



ANNUAL REPORT 2018-19

Harness Breeders (VIC) Inc

Email: contact@vicharnessbreeders.org.au

Website: www.vicharnessbreeders.org.au

PRESIDENT'S REPORT

Thank you for the opportunity to present my 2018-19 Harness Breeders Victoria (HBV) President's report. The last year has seen cost pressures again continue to escalate for breeders both in Victoria and nationally. The ongoing drought conditions that exist in many regions of eastern Australia has resulted in extreme fodder and grain prices. The single greatest factor in breeders reducing the number of mares they breed or even relinquishing their breeding interests is because of the escalating costs involved with breeding. A Survey conducted in April-May 2019 by the Australian Standardbred Breeders Association (ASBA) highlighted some grave concerns for our breeding industry. In 2011, 29.1% of breeders who responded indicated they were decreasing their breeding involvement. In 2019 this had increased considerably, 54% of breeders indicated they were decreasing their breeding involvement. Over the last 5 years the Victorian foal drop has decreased by nearly 20% and the number of live foals registered in Australia for the 10-year period 2008/9 to 2018/19 has declined by 38%.

This decrease is of grave concern and proposes a major impediment in ensuring an adequate racing population to sustain field sizes and race meetings into the future. Harness Breeders Victoria are continually highlighting to Harness Racing Victoria (HRV) this decline in foal numbers, the urgency and need for breeding initiatives to arrest this trend, and the consequences this proposes for the future. Earlier this year HBV established a subcommittee to work and liaise with HRV to develop potential initiatives to stimulate breeding and/or reduce some of the cost pressures on Victorian breeders. Some of these initiatives included continued removal of foal registration fees for Vicbred horses, conversion of Vicbred Platinum to a Victorian Sires Stakes race series, and an increase in the Vicbred first win bonus to \$10,000 (with the increase to be paid in breeders' certificates to both the owner and the breeder). This \$4.75M package of breeding initiatives was endorsed by the HRV Board and presented to the Minister for Racing in August for Government support. Negotiations with Government are continuing and hopefully there will be some positive announcements in the near future.

HRV did announce that they would allocate funds (\$112,500) to provide breeder certificates - \$1000 to the breeder and \$500 to the owner - for 75 mares and fillies races in May and June. A wide spread of breeders and owners benefited from these breeders' certificates.

HBV also welcomed the announcement made by HRV that foal notification fees for 2019-20 foals would again be abolished for foals bred from a Victorian based mare and stallion, and

reduced for foals bred from an interstate or overseas stallion. However, breeders need ongoing assurance that foal notification fees will not be reintroduced in the future and not be a year by year announcement if this is to act as any form of stimulus to breed. HBV have continued to enhance and grow our relationship and partnership with HRV. Bi monthly, the HBV Executive Officer and President meet with the HRV CEO and senior HRV staff to discuss a range of issues including potential breeding initiatives identified above, media and promotion opportunities, policy changes, as well as resolution of any emerging issues. This has been very positive and the relationship and trust between HBV and HRV has grown significantly. HBV is regularly consulted on a range of breeding issues.

In 2018-19 HBV, thanks to the dedication and hard work of our Executive Officer Desiree Pettit-Keating, initiated two new projects - the Follow a Foal Project and the joint Thoroughbred and Harness Breeders Stud Tour. Both projects were aimed at increasing awareness and understanding of breeding and hopefully enticing new breeders to become involved. Thanks very much to our partners Alabar, Aldebaran Park and Swettenham stud for their involvement and support of these projects.

HBV continues to partner with the Maryborough Harness Racing Clubs in sponsoring the Humbletonian day. The Humbletonian day is now firmly entrenched in the racing calendar and attracts a lot of interest and support and the bonuses paid to the breeders of winning horses is favourably received. HRV came on board this year and made available an additional \$1,000 in the form of breeding certificates for the breeders of each winning horse. Thank you to all the committee members who attended Humbletonian day. HBV similarly sponsored races on Boort Cup day with cash bonuses paid to a number of breeders who bred horses that won on the day. We welcome any sponsorship proposals that promote breeders and breeding in general.

During the year we undertook a review of the *Trackbred* magazine. Unfortunately, *Trackbred* was a significant drain on HBV resources with increasing production and postage costs. Whilst *Trackbred* was a very professional and high-class publication and we would have loved to continue with the printed version, HBV had no option but to adopt to a more cost-effective approach in providing stories and information on breeding matters. Thank you to Peter Wharton for the magnificent role he performed over many years in editing the *Trackbred* magazine. In September we commenced the new online digital version of *Trackbred* with David and Bianca Brehaut now undertaking the editing and production roles. The digital version is now distributed

monthly and HBV are currently undertaking a significant advertising campaign to increase the distribution of the new electronic version of *Trackbred*. Being digital, *Trackbred* can now be distributed to not only members but to a far wider audience of readers. Thank you also to Peter Wharton for the role he undertakes in coordinating the *Stallion Guide*. Peter has undertaken the role for many years and works tirelessly with our advertisers and our partners at Metro Printing to ensure the stallion guide is published in a timely manner. The *Stallion Guide* continues to be the “breeder’s bible” for breeders right across Australia and New Zealand.

Thank you to our Executive Officer, Desiree Pettit-Keating. Desiree continues to ensure the profile and activities of HBV are promoted and communicated via the range of electronic and social media avenues as well as dealing with the day to day administrative and organisational demands of the Association. Thank you, Desiree, your professionalism and dedication certainly made my role as President and the operation of the HBV Committee very straight forward.

I will be standing down as President of HBV. Living in Horsham in Western Victoria, the tyranny of distance has taken its toll both in the time taken and the cost involved in undertaking the President role and representing the association. I hope to continue on the committee and make contributions where I can. I look forward to new committee members joining the committee and continuing the work of HBV in advocating for breeders, promoting breeding and developing initiatives to stimulate and enhance breeding into the future. Thank you to all HBV Committee members, especially Vice President - Shannon Nixon, Secretary Brett Coffey and Treasurer Paul Dobson. You have all contributed greatly to the wonderful sport of harness racing.

Terry Lewis
President
Harness Breeders Victoria

TREASURER'S REPORT

HBV has recorded a trading loss for the year ended 30 June 2019 of \$27,739. The year could be best described as challenging. Key financial points:

- Revenue is down \$21890 on advertising and reflects the state of the industry and a changing landscape
- All debtors as at 30 June 2019 after the above are considered collectable- Continual improvements in processes have been made to assist with cashflow of HBV
- The overall net members funds position has decreased by \$27739 representing the loss for the year, with actual cash/collectables position reduced by \$15,880

The financial result indicates a severe tightness in the breeding industry and a shrinkage of numbers of advertisers, as per the year prior as well.

Discussions have and will take place and steps undertaken by the committee in order to try and make some inroads into turning a profit in 2019-20, such as steps to take Trackbred going electronic rather than printed. There is definitely pressure on HBV to be able to maintain, sustain and grow revenue in environment where the industry is shrinking and changing.

More support is required from HRV in many areas and I trust that into the future this is provided. I'd like to thank the committee for their dedication and efforts with HBV and their ongoing support. I have enjoyed my time as treasurer and wish the new committee and new treasurer all the very best.

Thank you

Paul Dobson

Treasurer

SECRETARY'S REPORT

I would like to thank both Desiree and the committee for all the work put in.

It has been pleasing to see some new faces on the committee this past year and we will again see that this year.

President Terry Lewis has done a good job once again as President and I thank him for his service again.

With a change of leadership at HRV I hope this will lead to a greater emphasis placed on the breeding industry and its importance to Harness Racing.

Finally, I would very much like to thank each and every member for their contribution to, and their support of, Harness Breeders Victoria.

Brett Coffey
Secretary

THE 2018-19 SEASON

This year has been a big year of growth and change for the association with several new initiatives achieving success and necessary adjustments for some long-time features.

Central Victorian Joint Stud Tour

The inaugural event, a project initiated by Harness Breeders Victoria and partnered with by Thoroughbred Breeders Victoria, delivered a fully booked tour of premier studs, Swettenham Stud and Alabar Farms. Guests boarded specially chartered buses to meet director of Swettenham, Adam Sangster, who offered wonderful hospitality before a stallion parade including champions Rebel Dane and Puissance de Lune and a demonstration of a live stallion cover. Following a delicious luncheon at Le Penelope's, Alan Galloway welcomed guests to Alabar for afternoon tea, a stallion parade, and demonstration of semen collection for transport with premier AI veterinarian, Simon Robinson, discussing the process. Both associations were very pleased with the response, which included very positive feedback from guests in a post-event survey, and plan to deliver a similar event in 2020-21.



2018 IRT Victorian Breeder Awards

Supported well - as always - by a terrific raft of industry sponsors, we were yet again able to deliver an enjoyable afternoon recognising excellence in our industry. Our three primary awards were presented the week prior at the Gordon Rothacker Medal night, a terrific opportunity to showcase the best of breeding alongside presentations for the rest of the industry.

Woodlands Stud Victorian Breeder of the Year - Anne & Bill Anderson, Lauriston Bloodstock
Niota Victorian Trotting Broodmare of the Year - Tupenny Bit (Colin Murphy)
Benstud Victorian Pacing Broodmare of the Year - Pixel Perfect (Robert Watson)

It was a close contest but the highlight of the day (beside retiring committeeman, Dr Tony Britt, being awarded Lifetime Membership) was an appearance by former star of the track and now HRV HERO ambassador, Smudge Bromac, who walked through the crowd and to the podium with his bundle of winning envelopes for the MC.



We would like to thank all the sponsors and helpers who made this event possible, including Shepparton Harness Racing Club, MC Tanya McDermott, and Smudge's handlers, Sue & Duncan Terry. Full results and photographs are available on the HBV website.

International Animal Health Products (IAHP) Vicbred Bonus Breeder

Another new initiative commenced this season was a scheme to recognise the first win of Vicbred horses by sending a congratulatory postcard (along with IAHP offers and where applicable, membership forms) to all named breeders of horses which collected their Vicbred First Win Bonus in each month. Sponsorship by International Animal Health Products supported this program and a snapshot of each month's most prolific breeders was featured in *Trackbred*, our website, and social media channels. As well as a number of new members joining directly from this scheme, and positive feedback from those who received postcards, the monthly graphics featuring the 'Breeders of the Month' have had reach of over 18,100 on Facebook and Twitter alone. We thank HRV for providing us with the data each month to deliver this project. Pending sponsorship, this initiative will continue into the 2019-20 season.

Follow A Foal Program

A major awareness campaign was launched in 2018-19 with the strong support of Alabar Farms and Aldebaran Park, called Follow A Foal. Designed primarily to bring those unfamiliar with breeding along the journey of two mares through to foaling and then their progeny through the sales, the project got off to a great start with successful foal drops from pacing star mare, Arms Of An Angel (in foal to Always B Miki) and proven trotting broodmare, Aldebaran Maori (in foal to Aldebaran Eagle). Both mares delivered fillies which are now on track to be offered at the 2020 Yearling Sales with a percentage of each yearlings' sale price to be donated to the project's two charity partners, the Women's Cancer Foundation and the Children's Tumour Foundation.



As well as videos, photos and updates on both mares and foals, HBV was able to promote the #TeamTeal campaign throughout February and March, and raise money for the Children's Tumour Foundation by taking part in their major funding event, the Cupid's Undie Run in Shepparton. We look forward to continuing this project and presenting two magnificent fillies - and two much-needed cheques - at the sales in 2020.

Australian Pacing Gold Inspections BBQ

HBV was pleased to support vendors in the 2019 APG Melbourne Sale by hosting a BBQ to coincide with the yearling inspections on the Friday night prior to sales weekend. HBV, with the support of HRV and APG, were able to deliver a quality BBQ (courtesy of HBV committeeman, Ash Hanyes and his family), an open bar, and terrific music thanks to Luke Harrington. As well as providing a great social opportunity for prospective buyers, stables and vendors, it gave farm staff an opportunity for a break and a good meal. An impromptu parade of the draft from Benstud was conducted while people were enjoying the BBQ, and we hope this popular concept will be expanded in 2020 to include all vendors.

Trackbred & 2018 IRT Australasian Standardbred Stallion Guide

HBV were able to again deliver the *Stallion Guide* to almost 5,000 households - for the first time before the launch of the breeding season. We thank Metro Printing for their efforts to change this delivery date and assist the industry.

Unfortunately, due to ever increasing costs, it was decided that the quarterly *Trackbred* journal would cease as a hard copy publication with the Winter 2019 edition. Excitingly though, from September 2019, *Trackbred* will be produced monthly by new editor, the very experienced David Brehaut, and be issued electronically via direct email as well as links to the publication on our website and social media channels. HBV would like to thank Peter Wharton for his stewardship of this publication over many years.

Another successful **Search For A Star** competition was held to find the cover image for the 2019 *Australasian Standardbred Stallion Guide* - congratulations to Blanche Poole at Rhiannon



Park whose image of a Betting Line filly and her dam, Alto Calypso, which was voted as the most popular in the public vote held across June.

Harness Breeders Victoria Sponsorships

Following submissions from Maryborough Harness Racing Club and Boort Trotting Club, HBV were pleased to sponsor the following events in 2018-19:

- Humbletonian Day - An important event supporting grass roots racing, HBV were pleased to again sponsor this day of all-Vicbred, all-maiden racing, with a bottom-up ballot to ensure that all horses are given the best opportunity to secure their Vicbred First Win Bonus before the conclusion of the season. Nine races - four trotting and five pacing - were contested and pleasingly our \$250 cash bonus to the winning breeder went to members in all but three races. Maryborough Harness Racing Club matched our cash bonus should the breeder be on course, and HRV put in \$1,000 breeding certificates for winning breeders. The event had strong coverage through our own social media channels as well as HRV's, and *Trackbred*, while Paul Campbell did a stellar job with a range of interviews across the day broadcast on TrotsTV.
- Boort Trotting Cup - A similar initiative was offered on Boort Cup Day but for winning breeders who were members of HBV.

Executive Officer Summary

As well as a full program of events, initiatives, publications and sponsorships, the Executive were able to meet regularly with representatives of Harness Racing Victoria. These regular, face-to-face meetings enabled HBV to better represent not just members, but all breeders. We were able to garner support for HBV activities and lobby for much-needed change and recognition in the industry.

I would like to thank the Committee and specifically the Executive for their ongoing support in this role - such a full program delivery each season would not be possible in a part-time role without their dedicated and tireless assistance.

Desiree Pettit-Keating
Executive Officer

HARNESS BREEDERS (VIC) INC
A.B.N. 98 462 323 765

ANNUAL REPORT - 30 JUNE 2019

FINANCIAL REPORT - 30 JUNE 2019

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF HARNESS BREEDERS (VIC) INC**

I declare that to the best of my knowledge and belief, during the year ended 30th June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the Audit.



Mr Lloyd John Palmer
CPA
8/241 Blackburn Road,
Mt Waverley, VIC 3149

Dated this 18 day of September 2019

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

INCOME	Note	2019	2018
		\$	\$
Advertising	2	135,720	157,610
Interest Received	2	760	387
Memberships	2	28,939	27,961
Other Income	2	5,878	1,500
Total Income		<u>171,296</u>	<u>187,458</u>
Cost of Sales:			
Printing	3	95,736	64,577
Correspondents		4,519	3,865
Editor	3	38,960	80,184
Postage	3	9,179	6,402
Total Cost of Sales		<u>148,394</u>	<u>155,028</u>
Gross Profit		<u>22,902</u>	<u>32,430</u>
Other Expenses:			
Auditor Fees	10	1,750	1,600
Accounting Fees		700	760
Bookkeeping		2,425	1,886
Bad Debts		-	770
Bank Fees		20	485
Advertising & Marketing		660	915
Dinners & Functions		7,293	5,706
General Expenses		542	-
Merchant Fees		860	500
Printing & Stationery		1,186	797
Sponsorship		2,750	4,500
Telephone		518	608
Travelling		673	96
Trophies		8,803	8,185
Payroll Expenses		19,800	19,800
Postage		2,469	18
Workers Compensation		192	185
Total Expenses		<u>50,641</u>	<u>46,810</u>
Net Profit/(Loss)		<u>- 27,739</u>	<u>- 14,380</u>

The above Income and Expenditure Statement should be read in conjunction with the accompanying notes

**ASSETS AND LIABILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2016 \$	2018 \$
Current Assets			
Cash Assets	5	75,932	69,555
Trade Receivables		80,573	102,829
Less provision for doubtful debts		<u>-</u>	<u>-</u>
Total Current Assets		<u>156,504</u>	<u>172,384</u>
Non-current Assets			
Office Equipment	6	-	-
Total Non-Current Assets		<u>-</u>	<u>-</u>
Total Assets		<u>156,504</u>	<u>172,384</u>
Current Liabilities			
GST Payable	7	7,145	9,900
Superannuation Payable		429	429
Trade Creditors		<u>25,855</u>	<u>11,241</u>
		33,429	21,570
Total Liabilities		<u>33,429</u>	<u>21,570</u>
Net Assets		<u>123,075</u>	<u>150,814</u>
Members Funds			
Retained profits	8	<u>123,075</u>	<u>150,814</u>
Total Members Funds		<u>123,075</u>	<u>150,814</u>

The above Assets and Liabilities Statement should be read in conjunction with the accompanying notes

**STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019	2018
		\$	\$
Total Members Funds at the beginning of the financial year	8	150,814	165,194
Total changes in Members Funds recognised in the Income Statement		<u>- 27,739</u>	<u>- 14,380</u>
Total Members Funds at the end of the financial year	8	<u>123,075</u>	<u>150,814</u>

The above Statement of Changes in Members Funds should be read in conjunction with the accompanying notes

1 Statement of Significant Accounting Policies

This Special Purpose Financial Report has been prepared in accordance with the requirements of the Associations Incorporation Act Victoria. The Committee has determined that the Association is not reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non current assets.

The following significant accounting policies have been adopted in the preparation of this financial report:

(a) Income Tax

The Association is exempt from Australian income tax pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

(b) Property Plant & Equipment

Depreciation is calculated on a declining balance basis so as to write off the net cost of each item of Property, Plant and Equipment over its expected useful life to the Association.

(c) Cash

Cash includes cash at bank and any short term deposits which are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received.

All revenue is stated net of the amount of goods and service tax (GST).

(e) Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and Payables in the Balance Sheet are shown inclusive of GST.

2 Revenue and Other Income

	2019	2018
	\$	\$
Advertising		
Stallion Guide	98,113	119,370
Track Bred Magazine	29,629	38,240
Memberships	7,978	-
	<u>135,720</u>	<u>157,610</u>
Subscriptions	28,939	27,961
	<u>28,939</u>	<u>27,961</u>
Other Revenue		
Tour Tickets	5,878	1,500
Gift Income	-	-
	<u>5,878</u>	<u>1,500</u>
Interest Income		
Interest Income	760	387
	<u>760</u>	<u>387</u>
	<u>171,296</u>	<u>187,458</u>

3 Expenses

Printing		
Printing Expenses	95,736	-
Stallion Guide	-	39,500
Track Bred Magazine	-	24,415
Breeders Crown	-	385
Membership Forms	-	277
	<u>95,736</u>	<u>64,577</u>
Editor/Packing		
Editor	38,960	-
Stallion Guide	-	42,519
Track Bred	-	37,665
	<u>38,960</u>	<u>80,184</u>
Postage		
Stallion Guide	-	-
Track Bred	9,179	6,402
	<u>9,179</u>	<u>6,402</u>

4 Profit from Ordinary Activities

Net gains and expenses	2019	2018
Profit from ordinary activities before income tax expense includes:	\$	\$
Net gains		
Interest received	760	387
Association Revenue	170,536	187,071
Expenses		
Cost of Sales	148,394	155,028
Association Expenses		46,810
Depreciation of Office Equipment	-	-
	<u>22,902</u>	<u>- 14,380</u>

5 Current Assets – Cash Assets

Cash at bank	20,569	14,967
Subscription Account	-	(19)
Investment CBA 5726	55,363	54,607
	<u>75,932</u>	<u>69,555</u>

Current Assets – Receivables

Accounts Receivables	80,573	102,829
Less provision for doubtful debts	-	-
	<u>80,573</u>	<u>102,829</u>

6 Non-Current Assets – Office Equipment

Office Equipment		
At cost	-	-
Less: Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>

7 Current Liabilities – Other	2019	2018
	\$	\$
Goods and Services Tax (GST)	7,145	9,900
	<u>7,145</u>	<u>9,900</u>

8 Retained Profits and Reserves

Retained profits at the beginning of the year	150,814	165,194
Net Profit	- 27,739	- 14,380
	<u>123,075</u>	<u>150,814</u>

9 Remuneration of Members

The Members receive no remuneration or benefits. Expenditure incurred in the course of carrying out their responsibilities are reimbursed as incurred.

10 Remuneration of Auditor

Total amounts receivable by the Auditor of the Association for -

a) Audit of the Association's accounts	1,750	1,600
	<u>1,750</u>	<u>1,600</u>

11 Related Parties

The names of the Committee Members throughout the year and at the date of this report are:

T Lewis	K McIntosh
S Nixon	N Hooper
B Coffey	J Campbell
P Dobson	M Hughes
L Joslin	A Haynes
E MacLean	S Dixon

Statement by Members of the Committee.

The Committee has determined that the Association is not a Reporting Entity and that this Special Purpose Financial Report should be prepared in accordance with the Accounting policies outlined in Note 1 of the Financial Statements.

In the opinion of the Committee the Financial Report as set out on pages 4-12:

1. Presents a true and fair view of the financial position of Harness Breeders (Vic) Inc (Non Reporting) as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Harness Breeders (Vic) Inc (Non reporting) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a Resolution of the Committee and is signed for and behalf of the Committee by:


T Lewis – President


B Coffey – Secretary

Dated this **15**day of **OCT**.....2019

HARNESS BREEDERS (VIC) INC
A.B.N. 98 462 323

Independent Audit Report to the Members of Harness Breeders (Vic) Inc.

We have audited the accompanying Financial Report, being a Special Purpose Financial Report, of Harness Breeders (Vic) Inc, (the Association), which comprises the Committees Report, the Assets and Liabilities Statement as at 30 June 2019, the Income and Expenditure Statement for the Year then Ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

Committees Responsibility for the Financial Report

The Committee of Harness Breeders (Vic) Inc., (Non Reporting) is responsible for the preparation of the Financial Report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Victorian Act, and is appropriate to meet the needs of the Members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report based on our audit. We have conducted our Audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the Association's preparation of the Financial Report that gives a true and fair view, 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 Association's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the Financial Report.

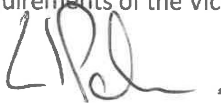
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Report presents fairly, in all material respects, the Financial Position of Harness Breeders (Vic) Inc (Non Reporting) as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the Financial Statements, and the Victorian Act.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the Financial Report, which describes the basis of accounting. The Financial Report has been prepared to assist Harness Breeders (Vic) Inc. to meet the requirements of the Victorian Act. As a result, the Financial Report may not be suitable for another purpose.



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Mr Lloyd John Palmer
Palmer & Associates CPA

Dated this 18 day of September 2019