

RACE



2023
ANNUAL
REPORT

ABOUT US



RACE is the trading name for Racing at Awapuni and Trentham Combined Enterprises Inc, formed in 2002. The not-for-profit owners of two of the six Metropolitan racecourses in New Zealand, RACE hosts five of the 20 largest racedays in the country each year.

With function and event centres at both tracks and a large training base at Awapuni, RACE has an important role to play within its industry, and a responsibility to the wider community.

RACE MEMBERS

Rangitikei Racing Club Inc	Established 1857
Wellington Racing Club Inc	Established 1879
Feilding Jockey Club Inc	Established 1879
Manawatu Racing Club Inc	Established 1880
Marton Jockey Club Inc	Established 1886

RACE BOARD

Paul Humphries (Chair)	Manawatu RC
Craig Sheridan	Manawatu RC
Wayne Guppy (Deputy Chair)	Wellington RC
Sam Walker	Wellington RC
Simon Westby	Feilding JC
Tom MacLeod	Feilding JC
Sam Trotter	Marton JC
Richard Simpson	Marton JC
Nick Whisker	Rangitikei RC
Bryce Newman	Rangitikei RC



Pennyweka triumphed at RACE Trentham's Al Basti Equiworld New Zealand Oaks in March, then won the Australian Oaks at Randwick three weeks later

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Operating two large metropolitan racing venues is a challenging task for a not-for-profit organisation that was founded to turn around the financial situation of the five clubs that contribute to it. But as RACE enters its third decade of existence, there are many reasons to feel positive about the future of the Awapuni and Trentham Racecourses.

With an internal transformation at RACE coinciding with a once in a generation boost to the entire racing industry via the TAB/Entain arrangement, we can all be confident that a bright future is in store for our clubs, members and large pool of industry stakeholders.

It's no secret that both of our venues require large sums of investment to remain relevant within their communities, and it's a balancing act to operate efficiently while we develop and deliver on the outcomes that we all want.

Nowhere was this more obvious than at Awapuni, where a much-needed full-course reconstruction was delayed by 12 months due to the inability to find a suitable contractor. In the interim, the springtime conditions of late last year saw two abandonments and the track closed at the most important time of year from a financial perspective. The reconstruction is now underway, as pictured below in November 2023.



Not too long ago, the triple impact of abandonments, the withholding of industry funding and the transfer of racedays away from the group would have seen a significant financial challenge for RACE. This is not the case in 2022/23, with a best ever result still able to be achieved for our key racemeeting surplus financial indicator.

10 of our 30 racedays made a record financial result in 22/23, including three of our five biggest events (Captain Cook, NZ Oaks and Manawatu Sires Produce). NZCIS Wellington Cup Day was also a financial success despite the weather, recording its best result in 13 years. This is all important, as we are entering a sustained period of disruption, with either Awapuni or Trentham expected to be out of action for at least part of the next five seasons. Being able to survive and thrive during this period will be crucial to the ongoing success of the organisation, and having our economic house in order is all-important.

With Ellerslie closed for the season, we were also the largest contributor to thoroughbred racing betting turnover in the country, with our 30 racedays accounting for a total of \$50.4 million (12.1% of all turnover) and ahead of the next-best Canterbury Jockey Club on \$47.2 million (who also hosted 30 meetings). Our average turnover of \$213,646 per race was 23% above the norm, despite our field size averaging 0.4 starters below the national mean of 10.47.

Our operating success has extended to both of our function and event centres, which are now contributing significantly to the bottom line of the group. More than 750 functions were held across both sites during the 2022/23 season, cementing the fact that while the delivery of racedays is our core responsibility, other activities can provide a valuable role in ensuring our financial position continues to improve.

It was pleasing to achieve a positive operating position while investing heavily in new equipment and repairs and maintenance at both venues. The final payment from HIBS for the sale of the infield at Trentham was also received on 31 July, extinguishing a large chunk of RACE's debt that dates back almost 15 years.

We must pay tribute to all of our committee members from across our clubs, who continue to deliver sponsors and partners to the group at a pace almost unheard of elsewhere in New Zealand. Two members of each committee also contribute additional time to the RACE Board, which comprises a total of 10 representatives, two from each club.

The makeup of the Board had one change last year, with longest-serving member Darrin Holm stepping down as a representative from the Feilding Jockey Club. Thanks to Darrin for his efforts over a 12-year period, and welcome to Tom MacLeod who is the youngest member of the RACE Board. Both Tom and Marton's Richard Simpson have been instrumental in assisting the track management team at Awapuni to work through the challenges of the last twelve months, while Rangitikei's Bryce Newman has similarly assisted as a well-respected trainer who utilises the facilities.

Other Board members have all contributed in various forms in addition to their governance duties. All are part of the various board sub-committees that provide additional support to RACE management, and ensure the planning and delivery of activities is in accordance with policies and guidelines. Marton's Sam Trotter is the newest RACE representative on NZ Thoroughbred Racing's Members Council, a position both Paul Humphries and Wellington's Wayne Guppy have held in the past. Craig Sheridan and Nick Whisker continue their good work as President's of Manawatu and Rangitikei respectively, while Wellington's Sam Walker provides legal advice and was a part of our research and development trip to Australia in May.

On that trip, RACE and Wellington representatives joined with developers Gillies Group and their architects Voxell to scope out five Australian racecourses, as part of the ongoing planning for the Trentham redevelopment. All committee members from across the RACE Group were invited to the trip debrief in August, where the scope and detail of the project was clear for all to see. Planning for this exciting opportunity will continue to be a major focus of the next 12 months, along with our Kikiwhenua development at Awapuni, which is occurring in partnership with Kamind Estates (**site pic below**).



Progress has been slower than hoped, mainly due to local and national government complexities, but we are now at the point where all remaining horse

trainers on the site have been given notices (being the city side of Te Wanaka Road through to the Mangone Stream), and deconstruction will begin in early 2024.

Later in this report you'll see a complete list of the sponsors of the 236 races that we held in the 22/23 season. While we thank them publicly here, we would also urge you to consider supporting these organisations if you get the opportunity, as many go far beyond what you would expect from a traditional sponsorship agreement. Our key Group One race partners contribute significantly to the costs of hosting these premier days, while the likes of the NZ Campus of Innovation and Sport support the entire Wellington Cup carnival (**pic below**).



Two great examples of sponsors who have provided additional support are Stephen Alford of Power Farming Manawatu and Milton Passey from The Pavemasters. The former donated the new large screen TV's that are now a key feature of the Silks Lounge, while the latter provided exceptional pricing for the new strip of asphalt that has transformed the entrance to Awapuni. These are just two of the many benefits the RACE Group has gained from its sponsors, over and above the contribution to individual races. Thank you to our many other suppliers, venue users, contractors, staff and industry personnel for their contributions throughout the season.

We are also fortunate to have an expanding pool of members, with all clubs in the RACE Group experiencing growth in the 2022/23 season. A good proportion of new members, along with an 88% retention rate, saw total membership across the group rise from 963 to 1088. If we are to remain strong and successful then these numbers must continue to climb, although we are expecting a challenge with Awapuni closed for most of the 2023/24 season.

Improvement in our facilities is a key to ongoing sustainability, and there have been many in recent years, at both venues. Some changes have caused disruption while they've been installed, such as the new synthetic track build which has been closely followed by a further closure of the course proper at Awapuni for its own reconstruction. Despite these challenges, the ongoing success of our locally-based trainers has been extremely pleasing. Lisa Latta had an extraordinary season in 2022/23, and her public statements that part of her success is due to the facilities at Awapuni (such as the equine pool and synthetic track for training) are confirmation that we must continue to develop our infrastructure to ensure the best possible outcomes for the horses based in the Manawatu. Lisa's stable-neighbour Mark Oulaghan dominated jumps racing, with West Coast (below) unbeatable at Trentham and beyond.



In October 2022 we celebrated the 20th Anniversary of RACE, with a fantastic turnout for our gala dinner that was superbly hosted by Hamish McKay. This event also featured the official opening of the synthetic track, with Racing Minister Kieran McAnulty in attendance, along with other dignitaries. Thanks to all of those who made the effort to attend, and with further success from Central Districts trainers, jockeys and horses in the 2023/23 season, we will do it again on November 30.

We have detailed plans in place for the upgrade of the training, racing and hospitality areas at both tracks, and the next few seasons will see us navigate a path between continuing to successfully operate while undertaking the necessary work to build for the future. There will be changes and disruption, but this is necessary to ensure we can continue the legacy that has been built up over the last 115+ years at both of our sites.

The hosting of successful racedays will always be the main goal of the RACE Group, and we look forward to seeing you at more of our events in what will be an interesting and change-filled 2023/24 season.



Tim Savell
CEO



Paul Humphries
Chairperson

PRESIDENTS REPORT

This is my eighth report as President of the Wellington Racing Club, and it is pleasing to be able to review some of the many successes for your organisation during the 2022/23 season:-

- **11 Racedays, including additional December and January dates**
- **390 Functions and Events at Trentham in the 22/23 season, with an unprecedented contribution to the RACE operating result.**
- **WRC membership growth of 16% to 684, with 167 new members.**
- **Best financial performance for the Wellington Cup meeting since 2010, despite the unfavourable weather.**
- **Highest ever total race meeting surplus figure at Trentham (\$1.42 million), with three record results for the Captain Cook, New Zealand Oaks and Winterfest meetings.**

Our season began with Lisa Latta's He's a Doozy winning the Thompson Handicap on Labour Weekend, one of only three days where the weather allowed us to present a track in a Good4 condition. Next up was our December day when Prise De Fer's won the Rydges Wellington Captain Cook Stakes, the first of five Group wins for the Te Akau stable at Trentham this season. January 14 was also on a Good4 track, with Levante's back to back victories in the JR & N Berkett Telegraph one of the highlights of the season (**below**).



The NZCIS Wellington Cup was held on the weekend of the Auckland floods and the track deteriorated to

a Heavy10, with He's a Doozy returning to win the Thorndon Mile and Leaderboard taking the NZCIS Wellington Cup with a run along the outside rail.

Al Basti Equiworld New Zealand Oaks Day saw wild scenes with Pennyweka winning the feature race for Jim Wallace, with many of our Wairarapa friends oncourse to share in the celebrations. Later in the season our two feature jumps days were also successful, with Suliman winning the Hydra-Cell Wellington Hurdles and the mighty West Coast taking the Grant Plumbing Wellington Steeplechase.

Looking forward to 2023/24, we should see further growth and excitement for our members and stakeholders to embrace. With a maximum permitted 16 meetings at Trentham (including six Group One races), Upper Hutt will be one of the busiest racing cities in New Zealand next summer.

We look forward to hosting the Awapuni-based clubs during their reconstruction, and with one of the most experienced track management teams in the country the champagne turf will be in good condition as we showcase the sport of kings in the lower North Island.

Racing wise, we have some challenges such as the relocation of the Levin Classic back to January to ensure it remains a Group One event. Wellington Cup Day has moved forward a week to accommodate the Karaka Millions, and the New Zealand St Leger has lost its status as a Listed race. On the positive side, we have considerable investment in stakes and marketing by NZ Thoroughbred Racing via the Entain takeover of the TAB, and this will bear fruit in the years ahead.

Planning continues for the redevelopment of the Racecourse, with your Committee and staff working with developers and industry to ensure the best possible future for the club and its Trentham home.

Wayne Guppy
President,
Wellington Racing Club



PRESIDENTS REPORT



We could categorise the 2022/23 season as one of two halves for the Manawatu Racing Club.

It started as badly as possible with November seeing the first of two abandonments at Awapuni that led to the track being shut from early December. The LawnMaster Eulogy Stakes was reassigned to Te Rapa on December 16, with the Humphries Construction Manawatu Cup relocated to Trentham on the same day. A virtual raceday was also held in the Silks Lounge at Awapuni, and my thanks must go to our Committee who pulled out all the stops to look after our guests at two venues simultaneously.

Thanks also to our sponsors and hospitality guests who persevered with us during this time, we are extremely grateful for your support.

The RACE board, staff and industry representatives pulled together to agree on a programme of work to bring Awapuni back online by March, and by April we were all celebrating one of the best days in MRC history when the Group One Courtesy Ford Manawatu Sires Produce Stakes was staged for the 115th time. A 48-year local drought in our premiere race was overcome when Lisa Latta capped off an amazing season with Pignan taking the win (**below**), to the cheers of the thousands oncourse who witnessed history. Capping it all off, this was the most profitable raceday in the modern era at Awapuni.



By May we were racing on the new synthetic track, with additional racedays providing certainty for the industry and added sponsorship opportunities for the club. Martin Collins NZ who built the synthetic surface have put back into the sport by sponsoring

the Manawatu Breeders Stakes, and this led to another excellent financial performance for this April raceday. By the end of the season we had more than covered the loss of our traditional Boxing Day event, which stands us in good stead for the challenges we face in 2023/24.

The full course redevelopment at Awapuni is now in full swing, and with the track closed for at least 12 months we only have synthetic racing to look forward to in Palmerston North from next May. All our major racedays will be at Trentham, with other dates temporarily allocated to other clubs in the Central Districts. Again, due to the strong support of our committed partners we are hoping to minimise the financial impact of the closure, but if you were ever thinking of heading down to Wellington to catch a raceday or two then this is the summer to do so.

From an administrative perspective we welcomed Tineke Balcombe onto the Manawatu Racing Club committee last year, and she has made an immediate impact. Her www.intowin.co.nz syndication is popular with members, many of whom now own shares in 8 horses that are racing successfully around the CD. Some of the 45 new members that she brought to the club will eventually make their way onto our committee in the future, and this can only be a good thing.



Craig Sheridan
President, Manawatu Racing Club

PRESIDENTS REPORT



Despite some obstacles, 2022/23 was another successful season for the Marton Jockey Club. Our Metric Mile Day in September 2022 was coordinated by a well-oiled team of committee members, and turned out to be a fitting finale to the Boeringher Ingleheim era, with Mustang Valley winning on a Heavy 10 track. With features such as the annual Farm Tour, Calcutta and Student Party Zone, this event has now cemented itself as the most-profitable non Group 1 raceday of the season across all of the RACE clubs.

Our JAPAC Homes Marton Cup day in January was raced at Trentham, the Awapuni track having been closed from mid-December due to works being required after two abandonments. Congratulations to the connections of Soldier Boy for their **win (pic below)**.



The March 1 raceday (shared with Rangitikei) saw the return to racing at Awapuni, and the addition of the Little Avondale Group 2 Lowland Stakes which had been transferred from Hastings. This was a successful return in the circumstances, especially for Tony Pike's Val Di Zoldo who was ridden by premiership-winning jockey Michael McNab.

While other clubs began their journeys on the synthetic in May, our next raceday was our Business House meeting in early July. This turf event was preceded by a synthetic meeting the day before, a doubling up that the industry seems to believe could be a good way forward. With our July meeting having been transferred to Hastings last year, it was great to be able to welcome back so many Marton-based businesses to the Silks Lounge for a great day out.

Next year however, the meeting is scheduled to return to Hastings, with the Awapuni track closed from September 2023 for approximately twelve months. Thankfully, we were able to see the track out in style, with our Metric Mile Day (now sponsored by the Hunterville Vet Club), even better than the year before.

During this season I was fortunate to be elected to the NZ Thoroughbred Racing Members Council, a role previously held by RACE Chairperson Paul Humphries. This is an opportunity for us to have input at the highest level of the sport, and in that capacity the club has advocated for more opportunities to race on the synthetic track at Awapuni, particularly on weekends during the depths of winter.

This is my final report as President, with the Marton Jockey Club being in the fortunate position of having a clear succession plan and a desire to share the leadership tasks around the membership group. I would like to thank the committee for their efforts during my tenure and have no doubt that Richard Simpson will do a brilliant job when he assumes the role.



Sam Trotter
President, Marton Jockey Club

PRESIDENTS REPORT



It gives me great pleasure to present the Annual Report of the Rangitikei Racing Club's activities for the 2022/23 season. We are a small club that punches well above its weight, and the RRC is proud to have a history dating back to 1857.

Our season began in mid November with the John Turkington Forestry / Waipine Logging Bulls Country Cup, won by Roger James and Robert Wellwood's Dionysus. Thanks to the support of our raceday sponsors the meeting achieved its best financial result since 2008, but as it turned out this was the last raceday at Awapuni before abandonments led to a temporary closure.

One the necessary remedial work was undertaken we were involved in the first meeting back at Awapuni, the Friday raceday in March that we share with the Marton Jockey Club. This event was boosted by the transfer of the Group 2 Lowland Stakes from Hastings, and it was a pleasure to be able to welcome Sam and Catriona Williams from Little Avondale Stud to Awapuni, as the major sponsors of the race.

The Listed Rangitikei Cup raceday is the highlight of the May schedule at Awapuni, and this year it was named in celebration of longtime supporter Edith Bull's 90th Birthday. Allan Sharrock trained Justaskme is part-owned by Allan and his brother Bruce Sharrock (NZTR's CEO) and it won by a convincing 5 lengths with Johanthan Parkes aboard (pic below). Five of the other races on the card were won by Awapuni-based horses, a great result for our region.



In previous years these three racedays comprised the season's activities for the Rangitikei Racing Club, but with the addition of synthetic racing at Awapuni from May the club has picked up additional

racedates. Thanks to the committee members and sponsors who got behind our new June date, and while it is technically outside the scope of this report we now also host the first raceday of the season across the RACE Group with a synthetic day in early August. The additional workload is something we are keen to embrace for the benefit of racing, especially with the new stakes increases announced by Entain and NZTR from the start of the 2023/24 season.

Quickly turning to 2023/24, we are grateful for the support of the Wanganui Jockey Club to ensure our Bulls Country Cup Day is a success this November, while the Rangitikei Gold Cup will be held at Trentham in May 2024. We look forward to returning to Awapuni following the reconstruction, but in the meantime will support the synthetic racedays to the best of our abilities.



Nick Whisker
President, Rangitikei Racing Club

PRESIDENTS REPORT



It is a pleasure to provide my first report as President of the Feilding Jockey Club (FJC) which proved to have a successful season although one wonders whether we have completely shaken the shackles of COVID.

The FJC's first meeting was the Gold Cup meeting on October 29; racing was conducted on a Good 4 surface the first to be held on that rating for some time in the Central Districts after was can only be described as a rather testing spring. The main event was taken out by Pep Torque trained by Kirsty Lawrence whose team was in a rich vein of form at the time and admirably handled by Kozzi Asano. First time sponsor Mode Technology came aboard to sponsor the Feilding Gold Cup in what we hope will be a long and fruitful relationship for all the clubs involved with their support and the RACE Group as a whole.

Other sponsors on this day for which we are grateful include Ryal Bush Transport, Ample Group, Feilding Hotel, Pavemasters, Property Brokers, Ian Humphrey Motors along with the Humphrey Family and lastly the Ratanui Development Company whose race produced a dead heat with Zappa Jack, Kirsty Lawrence to the fore again and Whatsup trained by Kevin Gray unable to be separated on hitting the line. With no COVID restrictions people were able to move freely and those that were there seemed to be enjoying themselves although at first glance numbers appeared a bit light.

Next up was the ANZAC meeting held for the second year in a row on a Sunday when it doesn't coincide with ANZAC Day. We may have dodged a bullet as the weather either side of race day was less than ideal resulting in a heavy 10 surface and a few scratchings however we got through and those in attendance seemed to have a good day out. Long term sponsors Manawatu ITM were once again to the fore sponsoring the main race of the day the ANZAC 1600 worth \$65000, won in handy fashion by Town Cryer trained locally by Royden Bergerson who had a bit of a day out with another winner and a couple of placings on the undercard. Additional sponsors for the day included DB Breweries, Power Farming Manawatu, Pavemasters, H R Jones who took the opportunity to celebrate being in business for 75 years at the races, P&C Insurance, Flipp Transport and first time sponsor Rush Excavation.

Of note was Johnathan Parkes riding his first winner since a lengthy lay off and best wishes go to him for riding his 1000th winner this season and hoping for the continuation of a long and successful career. From next season this meeting will be held on ANZAC Day which I believe is a much better option than racing on a Sunday.

The June meeting was the second to be held on the synthetic track and provided opportunity for industry participants to go around on a surface where they can be confident of the going. Local trainers split the eight race program with the visitors to ensure that the spoils were spread around. Sponsors for this day included Reilly Joinery, Spray Specialists, Henry's Plumbing, Wenham Grain and Seed, Tomo's Aluminium Services, Property Brokers Feilding, Carters, Power Farming, Hygain NZ and DB Breweries. On a day when it is getting tougher by the year to get sponsors all in all it was a good effort on the part of those involved.

Looking forward I think we can approach the 2023/24 season with some optimism, as an example the Feilding Gold Cup meeting last year had total stakes on offer of \$255,000 while this season will see \$355,000 up for grabs. We must also take into account the Awapuni track reconstruction that will commence in the early part of the new season will have an impact on the venues the FJC is able to race at but after this hiatus hopefully we will be back stronger than ever.

I would like to take this opportunity to thank the committee of the FJC for their support and input during my first year as President as at times I really had no idea what I was doing but we got through relatively unscathed. With the reduction in committee members due to circumstances beyond our control the load has got heavier but you pitched in to make the burden more manageable. Finally on behalf of the FJC I would like to thank all involved in whatever capacity, you people all ensure the success of our club. Those that turn up on the day for a bet a drink and something to eat, members, industry participants, sponsors, RACE staff who work tirelessly on behalf of the FJC and owners. You all add to the success which does not go unnoticed and should never go unrecognised.

Simon Westby
President, Feilding Jockey Club

Since the conclusion of the 2022/23 season RACE's long-serving Racing Manager Kim Treweek has concluded his time at the organisation and relocated to Australia, hence a more compact racing report that has been provided in recent seasons.

The closure of the Awapuni course proper from December to February inclusive was a challenge for the respective clubs and also the trainers based at the track. Thankfully we were able to relocate key days to Trentham and Awapuni-based horses continued to perform on the national stage.

Lisa Latta claimed three Group One wins, including a long-awaited local victory in the Courtesy Ford Manawatu Sires Produce Stakes. Her stable-neighbour Mark Oulaghan also claimed most of the Premier jumps races. Synthetic racing also began in May, and a total of seven events were staged during the winter months.

From a track resourcing perspective, RACE now has one of the most experienced teams in the country. Track Manager Jamie Phillips and his assistance Mark Biddle are across their brief at Trentham, with Daniel Amies leading the staff at Awapuni.

Feature Race Results in 2022/23

Date	Type	Club	Race	Winner	Jockey	Trainer	Distance	Time	Track
Sept 24	G3	MJC	Metric Mile	Mustang Valley	Courney Barnes	Andrew Forsman	1550m	1.40.48	10
Oct 23	G3	WRC	Thompson Handicap	He's A Doozy	Kozzi Asano	Lisa Latta	1600m	1.37.06	4
Oct 29	L	FJC	Feilding Gold Cup	Pep Torque	Kate Hercock	Kirsty Lawrence	2100m	2.09.24	4
Dec 2	G2	WRC	Wakefield Challenge Stakes	Impendabelle	Michael McNab	Tony Pike	1100m	1.05.71	6
Dec 2	G1	WRC	Captain Cook Stakes	Prise De Fer	Michael McNab	Mark Walker	1600m	1.38.14	6
Dec 17	G3	MRC	Eulogy Stakes (@ Te Rapa)	Polygon	Warren Kennedy	Lance Noble	1600m	1.37.89	6
Dec 17	G2	MRC	Challenge Stakes	Darci La Bella	Jonathan Riddell	Allan Sharrock	1400m	1.25.54	6
Dec 17	G3	MRC	Manawatu Cup	Sagunto	Lisa Allpress	P & S McKay	2300m	2.28.99	6
Jan 7	L	MJC	Marton Cup	Soldier Boy	Kate Hercock	Gavin Sharrock	2200m	2.19.58	7
Jan 14	L	WRC	Wellesley Stakes	Codigo	Michael McNab	Stephen Marsh	1100m	1.02.51	4
Jan 14	G3	WRC	Anniversary Handicap	Belle En Rouge	Dean Yendall	Mark Walker	1600m	1.34.88	4
Jan 14	G2	WRC	Wellington Guineas	Cognito	Opie Bosson	Mark Walker	1400m	1.22.72	4
Jan 14	G3	WRC	Trentham Stakes	Ladies Man	Craig Grylls	Allan Sharrock	2100m	2.09.29	4
Jan 14	G1	WRC	Telegraph	Levante	Ryan Elliot	Ken & Bev Kelso	1200m	1.07.11	4
Jan 28	G1	WRC	Desert Gold Stakes	Mazzolino	Sam Weatherley	Stephen Marsh	1600m	1.39.92	10
Jan 14	G1	WRC	Thorndon Mile	He's A Doozy	Kozzi Asano	Lisa Latta	1600m	1.39.73	10
Jan 28	G3	WRC	Wellington Cup	Leaderboard	Joe Doyle	Mark Walker	3200m	3.33.01	10
Mar 1	G2	HB	Lowland Stakes	Val Di Zoldo	Michael McNab	Tony Pike	2100m	2.09.90	4
Mar 18	L	WRC	NZ St Leger	Ess Vee Are	Sam Weatherley	D & B Weatherley	2600m	2.42.60	7
Mar 18	G3	WRC	Cuddle Stakes	Pearl Of Alsalce	Ashvin Goindamsamy	Ritchie & Murray	1600m	1.37.38	7
Mar 18	G1	WRC	Levin Classic	Romancing The Moon	Kozzi Asano	Mark Walker	1600m	1.37.13	7
Mar 18	L	WRC	Lightning Handicap	Maria Farina	Sam Weatherley	D & B Weatherley	1200m	1.09.69	7
Mar 18	G1	WRC	New Zealand Oaks	Pennyweka	Ryan Elliot	Jim Wallace	2400m	2.31.18	7
Apr 1	G3	MRC	Manawatu Classic	Arby	Sam Weatherley	D & B Weatherley	2000m	2.03.14	5
Apr 1	L	MRC	Flying Handicap	Tavattack	Craig Grylls	Allan Sharrock	1400m	1.22.82	5
Apr 1	G1	MRC	Sires Producs Stakes	Pignan	Joe Doyle	Lisa Latta	1400m	1.23.93	5
Apr 1	G2	MRC	Awapuni Gold Cup	Brando	Opie Bosson	Mark Walker	2000m	2.02.65	5
Apr 14	G3	MRC	Manawatu Breeders	Aromatic	Opie Bosson	Mark Walker	2000m	2.01.08	4
Apr 23	L	FJC	ANZAC Mile	Town Cryer	Craig Grylls	Roydon Bergerson	1600m	1.40.63	10
May 18	L	RRC	Rangitikei Cup	Justaskme	Johnathan Parkes	Allan Sharrock	1550m	1.39.86	10
Jul 15	P	WRC	Wellington Hurdles	Suliman	Hamish McNeill	Nelson & McDougal	3400m	4.31.16	10
Jul 15	P	WRC	Wellington Steeple	West Coast	Shaun Fannin	Mark Oulaghan	5500m	7.31.21	10



SPONSORSHIP REPORT



AB Equipment
Aberdeen On Broadway
Agricom
Al Basti Equiworld Dubai 
Ample Group
Andrea O'Donnell Property Brokers
Ash Dairies
Ashhurst Deer & Duck Inn
Barneswood Farm 
Bevan Family
BJW Motors
Blue Star Print
BNZ Partners
Boehringer Ingleheim 
Bonny Glen Landfill
Bowls Wellington
Bramco Granite & Marble 
Bull Family 
Cambridge Stud
Capture Signs
Carrfields Livestock
Carters
Cartown
Celk Developments
Chemwash
ChrisGommans&SonsContracting
City of Palmerston North 
Clubs NZ Inc
Concept Security Services
Courtesy Ford 
Courtesy Motorcycles
CR Grace Limited
Crowley Forge Master Farriers
DB Breweries
Devan Plastics
Dixon & Dunlop 
DL Tree Specialists
Evans Henderson Woodbridge
Farmers Transport
Feilding Hotel
Flipp Transport
Foxpine Logging
Fusion Electrical
Gee & Hickton Funeral Directors  
Glenn Carroll Transport
Goodwood Stud
Graham's Painters
Grant Plumbing 
Greyhound Racing NZ
H & T Agronomics
Harcourts 
Hardy Trade Supply
Harris Contracting
Harrisons Carpets & Flooring
Hedley Electrical
Henry's Plumbing

Higgins Concrete 
Hiremaster
Hotel Raumai
Hoult Contractors
HR Jones & Co
Humphrey Family
Humphries Construction 
Hydra-Cell Pumps 
Hygain Tracktorque
Ian Humphrey Motors
Inter Building
Intowin.co.nz Syndication
IPL Marketing
IRT 
J&J Walters Limited
James Hardie Industries
Japac Homes 
Jennian Homes Wellington 
John Turkington Forestry
JR & N Berkett 
Kapura Group
Kernow Construction
La Bull Cafe
Landmark Homes
LawnMaster 
Leamy Family
Life Direct 
Lincoln Farms
Little Avondale Stud 
LJ Hooker Manawatu
Majestic Horse Floats
Martin Collins NZ 
Mana Plumbing
Manawatu Auto Glass
Manawatu ITM 
Manawatu Shearing
Manawatu Toyota
Marshall Waterproofing
Marsh Insurance Brokers
Master Builders Association
McIntosh Cranes
McIntosh Farm Machinery
McVerry Crawford
MG Tiling
Midwest Disposals
Milton Park Stables
Mode Technology   
Murray Free Contracting
Natural Living Homes
Nelson Pine
Neteffext Payroll
New World Churton Park
New Zealand Bloodstock 
Novara Park
Nufarm
NZB Insurance

NZ Campus of Innovation and Sport 
Paradigm Civil
Paslode NZ
P&C Insurance Brokers
Pete's Joinery
Pilet Contracting
Pioneer Seeds
Plasma Biotech
Platinum Homes Taranaki
Prodrive Golf Silverstream
Progressive Landings
Property Brokers
Provenance Restaurant
Provincial Insurance Brokers
PTS Logistics
Ratanui Development Company
Rat Tat
Rayner Building
Red Stag Timber
Reilly Joinery
Resonant
Rich Hill Stud
Richard Simpson Contracting
Richards Construction
Rowden Electrical
Rush Excavation
Ryal Bush Transport
Rydgges Wellington 
Southern Rangitikei Vet Services
Speirs Finance
Spray Specialists
Spreading Rural Bulk
Stephanie Murray Mortgages
Super Star Sea King
Swish Carwash
TAB NZ
Tasman Insulation
Te Akau Racing
The Oaks Stud
The Pavemasters
The Rat Hole Bulls
Tidy Slabs
Tim Harris Tyres & Auto
Tomo's Aluminium Services
Total Build Wellington
Vernon & Vazey Truck Parts
Waipine Logging
Waterforce
Wellington Seamarket
Wenham Grain & Seed
Wentwood Grange
Whisker Forestry
Winstone Wallboard
Wools of New Zealand
Woodridge Homes
Wright Livestock

RACE



2022/23

**MEMBERSHIP
REGISTER**

WELLINGTON RACING CLUB MEMBERS



2022/23 Committee

Wayne Guppy (President)	1980
Sam Walker (Vice Pres)	2012
Simon Barber	2004
Salve Barnao	2002
Des Coppins	2005
Colin Dallas	1997
Logan Fenwick	2011
Jessica Meech	2009
Euan Playle	1985
Ray Southey	1973

Members Who Have Passed Away

Frederick Des Tombe	27/9/22
John Donald	7/11/22
Gillian Cavell	29/1/23
Simon France	8/4/23
Terry O'Leary	22/10/23
Ron Fowler	31/10/23

Life Members

Brian Abraham	1971
John Archibald	1962
John Austad	1962
DS Austin	1962
John Barrance	1975
Jeff Berkett	1978
RJ Borthwick	1962
Patrick Bourke	1973
Rue Bourke	1970
Leah Braham	1962
Murray Brockelsby	1962
Barry Brown	1978
Ian Brown	1976
Mike Brown	1997
Tom Burn	1980
Alan Burnet	1973
Darryl Burrow	1980
David Butler	1984
Colin Campbell	1971
Sir George Chapman	1969
Peter Connor	1974
Val Cooper	2002
Mary Coppins	1981
Paul Craig	1973
Simon Crawford	1962
Cate Crombie	1990
John Cross	1977
Ron Cunningham	1967
Bruce Davie	1973
Bevan De Berry	1975
Des Tombe	1962
Ron Dixon	1977
John Donovan	1977
Gerald Fell MNZM	1963
Robert Fisher	1966
Robert Flipp	1967
William Flipp	1963
John Flynn	1981
John Fokerd	1980
Brendan Foot	1983

Don Frampton	1980
David Galvin	1969
Warwick Gendall	1980
Colin Gibbs	1968
Joanna Grace	1969
Tony Grant	1982
Ivan Grieve	1983
Mel Gurney	1980
Janet Hall	1975
Angela Hill	1973
John Hill	1981
Denys Holden	1962
Christine Hope	1967
Trevor Johnson	1977
Earle Kirton	1976
Bill Knight	1974
John Leeney	1973
John Legge	1980
David Lindsey	1962
David Macdonald	1973
John Mackay	1980
Kerry Maher	1978
Neil Manthel	1962
John Meo	1973
Ross Meo	1973
Shirley Mexted	1972
Tim Mills	1982
Richard Moore	1978
Mary Mountier	1978
John Mowbray	1974
John Norwood	1963
Dr John O'Brien	1976
Brian Palmer	1979
Kevin Parker	1980
Herrick Perry	1962
Greg Peters	1979
Brandon Preston	1962
Rod Preston	1972
Dale Renouf	1974
Dr Roger Ridley-Smith	1965
Roland Sarten	1962
Michael Shanahan	1966
Peter Siversen	1963
John Smart	1983
Carroll Smith	1974
Peter Smith	1963
Colin Southey	1973
Ron Southey	1973
James Steel	1963
Lindsay Stonehouse	1974
John Sutherland	1956
John Swafford	1964
Tim Symes	1966
Jim Wagg	1962
Lil Walker	1976
Pam Ward	1978
Richard Ward	1973
Malcolm Whyte	1969
Phillip Wiggins	1978
RA Williams	1963
Tom Williams	1962

Bill Wilson KC	1973
David Woodhouse	1980
John Yardley	1977
Luke Yiavasis	1983
Dom Zame	1973

Honorary Members

Noeline Berkett	2015
Noel Harris	2015
David Walsh	2014

Gold Members

Richard Allen	2022
Kevin Anderson	1987
Wayne Bruce	2013
Beverley Charlton	2008
Peter Clark	1986
Al Cooper	2023
Carmen Coupland	2009
Grant Davidson	2020
John Dennis	2007
Joan Egan	2017
Steven Grant	1987
Mark Hardy	2009
John Hawkings	2013
Jan Honnan	2020
Barry Kilpatrick	2013
Ivan McNicholl	2022
Rosemary Laffey	2011
Kevin McEvoy	2020
Glenn McTaggart	2011
Andrew Mosley	2023
Susan Patel	2021
Dr Henryk Poczwa	2002
Rosy Pratt	2021
Tony Sellars	2004
Graham Stewart	2021
Kevin Tarrant	2022
Greg Trask	2018
Leigh Vibert	2008
Brayden Whale	2011
Craig Whale	1985
Kristen Whittington	2021

Premier Members

Neil Aldridge	2016
Mark Allen	2011
William Allison	2015
Evelyn Anderson	2001
Kevin Anderson	2022
Stacey Anthony	2021
Paul Armstrong	2010
Sue Astle	2022
David Atkins	2014
Kathryn Avery	2015
Andy Badrick	2023
Peter Baker	2023
Viv Baker	1995
John Barnao	2006
Simon Basil-Jones	2005
David Bieleski	2021

Michael Blaikie	2017	Jason Gore	2019	Joanne Macdonald	2021
Graeme Boomer	2023	Patricia Goss	2022	John Maetzig	2009
Ken Bolt	2021	David Gough	2015	Brian Mahoney	2006
Geoff Bourne	2006	Glenda Grant	2006	Caroline Marner	2014
James Boyle	2007	Laurenson Grant	2023	Amanda Marshall	2022
Louisa Brackenbury	2022	John Grant	1996	Barry Martin	1986
Adrienne Bremner	2013	Larry Greco	2018	Paul Martin	2023
Mark Brockie	2017	Cath Green	2018	Tess Maskell	2023
Paul Brown	2017	Gary Griffiths	2017	Peter McAndrew	2023
Graeme Browne	2021	Melv Griffiths	2023	Sean McBride	2022
Mary Burgess	2023	Paul Gueorgieff	2020	Karen McCloy	2022
Lisette Burke	2023	Jonathan Hales	2023	Phoebe McCoy	2023
Graeme Buchanan	2018	Ken Hales	2023	Neil McDonald	2012
Jill Campbell	1998	Ross Hallett	1990	Paul McDonnell	2014
Rosaleen Carson	2008	Bill Hanlin	1998	Jane McFadzean	2023
Leigh Catley	2008	John Hanning	1995	Seamus McGrath	2018
Keegan Check	2022	Daniel Hanrahan	2019	Melanie McGrattan	2023
Jenny Cheevers	2022	Jeremy Harding	2020	Carol McInteer	2014
Allan Child	2014	Dean Harrison	2021	Jane McLean	1989
Matthew Ching	2021	Jeremy Harrison	2010	Helen McVicar	2022
Christine Clouston	2013	Victoria Harrison	2010	Ivan McNicholl	1987
Ailwyn Clout	2021	Peter Hati	2023	Plaxton Mendoza	2021
Julie Collins	2019	Matt Hawkins	2020	Ian Middleton	2015
Marcia Collins	2021	Maria Hegedus	2023	Joseph Mika-Hunt	2013
Geordie Craib	2017	Simon Hendry	2023	Phil Mitchell	1989
Richard Crawford	2013	Judy Hewitt	2003	Michelle Moore	2023
Christine Crickmar	2023	Marion Hodge	2021	John Moran	2014
Kevin Crickmar	2023	Wayne Hodge	2011	Kevin Moran	1996
Kieran Crickmar	2023	John Holder	2022	Danny Morgan	2014
Rose Cretney	2021	Zac Hrstich	2023	John Morrow	2006
Mike Curtis	2002	Blair Huddleston	2023	Brian Moylan	1998
Andrew Cuttance	2019	Peter Holland	2012	Andrew Murray	2023
Martin Dalglish	1985	Marcus Hull	2007	Kim Murray	2023
Kevin Dalley	2014	Terry Hunt	2014	Rick Myers	2019
Bob D'Ath	2004	Mike Hunter	2007	Ray Nalder	2011
Tracey Davis	2021	Karen Hurst	1989	Bruce Neal	2022
Craig Deadman	2023	Rebecca Ingerson	2023	Lou Newman	1990
Philip Deakin	2022	Vaughan Isaac	1988	Fleur Nicol	2023
Michael Dempsey	2020	Angela Jane	2023	Kerry Oakly	2012
Terry Dey	2023	Allan Johnson		Helen O'Connor	2022
Bernice Dickie	2002	Vanessa Johnson		Brian O'Connor	2014
Arthur Dolan	2023	Sara Joseph	1997	Kim O'Keefe	2023
Patrick Donovan	2022	Rebecca Keegan	2021	Simon Osborne	2022
Peter Dorward	1985	Alex Kelly	2003	Lyndsey O'Reilly	2009
Paul Dixon	2011	Hayden Kerr	2021	Paul Paino	2007
Grant Downing	2019	Steve Kettle	1985	Brent Palmer	2013
Tim Dravitzki	2023	Janet Kil Kelly	2009	Kiran Patel	2020
Jeff Drinkwater	2007	Sally Killick	1990	Ewen Patterson	2003
Paul Drummond	2001	Fiona Kirkwood	1989	Paul Patterson	1997
Norris Everton	2014	Nataliya Kuzmina	2023	Lionel Pene	2023
Graham Farmer	2022	Alan Laurenson	2005	Bruce Perry	1998
Sophie Farrell	2023	Vince Lawlor	2009	John Peters	2020
Matthew Fenwick	2002	Barry Lee	2009	Mike Peters	2023
Graham Findley	2023	Karen Lee	2013	Roy Peterson	1995
Alastair Forde	1996	Tristan Lee	2010	Tom Pivac	1998
Margaret France	2003	Aaron Lister	2020	Kevin Plant	1997
Mark Freeman	1996	Eric Liu	2022	Mat Powell	2023
Scott Fuller	2015	Tracy Logan	2023	David Pretorius	2022
Jim Gates	1988	Keith Lorimer	2006	John Pritchard	2012
Bernard Gittings	2023	Johann Lumplecker	1994	Graeme Proffit	1990
Ingrid Godden	2021	Christina Lynch	2019	Esther Rayner	1989
Gary Goodwin	2019	Bill MacDonald	2005	Shane Reeves	2022

Catherine Reid	2021	Mark Titter	2012	Denise Menara	2019
Richard Renouf	2004	Anton Tracey	2022	John Morgan	2017
Louise Renshaw	2013	Jeremy Valentine	2021	Liz Morgan	2022
Greg Revell	2016	Peter Van Dyk	2013	David Pender	2021
Brian Richmond	2017	Luke Van Tongeren	1996	Helen Rausch	2022
Frank Rickaby	1986	Guy Vasey	2023	Gabrielle Shaw	2022
Alan Ritchie	1984	Cecilia Vincent	1990	Mike Simeonoff	2015
Gordon Ritson	1989	Neil Wagstaff	1992	Mathew Smith	2021
Dean Robb	2020	Trevor Walker	2009	Janice Volz	2005
Nick Roberts	2019	Mark Walkington	2009	Larry Wilde	2018
Lillirose Rogers	2023	Matt Walkington	2023		
Tony Rogers	2022	David Wallis	2002	Widow Members	
Charlie Rose	1996	Ron Weitzel	2001	Patricia Archibald	2015
Nathan Russell	2023	Bryan Weyburne	2009	Marie Faith	2000
Haley Ryan	2022	Belinda White	2002	Phyllis Sexton	1997
Phil Schofer	2009	Brent White	2023	Marie Harrison	2016
Katrine Sewell	2003	Christina White	1999	Lavinia Hill	1995
Peter Sewell	2003	Sharon Williams	2022	Elisabeth Jones	2008
Marie Sharp	2007	Jonathan Woodman	2022	Jinny Small	2016
Anna Shaw	2022	Colin Wolfsbauer	2011		
Bernadette Shaw	2021	Hamish Woods	2019	Young Members	
Bridgid Shaw	2022	Georgina Workman	2015	Jacob Appleby	2023
Edmund Shaw	2022	Chris Wos	2022	Brady Bernard	2023
Frances Shaw	2022	Audrey Young	2023	Jacques Botha	2023
Laura Shaw	2022	David Young	2007	Jamie-Lee Bracken	2023
Theresa Shaw	2022			Tom Collopy	2023
Angela Sheehan	2009	Full Members		Luke Cutler	2023
Gay Sheehy	2016	Chris Ablett	2016	Dom De Lambert	2023
Mark Simmonds	2021	Greg Allison	2018	Wellington Domingos	2023
John Sletcher	2023	Peter Blades	1995	Danny Evans	2023
Lynette Sletcher	2023	Nadia Brown	2009	Tom Flynn	2023
Bryan Smith	2023	Martin Burns	2015	Daniel Gendall	2021
James Smith	2023	David Burrows	2018	Stephanie Jonassen	2022
Patricia Smith	2023	Peter Cayless	2021	Jack Keenan	2023
Paul Smith	2023	Phil Clent	2020	James Logan	2023
Victoria Smith	2023	Shane Cooke	2016	Ethan Loveridge	2019
Mike Southey	2017	Steven Dyke	1994	Ehan Lucas	2023
Gavin Sowry	2019	Jacqui Evans		Reef Mahuika	2023
John Steere	2023	Alan Fraser	1995	Sam Matthews	2023
Felicity Stewart	2023	Derek Gibson-Smith	2009	Matthew McCallum	2020
Loek Strik	1999	Ingrid Godden	2021	Shea McConnell	2023
Matthew Swann	2022	Michael Holden	2010	Lincoln Moffat	2023
Callan Talbot	2014	Jim Juno	2021	Charlotte Oliver	2023
Faith Taylor	1998	Rachel Juno	2019	Matthew Pavitt	2023
Michael Taylor	2006	Hamish Lochhead	2017	Amber Playford	2023
Scott Taylor	2023	Jane Macdonald	2022	Ben Power	2023
Brian Tebbutt	1996	Chris Marston	2013	Alyssa Tolley	2023
Graham Templeton	2010	David Marner	2014	Kate Turnbull	2023
Jeff Thomas	2009	David McDougall	1990	Aiden Viviers	2022
Neville Thompson	2009	Frank McGinniss	2020	Michelle Wells	2022

MANAWATU RACING CLUB MEMBERS



2022/23 Committee

Craig Sheridan (President)	2004
Paul Humphries (Vice, Hon)	1999
Kevin Tod (Vice)	1997
John Naylor (Hon Treas)	2010
Tineke Balcombe	2022
Regan Belsham	2015
Willie Duncan	1994
Gaye Fell	1997
William Fell	2004
Brendan Hapeta	2013
Dave Leamy	APRC
Caroline Powley	2020
John Taylor	2016

Members Who Have Passed Away

A M Abraham	
Keith Bennett	7/19
Bob Leader	10/23
Keith Towers	7/23

Life Members

Peter Arlidge	1964
Estelle Bennett	2014
Adrian Broad	1998
Stuart Campbell	1982
Gary Chittick	1977
Gerald Fell MNZM	1961
Allan Fenwick ONZM	1970
Dr Brian Goulden	1965
David Jewell	2009
Graeme Martin	1975
Herrick Perry	1961
Guy Sargent	1978

Honorary Members

LD Allen	1965
Robert Anderson	1980
Earle Andrews	1952
Neil Andrews	1970
Charlie Baxter	1971
Janice Billett	2016
David Boniface	1976
Don Brown	1982
Don Burmeister	1975
Terry Campbell	1975
Lloyd Clark	1976
R Corbett	1971
Hazel Cornforth	1974
Michael Cross	1964
Ron Eglington	1962
Tom Fraser	1969
John Furness	1972
Les Goodman	1976
Christopher Grace	1967
David Harrison	1977
Craig Hart	1983
Darryl Heaphy	1983
Martin How	2000
Marie Kelly	1983

Terence Kennelly	1980
Dr G Kirk	1966
Wayne Kitching	1975
Greg Lambert	1975
Ivan Lowndes	1972
Hamish MacDonald	1979
Allan Macleod	1978
Kevin McAnulty	1980
Des McKay	1973
Bruce Mitchell	1969
Tim Neill	1977
Maurice O'Brien	1980
Kevin O'Donnell	1965
Mark Oram	1972
Dan Richards	1983
RD Richards	1980
George Robinson	1964
Mike Ryan	1981
Stu Shirriffs	1980
Don Stephenson	1965
Roger Sugrue	1982
R Taylor	1975
Peter Tennant	1980
Peter Waldin	1966
John Wall	1966
Royden Williams	1982
Tom Williams	1996
Tom York	1964
Joe Yorke	1967

Premier Members

Lisa Bradcock	2019
Wayne Bradcock	2019
Julie Collins	2020
Joanne Coutts	2021
Graeme de Rose	2021
Paul de Rose	2016
Shelley Dew-Hopkins	2022
Clive Dorn	1998
Nigel Dunlop	2021
Mark Jermy	2023
Jim Kerr	2022
Deb Masters	2019
Brian O'Connor	2014
Stephen Parsons	2015
Milton Passey	2017
Paul Pearce	1984
Paul Pottinger	2020
Les Robinson	2020
Natalie Savell	2021
Kenneth Saywell	2021
John Taylor	2016
Barbara Walker	1999
David Walsh	2015
Christopher Wilson	2021
David Wilson	1985

Full Members

Dave Adams	2018
HC Akers	2003

Richard Algar	1998
Huw Allen	1989
Grant Anthony	2018
Cam Arnott	2015
Ben Ash	2019
Bernie Askew	2021
Peter Askey	2022
Kane Barry	2016
Brian Beaumont	1999
Trevor Belk	2020
Georgia Bergerson	2017
Kathy Bergerson	2021
Dawn Britz	2020
Jaco Broodryk	2023
DR Brown	2004
Chris Bryant	1992
Brian Buckler	2022
Colin Buckler	2017
Wallace Campbell	2012
David Carey	2009
John Creaven	1988
Merv Dudley	2022
Helen Durham	2021
Willie Duncan	1994
Chris Entwistle	2020
Tony Fell	1997
MA Fisk	1998
Michael Fitzgerald	2005
Mark Freeman	1983
Ian Gibson	2023
Jody Foster	2019
Dean Gilshnan	2006
Kath Graham	2022
David Hall	2002
Vicky Harris	2020
Steve Haylock	2021
Lynda Holdaway	2021
Murray Holdaway	2021
Joe Hollander	2003
Greg Horton	2008
John Johnston	2021
Brian Jones	2015
Carol Anne Julian	2023
Maia Kawana	1999
Toni Keegan	1996
Paul Kenyon	2023
Greg Lochhead	2016
Cushla Lucas	2012
John MacDonald	2022
Leonie Macnamara	2022
John Mabey	1990
Mike Mahoney	2015
Sheena Mason	1993
Annette McBeth	2020
Gerard McHugh	2021
Brian McMeikan	2023
Trevor Newland	2023
Peter Moffat	1995
Mark Morris	1985
David Oliver	1984

Aaron Perkins	2002	Colin Smith	2023	Malcolm Wood	2006
Raewyn Poynter	2018	Dave Stapleton	2022	BM Wrenn	2003
Antony Poynter	2018	Susan Stewart	2021	Peter Zimmerman	2005
Mark Power	2022	Mal Stone	2021		
Garry Pullen	2022	Reon Stratford	2017	Young Members	
Des Rielly	2019	Steve Toms	2017	Lara Sheridan	2021
Grant Roydhouse	2022	Georgia Trembath	2022		
WD Ruby	2012	Tony Van Der Zwan	1996		
Jo Sale	2022	Robyn Walzl	2022		
John Salmon	2018	M Whittle	2007		
Jan Sanders	2017	Grant Wiggins	2021		
Mary Shaffer	2021	Wayne Wildbore	2022		
		Bob Wiltshire	1990		

FEILDING JOCKEY CLUB MEMBERS



2022/23 Committee

Simon Westby (Pres)	2008
Tom MacLeod (Vice Pres)	2019
Ryan Ayers	2014
Darrin Holm	2004
Andy Hurley	
Margot Lupton	2019
John MacDonald	1996
Craig McNeill	1983
Mark Pickford	2007
Iain Scott	1993
Ted Shannon	2021
Richard Waugh	2007

Members Who Have Passed Away

Roger Berry	6/22
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Life Members

Tom Fraser	1977
Warren Scott	1984
Tom York	1963
Colin Young	1990

Honorary Members

Tony Brown	1966
Bebette Buchanan	1965
Alister Clark	1961
Tony Evans	1971
Doug Freeman	1975
Gordon Hare	1961
Richard Howie	1975
David Jones	1954
Stu Jones	1968
Neville Kreegher	1972
Guy Lintott	1975
Cam MacLeod	1967
Beau Maurice	1964
John McLean	1967
S McManaway	2010
John Mudgway	1971
Mike Mudgway	1982
Herrick Perry	1959
Michael Sinclair	1981
John Wall	1977

Young Members

James Jenkins	2022
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Premier Members

Stephen Alford	2012
Anjie Cook	2023
Omar Gonzalez	2022
Andrew Managh	2010
Neil Managh	2003
Daniela Navarro	2022
Bruce Polson	1998
Darryl Rush	2020
Stephen Scott	2000

Full Members

Kevin Blackler	1999
Hamish Brown	2012
Alastair Corbett	2018
Fred Heap	2008
Ivan Heap	2016
Chris Kirk	1989
Ken Smith	1990
Hayden Trotter	2004
Sheryl Wealleans	1994
John Wheeler	2001

RANGITIKEI RACING CLUB MEMBERS



2022/23 Committee

Nick Whisker (President)	2006
Gareth Baird (Vice Pres)	2016
Bryce Newman (Vice Pres)	2003
Aaron Taylor (Vice Pres)	2016
Bill Jamieson (Vice Pres)	2001
James Woodhouse (Hon Tr)	2018
Harry Bull	
Bill Carswell	2016
Mark Cording	<1996
Hew Dalrymple	<1996
Charles Duncan	2016
Sue Foley	2016
Dave Fredericks	<2007

Tim Harris	<1996
Lisa Scotland	<2015
Grant Stone	<2007
Lyndon Tamblyn	2016
John Turkington	2007

Members who have passed away

Gerry Scully (Life Member)	10/23
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Life Members

Trevor Last-Harris	1975
Ian McKelvie	1972
E H Symes	<1992

Neil Wells	1972
David Wilson	<1996

Premier Member

Ron Werner	2014
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Full Members

Michael Ashdown	2013
Michael Collinson	<1996
Tim Eade	<1996
Paul Gwynne	2018
Tere Tahī	1982
Brent Timmins	2014

MARTON JOCKEY CLUB MEMBERS



2022/23 Committee

Sam Trotter (Pres)	1990
Nigel Belsham (Vice)	2014
Richard Simpson (Vice)	2014
Dean Cunningham	1989
Sam Cunningham	2022
Douglas Duncan (Life)	1976
Ken Duncan	1987
Mark Duncan	2020
Fenella Devlin	2016
Mark Gilmour (Life)	1979
Angelina Greer	
Sam Hurley	
Pete McDougall (Life)	1990
Mike McLean	
Mark Monckton	2020
George Renshaw	2020
George Shannon	2020
Jack Stantiall	1994

Life Members

Campbell Bary	1975
John Furness	1975
Christopher Grace	1963
John Henderson	1971

Honorary Members

Graham McConaghty	2012
John Cooper	1977
Mike Hurley	1975
Bruce Poppe	1978
Chris Renshaw	1972
Peter Skou	1977

Premier Member

Matt Burke	1992
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Full Members

Rick Aston	2016
Clare Aston	2016
Mark Chamberlain	1994
Eddie Cowley	1994
Peter Crawford	2001
Krystal Dalley	2018

Mark Duncan	2020
Richard Ellery	1995
Ian Gunn	1996
Bernard Hendra	1991
Mike Jones	1998
Felicity Keenan	2021
Henry Lourie	2019
Dean McManaway	2019
Alan Milne	2022
Malcolm Nitschke	2011
Tim Pearce	1986
Peter Rayner	2008
Liz Rayner	2017
Mark Salisbury	1995
Graeme Skou	1984
David Thomson	1991
Stephen Turner	2019
Bruce White	1992

Young Members

Aria Cunningham	2022
Sam Cunningham	2022
Chance Hausman	2023

ASHHURST-POHANGINA RACING CLUB MEMBERS



2022/23 Committee

Dave Leamy (President)	1983
Ben Ash	2019
Dave Drummond	2015
Wayne Kitching	1975
Andrew MacDonald (Hon)	1980
Hamish MacDonald (Hon)	1980
Kevin O'Neil (Life)	1973
Anthony Rowden	2013
Roger Sugrue	1982

Life Members

Mike Parker	1994
K R Drummond	1949

Honorary Members

Hugh Akers	1980
Warrick Beattie	
A Berrington	1965
David Bridge	1973
L Campbell	1961
J R Elston	1968
A Hall	1968
J M Jaggard	1967
Graham Johnson	1980
J McRae	1957
B J Slack	1973
G B Slack	1963
Sue Stone	1984

Full Members

Steven Doody	2022
Grant Edwards	2021
Kevin Large	2013
Shona MacDonald	2014
Tony Moore	2022
Tony Rogers	2021
Gavin Traill	2020

Young Members

Cameron MacDonald	2016
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NEW ZEALAND
BLOODSTOCK

RACE

-Awards-



THURSDAY 30 NOVEMBER 2023

ARRIVAL FROM 6.30PM, AWARDS FROM 7PM

HOSTED BY ANDRE NEILL

TICKETS \$40 PER PERSON

**INCLUDES DINNER &
DRINKS ON ARRIVAL**

JOINTHEACTION.CO.NZ

22/23 RACING AWARDS FINALISTS

TRAINER OF THE YEAR FINALISTS

Chrissy Bambry

16 wins at a strike rate of 8.25 and \$503,290 in prizemoney. G&L winner for the season included -

- Listed John Turkington Forestry Castletown Stakes – Chantilly Lace
- Listed Team Wealleans Tauranga Classic – Flower Of Wanaka

Roydon Bergerson

26 wins at a strike rate of 6.62 and prizemoney of \$565,920. G&L winners for the season included -

- Listed Manawatu ITM Anzac Mile – Town Cryer

Jonno Benner/Hollie Wynyard

20 wins at a strike rate of 4.95 and \$467,850 in prizemoney. G&L winners for the season included -

- Listed Courtesy Ford Levin Stakes – Hold The Press

Lisa Latta

51 wins at a strike rate of 8.18 and \$2,538,285 in prizemoney. G&L winners for the season included -

- G1 Thorndon Mile – He's A Doozy
- G1 Courtesy Ford Manawatu Sires Produce Stakes – Pignan
- G1 NZ Thoroughbred Breeders Stakes – Belclare
- G2 Barfoot & Thompson Auckland Cup – Platinum Invader
- G3 War Decree Stakes – Diss is Dramatic
- G3 Gee & Hickton Funeral Directors Thompson Hcp – He's A Doozy
- G3 Valachi Downs Canterbury Breeders Stakes – Belclare
- G3 Couplands Bakeries Mile – He's A Doozy
- Listed Pegasus Stakes – Lincoln Kruz
- Listed Wairarapa Thoroughbred Breeders Stakes - Belclare

Mark Oulaghan

10 wins at a strike rate of 10.3 and prizemoney of \$345,945. G&L winners for the season included -

- PJR Racecourse Hotel & Motor Lodge Grand National Steeplechase – West Coast
- PJR AHD Animal Health Hawkes Bay Steeplechase – West Coast
- PJR Grant Plumbing Wellington Steeplechase – West Coast

JUMPER OF THE YEAR FINALISTS

Tittletattle

Third in PJR Racecourse Hotel & Motor Lodge Grand National Steeplechase, PJR AHD Animal Health Hawkes Bay Steeplechase

West Coast

Winner of PJR Racecourse Hotel & Motor Lodge Grand National Steeplechase, PJR AHD Animal Health Hawkes Bay Steeplechase, PJR Grant Plumbing Wellington Steeplechase

22/23 RACING AWARDS FINALISTS

2YO OR 3YO OF THE YEAR FINALISTS

Chantilly Lace

First Listed John Turkington Forestry Castletown Stakes, Third Listed Barfoot & Thompson Auckland Futurity Stakes

Diss is Dramatic

First G3 War Decree Stakes

Pignan

First G1 Courtesy Ford Manawatu Sires Produce Stakes, Third G2 J Swap Contractors Matamata Breeders Stakes, Third Listed IRT Wellesley Stakes

Sheez Dominant

First Listed HS Dyke Wanganui Guineas, Third G3 Elsdon Park

JOCKEY OF THE YEAR FINALISTS

Jim Chung

13 wins at strike rate of 11.62

Shaun Fannin

25 wins at a strike rate of 2.32 inc. West Coast – 1st PJR Racecourse Hotel & Motor Lodge Grand National Steeplechase, PJR AHD Animal Health Hawkes Bay Steeplechase, PJR Grant Plumbing Wellington Steeplechase. Kiddo 1st PJR Great Northern Steeplechase., Happy Star 1st PJR HB Hurdle, 1st PJR Wellington Hurdle.

Madan Singh

13 wins at a strike rate of 12.69, including the Listed Wanganui Guineas

BROODMARE OF THE YEAR FINALISTS

Elegant Emerald - Bill Gleeson

Colorado Star - Group 3 Taranaki Cup NZ Alamosa x Elegant Emerald (Unbridled's Song) 04.02.2023

Galway – Christopher Grace

Kirwan's Lane - Group 2 The Ingham (1600m) AUS Charm Spirit x Galway (Savabeel) 10.12.2022

Saoirse - Fairdale Stud

Brando - Group 2 Awapuni Gold Cup (2000m) NZ Savabeel x Saoirse (Iffraaj) 01.04.2023

Brando - Group 2 Japan Trophy (1600m) NZ Savabeel x Saoirse (Iffraaj) 25.03.2023

22/23 RACING AWARDS FINALISTS

OWNER OF THE YEAR FINALISTS

Belclare

David Woodhouse

Deerfield, Chantilly Lace

Tony Bambry, Judith Bambry, Samantha Finnegan & Chrissy Bambry

He's A Doozy

M Schirnack, N & A Thompson, S Platt, J & S Dunnett, M McNeill, S Dais, P Shearer, L Purvis, K McHugh, D Masters, S Edgerton, E Tomlins & W Dixon

Pignan

Andy Rennie, Christian Cullen, David Monnery

West Coast

Mrs G T & H A E Williamson, Mrs J M & R M Williamson

HORSE OF THE YEAR FINALISTS

Belclare

Winner of G1 NZ Thoroughbred Breeders Stakes, G3 Valachi Downs Canterbury Breeders Stakes, Lst Wairarapa Thoroughbred Breeders Stakes

He's A Doozy

Winner of G1 Thorndon Mile, G3 Gee & Hickton Funeral Directors Thompson Hcp, G3 Couplands Bakeries Mile

Pignan

Winner G1 Courtesy Ford Manawatu Sires Produce Stakes, Third G2 J Swap Contractors Matamata Breeders Stakes, Third Listed IRT Wellesley Stakes

West Coast

Winner of PJR Racecourse Hotel & Motor Lodge Grand National Steeplechase, PJR AHD Animal Health Hawkes Bay Steeplechase, PJR Grant Plumbing Wellington Steeplechase

RACE



2022/23
FINANCIAL
STATEMENTS

FINANCIAL REPORT



The financial result for the year has been positive at \$812,697 (2022: \$9,216,252). The main change was the one-off subsidies for the Synthetic track that were received in the 2021/22 financial year. The Racing result for the season was excellent compared to previous seasons and is one of the best results for RACE.

The following is a highly summarised interpretation of the Statement of Comprehensive Revenue and Expense for the year ended 31 July 2023.

	2022/23	2021/22
Surplus from operations:	\$408,744	\$272,008
Less depreciation on fixed assets	-\$788,886	-\$559,782
Deficit after depreciation	-\$380,142	-\$287,774
Add non-operating income (grants)	\$1,192,839	\$9,504,026
Reported surplus for the year	\$812,697	\$9,216,252

RACE achieved an operating surplus of \$408,744 (2022: \$272,008) an increase of \$136,736. This was a direct result of the impact of Covid-19 on racing and on the function centres at Awapuni and Trentham. The additional support from the Government wages subsidies has ensured that staffing has been maintained during the year. The grants for the synthetic track have been reported as income and the expenditure of \$11,723,000 has been capitalised as a fixed asset addition under property, plant and equipment.

RACE meeting revenue and expenses had a surplus of \$2,488,106 (2022: \$2,036,431). This increase was due to better utilisation of existing buildings and an increase in charges for hospitality. Without Covid restrictions the number attending meetings has increased. There were still disruptions and cancellations of three race meetings due to weather and adverse track conditions. This included the Boxing Day races at Awapuni which was disappointing.

The catering divisions at Awapuni and Trentham had an excellent year returning to pre Covid results. Both venues have had good conferences, rental of facilities and functions. Costs for catering have increased but these have resulted in increased pricing to the customers to maintain a healthy margin. Staffing has been challenging especially for casual catering staff at Awapuni.

Operating expenses for the year excluding depreciation have increased. Salaries have increased due to inflation adjusted increases and due to vacancies in marketing and finance being filled. Other costs increased including repairs and maintenance where the costs for the new barn leases have been allocated. Building repairs at Trentham are an ongoing challenge and damage continues to occur with each weather event. Legal and consultancy has also increased with the additional work incurred with leases and legal work during the year. Overall maintaining costs is an ongoing challenge and this will become more important in the coming year with the closure of Awapuni course proper. Depreciation costs have risen due to the completion of the synthetic track and the higher rate of depreciation on the track costs.

The surplus/(deficit) from joint arrangements has been due to RACE Inc's share of the development costs of Kikiwhenua Limited. These costs will be ongoing until sections are available to be sold.

The end of the financial year was a milestone with the repayment of \$4.2M of debt to the BNZ. This has been funded from the settlement of the sale of land to Hutt International Boys School of \$4.6M. The balance of the money received has been used to fund the additional spend in the development of the new stables area and additional equipment such as horse walkers. The cash flow statement shows the year end result was a positive cash balance of \$121,481 (2022: \$818,253). This is considerably less than 2022 but reflects the investment that has been made into facilities (\$2.4M) which does include synthetic track expenditure (\$1.4M) and the balance is on buildings, vehicles and tractors / equipment.

Overall the season has been positive and the team at RACE have enjoyed returning to a pre-Covid environment where the business can operate without restrictions.

Kate Dench
Chief Financial Officer

RACE Incorporated

*Financial Statements for the year ended 31 July
2023*

INDEPENDENT AUDITOR'S REPORT

To the Members of Racing at Awapuni and Trentham Combined Enterprises Inc (RACE)

Qualified Opinion

We have audited the financial statements of Racing at Awapuni and Trentham Combined Enterprises Inc (RACE) in the annual report, which comprise of the statement financial position as at 31 July 2023, and the statement of service performance, statement of comprehensive revenue and expense, statement of changes in equity and its statement of cash flows, and notes including a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance on page 5 are suitable; and
- (b) the financial statements on pages 1 to 4 and 6 to 22 presents fairly, in all material respects:
 - the financial position of RACE, as at 31 July 2023 and of its financial performance and cash flows; and
 - the service performance for the year then ended,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Qualified Opinion

Kikiwhenua Limited Partnership

RACE has an investment in Kikiwhenua Limited Partnership as described in Note 9 Investments in Associates and Joint Ventures of the financial statements. RACE accounts for its share of the Partnership's net result by using the financial information contained in the Partnership's financial statements. The financial statements of the Partnership were unaudited and are not prepared using the same accounting framework that RACE uses to prepare its financial statements. We were therefore unable to obtain sufficient audit evidence that the net result and therefore the corresponding closing balance of RACE's investment in the Partnership was correctly disclosed as at 31 July 2023.

Earthquake Prone Buildings

As disclosed in the financial statements in Note 16 - Earthquake Prone Buildings, Wellington Racing Club has received notification from Upper Hutt City Council regarding a desktop assessment of earthquake prone buildings. RACE has significant building infrastructure at Trentham. The assessment indicates that some buildings are below the minimum safety threshold, and this could result in a significant impairment to the valuation of these buildings. Accounting standards require management to assess and determine the value of any impairment for these buildings. As this has not yet been completed, the associated financial impact cannot be quantified in these financial statements.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of RACE in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence*

Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor of Wellington Racing Club, Rangitikei Racing Club, Manawatu Racing Club, Marton Jockey Club and Feilding Jockey Club, we have no relationship with, or interests in, RACE.

Other Matter

This was the first year that the statement of service performance was required to be included in the financial statements, including comparative information. Comparative figures for the year ended 31 July 2022 included in the statement of service performance have not been audited.

Restriction on Responsibility

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

Other Information

The Board is responsible for the other information. The other information comprises the Chairperson, Chief Executive Officer and Club President reports, which are contained within the annual report.

Our 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. The other information was not available for review at the time of signing this audit report.

The Board's Responsibility for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements including 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, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Board 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 Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or has 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.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

CKS Audit

CKS Audit

19 October 2023

Statement of comprehensive revenue and expense

For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Race meeting revenues	2.1	14,919,322	12,739,633
Catering revenue	2.2	2,383,948	1,218,928
Rendering of services	2.3	680,465	533,897
Other operating revenue	2.4	1,490,392	10,178,932
Finance revenue	4.1	488	299
Total operating revenue	2.5	19,474,615	24,671,689
Expenses			
Race meeting costs and expenses	2.1	11,761,868	10,131,889
Catering expenses	2.2	2,542,750	1,933,875
Other operating expenses	3	3,760,864	3,085,629
Finance expense	4.2	519,533	207,478
Total operating and other expenses		18,585,016	15,358,871
Net operating surplus / (deficit)		889,600	9,312,818
Other gains / losses			
Other gains		11,500	-
Share of surplus/(deficit) from joint arrangements	9	(88,403)	(96,566)
Total other gains / (losses)		(76,903)	(96,566)
Net surplus for the year		812,697	9,216,252
Total comprehensive revenue and expense attributable to: Controlling Clubs		812,697	9,216,252

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.



Statement of changes in equity

For the year ended 31 July 2023

	Contributed capital	Accumulated comprehensive revenue & expense	Total equity
Balance at 1 August 2022	21,631,646	11,917,856	33,549,501
Net surplus for the year	-	812,697	812,697
Balance as at 31 July 2023	21,631,646	12,730,553	34,362,198

	Contributed capital	Accumulated comprehensive revenue & expense	Total equity
Balance at 1 August 2022	21,631,646	2,701,604	24,333,249
Net surplus for the year	-	9,216,252	9,216,252
Balance as at 31 July 2022	21,631,646	11,917,856	33,549,501

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.



Statement of financial position
As at 31 July 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	6	121,481	818,253
Receivables from exchange transactions	7	1,161,849	3,067,394
Receivables from non-exchange transactions	7	891	80,763
Inventories	8	128,659	128,817
Other current assets	10	77,982	4,669,545
Total current assets		1,490,862	8,764,771
Non-current assets			
Property, plant and equipment	11	36,147,696	34,549,904
Investment in associate and joint venture	9	3,020,646	2,976,799
Other non-current assets	10	-	-
Total non-current assets		39,168,341	37,526,703
Total assets		40,659,203	46,291,474
Current liabilities			
Payables under exchange transactions	12.1	1,355,453	3,403,384
Employee entitlements	12.2	178,267	155,612
Other financial liabilities	13	87,343	4,442,812
Total current liabilities		1,621,064	8,001,808
Non-current liabilities			
Other financial liabilities	13	4,675,942	4,740,166
Total non-current liabilities		4,675,942	4,740,166
Total liabilities		6,297,005	12,741,974
Net assets		34,362,198	33,549,501
Equity attributable to:			
Controlling Clubs	16.3	34,362,198	33,549,501
Total equity		34,362,198	33,549,501

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of cash flows
As at 31 July 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Cash was received from:		
Industry profit distribution	327,685	279,061
Other race meeting receipts	14,508,634	12,635,965
Donations, fundraising and other similar receipts	82,452	592,766
Receipts from providing goods or services	6,273,073	8,845,094
Cash was applied to:		
Payments to suppliers and employees	(19,518,612)	(12,553,142)
NZRB charges	-	-
Donations or grants paid	(380)	(605)
Net cash flows from operating activities	1,672,852	9,799,139
Cash flows from investing activities		
Cash was received from:		
Proceeds from disposal of property, plant and equipment	(1,683)	-
Proceeds from disposal of other assets	4,600,000	-
Interest received	488	9,440
Cash was applied to:		
Payments for purchase of property, plant and equipment	(1,889,305)	(13,671,350)
Payments for purchase of investments in associates & JVs	(132,250)	(35,000)
Net cash flows from investing activities	2,577,250	(13,696,910)
Cash flows from financing activities		
Cash was received from:		
Proceeds from borrowings	-	4,164,435
Cash was applied to:		
Payments for borrowings	(4,477,179)	(17,204)
Payments for finance lease liability	57,488	10,610
Interest paid	(527,183)	(203,809)
Net cash flows from financing activities	(4,946,874)	3,954,031
Net Increase / (Decrease) in Cash	(696,772)	56,261
Opening Cash	818,253	761,992
Closing Cash	121,482	818,254
This is represented by:		
Cash on hand and in bank	120,833	811,093
Short term deposits	648	7,160
Cash and cash equivalents at end of the period	121,481	818,253

The above statement of cash flows should be read in conjunction with the accompanying notes and independent auditor's report.



Statement of service performance As at 31 July 2023

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season

2023: Licence meetings: 33
Achieved: 30, cancellations due to weather and track closures.

2022: Licence meetings: 30
Achieved: 28, cancellations due to weather.

Goal 2: To increase membership income and number of financial members

2023: Budget: \$79,018 Achieved: \$92,722 1088 members

2022: Budget: \$87,761 Achieved: \$87,654 963 members

Goal 3: Financial sustainability

A contemporary business model that drives a sustainable future through efficiency of operation to achieving a profit prior to the allocation of depreciation.

Profit prior to Depreciation:

2023: Actual \$1,601,583 Budget: \$513,820

2022: Actual \$9,776,034 Budget: \$ 362,967



Notes to the financial statements For the year ended 31 July 2023

1. BASIS OF PREPARATION

REPORTING ENTITY

RACE Inc is incorporated under the Incorporated Societies Act 1908. The primary objective of RACE Inc is to promote and conduct thoroughbred racing and is registered with New Zealand Thoroughbred Racing (“the Code”) consistent with the Code’s constitution. RACE Inc is a recognised industry organisation in accordance with the Racing Industry Act 2020.

The financial statements were authorised for issue by the RACE Inc Board 16th October 2023.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand (“NZ GAAP”). The financial statements of RACE Inc comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

RACE Inc has elected to report in accordance with PBE Standards RDR on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

MEASUREMENT BASIS

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also RACE Inc’s functional currency.

GOING CONCERN

The financial statements have accumulated funds of \$12,740,386 (2022: \$11,917,855). The working capital surplus/(deficit) is \$-130,202 (2022: \$762,963). The Board has continued support from its funders and the emphasis on future land sales, the going concern assumption remains appropriate.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 Financial Instruments

PBE IPSAS 41 ‘Financial instruments’ addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, ‘Financial Instruments: Recognition and Measurement’, that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 accounts. This has resulted in a prior period adjustment to the accounts being included in these financial years accounts. (refer to Note 18)

The other main impact has been presentation only.

Impact of the adoption of PBE FRS 48 Service Performance Reporting

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.



The adoption of PBE FRS 48 has resulted in RACE including the following information in its financial statements:

- Sufficient contextual information to understand why RACE exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what RACE has done during the reporting period in working towards its broader aims and objectives.

New standards and amendments and interpretation to existing standards that are not yet effective for the current accounting period beginning on 1 August 2022.

There are no new standards, amendments or interpretations that have been issued and are not yet effective that are expected to have a significant impact on RACE.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of RACE Inc's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

Classification of Financial Assets

Management determines the classification of its financial assets at initial recognition. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are reclassified when and only when its business model for managing those assets changes. RACE's financial assets are measured in their entirety at amortised cost as they are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

Recognition and Measurement of Financial Assets

Financial Assets are recognised when RACE becomes party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised on trade-date or the date on which RACE commits to purchase or sell the asset. Financial instruments are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the instrument. Subsequent to initial recognition RACE measures financial assets at amortised cost, using the effective interest rate method less expected credit losses.

Derecognition of Financial Assets

Financial assets are derecognised from the Statement of Financial Position when, and only when, the contractual rights to the cash flows from the financial asset expire, or RACE has transferred all or substantially all of the risks and rewards of ownership of the financial asset. For financial assets measured at amortised cost, a gain or loss is recognised in profit and loss when the financial asset is derecognised or impaired. Any gain or loss arising from derecognition is recognised directly in profit and loss and presented in other gains (losses).
Provision for impairment on trade receivables

Calculation of loss allowance

When measuring ECL RACE uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Expected Credit Loss Assumptions

The ECL provision as at 31 July 2023 is based on management's judgement using a variety of internal and external information. The judgements and associated assumptions are made by considering historical loss experience and expectations of future events based on reasonable and supportable forecasts of future economic conditions. The current macro and micro economic conditions are an evolving situation. These



conditions, which include rising interest rates, rapidly rising inflation, skills shortages, global supply chain disruptions, and challenging international conditions, continue to have a significant impact on energy prices, as well as financial markets across the globe. The unpredictable nature of these future economic pressures makes RACEs ECL estimates inherently uncertain, accordingly, actual results may differ from these estimates.

TAXATION

RACE Inc is exempt from income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

The following taxes, duties and levies and similar charges are paid by RACE Inc:

Goods and Services Tax (GST)

Fringe Benefit Tax (FBT)

Employer compulsory Kiwi Saver contributions

Accident Compensation Commission (ACC) levies

These financial statements have been prepared exclusive of GST, with the exception of the Statement of Financial Position receivable and payables which are GST inclusive.



2. REVENUES AND DIRECT COSTS & EXPENSES

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to RACE Inc and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which RACE Inc receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of RACE Inc's assets (e.g., interest and dividends). RACE Inc recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

A non-exchange transaction is any other transaction not classified as exchange. RACE Inc's revenue recognition criteria are detailed in note 2.5 below.

2.1 RACE MEETING REVENUE AND EXPENSES

Race meeting revenues comprise the amounts received or receivable for services provided, and goods sold that directly relate to race meeting events conducted by RACE Inc during the financial year. These primarily include industry distributions from the TAB New Zealand (TAB NZ) and the Code and other receipts that directly relate to RACE Inc's race meeting activities from members of RACE Inc (aside from membership fees included in other operating income) and third parties in the form of grants and subsidies.

RACE Inc incurred certain direct costs and expenses in conducting its race meeting days and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset.

*RACE Inc also incurred internal expenses for entertainment, bar/catering and function expenditure, from its catering operations. These have been shown separately to reflect all the costs of conducting race meetings but are not included in the statement of comprehensive revenue and expenses.

	Note	2023 \$	2022 \$
Oncourse Commissions		327,685	279,061
Industry Funding		10,382,335	8,630,561
Raceday & Stakes Subsidies		1,408,950	1,346,979
Nomination & Acceptance Fees		907,047	598,233
Racebook Sales		5,450	3,998
Admission & Privilege Fees		174,684	76,051
Sponsorship		895,710	907,561
Bar/Catering & Function Revenue		781,351	820,427
Sundry Racing Revenue		36,110	43,346
Operational recharge - Clubs		-	33,416
Total race meeting revenues		14,919,322	12,739,633
Advertising		96,442	136,165
Entertainment, Promotions & Sponsorship		246,939	191,341
Raceday Services		357,408	356,514
Racebook Costs		2,234	4,700
Race Meeting Printing		57,816	52,647
Race Meeting Wages		265,446	222,235
Gross Stakes		10,497,335	8,784,661
Bar/Catering & Function Expenditure		174,773	316,239
Trophies & Sundry Expenses		63,476	67,388
Total race meeting costs & expenses		11,761,868	10,131,889
Internal expenses for entertainment, bar/catering services	2.2	669,348	571,313
Net race meeting surplus		2,488,106	2,036,431



2.2 REVENUE FROM CATERING OPERATIONS

Revenue from the sale of goods (i.e. catering and bar sales) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to RACE Inc.

*Internal sales of goods and services for race meetings have been shown separately and are not included in the statement of comprehensive revenue and expenses. The direct cost of providing these goods and services are included in catering expenses.

The direct costs and expenses included in this table relate to purchases of inventory items and other directly attributable costs on acquiring the inventories sold.

	Note	2023 \$	2022 \$
Sale of goods		1,809,914	970,229
Sale of services		574,034	248,700
Catering Revenue		2,383,948	1,218,928
Purchases of catering items		742,447	547,975
Other direct and overhead costs		1,800,147	1,385,065
Opening catering inventory	8	128,317	129,153
Less: Closing inventory	8	(128,159)	(128,317)
Catering Expenses		2,542,750	1,933,875
* Internal sale of goods and services to race meetings	2.1	669,348	571,313
Net surplus/(deficit) - catering operations		510,546	(143,633)

2.3 REVENUE FROM RENDERING OF SERVICES

RACE Inc performed various services including course and venue rental and animal-care related services to members of RACE Inc and other third parties. Costs and expenses related to these revenues are included in note 3.

	2023 \$	2022 \$
Rental revenues	141,768	134,899
Service revenues	127,237	102,654
Track fees	411,460	296,343
Total revenue from rendering of services	680,465	533,897

2.4 OTHER OPERATING REVENUE

	2023 \$	2022 \$
Grants and subsidies	79,092	303,086
COVID-19 Wage subsidy	3,359	289,680
Other subsidies	1,192,839	9,504,026
Sundry revenue	215,101	82,140
Total other operating revenue	1,490,392	10,178,932

Other subsidies include funding from the Provincial Development Fund (2022: \$9,169,700) for the Synthetic track at Awapuni racecourse. The funding contract was completed as of 31 May 2023.



2.5 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires RACE Inc to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 6 for cash; note 8 for inventory; and note 11 for property, plant and equipment). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

RACE Inc's revenues from exchange and non-exchange transactions are detailed in the following table.

	Note	2023 \$	2022 \$
Grants and subsidies		79,092	303,086
COVID-19 Wage subsidy		3,359	289,680
Other Subsidies		1,192,839	9,504,026
Total non-exchange revenue		1,275,290	10,096,792
Admission & Privilege Fees	2.1	174,684	76,051
Bar/Catering & Function Revenue	2.1	781,351	820,427
Industry Funding	2.1	10,382,335	8,630,561
Nomination & Acceptance Fees	2.1	907,047	598,233
Oncourse Commissions	2.1	327,685	279,061
Operational recharge - Clubs	2.1	-	33,416
Racebook Sales	2.1	5,450	3,998
Raceday & Stakes Subsidies	2.1	1,408,950	1,346,979
Sponsorship	2.1	895,710	907,561
Sundry Racing Revenue	2.1	36,110	43,346
Catering operations revenue	2.2	2,383,948	1,218,928
Finance revenue	4.1	488	299
Revenue from rendering of services	2.3	680,465	533,897
Other exchange revenue	2.4	215,101	82,140
Total exchange revenues		18,199,325	14,574,897
Total revenues		19,474,615	24,671,689

Any outstanding liability recognised with respect to assets acquired through non-exchange transactions as of balance date is nil (2022: nil).

RACE Inc also receives services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in RACE Inc's financial statements.

3. OTHER OPERATING EXPENSES

Costs and expenses relating to the overall costs of running RACE Inc include staff time, office space, rental, information technology and asset costs. These are recognised as incurred and are presented in the table below.

This includes a portion of salaries and wages and depreciation and amortisation expenses incurred in relation to the revenues generated by RACE Inc; all other direct costs and expenses are presented in note 2.

	2023	2022
	\$	\$
Depreciation and amortisation	788,886	559,782
Grants, subsidies and donations	380	605
Salaries and wages	1,620,041	1,458,753
Advertising and promotions	11,414	10,223
Repairs and maintenance	290,483	151,361
Repairs and maintenance -track	262,708	153,904
Insurance	235,396	267,410
Audit fees	22,950	22,000
Legal & Consultants	36,939	17,579
Board, committee, membership	21,119	15,610
Stationery, printing, postage & computer	67,656	59,567
Bad debts expense & estimated credit loss	(502)	12,855
Other operating expenses	386,329	345,575
Travel and Motor vehicle expenses	17,066	10,404
Total other operating expenses	<u>3,760,864</u>	<u>3,085,629</u>

The audit fees paid to auditors relate to the audit of these financial statements and the audit of the five racing clubs.

There are no other fees paid to auditors during the year (2022: nil).

4. FINANCE REVENUE AND EXPENSES

4.1 FINANCE REVENUE

Finance income and expense is recognised in the profit or loss using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the finance income or finance expense over the relevant period. The calculation includes all fees paid or received and directly related transaction costs that are an integral part of the effective interest rate. The finance income or expense is allocated over the life of the instrument and is measured for inclusion in profit and loss by applying the effective interest rate to the instruments amortised cost.

	2023	2022
	\$	\$
Interest from bank and term deposits	488	299
Total finance revenue	<u>488</u>	<u>299</u>

4.2 FINANCE EXPENSES

RACE Inc has outstanding borrowings from banks and other entities and has incurred interest and finance charges thereon at the agreed rate of interest.

Incremental and directly attributable costs (such as commissions) associated with the origination of a financial asset (such as loans) and financial liabilities (such as borrowings) are capitalised as part of the amortised cost and deferred over the life of the financial instrument using the effective interest method.



	2023	2022
	\$	\$
Interest from bank borrowings	476,690	182,825
Interest from loans and advances	27,877	10,167
Interest on finance leases	14,966	14,486
Total finance cost	519,533	207,478

5. OTHER GAINS AND LOSSES

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment, intangible and other assets	11,500	-
Total other gains	11,500	-

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, cash in bank, cash on call and short term deposits and a \$350k overdraft facility. Cash equivalents are short term (generally with an original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk in changes in value. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

	2023	2022
	\$	\$
Cash on hand	5,568	4,848
Cash in bank	115,265	806,245
Short-term deposits	648	7,160
Total cash and cash equivalents	121,481	818,253

7. RECEIVABLES

Trade Receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost, using the effective interest rate method, less impairment where applicable.

RACE recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

RACE has applied the simplified approach to trade receivables and recognises lifetime ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Definition of default

RACE considers that default has occurred when a financial asset (in particular trade or lease receivables) is more than 90 days past due unless RACE has reasonable and supportable information to demonstrate that another default criteria (such as the debtor being in financial distress) is more appropriate. This is based on RACEs historically high recovery rates from trade receivables and low write offs.

Write off policy

RACE writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be recovered. Any recoveries made are recognised in surplus or deficit.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of

default and loss given default is based on historical data adjusted by forward looking information as described above.

The exposure at default is represented by the gross carrying amount of the receivable at reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to RACE in accordance with the contract and all the cash flows that RACE expects to receive, discounted at the original effective interest rate. RACE recognises an impairment gain or loss in surplus or deficit for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Receivables from non-exchange transactions include GST, committed grants and subsidies from external parties or assets donated but not yet physically transferred as of balance date and for which RACE Inc has legal and contractual right over said assets. The following table summarises RACE Inc's receivables from exchange and non-exchange transactions.

	2023	2022
	\$	\$
Receivables from exchange transactions		
Trade receivables	1,142,855	2,829,208
Other receivables	31,994	253,186
Provision for estimated credit loss	(13,000)	(15,000)
	<u>1,161,849</u>	<u>3,067,394</u>
Receivables from non-exchange transactions		
GST receivable	891	80,763
	<u>1,162,740</u>	<u>3,148,157</u>

8. INVENTORIES

Inventory is measured at cost upon initial recognition. For inventory acquired through non-exchange transactions (i.e., for no cost or for a nominal cost to RACE Inc), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventories held for resale are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. RACE Inc uses FIFO formula in valuing inventories.

	2023	2022
	\$	\$
Catering Inventory	128,159	128,317
Other- Fuel	500	500
Total inventories at net realisable value	<u>128,659</u>	<u>128,817</u>

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2023	2022
	\$	\$
Opening Investment Central Cluster Partnership	35,089	35,089
Amount of share in associate's results	-	-
Amount of share in associate	<u>35,089</u>	<u>35,089</u>
Opening Investment Kikiwhenua Limited	2,941,709	3,003,276
Additional Investment	132,250	35,000
Amount of share in associate's results	(88,403)	(96,566)
Amount of share in associate	<u>2,985,557</u>	<u>2,941,710</u>
Total Investment in associate and joint venture	<u>3,020,646</u>	<u>2,976,799</u>

RACE Inc holds ownership interest in the form of a shareholding with Central Cluster Partnership which RACE Inc exercises joint control over the financial and operating policy decisions of the investees.

In June 2019 RACE Inc entered into a partnership with Kamind Estate Limited and established a 50/50 partnership named Kikiwhenua Limited Partnership.

The Kikiwhenua General Partner (GP) has 4 directors, two appointed by each shareholder (i.e. RACE and Kamind). All the directors have equal voting rights, and it has been assessed RACE Inc has joint control over the Limited Partnership and the investment is accounted for using the equity method. The purpose is to acquire land from each of the individual parties to the partnership and carry out a comprehensive development of the lands.

The capital contribution of 50 shares for \$25,000 (unpaid), and purchase price of the land of \$3,065,000 has been recognised as an opening investment in 2020. Additional investments have been made each year for working capital purposes. Subsequent losses on the development are recognised each year.

Investments in the joint venture are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in RACE Inc's share in the joint venture's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in RACE Inc's statement of comprehensive revenue and expense. RACE Inc assesses at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

No distributions have been received from the investees during 2023 (2022: nil) and RACE Inc assessed that the investments are not impaired as of balance date. As of 31 July 2023, RACE Inc has no commitments relating to its investment in Central Cluster Partnership (2022: nil).

10. OTHER ASSETS

	2023	2022
	\$	\$
Prepayments	77,982	69,545
Hutt International Boys School	-	4,600,000
Total other current assets	<u>77,982</u>	<u>4,669,545</u>

In 2019 the sale of 13.47 hectares of land at Trentham Racecourse to Hutt International Boys School Incorporated, for \$5,000,000 became unconditional. The balance payable after a deposit of \$4,600,000 was received by RACE on 31 July 2023. RACE Inc has a 21-year lease with Hutt International Boys School for the land at \$10 per year.



11. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to RACE Inc and if the cost or fair value can be measured reliably. Subsequent costs that meet the recognition criteria are recognised in the carrying value of the item of property, plant and equipment.

Property, plant and equipment are recognised using the cost model where the item is carried at cost net of accumulated depreciation and any impairment losses. Plant, equipment, furnishings, buildings and racecourse facilities are measured using the cost model.

An item of property, plant and equipment is derecognised upon disposal or when RACE Inc assesses that it has no further economic benefits or service potential expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in surplus or deficit except to the extent of any revaluation reserve previously recognised for the particular asset which is transferred to accumulated comprehensive revenue and expense.

Depreciation is charged on a straight-line and diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

	Opening balances			Current year movements			Closing balances			Estimated useful life used for depreciation
	Cost	Acc depreciation / impairment	Carrying amount	Additions	Disposals / Transfers / Impairment	Depreciation	Cost	Acc depreciation / impairment	31 July 2023 Total	
Plant, Equipment, Furnishings	2,547,909	(1,525,762)	1,022,147	392,526	(21,798)	(172,511)	2,918,831	(1,658,973)	1,259,858	5-10 years
Buildings & Racecourse Facilities	38,738,048	(9,083,548)	29,654,500	2,013,194	-	(616,375)	40,751,242	(9,699,923)	31,051,320	10-100 years
Land	3,814,069	-	3,814,069	-	-	-	3,814,069	-	3,814,069	not depreciated
Capital Work in Progress	86,916	-	86,916	-	(44,271)	-	22,645	-	22,645	not depreciated
	45,166,942	(10,609,310)	34,557,632	2,405,720	(66,069)	(788,885)	47,506,593	(11,358,895)	36,147,697	

	Opening balances			Current year movements			Closing balances			Estimated useful life used for
	Cost	Acc depreciation / impairment	Carrying amount	Additions	Disposals / Transfers / Impairment	Depreciation	Cost	Acc depreciation / impairment	31 July 2022 Total	
Plant, Equipment, Furnishings	2,046,872	(1,401,345)	645,527	503,086	(2,049)	(134,153)	2,547,909	(1,533,489)	1,014,420	5-10 years
Buildings & Racecourse Facilities	26,985,854	(8,667,959)	18,327,895	11,752,194	-	(425,589)	38,738,048	(9,083,548)	29,654,500	10-100 years
Land	2,422,785	-	2,422,785	1,391,304	-	-	3,814,069	-	3,814,069	not depreciated
Capital Work in Progress	42,150	-	42,150	24,786	-	-	66,916	-	66,916	not depreciated
	31,497,641	(10,059,304)	21,438,337	13,671,350	(2,049)	(559,782)	45,166,942	(10,617,037)	34,549,904	

12. TRADE AND OTHER PAYABLES

12.1 Payables under exchange transactions

	2023	2022
	\$	\$
Accounts payable and accruals	927,593	2,918,132
Deferred revenue (trade)	427,860	477,602
Interest payable	-	7,650
GST Payable	-	-
Total payables under exchange transactions	<u>1,355,453</u>	<u>3,403,384</u>

12.2 Employee entitlements

Liabilities for wages and salaries and annual leave are recognised in surplus or deficit during the period in which the employee rendered the related services and are generally expected to be settled within 12 months of the reporting date.

The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled.

	2023	2022
	\$	\$
Accrued remuneration and entitlements	55,782	41,712
Annual Leave	122,485	113,900
Total employee entitlements	<u>178,267</u>	<u>155,612</u>

13. OTHER FINANCIAL LIABILITIES

	2023	2022
Note	\$	\$
Bank borrowings	1,914,716	6,360,000
New Zealand Thoroughbred Racing	527,717	530,340
IRD Covid-19 Loan	57,557	86,829
Kiwiwhenua Limited Partnership Loan	2,164,435	2,164,435
Finance lease liability	14.2 98,862	41,374
Total other financial liabilities	<u>4,763,287</u>	<u>9,182,978</u>
Current financial liabilities	87,343	4,442,812
Non-current financial liabilities	4,675,944	4,740,166
Total other financial liabilities	<u>4,763,287</u>	<u>9,182,978</u>

All of RACE Inc's borrowings are classified as financial liabilities carried at amortised cost.

Bank borrowings

RACE Inc has borrowings from its banks of \$2,000,000 matures at 20th July 2027. These borrowings are floating rate notes and carry interest at BKBM plus a margin. Finance costs are paid or payable on these borrowings on a monthly and quarterly bases and are included in the surplus or deficit. Bank borrowings of \$4,360,000 were repaid on the 31 July 2023.

The Bank of New Zealand holds first registered mortgages over Awapuni and Trentham Racecourses and property at 201 Shirriffs Rd Palmerston North and a perfected security interest in all acquired property of RACE Inc

The guarantees associated with the above borrowings are detailed under note 14.5.



New Zealand Thoroughbred Racing

The balance at 31 July 2023 is \$527,717 (2022: \$530,340) and the termination date is 1 May 2027. The interest rate at balance date is BBR +1%.

The NZTR holds a composite security and mortgages granted by RACE Inc in favour of NZTR.

IRD Covid-19 Loan

RACE Inc has 2 small business IRD Covid loans with a maturity date of 27 May 2025 and 30 May 2025. The interest rate is set at 3% and has monthly interest and principal repayments.

Kikiwhenua Limited Partnership (KLP) Loan

RACE Inc has a loan with KLP for the sale and purchase of 10 sections with a maturity of 31 August 2023 when title is expected to be completed. RACE Inc acted as an agent for KLP for the sale of the sections.

Finance lease and purchase hires

Finance lease and purchase hires include long-term finance lease arrangements relating to RACE Inc's acquisition of the motor vehicle and machinery. The motor vehicle and machinery is reported as part of RACE Inc's property, plant and equipment. Further details of this liability are discussed in note 14.2.

14. COMMITMENTS AND CONTINGENCIES

14.1 NON-CANCELLABLE OPERATING LEASE COMMITMENTS – RACE Inc AS LESSEE

RACE Inc has entered into various non-cancellable operating lease contracts for photocopiers with a term of 4 years and stable barns with a term of 3 years. RACE has the option to purchase the stable barns at the end of lease term in 2025. Operating lease payments are recognised as an operating expense in surplus or deficit on a straight-line basis over the lease term. The following table shows the minimum rental payables relating to the lease contracts as at reporting date:

	2023	2022
	\$	\$
Within one year	159,792	24,000
After one year but not more than five years	280,925	96,000
Total lease commitments as lessee	440,717	120,000

14.2 MINIMUM LEASE PAYMENTS OF FINANCE LEASE LIABILITIES

RACE Inc has finance lease liability with respect to its vehicles and machinery included in property, plant and equipment. The leases have a term of 1-3 years.

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to RACE Inc. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or at the present value of the future minimum lease payments, whichever is lower. RACE Inc also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that RACE Inc will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. The lessor holds security over these assets.

The following table presents the minimum finance lease liability which relates to the acquisition of machinery and vehicles.



	2023	2022
	\$	\$
Within one year	33,277	28,746
After 1 year but not more than 3 years	<u>65,585</u>	<u>12,628</u>
Minimum finance lease liability	<u>98,862</u>	<u>41,374</u>

RACE Inc will avail of the concession on the requirement to disclose the present value of minimum lease payments with respect to its finance lease liabilities per IPSAS.13.40(c).

Total carrying amount of asset under finance lease is \$125,408 (2022: \$58,916).

14.3 CONTINGENT LIABILITIES

As implied in the partnership agreement with the member Clubs, upon joining RACE Inc it has assumed all the risks and responsibilities of ownership of the land and buildings for the relevant Clubs. These land and buildings have therefore been included in the financial statements.

RACE Inc has entered into a sale and purchase agreement for land on Te Wanaka Rd for \$2.6M. The agreement is subject to valuations and approval of finance from the BNZ.

14.4 SYNTHETIC TRACK

Race Inc has entered into a funding agreement with the Ministry of Business, Innovation and Employment for \$10,500,000 to construct a synthetic track at Awapuni Racecourse at an estimated cost of \$13,500,000. At balance date \$11,593,660 has been spent and capitalised as a fixed asset.

14.5 GUARANTEES

Where RACE Inc enters into financial guarantee contracts to guarantee the indebtedness of third party entities, it considers these to be insurance arrangements under PBE IFRS 4, *Insurance Contracts* and accounts for them as such. A liability is recognised when it becomes probable that RACE Inc will be required to make a payment under the guarantee. If it becomes probable, RACE Inc will recognise an expense and corresponding liability based on estimates of future cash flows under the contract. RACE Inc assesses at the end of each reporting period whether its recognised liability is adequate in comparison to the estimates of future cash flows under the contract. If that assessment shows that the carrying amount of the liability is inadequate, the entire deficiency shall be recognised in surplus or deficit.

The following guarantees are provided to RACE Inc for the loans of:

- \$12,000,000 – by Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club.

RACE Inc has a letter of credit guarantee with BNZ for \$84,500 to guarantee payment of payroll to its agent.

As at 31 July 2023, no liability is expected to arise from these guarantees (2022: nil).

15. RELATED PARTIES

16.1 TRANSACTIONS WITH RELATED PARTIES

RACE Inc has various trade transactions with related party entities in the form of expenses and capital transactions.

Board chairman, Paul Humphries is the owner of Humphries Developments Limited and PAK Holdings Ltd. RACE Inc has entered into an operating lease for stable barns (refer to Note 14.1). RACE also completed capital works on the stabling area and synthetic track additional work with Humphries Construction during the year.

Sienna Holdings Ltd is owned by an executive member who also receives a profit share for providing management services.

Various board members and their associated entities may have provided sponsorship monies for race meetings during the year. These transactions are done on an arms-length basis.



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

	Relationship with counterparty	Nature of transaction	Amount of transaction/balance	
			2023 \$	2022 \$
<i>Payments to related parties</i>				
Humphries Construction	Owner is Board Chairman	Capital transaction and contractor fee	334,259	42,100
Sienna Holdings Ltd	Owner is member of	Management Fee	95,780	(40,685)
Kikiwhenua Limited Partnership	RACE Inc is a 50% partner	Loan for the sale of 10 sections	2,164,435	2,164,435

At 31 July 2023 Sienna holdings had \$55,094 owing in accrued expenses; 2022: (\$0).

16.2 TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL

Key management personnel of RACE Inc include members of the Board, the Chief Executive and executive management team who exercise control or significant influence over the financial and operating decision-making of RACE Inc. For purposes of financial reporting disclosures, RACE Inc also considers transactions with close members of the key management personnel's family as related party transactions, which there was \$6,357 the current year (2022: \$7,317).

Remuneration

The amounts disclosed in the following table are recognised as an expense during the reporting period related to key management personnel. RACE Inc has 7 key management personnel, determined on full-time equivalent basis, who received compensation from RACE Inc during the year (2022: 7).

	2023 \$	2022 \$
Executive Team	850,255	775,508
Total paid to key management personnel	850,255	775,508

16.3 TRANSACTIONS WITH CONTROLLING CLUBS

At 31 July 2023 RACE Inc has five member clubs (2022: five member clubs) who each have two representatives on the RACE Inc Board. The (surplus)/deficit of RACE Inc is accounted for by applying equity accounting.

The following table summarises the surplus/ (deficit) distribution to each club.



Controlling Club	Manawatu RC	Marton JC	Rangitikei RC	Feilding JC	Wellington RC	Total
31/07/2023						
Nature of Transaction						
Opening Balance	13,873,979	1,110,831	513,381	2,926,506	15,137,304	33,562,001
Prior period adjustment	(5,168)	(414)	(191)	(1,090)	(5,638)	(12,500)
Restated opening balance at 1 July 2022	13,868,812	1,110,417	513,190	2,925,416	15,131,667	33,549,501
Share in net surplus/(deficit) at 31 July 2023	335,969	26,900	12,434	70,867	366,527	812,697
Total Controlling Clubs share of equity 2023	14,204,781	1,137,318	525,624	2,996,283	15,498,193	34,362,198

31/07/2022						
Nature of Transaction						
Opening Balance	10,058,814	805,359	372,181	2,121,759	10,975,137	24,333,249
Share in net surplus/(deficit) at 31 July 2022	3,815,166	305,472	141,200	804,747	4,162,167	9,228,752
Total Controlling Clubs share of equity 2022	13,873,979	1,110,831	513,381	2,926,506	15,137,304	33,562,001

Note: The financial statements do not confer upon any member clubs any entitlement in respect of the assets of RACE Inc beyond those permitted by the Incorporated Societies Act 1908 and then as only provided for in the rules of RACE Inc.

16. EARTHQUAKE PRONE BUILDINGS

Wellington Racing Club has received notification from Upper Hutt City Council regarding the assessment of earthquake prone buildings. RACE has significant building infrastructure at Trentham with a book value of \$7.0m. The Upper Hutt City Council desktop assessments indicate that most buildings are below the minimum safety threshold and for financial reporting purposes this could result in a significant impairment to the valuation of these buildings.

Once a full engineer's report is completed and if required, an exercise to assess the value of any impairment for these buildings will be carried out and therefore any such associated financial impact cannot be quantified in these financial statements.

17. SUBSEQUENT EVENTS

There have been no events.



18. **CHANGES TO PRIOR YEARS**

- (a) The changes to prior year expenses relate to the adoption and implementation of PBE IPSAS 41 'Financial instruments'
- (b) PBE IPSAS 41 introduces a new Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased to \$15,000 from \$2,500 which has resulted in increase in expenses of \$12,500 for 2022.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	24,671,689	15,346,372	(96,566)	9,228,751	11,930,355	33,562,001
Effect of prior period changes						
Bad debts expense & estimated credit loss		12500		-12500	-12500	-12500
Restated balance at 31 July	24,671,689	15,358,872	(96,566)	9,216,251	11,917,855	33,549,501



Wellington Racing Club

*Financial Statements for the year ended 31
July 2023*

INDEPENDENT AUDITOR'S REPORT

To the Members of the Wellington Racing Club

Qualified Opinion

We have audited the financial statements of Wellington Racing Club Incorporated on pages 2 to 8, which comprise of the statement financial position as at 31 July 2023, and the statement of service performance, statement of comprehensive revenue and expense, statement of changes in equity and its statement of cash flows, and notes including a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance on page 4 are suitable; and
- (b) the financial statements on pages 2 to 8 presents fairly, in all material respects:
 - the financial position of Wellington Racing Club, as at 31 July 2023 and of its financial performance and cash flows; and
 - the service performance for the year then ended,in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

Other than in our capacity as auditor of Racing at Awapuni and Trentham Combined Enterprises Incorporated (RACE), we have no relationship with, or interests in, Wellington Racing Club Incorporated.

Other Matter

This was the first year that the statement of service performance was required to be included in the financial statements, including comparative information. Comparative figures for the year ended 31 July 2022 included in the statement of service performance have not been audited.

Restriction on Responsibility

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

The Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation and fair presentation of the financial statements including 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, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Committee 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 on behalf of the entity is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or has 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.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's

report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

CKS Audit

CKS Audit

13 November 2023

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Statement of comprehensive revenue and expenses
For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	<u>69,182</u>	<u>71,975</u>
Total revenue		<u>69,182</u>	<u>71,975</u>
Expenses			
Operating expenses	3	<u>69,182</u>	<u>71,975</u>
Total expenses		<u>69,182</u>	<u>71,975</u>
Net operating surplus / (deficit)		<u>-</u>	<u>-</u>
Other gains / losses			
Share of surplus of associate	6	<u>366,526</u>	<u>4,156,529</u>
Total other gains / (losses)		<u>366,526</u>	<u>4,156,529</u>
Net surplus / (deficit) attributable to:			
Wellington Racing Club		<u>366,526</u>	<u>4,156,529</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Changes in Equity
For the year ended 31 July 2023

	Accumulated comprehensive revenue & expense	Total equity attributable to WRC Club
	\$	\$
Balance as at 1 August 2022	<u>15,131,667</u>	<u>15,131,667</u>
Net surplus for the year	<u>366,526</u>	<u>366,526</u>
Balance as at 31 July 2023	<u>15,498,193</u>	<u>15,498,193</u>
Balance as at 1 August 2021	<u>10,975,138</u>	<u>10,975,138</u>
Net surplus for the year	<u>4,156,529</u>	<u>4,156,529</u>
Balance at 31 July 2022	<u>15,131,667</u>	<u>15,131,667</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.



Statement of Financial Position
As at 31 July 2023

	Note	2023 \$	2022 \$
Non-current assets			
Investment in associate	6	15,498,193	15,131,667
Net assets		<u>15,498,192</u>	<u>15,131,667</u>
Net assets attributable to:			
Wellington Racing Club			
Total equity		<u>15,498,193</u>	<u>15,131,667</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of cash flows
As at 31 July 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Cash was received from:		
Grants from gaming societies	-	9,391
Fees, subscriptions and other receipts from members*	-	-
Cash was applied to:		
Administration fees to RACE Inc*	-	-
Operational cost recharge to RACE Inc.	-	(9,391)
Net cash flows from operating activities	<u>-</u>	<u>-</u>
This is represented by:		
Cash on hand and in bank	-	-
Cash and cash equivalents at end of the period	<u>-</u>	<u>-</u>

* Fees and subscription and other receipts from members of \$69,182 (2022: \$62,584) were received straight to the account of RACE Inc which is then used to settle Club's administration fees to RACE Inc for the same amount. Hence, the cash flows associated with these transactions are shown as nil in the Club's statement of cash flows.

The above statement of cash flows should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of service performance
As at 31 July 2023**

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 10
Achieved: 10

2022: Licence meetings: 10
Achieved: 10

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$60,000 Achieved: \$67,128 436 members

2022: Budget: \$60,060 Achieved: \$58,329 378 members



Notes to the financial statements
For the year ended 31 July 2023

1. BASIS OF PREPARATION

Reporting entity

Wellington Racing Club (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 recognised as an industry organisation in accordance with the Racing Industry Act 2020. The financial statements presented for the year ended 31 July 2023 were authorised by the President on 9th November 2023.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policies

There have been no changes in accounting policies.

New and amended standards and interpretations.

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 10).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.

Significant accounting judgements, estimates and assumptions.

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities, and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.



2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs.

The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	69,182	62,584
Grants from Gaming societies	-	9,391
Total other operating revenue	<u>69,182</u>	<u>71,975</u>

The Club classifies its grant from Gaming societies as revenue from non-exchange transactions while the membership subscriptions and other fees received from members of the Club are classified as exchange revenue. There are no outstanding funds or resources acquired through non-exchange transaction during the year whose attached conditions, if any, have not been satisfied (2022: nil).

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statements.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of RACE Inc's assets and resources. The Club is then charged by RACE Inc by way of cost recovery. These are recognised as incurred and are presented in the table below.

	2023	2022
	\$	\$
Administration fees	69,182	62,584
Operational recharge - RACE Inc	-	9,391
Total operating expenses	<u>69,182</u>	<u>71,975</u>

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

Operational recharge relates to the Club's share in the operational cost spent by RACE Inc when holding the Club's race day meetings; these are recovered based on any amount of grants received which are normally intended to defray the costs incurred in holding race meeting events.

Non-operational recharge relates to the Club's share in the non-operational cost spent by RACE Inc for capital items; these are recovered based on any amount of grants received by the Club which are normally intended for capital items.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,320 (2022: \$1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Club has no cash and cash equivalents as at 31 July 2023 (2022: nil).



5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectable. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consisted of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc demonstrated primarily by its ability to participate in but not control or have joint control over the financial and operating policy decisions of the investees.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023	2022
	\$	\$
Opening balance of investment	15,131,667	10,975,138
Amount of share in associate's results	<u>366,526</u>	<u>4,156,529</u>
Closing balance of investment	<u>15,498,194</u>	<u>15,131,667</u>

Interest in associates are classified as available-for-sale instrument for financial reporting purposes.

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingent liabilities as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has proportionate interest in RACE Inc, the Club will recognise its share in any commitments of RACE Inc when they arise.

The Club's associate (RACE Inc) has a contingent liability for the sale and purchase of land on Te Wanaka Rd for \$2.6M. The agreement is subject to valuations and approval of finance from the BNZ, (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club. The bank holds registered mortgages over the Clubs properties' as part of the lending facilities to RACE Inc.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances. The following table summarises the amount of related party transactions during the year.



	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2023 \$	2022 \$
<i>Payments to related parties</i>				
RACE Inc	WRC is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which WRC exercises significant influence over RACE Inc.	Administration fees, operational and non-operational cost re-charge	69,182	71,975
Des Coppins Racing & Marketing Ltd	Owner is a committee member	Operational expenses paid by RACE Inc	40,013	34,167

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

With the exception of the regular fees and charges, and race-related transactions under normal terms, there have been no other transactions between the Club and its key management personnel and close members of their family during the year (2022: nil).

9. SUBSEQUENT EVENTS

There have been no events occurred since balance date.

10. CHANGES TO PRIOR YEAR

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
Closing balance 31 July 2022	71,975	71,975	4,162,167	4,162,167	4,162,167	15,137,305
Effect of prior period changes						
Share of Profit from RACE Inc			-5638	-5638	-5638	-5638
Restated balance at 31 July 2022	71,975	71,975	4,156,529	4,156,529	4,156,529	15,131,667

Manawatu Racing Club

*Financial Statements for the year
ended 31 July 2023*

INDEPENDENT AUDITOR'S REPORT

To the Members of the Manawatu Racing Club

Qualified Opinion

We have audited the financial statements of Manawatu Racing Club Incorporated on pages 2 to 8, which comprise of the statement financial position as at 31 July 2023, and the statement of service performance, statement of comprehensive revenue and expense, statement of changes in equity and its statement of cash flows, and notes including a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance on page 4 are suitable; and
- (b) the financial statements on pages 2 to 8 presents fairly, in all material respects:
 - the financial position of Manawatu Racing Club, as at 31 July 2023 and of its financial performance and cash flows; and
 - the service performance for the year then ended,in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for Opinion

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

Other than in our capacity as auditor of Racing at Awapuni and Trentham Combined Enterprises Incorporated (RACE), we have no relationship with, or interests in, Manawatu Racing Club Incorporated.

Other Matter

This was the first year that the statement of service performance was required to be included in the financial statements, including comparative information. Comparative figures for the year ended 31 July 2022 included in the statement of service performance have not been audited.

Restriction on Responsibility

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinion we have formed.

The Committee's Responsibility for the Financial Statements

The Committee is responsible for the preparation and fair presentation of the financial statements including 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, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Committee 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 on behalf of the entity is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or has 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.

As part of an audit in accordance with ISAs (NZ), the auditor exercises professional judgement and maintains professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the service performance information, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the entity to select what and how to report its service performance.
- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's

report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

CKS Audit

CKS Audit

13 November 2023

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The President is pleased to present the approved Financial Statements for the year ended 31 July 2023.



Craig Sheridan – President

Dated:

7/11/23

Statement of comprehensive revenue and expenses
For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	15,227	24,091
Total revenue		<u>15,227</u>	<u>24,091</u>
Expenses			
Operating expenses	3	15,227	24,091
Total expenses		<u>15,227</u>	<u>24,091</u>
Other gains / losses			
Share of surplus/(deficit) of associate	6	335,969	3,809,998
Net surplus for the year		<u>335,969</u>	<u>3,809,998</u>
Net surplus attributable to:			
Manawatu Racing Club		335,969	3,809,998
Net surplus for the year		<u>335,969</u>	<u>3,809,998</u>
Total comprehensive revenue and expense for the year		<u>335,969</u>	<u>3,809,998</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Changes in Equity
For the year ended 31 July 2023

	Accumulated comprehensive revenue & expense \$	Total equity attributable to MRC Club \$
<u>2023</u>		
Balance as at 1 August 2022	13,868,813	13,868,813
Net surplus/(loss) for the year	335,969	335,969
Balance as at 31 July 2023	<u>14,204,782</u>	<u>14,204,782</u>
<u>2022</u>		
Balance as at 1 August 2021	10,058,815	10,058,815
Net surplus for the year	3,809,998	3,809,998
Balance as at 31 July 2022	<u>13,868,813</u>	<u>13,868,813</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditors report.



Statement of Financial Position
As at 31 July 2023

	Note	2023 \$	2022 \$
Non-current assets			
Investment in associate	6	14,204,782	13,868,813
Total assets		<u>14,204,782</u>	<u>13,868,813</u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets attributable to:			
Manawatu Racing Club		14,204,782	13,868,813
Total equity		<u>14,204,782</u>	<u>13,868,813</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of cash flows
As at 31 July 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Cash was received from:		
Grants from gaming societies	-	9,025
Cash was applied to:		
Administration fees to RACE Inc*	-	(9,025)
Operational cost recharge to RACE Inc	-	(9,025)
Net cash flows from operating activities	<u>-</u>	<u>-</u>
This is represented by:		
Cash on hand and in bank	-	-
Cash and cash equivalents at end of the period	<u>-</u>	<u>-</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

* Fees and subscription and other receipts from members of \$15,227 (2022: \$15,066) were received straight to the account of RACE Inc which is then used to settle Club's administration fees to RACE Inc for the same amount. Hence, the cash flows associated with these transactions are shown as nil in the Club's statement of cash flows.



**Statement of service performance
As at 31 July 2023**

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 14
Achieved: 11- Reduced meetings due to weather and track conditions.

2022: Licence meetings: 10
Achieved: 9 – Cancelled meeting due to weather.

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$15,100 Achieved: \$15,227 145 members

2022: Budget: \$15,000 Achieved: \$15,065 143 members



1. BASIS OF PREPARATION

Reporting entity

Manawatu Racing Club (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 Industry Act 2020, which replaced the Racing Act 2003 on 1 August 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policies

There have been no changes in accounting policies.

New and amended standards and interpretations

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial Instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 10).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.

Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.



2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs. The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	15,227	15,066
Grants from Gaming societies	-	9,025
Total other operating revenue	15,227	24,091

The Club classifies its grant from Gaming societies as revenue from non-exchange transactions while the membership subscriptions and other fees received from members of the Club are classified as exchange revenue. There are no outstanding funds or resources acquired through non-exchange transaction during the year whose attached conditions, if any, have not been satisfied (2022: nil).

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statements.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognised when incurred regardless of when the payment is made unless they qualify for recognition as an asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of RACE Inc's assets and resources. The Club is then charged by RACE Inc by way of cost recovery.

	2023	2022
	\$	\$
Administration fees	15,227	15,066
Operational recharge - RACE Inc	-	9,025
Total operating expenses	15,227	24,091

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

Operational recharge relates to the Club's share in the operational cost spent by RACE Inc when holding the Club's race day meetings; these are recovered based on any amount of grants received by the Club which are normally intended to defray the costs incurred in holding race meeting events.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,320 (2022: \$1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Club has no cash and cash equivalents as at 31 July 2023 (2022: nil).

5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectible. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consists of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc demonstrated primarily by its ability to participate in but not control or have joint control over the financial and operating policy decisions of the investees.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023	2022
	\$	\$
Opening balance of investment	13,868,813	10,058,815
Amount of share in associate's results	335,969	3,809,998
Closing balance of investment	14,204,782	13,868,813

Interest in associates are classified as available-for-sale instrument for financial reporting purposes.

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingencies as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has a proportionate interest in RACE Inc, the Club will recognise its share in any contingent liability of RACE Inc when they arise.

The Club's associate (RACE Inc) has a contingent liability for the sale and purchase of land on Te Wanaka Rd for \$2.6M. The agreement is subject to valuations and approval of finance from the BNZ, (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club.

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club. The bank holds registered mortgages over the Clubs properties' as part of the lending facilities to RACE Inc.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances. The following table summarises the amount of related party transactions during the year.

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2023	2022
<u>Payments to related parties</u>			\$	\$
RACE Inc	MRC is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which MRC exercises significant influence over RACE Inc.	Administration fees and operational cost re-charge	15,227	24,091

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

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

9. SUBSEQUENT EVENTS

No events have occurred after balance date.

10. CHANGES TO COMPARATIVE YEARS FINANCIAL STATEMENTS

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	24,091	24,091	3,815,166	3,815,166	3,815,166	13,873,981
Effect of prior period changes						
Share of Profit from RACE Inc			-5,168	-5,168	-5,168	-5,168
Restated balance at 31 July 2022	24,091	24,091	3,809,998	3,809,998	3,809,998	13,868,813



Marton Jockey Club

*Financial Statements for the year
ended 31 July 2023*

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Statement of comprehensive revenue and expense
For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	2,991	3,722
Total revenue		<u>2,991</u>	<u>3,722</u>
Expenses			
Operating expenses	3	2,991	3,722
Total expenses		<u>2,991</u>	<u>3,722</u>
Net operating surplus		<u>-</u>	<u>-</u>
Other gains / losses			
Share of surplus of associate	6	26,900	305,058
Net surplus for the year		<u>26,900</u>	<u>305,058</u>
Net surplus attributable to:			
Marton Jockey Club		26,900	305,058
Total comprehensive revenue and expense for the		<u>26,900</u>	<u>305,058</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Changes in Equity
For the year ended 31 July 2023

	Accumulated comprehensive revenue & \$	Total equity attributable to MJC Club \$
<u>2023</u>		
Opening Balance at 1 August 2022	1,110,416	1,110,416
Net surplus for the year	26,900	26,900
Balance as at 31 July 2022	<u>1,137,316</u>	<u>1,137,316</u>
<u>2022</u>		
Opening Balance 1 August 2021	805,358	805,358
Net surplus for the year	305,058	305,058
Balance as at 31 July 2022	<u>1,110,416</u>	<u>1,110,416</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Financial Position
As at 31 July 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	4	100	163
Total current assets		<u>100</u>	<u>163</u>
Non-current assets			
Investment in associate	6	1,137,316	1,110,416
Total non-current assets		<u>1,137,316</u>	<u>1,110,416</u>
Total assets		<u>1,137,416</u>	<u>1,110,579</u>
Current liabilities			
Payables under exchange transactions		100	163
Total liabilities		<u>100</u>	<u>163</u>
Net assets		<u>1,137,316</u>	<u>1,110,416</u>
Net assets attributable to:			
Marton Jockey Club		1,137,316	1,110,416
Total equity		<u>1,137,316</u>	<u>1,110,416</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of cash flows
As at 31 July 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Cash was applied to:		
Bank fees	(63)	(65)
Net cash flows from operating activities	<u>(63)</u>	<u>(65)</u>
Opening balance	163	228
Cash and cash equivalents at end of the period	<u>100</u>	<u>163</u>
This is represented by:		
Cash on hand and in bank	100	163
Cash and cash equivalents at end of the period	<u>100</u>	<u>163</u>

The above statement of cash flows should be read in conjunction with the accompanying notes and independent auditor's report.

* Fees and subscription and other receipts from members of \$2,991 (2022: \$3,722) were received straight to the account of RACE Inc which is then used to settle Club's administration fees to RACE Inc for the same amount. Hence, the cash flows associated with these transactions are shown as nil in the Club's statement of cash flow.

**Statement of service performance
As at 31 July 2023**

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 4
Achieved: 4

2022: Licence meetings: 4
Achieved: 4

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$3,500 Achieved: \$2,991 42 members

2022: Budget: \$3,500 Achieved: \$3,722 52 members

Notes to the financial statements For the year ended 31 July 2023

1. BASIS OF PREPARATION

Reporting entity

Marton Jockey Club (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 Industry Act 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policies

There have been no changes in accounting policies.

New and amended standards and interpretations

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 9).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.
-

Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs.

The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	<u>2,991</u>	<u>3,722</u>
Total other operating revenue	<u>2,991</u>	<u>3,722</u>

The Club classifies its grant from Gaming societies as revenue from non-exchange transactions while the membership subscriptions and other fees received from members of the Club are classified as exchange revenue. There are no outstanding funds or resources acquired through non-exchange transaction during the year whose attached conditions, if any, have not been satisfied (2022: nil).

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statement.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of their assets and resources. The Club is then charged by RACE Inc by way of cost recovery. These are recognised as incurred and are presented in the table below.

	2023	2022
	\$	\$
Administration fees	<u>2,991</u>	<u>3,722</u>
Total operating expenses	<u>2,991</u>	<u>3,722</u>

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

Operational recharge relates to the Club's share in the operational cost spent by RACE Inc when holding the Club's race day meetings; these are recovered based on any amount of grants received by the Club which are normally intended to defray the costs incurred in holding race meeting events.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,100 (2022: 1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

	2023	2022
	\$	\$
Cash in bank	100	163
Total cash and cash equivalents	100	163

5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectable. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

The Club also provides an estimate of potential uncollectable receivables based on past experience and maintains a provision for impairment against receivables. Any bad debts are recognised in surplus or deficit and the amount of receivables adjusted to their net realisable value. If such bad debts are subsequently recovered, they are recognised as gains in surplus or deficit on the date they are collected by the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consists of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc demonstrated primarily by its ability to participate in but not control or have joint control over the financial and operating policy decisions of the investees.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023	2022
	\$	\$
Opening balance of investment	1,110,416	805,358
Amount of share in associate's results	26,900	305,058
Closing balance of investment	1,137,316	1,110,416

Interest in associates are classified as available-for-sale instrument for financial reporting purposes.

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingent liabilities as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has a proportionate interest in RACE Inc, the Club will recognise its share in any commitments of RACE Inc when they arise.

The Club's associate (RACE Inc) has no contingent liabilities as of 31 July 2023 (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances. The following table summarises the amount of related party transactions during the year.

Relationship with counterparty	Nature of transaction	Amount of transaction / balance		
		2022 \$	2021 \$	
<i>Payments to related parties</i>				
RACE Inc	MJC is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which MJC exercises significant influence over RACE Inc.	Administration fees and operational cost re-charge	3,722	7,589

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members may have interests in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

With the exception of the regular fees and charges, and race-related transactions under normal terms, there have been no other transactions between the Club and its key management personnel and close members of their family during the year (2022: nil).

9. SUBSEQUENT EVENTS

There have been no events occurred since balance date.

10. CHANGES TO COMPARATIVE YEARS FINANCIAL STATEMENTS

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	3,722	3,722	305,472	305,472	305,472	1,110,829
Effect of prior period changes						
Share of Profit from RACE Inc			-414	-414	-414	-414
Restated balance at 31 July 2022	3,722	3,722	305,058	305,058	305,058	1,110,415

Rangitikei Racing Club

*Financial Statements for the year
ended 31 July 2022*

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Statement of comprehensive revenue and expense
For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	1,852	2,261
Expenses			
Operating expenses	3	1,852	2,261
Net operating surplus / (deficit)		<u>-</u>	<u>-</u>
Other gains / losses			
Share of surplus of associate	6	12,434	141,009
Total other gains / (losses)		<u>12,434</u>	<u>141,009</u>
Net surplus for the year		<u>12,434</u>	<u>141,009</u>
Total comprehensive revenue and expense for the year		<u>12,434</u>	<u>141,009</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Changes in Equity
For the year ended 31 July 2023

	Accumulated comprehensive revenue & expense	Total equity attributable to RRC Club
	\$	\$
2023		
Opening Balance at 1 August 2022	513,190	513,190
Net surplus for the year	12,434	12,434
Balance as at 31 July 2023	<u>525,624</u>	<u>525,624</u>
2022		
Balance as at 1 August 2021	372,181	372,181
Net surplus for the year	141,009	141,009
Balance as at 31 July 2022	<u>513,190</u>	<u>513,190</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of Financial Position
As at 31 July 2023**

	Note	2023 \$	2022 \$
Non-current assets			
Investment in associate	6	525,624	513,190
Total non-current assets		<u>525,624</u>	<u>513,190</u>
Total liabilities			
		-	-
Net assets attributable to:			
Rangitikei Racing Club		525,624	513,190
Total equity		<u>525,624</u>	<u>513,190</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of cash flows
As at 31 July 2023**

There have been no cash transactions for the Club to 31 July 2023 (2022: nil)

**Statement of service performance
As at 31 July 2023**

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 2
Achieved: 2

2022: Licence meetings: 2
Achieved: 2

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$ 2,300 Achieved: \$1,852 31 members

2022: Budget: \$2,300 Achieved: \$2,261 38 members

**Notes to the financial statements
For the year ended 31 July 2023**

1. BASIS OF PREPARATION

Reporting entity

Rangitikei Racing Club (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 Industry Act 2020 which replaced the Racing Act 2003 on 1 August 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

New and amended standards and interpretations

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 9).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.

Changes in accounting policies

There have been no changes in accounting policies.

Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs.

The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	<u>1,852</u>	<u>2,261</u>
Total other operating revenue	<u>1,852</u>	<u>2,261</u>

The Club classifies its membership subscriptions and other fees received from members as exchange revenue.

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statements.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of their assets and resources. The Club is then charged by RACE Inc by way of cost recovery. These are recognised as incurred and are presented in the table below.

	2023	2022
	\$	\$
Administration fees	<u>1,852</u>	<u>2,261</u>
Total operating expenses	<u>1,852</u>	<u>2,261</u>

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,100 (2022: \$1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The club has no cash and cash equivalents as at 31 July 2023 (2022: nil).

5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectable. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

The Club also provides an estimate of potential uncollectables based on past experience and maintains a provision for impairment against receivables. Any bad debts are recognised in surplus or deficit and the amount of receivables adjusted to their net realisable value. If such bad debts are subsequently recovered, they are recognised as gains in surplus or deficit on the date they are collected by the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consists of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023 \$	2022 \$
Opening balance of investment	513,190	372,181
Amount of share in associate's results	12,434	141,009
Closing balance of investment	525,624	513,190

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingent liabilities as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has a proportionate interest in RACE Inc, the Club will recognise its share in any commitments of RACE Inc when they arise.

The Club's associate (RACE Inc) has no contingent liabilities as of 31 July 2023 (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club.

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances. The following table summarises the amount of related party transactions during the year.

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2023 \$	2022 \$
<u>Payments to related parties</u>				
RACE Inc	RACE Inc is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which RACE Inc exercises significant influence over RACE Inc.	Administration fees, operational and non-operational cost re-charge	1,852	2,261

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

With the exception of the regular fees and charges, and race-related transactions under normal terms, the following transactions between the Club and its key management personnel and close members of their family during the year are:

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance		
			2023 \$	2022 \$	
	Rangitikei Tavern	Committee member is Owner	Operational transactions	2,953	2,424

9. SUBSEQUENT EVENTS

No events have occurred after balance date.

10. CHANGES TO COMPARATIVE YEARS FINANCIAL STATEMENTS

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	2,261	2,261	141,200	141,200	141,200	513,381
Effect of prior period changes						
Share of Profit from RACE Inc			-191	-191	-191	-191
Restated balance at 31 July 2022	2,261	2,261	141,009	141,009	141,009	513,190

Rangitikei Racing Club

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ended 31 July 2022*

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Statement of comprehensive revenue and expense
For the year ended 31 July 2023

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	1,852	2,261
Expenses			
Operating expenses	3	1,852	2,261
Net operating surplus / (deficit)		<u>-</u>	<u>-</u>
Other gains / losses			
Share of surplus of associate	6	12,434	141,009
Total other gains / (losses)		<u>12,434</u>	<u>141,009</u>
Net surplus for the year		<u>12,434</u>	<u>141,009</u>
Total comprehensive revenue and expense for the year		<u>12,434</u>	<u>141,009</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of Changes in Equity
For the year ended 31 July 2023

	Accumulated comprehensive revenue & expense	Total equity attributable to RRC Club
	\$	\$
2023		
Opening Balance at 1 August 2022	513,190	513,190
Net surplus for the year	12,434	12,434
Balance as at 31 July 2023	<u>525,624</u>	<u>525,624</u>
2022		
Balance as at 1 August 2021	372,181	372,181
Net surplus for the year	141,009	141,009
Balance as at 31 July 2022	<u>513,190</u>	<u>513,190</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of Financial Position
As at 31 July 2023**

	Note	2023 \$	2022 \$
Non-current assets			
Investment in associate	6	525,624	513,190
Total non-current assets		525,624	513,190
Total liabilities			
		-	-
Net assets attributable to:			
Rangitikei Racing Club		525,624	513,190
Total equity		525,624	513,190

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of cash flows
As at 31 July 2023**

There have been no cash transactions for the Club to 31 July 2023 (2022: nil)

**Statement of service performance
As at 31 July 2023**

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 2
Achieved: 2

2022: Licence meetings: 2
Achieved: 2

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$ 2,300 Achieved: \$1,852 31 members

2022: Budget: \$2,300 Achieved: \$2,261 38 members

**Notes to the financial statements
For the year ended 31 July 2023**

1. BASIS OF PREPARATION

Reporting entity

Rangitikei Racing Club (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 Industry Act 2020 which replaced the Racing Act 2003 on 1 August 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

New and amended standards and interpretations

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 9).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.

Changes in accounting policies

There have been no changes in accounting policies.

Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs.

The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	<u>1,852</u>	<u>2,261</u>
Total other operating revenue	<u>1,852</u>	<u>2,261</u>

The Club classifies its membership subscriptions and other fees received from members as exchange revenue.

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statements.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of their assets and resources. The Club is then charged by RACE Inc by way of cost recovery. These are recognised as incurred and are presented in the table below.

	2023	2022
	\$	\$
Administration fees	<u>1,852</u>	<u>2,261</u>
Total operating expenses	<u>1,852</u>	<u>2,261</u>

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,100 (2022: \$1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The club has no cash and cash equivalents as at 31 July 2023 (2022: nil).

5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectable. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

The Club also provides an estimate of potential uncollectables based on past experience and maintains a provision for impairment against receivables. Any bad debts are recognised in surplus or deficit and the amount of receivables adjusted to their net realisable value. If such bad debts are subsequently recovered, they are recognised as gains in surplus or deficit on the date they are collected by the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consists of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023 \$	2022 \$
Opening balance of investment	513,190	372,181
Amount of share in associate's results	12,434	141,009
Closing balance of investment	525,624	513,190

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingent liabilities as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has a proportionate interest in RACE Inc, the Club will recognise its share in any commitments of RACE Inc when they arise.

The Club's associate (RACE Inc) has no contingent liabilities as of 31 July 2023 (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club.

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances. The following table summarises the amount of related party transactions during the year.

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2023 \$	2022 \$
<u>Payments to related parties</u>				
RACE Inc	RRC is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which RRC exercises significant influence over RACE Inc.	Administration fees, operational and non-operational cost re-charge	1,852	2,261

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

With the exception of the regular fees and charges, and race-related transactions under normal terms, the following transactions between the Club and its key management personnel and close members of their family during the year are:

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance		
			2023 \$	2022 \$	
	Rangitikei Tavern	Committee member is Owner	Operational transactions	2,953	2,424

9. SUBSEQUENT EVENTS

No events have occurred after balance date.

10. CHANGES TO COMPARATIVE YEARS FINANCIAL STATEMENTS

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	2,261	2,261	141,200	141,200	141,200	513,381
Effect of prior period changes						
Share of Profit from RACE Inc			-191	-191	-191	-191
Restated balance at 31 July 2022	2,261	2,261	141,009	141,009	141,009	513,190

Feilding Jockey Club

*Financial Statements for the year
ended 31 July 2023*

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**Statement of comprehensive revenue and expense
For the year ended 31 July 2023**

	Note	2023 \$	2022 \$
Revenue			
Operating revenue	2	3,470	4,022
Expenses			
Operating expenses	3	3,470	4,022
Other gains / losses			
Share of surplus of associate	6	70,867	803,657
Net surplus for the year		<u>70,867</u>	<u>803,657</u>
Net surplus / (deficit) attributable to:			
Feilding Jockey Club		<u>70,867</u>	<u>803,657</u>

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes and independent auditor's report

**Statement of changes in equity
For the year ended 31 July 2023**

	Accumulated comprehensive revenue & expense	Total equity attributable to Feilding Jockey Club
<u>2023</u>	\$	\$
Balance at 1 August 2022	2,925,416	2,925,416
Net surplus for the year	70,867	70,867
Balance as at 31 July 2023	<u>2,996,283</u>	<u>2,996,283</u>
<u>2022</u>		
Balance at 1 August 2021	2,121,759	2,121,759
Net surplus for the year	803,657	803,657
Balance as at 31 July 2022	<u>2,925,416</u>	<u>2,925,416</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes and independent auditor's report.

**Statement of financial position
As at 31 July 2023**

	Note	2023 \$	2022 \$
Non-current assets			
Investment in associate	6	2,996,283	2,925,416
Net assets		<u>2,996,283</u>	<u>2,925,416</u>
Net assets attributable to:			
Feilding Jockey Club		<u>2,996,283</u>	<u>2,925,416</u>
Total equity		<u>2,996,283</u>	<u>2,925,416</u>

The above statement of financial position should be read in conjunction with the accompanying notes and independent auditor's report.

Statement of cash flows As at 31 July 2023

There have been no cash movements through the bank account.

Statement of service performance As at 31 July 2023

Why the organisation exists?

VISION

- To show leadership within the NZ Thoroughbred Industry by developing a contemporary business model that drives a sustainable future through alternative income streams, industry rationalisation and efficiency of operation.
- To develop a racing model that drives consistency of brand experience, confidence in wagering and an environment where stakeholders are prepared to invest.
- To develop a commercial model where racing co-exists with parallel racing and non-racing related commercial activities to provide strategic growth options.
- To provide a first stop entertainment option of choice that offers a platform for a great day out catering for all age groups.
- To celebrate racing and increase engagement breeding a new generation of race goers to protect the longevity of racing.

MISSION

We are here to support our current and future members in keeping racing as a dynamic, engaging and relevant sport within New Zealand.

What the organisation did during the year to achieve their values and mission?

Goal 1: To host every race meeting that New Zealand Thoroughbred Racing has issued licences for in the 2022/2023 season.

2023: Licence meetings: 3
Achieved: 3

2022: Licence meetings: 3
Achieved: 3

Goal 2: To increase membership income and number of financial members.

2023: Budget: \$ 4,000 Achieved: \$3,470 35 members

2022: Budget: \$4,900 Achieved: \$4,022 41 members

Notes to the financial statements For the year ended 31 July 2023

1. BASIS OF PREPARATION

Reporting entity

Feilding Jockey Club (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 Industry Act 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The Club has elected to report in accordance with the PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for not-for-profit entities and disclosure concessions have been applied.

Measurement basis

The financial statements have been prepared on a historical cost basis and are presented in New Zealand dollars which is also the Club's functional currency.

Going concern

The financial statements have been prepared on a going concern basis.

New and amended standards and interpretations

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2022

Impact of the adoption of PBE IPSAS 41 *Financial Instruments*

PBE IPSAS 41 '*Financial instruments*' addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in PBE IPSAS 29, '*Financial Instruments: Recognition and Measurement*', that relates to the classification and measurement of financial instruments. PBE IPSAS 41 retains but simplifies the mixed measurement model and establishes new measurement categories for financial assets. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

There is now a new expected credit losses impairment model that replaces the incurred loss impairment model used in PBE IPSAS 29.

The adoption of PBE IPSAS 41 has resulted in an increase in the provision for expected credit loss for 2022 in RACE Inc. This has resulted in a prior period change to the share of profit being included in these financial years accounts (refer to Note 9).

Impact of the adoption of PBE FRS 48 *Service Performance Reporting*

PBE FRS 48 requires service performance information to be included alongside the financial information, to provide contextual information on why the entity exists, what it intends to achieve in broad terms, and what was done during the reporting period towards its broader aims and objectives.

The adoption of PBE FRS 48 has resulted in the Club including the following information in its financial statements:

- Sufficient contextual information to understand why the Club exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this; and
- Information about what the Club has done during the reporting period in working towards its broader aims and objectives.

Significant accounting judgements, estimates and assumptions

The preparation of the Club's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The judgements, estimates and assumptions are evaluated on a regular and continuing basis, including expectations of future events, to a reasonable extent to assess their implication on reported revenues, expenses, assets, liabilities and disclosures in the financial statements.

The Club has assessed that there are no significant judgements made affecting the financial statements.

Changes in accounting policies

There have been no changes in accounting policies.

Income taxes

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

2. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g., interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g., cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 4 for cash). Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's race day operations including sponsorship are shown as part of RACE Inc's operational results being the party primarily engaged in running the race operations for member Clubs.

The following table details the Club's other operational revenue.

	2023	2022
	\$	\$
Members subscriptions and other fees	3,470	4,022
Total other operating revenue	3,470	4,022

The Club classifies its grant from Gaming societies as revenue from non-exchange transactions while the membership subscriptions and other fees received from members of the Club are classified as exchange revenue. There are no outstanding funds or resources acquired through non-exchange transaction during the year whose attached conditions, if any, have not been satisfied (2022: nil).

The Club may also receive services in kind from members and external parties and although these are greatly valued, such types of revenues are usually difficult to measure. As such, these revenues are not included in the Club's financial statements.

3. OTHER OPERATING EXPENSES

The Club incurred certain costs and expenses and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as an asset. The operational day-to-day management of the Club is performed by the management and personnel of RACE Inc including use of RACE Inc's assets and resources. The Club is then charged by RACE Inc by way of cost recovery. These are recognised as incurred and are presented in the table below.

	2023	2022
	\$	\$
Administration fees	3,470	4,022
Total operating expenses	3,470	4,022

Administration fees are charges paid to RACE Inc for the management of the services required by members of the Club and are recovered based on the membership fee income realised by the Club each year.

RACE Inc and the member Clubs are audited by the same auditor and total audit fees are paid by RACE Inc without recovery from the Clubs. The amount of fee allocable to the audit of the Club's financial statements is \$1,100 (2022: \$1,100). There are no other fees paid to auditors during the year (2022: nil).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

At balance date there was no cash or cash equivalents (2022: nil).

5. RECEIVABLES

Receivables are initially recognised at the fair value of the amount to be received and subsequently measured at amortised cost less any provision for impairment loss due to being uncollectable. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

The Club also provides an estimate of potential uncollectibility based on past experience and maintains a provision for impairment against receivables. Any bad debts are recognised in surplus or deficit and the amount of receivables adjusted to

their net realisable value. If such bad debts are subsequently recovered, they are recognised as gains in surplus or deficit on the date they are collected by the Club.

There are no outstanding receivables as of the end of the year (2022: nil).

6. INVESTMENTS IN ASSOCIATES

The Club is a member Club of RACE Inc, an incorporated society formed by the agreement with other Clubs to pool resources and centralise the management of race meeting events of the member Clubs; this includes managing the assets and facilities used for the events. The Club's initial investment in RACE Inc consists of its existing net assets as of the inception of the investment.

The governing body of RACE Inc, (RACE Board) is composed of 2 representatives from each of the member Clubs thereby giving each Club an equal representation and voting rights in RACE Inc. On this basis, the Club considers RACE Inc as an associate for financial reporting purposes since it has significant influence over RACE Inc demonstrated primarily by its ability to participate in but not control or have joint control over the financial and operating policy decisions of the investees.

Investments in associates are accounted for using the equity method under which the investment is initially recognised at cost and subsequently adjusted to recognise post acquisition changes in the Club's share in the associate's comprehensive revenue and expense; the adjustment to the carrying amount of the investment is included in the Club's statement of comprehensive revenue and expense. The Club assess at each balance date whether the investments are impaired and when there is objective evidence of impairment, an impairment loss is recognised in surplus or deficit.

	2023 \$	2022 \$
Opening balance of investment	2,925,416	2,121,759
Amount of share in associate's results	70,867	803,657
Closing balance of investment	2,996,283	2,925,416

Interest in associates are classified as available-for-sale instrument for financial reporting purposes.

7. COMMITMENTS AND CONTINGENCIES

The Club has no commitments or contingent liabilities as of 31 July 2023 (2022: nil).

The Club's associate (RACE Inc), however has commitments as of 31 July 2023. As the Club has a proportionate interest in RACE Inc, the Club will recognise its share in any commitments of RACE Inc when they arise.

The Club's associate has no contingent liabilities as of 31 July 2023 (2022: nil).

Guarantees in favour of RACE Inc

- \$12,000,000 by the Manawatu Racing Club, Wellington Racing Club, Rangitikei Racing Club, Feilding Jockey Club, Marton Jockey Club

Security

The BNZ holds a perfected security interest in all present and after acquired property of the Club.

8. RELATED PARTIES

8.1 Transactions and balances with related parties

The Club has various trade transactions with related party entities in the form of rental revenue and expense, finance costs and on-lending and advances.

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

	Relationship with counterparty	Nature of transaction	Amount of transaction / balance	
			2023 \$	2021 \$
<u>Payments to related parties</u>				
RACE Inc	FJC is a member Club of RACE Inc and has equal representation in the governing body of RACE Inc among 4 other racing Clubs through which FJC exercises significant influence over RACE Inc.	Administration fees and operational cost re-charge	3,470	4,022

8.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team of RACE Inc 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 key management personnel's family as related party transactions.

Key management personnel 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 key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel 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 key management personnel.

With the exception of the regular fees and charges, and race-related transactions under normal terms, there have been no other transactions between the Club and its key management personnel and close members of their family during the year (2022: nil).

9. SUBSEQUENT EVENTS

There have been no events occurred since balance date.

10. CHANGES TO PRIOR YEAR

- The changes to prior year other gains and losses relate to the adoption and implementation of PBE IPSAS 41 "Financial Instruments".
- PBE IPSAS 41 introduces Expected Credit Loss (ECL) model which replaces the previous provision for doubtful debts. The estimate provision for expected credit loss has increased for the year ended 31 July 2022 resulting in a change in the profit for RACE Inc which is allocated to each club.

	Impact on items in the Statement of comprehensive revenue and expenses				Impact on items in the Statement of changes in equity	
	Revenue	Expense	Other gains / (losses)	Net profit for the year	Accumulated comprehensive revenue & expenses	Total Equity
	\$	\$	\$	\$	\$	\$
Closing balance 31 July 2022	4,957	4,957	804,747	804,747	804,747	2,926,506
Effect of prior period changes						
Share of Profit from RACE Inc			-1090	-1090	-1090	-1090
Restated balance at 31 July 2022	4,957	4,957	803,657	803,657	803,657	2,925,416