

Performance Report

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2021

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Entity Information

Rangiora Harness Racing Club Incorporated
For the year ended 31 July 2021

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

Legal Name of Entity

Rangiora Harness Racing Club Incorporated

Entity Type and Legal Basis

Not for Profit Public Benefit Entity. 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 and is registered with Harness Racing New Zealand ("the code"), consistent with the Code's constitution. The Club is a recognized industry organisation in accordance with the Racing Act 2003.

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.

The Club is party to an agreement with the Canterbury Jockey Club with respect to the operation of the Rangiora Raceway and is responsible for the part ownership and maintenance of the Rangiora Raceway. This is not a separate legal entity that the Club controls. The extent to which the operation is recognised by the Club is limited to its 5/12 share of the assets and its own costs spent on the use and maintenance of the assets.

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 2021

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 2021.

APPROVED

Greg Wright

President

Date

Russell Latimer

Treasurer

Date

Statement of Service Performance

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2021

'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 9 race meetings during the season to 31/7/2021, all held at Rangiora Raceway. The Club was able to hold all meetings as the region remained at Covid Level 1. Last 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 correspondingly 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, and 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.

	2021	2020
Description and Quantification		
Ordinary Members	134	143
Honorary Members	35	32
Number of Race meetings	9	4
Total Races	90	39
Total Number of Starters	1,104	444
Stakes	730,779	295,575

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 2020

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

Account	Notes	2021	2020
Revenue			
Fees, subscriptions and other revenue from members	1	2,917	1,606
Revenue from providing goods or services	1	1,226,542	774,435
Interest, dividends and other investment revenue	1	224	202
Other revenue	1	3,147	119
Total Revenue		1,232,829	776,362
Expenses			
Costs related to providing goods or service	2	1,217,709	720,167
Other expenses	2	96,052	62,209
Total Expenses		1,313,761	782,376
Other income			
Gain on Sale of Fixed Asset	5	0	162,694
Total Revenue		0	162,694
Surplus/(Deficit) for the Year		(80,932)	156,680

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 2020

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

Account	Notes	2020	2019
Assets			
Current Assets			
Bank accounts and cash	3	509,681	539,864
Debtors and prepayments	3	5,753	1,045
Total Current Assets		515,433	540,909
Non-Current Assets			
Property, Plant and Equipment	5	1,360,682	1,385,165
Total Non-Current Assets		1,360,682	1,385,165
Total Assets		1,876,115	1,926,074
Liabilities			
Current Liabilities			
Creditors and accrued expenses	4	939	491
Other current liabilities	4	40,654	10,129
Total Current Liabilities		41,593	10,620
Total Liabilities		41,593	10,620
Total Assets less Total Liabilities (Net Assets)			
		1,834,522	1,915,454
Accumulated Funds			
Accumulated surpluses or (deficits)	6	867,215	948,146
Reserves	7	967,308	967,308
Total Accumulated Funds		1,834,522	1,915,454

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 2021

'How the entity has received and used cash'

Account	2020	2019
Cash Flows from Operating Activities		
Revenue from providing goods or services	1,226,747	780,084
Fees from members	2,652	2,065
Investment Income	224	202
Payments to suppliers and employees	(1,259,806)	(776,798)
Total Cash Flows from Operating Activities	(30,183)	5,553
Cash Flows from Investing and Financing Activities		
Payments to acquire property, plant and equipment	0	0
Receipts from the Sale of Property, Plant & Equipment	0	168,594
Total Cash Flows from Investing and Financing Activities	0	168,594
Net Increase/ (Decrease) in Cash	(30,183)	174,147
Cash Balances		
Cash and cash equivalents at beginning of period	539,864	365,717
Cash and cash equivalents at end of period	509,681	539,864
Net change in cash for period	(30,183)	174,147

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 2020

'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 recognized industry organisation in accordance with the Racing Act 2003.

This Performance Report has 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 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 the Racing Board (RITA), gate receipts, and investment income.

Revenue is recognized in all instances, apart from grants, when any conditions attached to the receipt of the revenue have been satisfied. Grants are recognized on the earlier of receipt or invoice, however, in the case of grants that carry conditions, recognition occurs when their conditions have been met.

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 2021

Account	2021	2020
1. Analysis of Revenue		
Fees, subscriptions and other revenue from members		
Members Subscriptions	2,917	1,606
Total Fees, subscriptions and other revenue from members	2,917	1,606
Revenue from providing goods or services		
Commission Concessionaires	591	319
Course Revenue - Joint Account	188,329	179,066
Fixed Odds Betting Commission	0	39
Gate Receipts	10,382	10,605
Grant Income	6,857	5,000
Hospitality	30,465	14,709
HRNZ Bulk Funding	902,753	0
HRNZ Funding Adjustment	1,196	0
HRNZ funding extra	68,600	45,291
Other Income	0	402
Profit Distribution Off Course	0	501,000
Race Books/Pen/Hat Sales	0	59
Site Fees	0	130
Sponsorship	17,370	17,815
Total Revenue from providing goods or services	1,226,542	774,435
Interest, dividends and other investment revenue		
Interest Income	224	202
Total Interest, dividends and other investment revenue	224	202
Other revenue		
Fundraising	1,188	0
Sundry Revenue	1,958	119
Total Other revenue	3,147	119
Account	2021	2020

2. Analysis of Expenses

Costs related to providing goods or services		
Clerk Of The Course	5,050	2,200
Big Screen	5,750	4,400
Billboards	3,780	1,659
Complimentary Catering	2,976	1,119
Complimentary Refreshments	1,336	1,047
Course Expenses - Joint Account	228,649	185,872
Entertainment & Promotions	13,229	5,176
Farrier	2,348	1,200
First Aid	551	240
Gate Attendants	2,500	2,000
Hospitality Expenses	20,372	18,402
Industry Media Advertising	0	669
Marketing costs	230	160
Other Race Meeting Expenses	2,859	0
Pens	243	0
Photofinish	8,043	3,472
Press Advertising	131	1,882
Race Books	11,504	6,880
Race Day Preparation	11,250	0
Race Day Services	0	16,590
Race Day Wages	40,964	10,176
Racecourse Rental	94,500	58,000
Radio & Broadcasting Charges	0	56,000
Security & Cash Handling	7,126	4,705
Sponsorship costs	0	420
Sponsors Hospitality	5,457	3,494
Stakes	730,779	295,575
Starter	3,287	1,188
Toilet Trailer Hire	2,412	2,412
Totalisator Charges	0	20,562

Totalisator Wages	6,151	13,709
Trials Days Expenses	216	0
Trophies	6,016	957
Total Costs related to providing goods or services	1,217,709	720,167
Other expenses		
ACC Levies	269	33
Administrator wages (contractor)	23,249	6,556
Audit Fees	4,057	137
Bad Debts	109	1,261
Bank Fees	120	131
Computer Support & Software Fees	213	800
Consulting & Accounting	2,271	1,857
Depreciation	24,483	28,022
Donations	1,926	0
Fundraising Expenses	248	0
General Expenses	622	49
Insurance	0	8,476
Interest Expense	2	0
Legal Expenses	2,165	2,000
Meetings & Conference	3,937	7,271
Members Promotions	0	1,010
Mobile Expenses	656	304
Postage, Printing & Stationery	1,843	1,850
Repairs & Maintenance	26,180	1,797
Sponsors Promotions	840	0
Sundry Expenses	2,641	48
Telephone & Tolls	46	426
Website	177	180
Total Other expenses	96,052	62,209
Account	2021	2020

3. Analysis of Assets

Bank accounts and cash		
RHRC 00 account	223,325	253,651
RHRC Savings 30 Account	286,356	286,213
Total Bank accounts and cash	509,681	539,864
Debtors and prepayments		
Accounts Receivable	3,988	1,045
GST	1,765	0
Total Debtors and prepayments	5,753	1,045
Account	2021	2020

4. Analysis of Liabilities

Creditors and accrued expenses		
Accounts Payable	939	491
Accrued Expenses	0	0
Total Creditors and accrued expenses	939	491
Other current liabilities		
Membership (Next Year) in Advance	320	585
Racecourse Management Committee	40,320	6,806
GST	0	2,690
PAYE Payable	0	49
Wages Deductions Payable	14	0
Total Other current liabilities	40,654	10,129

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	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
	1,385,165	0	0	0	(24,483)	1,360,682

Last Year	Opening Carrying Amount	Revaluation	Purchases	Disposals	Current Depreciation and Impairment	Closing Carrying Amount
Land	516,667	16,667	0	(5,900)	0	527,433
Buildings	745,938	79,062	0	0	(15,909)	809,091
Plant and Equipment	52,446	0	0	0	(10,422)	42,023
Furniture and Fittings	7,901	0	0	0	(1,548)	6,353
Office Equipment	408	0	0	0	(142)	265
	1,323,359	95,728	0	(5,900)	(28,022)	1,385,165

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. 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. The Club recognised a valuation gain of \$95,728 in the year ended 31 July 2020.

The sale of 5395m2 of Racecourse land to the Waimakariri District Council was completed in the year ended 31 July 2020, resulting in the Club recognising a gain on sale of \$162,694.

Account	2021	2020
6. Accumulated Funds		
Accumulated Funds		
Opening Balance	948,146	791,466
Accumulated surpluses or (deficits)	(80,932)	156,680
Total Accumulated Funds	867,215	948,146
Total Accumulated Funds	867,215	948,146

Account	2020	2019
7. Breakdown of Reserves - Revaluation Reserve		
Reserves		
Reserves	967,308	967,308
Total Reserves	967,308	967,308

8. Commitments

There are no commitments as at 31 July 2021 (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

Rangiora Harness Racing Club Incorporated

For the year ended 31 July 2021