

Performance Report

N.Z. Standardbred Breeders' Association Inc
For the year ended 31 July 2023

Prepared by HSW Ltd

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Compilation Report

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

Compilation Report to the Members of the New Zealand Standardbred Breeders' Association.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of N.Z. Standardbred Breeders' Association Inc for the year ended 31 July 2023.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Executive is solely responsible for the information contained in this financial report and has determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

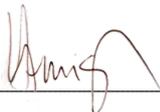
Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

Hamish Scott - Director of HSW Limited is a member of the N.Z. Standardbred Breeders Association.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.



HSW Limited

115 Sherborne Street, Christchurch

Dated: 4 December 2023

Entity Information

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

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

Legal Name of Entity

N.Z. Standardbred Breeders' Association Incorporated

Entity Type and Legal Basis

Not-for-profit public benefit entity registered under the Incorporated Societies Act 1908

Registration Number

Incorporated Society 220418

Entity's Purpose or Mission

The primary objective of the Association is to promote breeding of standardbred horses in New Zealand.

Entity Structure

The Association has an Executive Committee representing three affiliated regional breeding organisations, headed by a Chairman.

Main Sources of Entity's Cash and Resources

The Association receives revenue from administrative fees from the three affiliates for services provided, gifts and grants and surpluses from publications.

Main Methods Used by Entity to Raise Funds

The Association receives grants and fees from various sources including members, HRNZ and services provided from the three affiliates. The Association receives services in kind which are considered vital to the running of the Association. Although these are highly appreciated, these are difficult to value and hence, not included in this Performance Report.

Entity's Reliance on Volunteers and Donated Goods or Services

The Association is a recipient of goods and services in kind. The proceeds are vital to the running of the Association.

Donated goods only includes stallion semen donated from stud farms. The stallion semen and voluntary services are sold by the Association for fundraising purposes.

Services in kind come in the form of volunteers. The volunteers at the national level are entirely the officers and executive.

Without these donated goods and services, the Association would have required more funds to defray costs and expenses. On this basis, the Association highly values these donated goods and services and considers them a vital part of its operations.

Additional Information

The Association is incorporated under the Incorporated Societies Act 1908.

The Association operates as a not-for-profit entity for Financial Reporting purposes. Since 1971 it primarily:

- Is the national representative body of breeders of standardbred horses, particular its Members'
- Is a kindred body of Harness Racing New Zealand Incorporated, the body responsible for regulating harness racing under the Racing Industry Act 2020.
- Is a recognised body under the Racing Industry Act;
- Supports and assists its Members and its Affiliates to encourage, educate and promote the breeding of standardbred horses; and
- Supports and assists Members and the sport to maintain high standards of animal welfare and encourage the rehoming of horses after racing;

The Association has a limited number of commercial activities, primarily publications, that generate a cash surplus contributing to the sustainability of the entity and the furtherance of its objectives.

As the Association is primarily involved in the promotion of breeding standardbred horses in New Zealand. The Inland Revenue has determined that this is a taxable activity. Membership related activities are non taxable.

The Association has engaged HSW Limited to provide accounting services. This includes but isn't limited to:

- Monthly bank reconciliations
- Filing of PAYE and GST returns
- Maintenance of the Xero accounting system
- Preparation of interim Financial Statements.
- Preparation of annual Financial Statements.
- Preparation of Tax Returns.

Physical Address

114 Wrights Road, Addington, Christchurch

Postal Address

PO BOX 8270, Riccarton, Christchurch, New Zealand, 8440

Approval of Financial Report

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

The Committee are pleased to present the approved financial report including the historical financial statements of N.Z. Standardbred Breeders Association for the year ended 31 July 2023.

For and on behalf of the Executive

APPROVED



Colin Hair

Chairman

Date 4/12/23

Statement of Service Performance

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

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

Our Mission

Meeting the needs of members / breeders to be efficient producers of quality racehorses and enjoying the pursuit of their dreams

Achieving this mission contributes to the higher-level industry goal of:

Championing the sport, celebrating the participants and to have the horse at the heart of everything we do

Our Purpose (Outcomes)

Our role is supporting the community of standardbred **breeders** (1,600 individuals), 1,000 entities and **our members** (600 financial representing 1,100 individuals). Our outcome areas:

- **CREATING CONNECTIONS** – maintaining networks and working together for a sustainable future
- **REWARDING EXCELLENCE** - rewarding and recognising breeders & members achievements
- **ENHANCING KNOWLEDGE** – equipping members and breeders to make informed breeding decisions
- **ACHIEVING VOICE** – influencing policy for breeders & members economic and social interests.

NZSBA Outputs

We will be:

1. obsessive about serving breeders and meeting members' needs;
2. building connections and networks among knowledgeable breeders; and
3. maintaining high and respectful standards in all outputs and behaviours.

We deliver a core set of outputs which are in two categories:

- **Core Business** – outward focus in four focus areas, as above:
- **Governance** – inwards focus, what we need to do to function.

Core Business

We have a core suite of outputs that are valued by breeders and members:

1. Recognise Members' and Breeders Achievements
2. Publication & Social Media: Stallion Register, Breeding Matters, Breeders' News email
3. Support Standardbred Showing.
4. Representation and Advocacy.

Recognition of Members and Members

Hosted annual awards function on Monday 14 November 2022 where we handed out:

- over 90 glass awards to members who bred New Zealand Group or Listed race winners and Australian Group ones;
- silver trays to the breeders of Twist and Twirl and Belle Galleon as winners of the lifetime achievement awards for Pacing and Trotting Broodmare Excellents;
- certificates to the breeders of the runners in the NZ Trotting Cup and Dominion Handicap;
- A silver framed photo of Sundee's Son to breeders Nancy and Colin Hair for the 2021 Dominion handicap Win; and
- A gold replica NZ Trotting Cup to Woodlands Stud NZ Ltd as breeder of the 2021 Cup winner - Copy That.

NZSBA sponsors three annual breeding awards at the Harness Racing New Zealand national awards.

Publications

We published:

- 2022/23 Register of Standardbred Stallions – 2,300 copies of the 204 page publication distributed
- Breeding Matters – 2,300 copies distributed in September '22 (100 pages), February '23 (116 pages), May '23 (88 pages) and a 80 page online edition in November '22 opened over 5,000 times with 31,000 page reads
- Breeders News – published 44 editions of our email news letter to 2,200 addressees, with 140 articles featuring breeders and their achievements with email opening rates above 50% and click throughs to articles in excess of 20%, excellent NZ metrics
- On social media via of website www.thebreeders.co.nz and Facebook page.

Standardbred Showing

NZSBA supports:

- standardbred breed membership with the Royal Agricultural Society to enable participation at A&P show events;
- a volunteer Ambassador for Life After Racing standardbred showing who administers this program with supporting North Island and South Island associations;
- the Life After Racing Showing website and the registration of standardbreds that compete at A&P shows; and
- financial sponsorship of the standardbred showing classes at the annual Horse of the Year and about 30 A&P shows around New Zealand.

COVID impacted on a number of shows.

Advocacy and Representation

NZSBA is an active participant as a kindred body of Harness Racing New Zealand (HRNZ) at its annual conference.

During the year we made submissions to HRNZ on:

- the consequences of the re-arranged racing calendar on two-year-old racing;
- the utilisation of horses based upon research conducted by our Executive Member Ms Jaz Tanner;
- new breeding incentives to stimulate and encourage breeding;
- survey feedback from '23 season breeders on the effectiveness of the 22/23 breeding incentives;

- draft codes of conduction for the care of horses and the conduct of participants in the sport.
- fillies and mares racing, or rather the drop in the number of races, and submitted a targeted 2026 model program structure for both pacing and trotting mares.

NZSBA represented the sport on a national bloodstock taxation group with the thoroughbred groups dealing with the Inland Revenue on GST issues for various configurations of breeding entities.

Late in the year we formulated a draft set of governance proposals for the reform of HRNZ's board of directors and consultation structures in close association with a small nationally representative governance working group. (The result of these combined efforts was unanimously adopted in October 2023 by the members of HRNZ as constitutional changes.)

NZSBA's Executive Manager had one meeting with the racing minister and discussed a wide range of the sports issues.

Networks

NZSBA supports its three Affiliates (North Island, Canterbury and Southern) with membership services – breeders are members regionally and nationally.

The Affiliates provide a range of services including local awards. Social and industry information events.

	2023	2023 BUDGET	2022
Description and Quantification of the Entity's Outputs			
Awards and Cup Eve Function			
Revenue	3,000	3,000	3,500
Expenditure	(7,183)	(8,900)	(4,104)
Total Awards and Cup Eve Function	(4,183)	(5,900)	(604)
Publications			
Revenue	202,045	216,000	188,050
Expenditure	(184,917)	(176,000)	(166,772)
Total Publications	17,128	40,000	21,278
Standardbred Showing			
Revenue	3,158	5,000	2,500
Expenditure	(3,832)	(5,000)	(2,687)
Total Standardbred Showing	(674)	-	(187)
Members			
Canterbury	281	-	288
North Island	118	-	120
Southland	116	-	115
International	14	-	14
Total Paid Members	529	-	537

Statement of Financial Performance

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

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

	NOTES	2023	2022
Revenue			
Donations, fundraising and other similar revenue	8	22,500	15,809
Fees, subscriptions and other revenue from members	1	39,827	42,434
Revenue from providing goods or services	1	202,908	197,797
Interest, dividends and other investment revenue	1	118	13
Other revenue	1	1,849	597
Total Revenue		267,201	256,650
Expenses			
Breeder Rewards & Services	2	28,302	26,994
Volunteer and employee related costs	2	24,043	12,643
Costs related to providing goods or service	2	205,457	187,075
Other expenses	2	15,455	15,639
Total Expenses		273,257	242,351
Surplus/(Deficit) for the Year		(6,056)	14,299

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

N.Z. Standardbred Breeders' Association Inc As at 31 July 2023

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

	NOTES	31 JUL 2023	31 JUL 2022
Assets			
Current Assets			
Bank accounts and cash	3	1,644	10,497
Inventory	3	1,579	2,894
Debtors and prepayments	3	125,607	120,203
Tax	3	59	6
Other Current Assets	3	2,250	-
Total Current Assets		131,139	133,600
Non-Current Assets			
Property, Plant and Equipment		753	902
Other non-current assets			
Assets			
Services Held		4,140	4,140
Total Assets		4,140	4,140
Total Other non-current assets		4,140	4,140
Total Non-Current Assets		4,893	5,042
Total Assets		136,032	138,642
Liabilities			
Current Liabilities			
Goods and services tax		6,032	8,877
Creditors and accrued expenses	4	83,750	68,056
Overpayments	4	990	1,080
Revenue in Advance		-	9,313
Total Current Liabilities		90,772	87,325
Total Liabilities		90,772	87,325
Total Assets less Total Liabilities (Net Assets)		45,260	51,316
Accumulated Funds			
Accumulated surpluses or (deficits)	6	45,260	51,316
Total Accumulated Funds		45,260	51,316

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

'How the entity has received and used cash'

	2023	2022
Cash Flows from Operating Activities		
Donations, fundraising and other similar receipts	833	17,142
Fees, subscriptions and other receipts from members	32,636	48,169
Receipts from providing goods or services	195,252	178,899
Interest, dividends and other investment receipts	118	13
Cash receipts from other operating activities	24,349	597
GST	(1,315)	1,109
Payments to suppliers and employees	(258,476)	(231,614)
Total Cash Flows from Operating Activities	(6,603)	14,316
Cash Flows from Investing and Financing Activities		
Cash flows from other investing and financing activities	(2,250)	(12,297)
Total Cash Flows from Investing and Financing Activities	(2,250)	(12,297)
Net Increase/(Decrease) in Cash	(8,853)	2,019
Bank Accounts and Cash		
Opening cash	10,497	8,478
Closing cash	1,644	10,497
Net change in cash for period	(8,853)	2,019

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Accounting Policies

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

'How did we do our accounting?'

Basis of Preparation

The entity 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 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 entity will continue to operate in the foreseeable future.

Accounts Receivable

Accounts receivable are stated at expected realisable value. Provision has been made for bad debts when considered necessary.

Goods and Services Tax (GST)

The entity 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

The Association adopts the taxes payable method of accounting for income tax. Income and expenditure directly attributable to the membership of the Association is non-assessable for taxation purposes. The Association was previously wholly exempt from New Zealand income tax but the Inland Revenue have advised that this no longer applies from the 2022 year.

Membership Revenue

The subscription year runs from 1 August to 31 July. Income from subscriptions is taken up on an accrual basis.

Bank Accounts and Cash

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.

Changes in Accounting Policies

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

Notes to the Performance Report

N.Z. Standardbred Breeders' Association Inc For the year ended 31 July 2023

	2023	2022
1. Analysis of Revenue		
Donations, fundraising and other similar revenue		
Gifts and Grants	22,500	-
Sponsorship Received	-	15,809
Total Donations, fundraising and other similar revenue	22,500	15,809
Fees, subscriptions and other revenue from members		
Membership - Canterbury	21,444	22,539
Membership - International & Other	-	1,342
Membership - North Island	9,148	9,469
Membership - Southland	9,235	9,084
Total Fees, subscriptions and other revenue from members	39,827	42,434
Revenue from providing goods or services		
Cup Eve Revenue	3,000	3,500
Life After Racing Income	3,158	2,500
Sires Register income	-	3,747
Advertising		
Breeders' News - Revenue	-	7,000
Breeding Matters - Revenue	80,619	69,420
Sires Register Advertising	116,131	111,630
Total Advertising	196,750	188,050
Total Revenue from providing goods or services	202,908	197,797
Interest, dividends and other investment revenue		
ANZ Bank Credit Interest	118	13
Total Interest, dividends and other investment revenue	118	13
Other revenue		
Stripe Fees Reimbursement	69	507
Miscellaneous Income	-	90
Inland Revenue - Write-Offs	1,780	-
Total Other revenue	1,849	597

	2023	2022
2. Analysis of Expenses		
Breeder Rewards & Services		
Affiliates' Share of Subscriptions	18,746	19,099
Awards & Other Trophies	9,555	7,895
Total Breeder Rewards & Services	28,302	26,994
Volunteer and employee related costs		
ACC	-	231
Contractor Payments	24,043	10,945
Wages and Salaries		
Wages & Salaries	-	1,467
Total Wages and Salaries	-	1,467
Total Volunteer and employee related costs	24,043	12,643
Costs related to providing goods or services		
Public Relations		
Cup Eve Function	6,383	4,104
Facebook & Direct Marketing Expenses	1,966	6,869
Sires Book and Breeding Matters		
Breeders' New - Expenses	26,350	24,855
Breeding Matters - Expenses	102,833	93,616
Sires Register Expenses	56,200	48,301
Total Sires Book and Breeding Matters	185,384	166,772
Total Public Relations	193,732	177,745
Advocacy		
Representative Expenses	4,431	3,588
Advocacy	2,000	-
Total Advocacy	6,431	3,588
Productivity & Welfare		
Canterbury Sires Expo Costs	-	762
Life After Racing	3,932	2,687
Research Projects & NZERF	407	-
Total Productivity & Welfare	4,339	3,450
Industry Support		
Website	955	1,979
Yearling Sales	-	314
Total Industry Support	955	2,292
Total Costs related to providing goods or services	205,457	187,075
Other expenses		
Bad Debts	313	-
Accounting, Audit Fees & Xero Subscription	7,988	7,080
Bank Fees	331	213

	2023	2022
Business Development & Branding	-	177
Computer & Software Expenses	4,278	3,411
Depreciation Expense	149	157
Insurance	-	580
Interest Expense	3	1
Member Postage & Services	562	1,446
Office Printing, Stationery, Postage & Subscriptions	1,449	1,253
Stripe Fees	95	527
Text Messaging	55	619
Travel Expenses	232	176
Total Other expenses	15,455	15,639

	2023	2022
3. Analysis of Assets		
Bank accounts and cash		
ANZ 00 Cheque Acc	157	3,557
ANZ 01 Account	2,740	7,772
ANZ 02 Account	1	10
ANZ Visa	(1,253)	(842)
Total Bank accounts and cash	1,644	10,497
Debtors and prepayments		
Trade Debtors	125,607	120,203
Total Debtors and prepayments	125,607	120,203
Tax		
Withholding Tax	59	6
Total Tax	59	6
Inventory		
Trophies in store	1,579	2,894
Total Inventory	1,579	2,894
Other current assets		
Deposit on Fixed Asset	2,250	-
Total Other current assets	2,250	-
	2023	2022

4. Analysis of Liabilities**Creditors and accrued expenses**

Accounts Payable	83,750	68,056
Total Creditors and accrued expenses	83,750	68,056

Overpayments

Overpayments - Membership Subscription Revenue	990	1,080
Total Overpayments	990	1,080

5. Property, Plant and Equipment

This Year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Furniture and Fittings	902	-	-	149	753
Total	902	-	-	149	753

Last year

Asset Class	Opening Carrying Amount	Purchases	Sales/Disposals	Current Year Depreciation and Impairment	Closing Carrying Amount
Furniture and Fittings	1059	-	-	157	902
Total	1059	-	-	157	902

2023 2022

6. Accumulated Funds

Accumulated Funds

Opening Balance	51,316	37,018
Accumulated surpluses or (deficits)	(6,056)	14,299
Total Accumulated Funds	45,260	51,316
Total Accumulated Funds	45,260	51,316

In 2020 the three Affiliates - NISBA, CSBA and SSBA made \$5,000, \$10,000 and \$5,000 equity contributions respectively. This was to provide NZSBA with adequate on-going working capital. Accumulated funds includes this contribution.

7. Income Tax

	2023 \$	2022 \$
Net Profit as per Financial Statements	(6,056)	14,299
Add/Deduct Non Deductible/Assessable Items		
Non Deductible Expenses	53,890	47,888
Non Taxable Income	(67,175)	(66,087)
Total Permanent Differences	(13,285)	(18,199)
Taxable Income/Loss	(19,341)	(3,900)
Adjustments to Taxable Income		
Losses Carried Forward	(3,900)	-
Taxable Income/(Loss)	(23,241)	(3,900)

8. Sponsorships

In previous years the Woodlands Stud NZ Ltd gifted Bettor's Delight service was included in the Sponsorships account and is now shown in the Gifts and Grants account. Dunstan Animal Feeds and BetaVet are Association sponsors. Their annual sponsorship is allocated to publications revenue and additionally the Cup Eve event for Dunstan.

Applying this new arrangement to the 2022 Financial Statements the balance of the Sponsorship Account would have been \$2,809.65 and the Gifts and Grants Account \$20,000.

9. Commitments

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

10. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 31 July 2023 (Last year - nil).

11. Goods or Services Provided to the Entity in Kind

Cobbitty Equine, NSW, donated a Capt Midnight stallion service for sale by the Association. This was valued at \$3,600 + GST which was available to the Association. (Last year - \$3,600). This was sold in October 2023 for \$2,500.

Annually Woodlands Stud Ltd has gifted the Association a service to Bettor's Delight to on sell with the proceeds to be applied for the Association objectives. Prior to this year this gift was included in Sponsorship revenue. In 2022 the Association received \$20,000 for this service.

12. Deposit on Fixed Asset

The website is currently being rebuilt with a 50% deposit being paid in April 2023 (\$2,250). It is expected that this will be completed in November 2023.

13. Related Parties

The Association collects subscriptions from members on behalf of the three regional breeders' Associations in return for administrative and other services provided (primarily trophies and awards). The Affiliates share of subscriptions was paid to them.

The Association received commercial payments from HRNZ for a Life After Racing grant of \$3,158 (last year \$2,500) and advertising and promotion at commercial rates. HRNZ also paid the Association a contribution of \$10,000 towards Breeders Matters and \$10,000 towards Sires Register costs.

The Association in October 2021 entered into a contract for services with John Mooney, a member of the Executive Committee. Mr Mooney was paid \$2,000 a month for administrative services (Last year - \$1000 per month from October - July.) Mr Mooney was also paid \$9,000 to produce the 2023/24 Sires Register as well as \$13,450 for Breeding Matters magazines, total \$22,450. (Last year - \$26,000.)

The amount of \$6,020 (last year - \$5,420) was paid to Mrs Rebecca Mooney, wife of an Executive Committee Member for proof-reading services for the Sires Register and Breeding Matters. The payment rate was set independently in 2010 based upon market conditions.

The Association contracted MASH NZ (Charlotte Mooney - John Mooney's daughter) to maintain its website, undertake social media inputs and produce our weekly Breeding News email with breeder stories and industry news. \$12,755 was paid under this contract (Last year - \$16,803.70 including \$1,116.88 for reimbursed expenses.)

HSW Limited has been appointed as the Association's Accountants. Hamish Scott - HSW Director is a member of the Association. Accounting, Audit Fees and Xero Subscription expense includes \$5,046 paid to HSW Limited during the year for accounting services. An additional accrual of \$3,500 plus GST has also been included in the 2023 Financial Statements for HSW Limited's Accounting Fees. (Last year - \$8,133).

14. Events After the Balance Date

There were no events that have occurred after the balance date that would have a material impact on the Performance Report (Last year - nil).

15. Going Concern

At balance date current assets were in excess of current liabilities and there were no contingent liabilities. Membership of the Association continues to be strong. For these reasons the Executive Committee considers it appropriate to adopt the assumption that the Association will continue to operate in the foreseeable future.

16. Overpayments

Overpayments include amounts paid by members in excess of their annual membership fee. These mostly relate to membership fees paid twice. The Association will contact these members and the amounts will be refunded or offset against future membership fees.

17. Distributions, Prizes and Industry Sponsorship

The Association, as part of the steps to achieve its objectives, provides sponsorship and trophies to industry participants.

DAVID EMERSON

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Accountant & Business Consultant

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1/69 North Parade
P O Box 27005, Shirley
Christchurch, New Zealand

Audit Report

To the Members of the New Zealand Standardbred Breeders Association Incorporated

I have audited the performance statements of New Zealand Standardbred Breeders Association Incorporated, which comprises the statement of financial performance and statement of cash flows for the year ended 31 July 2023, statement of financial position as at 31 July 2023, and the statement of accounting policies and other explanatory information on pages 10 to 20.

This report is made solely to the Members, as a body, in accordance with the constitution of New Zealand Standardbred Breeders Association Incorporated. My audit has been undertaken so that I might state to the Members those matters that I am required to state to them in the auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Members, as a body, for my audit work, for this report, or for the opinions I have formed.

Committee's Responsibilities

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 these performance statements in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) and for such internal control as the Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

It is my responsibility to express an independent opinion on these financial statements based on my audit. I have conducted my audit in accordance of auditing standards in New Zealand. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider the internal controls relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an

opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified audit opinion.

Other than my capacity as auditor I have no relationship with, or interests, in the New Zealand Standardbred Breeders Association Incorporated.

Opinion

In my opinion the performance statements on pages 10 to 20 presents fairly, in all material respects, the financial position of the Association as at 31 July 2023 and the operations and financial performance for the year ended on that date in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit).

My audit report was completed on 4 December 2023 and my unqualified opinion was expressed on that date.

A handwritten signature in black ink, appearing to read 'D. Emerson', is centered on a light gray rectangular background.

David Emerson
Auditor
Christchurch
New Zealand.