total net realisable value of receivables	**2,012**	**5,877**

6. INVESTMENTS

Investments are recognised upon purchase and initially measured at the amount paid. The Club's investments include investment in shares / equity in other entities and other debt instruments.

These are tested for impairment annually and when there is any indication of impairment (i.e., when the current market price falls below the acquisition cost) the value is adjusted to its current market price but only if it appears that the carrying amount of the investment will not be recovered. Any impairment is recognised in the statement of financial performance.

	2020 $	2019 $
Setup Advance - Gallop South	3,334	3,334
Investments in Westpac term deposits	47,516	45,855
Total investments	**50,850**	**49,189**
Current financial assets	47,516	45,855
Non-current financial assets	3,334	3,334
Total investments	**50,850**	**49,189**

Setup Advance to Gallop South
Setup advance is an interest-free advance made towards the working capital of Gallop South Incorporated (concessionary loan). Gallop South Incorporated administers and accounts for race day activities of the Club including payment and receipt of accounts. This advance was made to enable Gallop South to perform this work effectively.

Term deposits
The Club has investments in term deposits with banks for which interest revenue is recognised during the term of the investment. These investments have original maturities of more than 90 days or those restricted for specific purposes and are rolled on a continuing basis unless used by the Club for its operational cash requirements.

Audit PROFESSIONALS

7. PROPERTY, PLANT AND EQUIPMENT

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

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.

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

The Club recognises impairment loss on its property, plant and equipment when it is assessed to exist usually indicated when the assets can no longer be used (or no longer serviceable for the intended purposes) in the normal operations of the Club other than those held for resale. Such loss is recorded as adjustment to the value of the asset and recognised in the statement of financial performance.

2020

	Opening balances			Current year movements				Closing balances			*Estimated useful life used for depreciation*
	Cost / valuation	Acc. depreciation / impairment	Carrying amount	Additions	Disposals / Transfers	Impairment charges	Depreciation	Cost / valuation	Acc. depreciation / impairment	Carrying amount	
	$	$	$	$	$	$	$	$	$	$	
Land	**103,430**	**-**	**103,430**	**-**	**-**	**-**	**-**	**103,430**	**-**	**103,430**	nil
Buildings	**243,587**	**(140,775)**	**102,812**	**-**	**-**	**-**	**(4,705)**	**243,587**	**(145,480)**	**98,107**	40-100 years
Plant and Equipment	**58,587**	**(48,460)**	**10,127**	**-**	**-**	**-**	**(1,013)**	**56,612**	**(47,498)**	**9,114**	10-20 years
	405,604	**(189,235)**	**216,369**	**-**	**-**	**-**	**(5,718)**	**403,629**	**(192,978)**	**210,651**	

2019

	Opening balances			Current year movements				Closing balances			*Estimated useful life used for depreciation*
	Cost / valuation	Acc. depreciation / impairment	Carrying amount	Additions	Disposals / Transfers	Impairment charges	Depreciation	Cost / valuation	Acc. depreciation / impairment	Carrying amount	
	$	$	$	$	$	$	$	$	$	$	
Land	**103,430**	**-**	**103,430**	**-**	**-**	**-**	**-**	**103,430**	**-**	**103,430**	nil
Buildings	**243,587**	**(136,067)**	**107,520**	**-**	**-**	**-**	**(4,705)**	**243,587**	**(140,775)**	**102,812**	40-100 years
Plant and Equipment	**58,587**	**(47,336)**	**11,251**	**-**	**-**	**-**	**(1,125)**	**58,587**	**(48,460)**	**10,127**	10-20 years
	405,604	**(183,403)**	**222,201**	**-**	**-**	**-**	**(5,830)**	**405,604**	**(189,235)**	**216,369**	

The most recent rating valuations of the Club's properties as per Quotable Value New Zealand are $415,000 for land and $295,000 for buildings in July 2020.

8. TRADE AND OTHER PAYABLES

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 reporting date. These are recorded at the amount owing and are normally non-interest bearing.

The Club receives various donations, grants, subsidies or similar receipts from various entities as part of its normal operations. Some of these receipts include conditions that require the Club to use the asset in performing or completing certain activities or projects or return the asset received to the grantor if the conditions are not met ("use or return clause"). In these instances, the Club initially recognises the amount received as liability and included Trade and other payables as "Deferred revenue from transfers with condition" until the conditions are satisfied. At such point, the amount of liability is reduced and revenue is recognised.

	2020 $	2019 $
Accounts payable and accruals	-	384
GST Payable	1,002	-
Total taxes and non-exchange payables	**1,002**	**384**

The Club has no significant grants and donations with existing or unfulfilled conditions ("use or return" clause) attached to them as of reporting date that has not been recognised as a liability (2019: nil).

9. ACCUMULATED FUNDS

Accumulated surpluses

	2020 $	2019 $
Opening balance	337,037	336,967
Surplus for the year	12,396	70
Closing balance	**349,433**	**337,037**

10. COMMITMENTS AND CONTINGENCIES

Commitments
The Club has no capital or operating commitments at balance date (2019: nil).

Contingencies
The Club has no contingent assets or liabilities at balance date (2019: nil).

Guarantees
The Club has not provided any guarantees at balance date (2019: nil).

11. RELATED PARTIES

A related party transaction is a transfer of money or other resource between the Club and a person or other entity that is closely associated with the Club that has the ability to influence the Club. This includes significant normal business transactions as well as transactions below the market price (including the provision of free goods or services). The Club's key management personnel (KMPs) are also considered related parties.

11.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental expense and management fee charges. These transactions are on an arms-length basis with the exception of those that related to concessionary loan advances made from time to time by RITA and NZTR which are extended to the Club for below market rate of interest.

The following table summarises the amount of related party transactions during the year.

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2020 $	2019 $
TRANSACTIONS				
Receipts from related parties				
Racing Industry Transition Agency (RITA)	Provider of funds	Stakes and other funding	140,500	109,500
Payments to related parties				
Racing Industry Transition Agency (RITA)	Provider of funds	Stakes and other fees	111,500	80,500

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11.2 Transactions and balances with key management personnel and close members of their family

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

Transactions
KMPs are also members of the Club and pay membership fees and other fines and charges on the same rate and terms as charged to other members who are not KMPs. 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 applicable to other persons not otherwise considered KMPs.

With the exception of the regular fees and charges, compensation (discussed below) and race-related transactions under normal terms, there have been no other transactions between the Club and its KMPs and close members of their family during the year (2019: nil).

Remuneration
The Club did not provide any compensation at non-arm's length terms to KMPs and close family members of KMPs during the year (2019: nil).

Loans & advances
There were no loans and advances made by the Club to its key management personnel during the year, nor loans and advances from the key management personnel to the Club during the year (2019: nil).

12. EVENTS AFTER BALANCE DATE

There were no significant events and transactions subsequent to the reporting date.

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Independent Auditor's Report

to the members of Waikouaiti Racing Club Incorporated

Our Qualified Opinion

We have audited the financial statements of Waikouaiti Racing Club Incorporated (the Club) which comprise the statement of financial position as at 31 July 2020 and the statement of financial performance and statement of cash flows for the year then ended, and the statement of accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial statements included in the accompanying Performance Report present fairly, in all material respects, the financial position of the Club as at 31 July 2020 and its financial performance and cash flows for the year ended on that date in accordance with the accounting standard, Public Benefit Entity Simple Format Reporting-Accrual (Not-For-Profit).

Basis for Qualified Opinion

In common with other organisations of a similar nature, control over the revenues from admission fees, sponsorships and similar income prior to being banked is limited. It was not practicable to extend our examination of such income beyond the accounting for amounts received as shown by the accounting records of the Club, or to determine the effect of the limited control.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Club in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Our firm has provided accounting assistance with the presentation of the financial statements. This assistance has not impaired our independence as auditors of the Club.

Information Other than the Financial Statements and Auditor's Report

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

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

Committee Members' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the External Reporting Board website: https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

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

Audit Professionals

Chartered Accountants
16 October 2020

Dunedin