

WAIKATO RACING CLUB INC.

# ANNUAL REPORT 2021/22





# WAIKATO RACING CLUB INC

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teraparacing.co.nz

## BOARD OF DIRECTORS

John Elstob (Chairman) Geoff Buchan, Marcus Corban, Bruce Darby,  
Glenn Holmes, David Kneebone, Philip Monahan, Steve Rowe, Gilbert Southworth

## CHIEF EXECUTIVE OFFICER

Andrew Castles

## AUDITORS

Crowe Howarth (Crowe NZ Audit Partnership)

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# CHAIRMAN'S REPORT

## JOHN ELSTOB

This is my second report since assuming the chairmanship of the Waikato Racing Club, of which I am extremely proud to be your chairman.

We had a season that has seen us move out of the covid rules situation which we are all pleased about.

We have had some good racing during the season with some big numbers of people to watch the racing on our great track.



Waikato Racing Club Chairman - John Elstob

It has been an environment of ever-increasing change. We are not just about racing. Our Club has 3 significant lease buildings being Signature Homes, Aber and our new Childcare Centre leased by BestStart as well as few small rentals - these all take a lot of managing. There is also a private plan change that is at council awaiting their process to be completed.

Your Club will host New Year's Day races in what I think is the best days racing in New Zealand. Then we will hold the New Zealand Derby in what will be another very special day on the Te Rapa Track.

## OUR TEAM AT TE RAPA LEAD BY ANDREW (BUTCH) CASTLES, CEO

Andrew (Butch) Castles, our CEO, has worked tirelessly in his role. It's no 9-5 job and was even more challenging trying to implement the many government and industry regulations on the racetrack. He is an extraordinary communicator and administrator who knows more about racing than most in New Zealand.

Butch has put in the hard yards, not only with us at the WRC but also with New Zealand Thoroughbred Racing (NZTR) and other participants across the New Zealand thoroughbred industry to help everyone succeed to a higher level.

I'd like to thank Butch, his wife Tess and their children Hunter and Frankie for their wonderful contribution to the Club this year and for their support of the board and me personally. To all our team members, Bart Cowan, his track team, Claire Hornsey and Ashleigh Jeffcoat, your skill and dedication to WRC knows no bounds. We are so thankful for the effort you have put in.

Bart and his small but energized and professional grounds team keep the track, grounds, buildings, and infrastructure in top condition. Under Bart's expertise and diligence, I believe that the track has been at a great standard on race days. Even in Winter with the weather and changes to race meetings and trials scheduled over and above our existing program, Bart and his team have had to put in some hard yards. Much of this has been to additionally support the industry - we thank you so much.

Claire has varied responsibilities overseeing many different administration and property areas of the Club and its business. Thank you, Claire, for all the support and assistance you have given, not only to the Club and Butch, but also to myself. Your contribution has been much appreciated.

Ashleigh Jeffcoat our Marketing and Events Co-ordinator continues to grow into her role and provides wonderful support across many aspects of the business.

## **RACING**

The Group One Herbie Dyke Stakes, the richest weight for age race in New Zealand, is sponsored by the Dyke family. Thank you, Steven, and Simon Dyke. Staged in February, it was taken out by Coventina Bay, who beat some very good horses on what was truly a strong field this season.

The Group 1 BCD Sprint, another of our elite races at Te Rapa was won by Levante. The Group One Fiber Fresh New Zealand Thoroughbred Breeders Stakes, usually staged at Te Aroha, was again transferred to Te Rapa in April. Imperatiz won this race.

## **BUSINESS**

After interest and depreciation this year we have a cash surplus of just over \$210,000 which is a very positive result.

The childcare centre is fully operational, this is a credit to all involved. The Club has started to earn a return on its investment here.

We have completed the 5-year business case looking into bringing the 3 Clubs in the Waikato together to form one Club, being Waikato Thoroughbred Racing. Your Board has unanimously agreed to go to the next stage which is due diligence on the other Clubs. This will be completed by the end of November.

If your Board is happy with the due diligence, we will then call a Members Meeting to be held early February where our members will have the final say.

If the Members agree to go ahead, we could then be a part of a bigger Club that would start at the beginning of next season – 1/8/2023. This would also need the support of the Waipa and Cambridge members as well to proceed.

As a Club, the WRC has supported NZTR throughout the ever-changing environment in which we now operate in. Mostly this has been through our CEO Butch, and his contributions across many wider NZTR industry activities. NZTR in my view has been supportive of our Club as well. We also continue to work with other clubs, looking at ways we can work together.

To my fellow Directors here at the Club, thank you for all the support that you give me and this great club, the Waikato Racing Club. You volunteer so much of your time and energy to your roles here at the club. You do make a difference. A big thank you to the wives and partners of the Directors as they too play a role in our club.



**John Elstob**  
Chairman  
Waikato Racing Club Inc.

## LEVANTE

*Group1 BCD Group Sprint winner*



# CEO'S REPORT

## ANDREW 'BUTCH' CASTLES

The 2021/22 racing season again provided those in the industry a number of challenges that in a pre-Covid world would have almost been unimaginable. We staged a Melbourne Cup meeting at Te Rapa with no crowd, the Counties Cup meeting was staged here in front of empty stands, SkyCity Hamilton Waikato Cup Day got the green-light to have unrestricted crowds only 4 weeks out with the only way you could attend a race meeting was to prove you had the Covid-19 vaccination.

The team at Te Rapa stepped up to help the industry on numerous occasions through the season including the running of both Melbourne Cup day from Ellerslie and Counties Cup day from Pukekohe, when the Auckland region was forced into lockdown and the borders were shut into and out of New Zealand's largest city. The Waikato Racing Club is fortunate to have a world class Track Manager in Bart Cowan, through his skill and dedication the track was presented in fantastic order throughout the busy period November-February and provided a fair and even surface even with an increased workload. Bart is supported by a small and experienced group of outside staff who take pride in their work, something that is reflected in the vastly improved course proper over the past two years.

During the past season there was continued work on what racing looks like in the greater Waikato region into the future. Firstly, Sapere were charged with investigating a way forward for the three current venues. It became apparent during this process that the option most likely to provide the best decision making was one that saw the current clubs- Waikato Racing, Cambridge Jockey and Waipa Racing combine their assets into one entity. McKenzie Sport provided each of the Clubs committees/boards with a business plan of what that might look like and as the Chairman has outlined in his report that has led to a due diligence process between the various clubs. I look forward to being involved in this exciting opportunity as it develops.



Waikato Racing Club CEO - Andrew Castles



In last year's annual report, I alluded to the Childcare facility on Sir Tristram Avenue nearing completion. The Code of Compliance was issued in late November and as we navigated further Covid related issues around Best Start gaining access to the facility it was February when they started moving in. The facility was officially opened in May and is a hive of activity with the tenant excited by the modern learning environment. This investment will provide the club with a long-term revenue stream outside of racing and provides a blueprint of how we can look to utilise excess land around the complex to provide a much-needed diversity of income.

Work continued during the year on the Plan Change that has been a work in progress for this club for the last 5 or 6 years. This has been a long burn, but it was extremely pleasing to get Plan Change 13 lodged with Hamilton City Council in early October. There is much water to go under the bridge now this is in front of HCC and there will be many more hours of work required to get to the desired outcome, but it is a significant landmark to get the Plan Change lodged.

I have commented earlier about Waikato Racing Club's highly skilled track manager Bart Cowan and his team of outside staff. They are complemented by a small but talented office team. Claire Hornsey joined the club during the season from Waikato University as Administration Manager. Claire has been a breath of fresh air in the office and goes about her work in a no fuss/get things done manner. Claire has done some great work in the property management area with tenants Aber, Signature Homes and Best Start along with being a vital part of the race day function. Ashleigh Jeffcoat started with the club in a part time capacity a number of years ago but has grown into her role as Marketing, Events and Membership Co-ordinator. Ashleigh juggles many balls during the course of any working day and takes things in her stride. She has developed into a key part of the smooth running of the business, and I thank both her and Claire for their support.

The highlights on the racing front during the course of the season were many. Not only did we have to pick up race meetings due to Covid lockdowns we were required to run Group races from other venues due to abandonments. SkyCity Hamilton Waikato Cup day turned into a marathon day with the Wakefield Challenge Stakes and the Captain Cook Stakes relocated from Trentham the week earlier. The SkyCity Hamilton Waikato Cup went the way of classy mare Cheaperthandivorce. She proved to be the first leg of an amazing double that day with Two Illicit annexing the relocated Captain Cook for the Trelawney Stud team as well.

Legends day in February provides wonderful racing with the Group One features the BCD Group Sprint and Herbie Dyke Stakes. Both races proved to be wonderful contests for those on course to witness. We were still restricted by how we could operate with the need for separate bubbles but the winning connections were able to be here and celebrate their success at the highest level. The BCD Group Sprint was touted as a match race between Levante and Entriviere and it lived up to that billing. The classy Kelso trained Levante proved too strong in the finish and went on to be NZTR's Sprinter of the year. Coventina Bay gained her deserved Group One success in the Herbie Dyke Stakes a race special to so many associated with the Waikato Racing Club.

Sponsors are vital to the continued operation of clubs like ours and we at Waikato are very lucky to have a loyal band of extremely generous sponsors. There is a list of our major partners in the back of this report, and I would encourage you to support any of those listed when the opportunity presents. There are many on that list who have long standing relationships with Te Rapa and those relationships are truly appreciated and valued. It is not easy to attract sponsorship support in these volatile financial times and to have the unqualified support of such a diverse group is an enormous help to the financial wellbeing of this great institution- to you all a huge Thank you.

I am lucky to have the support of my family as I continue to work in the industry I love. There is not a race meeting that goes by where Tess, Hunter and Frankie don't help in some way to aid the smooth running of the event. Whether it is Tess being the host up in the Fosters Lounge, Frankie being her able assistant or Hunter making up kid's packs for the race day office they all play their part. This is an industry where we work crazy hours at peak times and that means I miss out on some of their milestone events, they never question why, totally understanding of the hard work and long hours required in my role.

In conclusion I must thank the Chairman and board of the Waikato Racing for their unqualified support. The board at Te Rapa is one dedicated to the good stewardship of this institution and determined to leave it in better shape than when they became involved. They fully understand the role of Directors and once policy is set allow the staff to get on with the job of enacting it. They are on hand to help out with various operational tasks when asked and their help and support through the various stages of Covid was vital. I had some decisions to make during the season as to my future and the board were fully supportive of me staying on at Te Rapa, something I greatly appreciated. John Elstob is an astute businessman who provides me with wise counsel and sound advice when needed, he is a Chairman for whom I have the utmost respect and I enjoy working with him for the betterment of the Waikato Racing Club.

I am lucky to wake up every day and work in an industry that is my passion. There is much to do here at Te Rapa as we strive to deliver a first class racing product. The next 12 months will be exciting and challenging as we help the Northern region cope with Ellerslie being out of action while it is redeveloped. The opportunity to run New Year's Day and NZ Derby Day is one we are taking as a privilege and I look forward to seeing as many as you, our members, here on not only those days but others during the season.

It is my intention over the next 12 months to continue the work required to make Te Rapa a destination where the people of the Waikato can come and enjoy the company of friends, family and business associates while enjoying first class thoroughbred racing action.



Andrew "Butch" Castles  
Chief Executive Officer



## COVENTINA BAY

\$400,000 Group 1 Herbie Dyke Stakes winner



# FINANCIALS

## 2021/22

**Waikato Racing Club**  
**Consolidated Statement of Comprehensive Revenue and Expenses**  
**For the year ended 31 July 2022**

	Note	Group 2022 \$	Group 2021 \$
<b>Revenue from exchange transactions</b>			
Race meeting revenues	5	8,523,912	6,520,436
Rental income	6	1,198,269	901,112
Rendering of services	7	78,495	85,392
Other operating revenue	8	105,918	255,056
Finance revenue		379	(1,512)
<b>Total revenue from exchange transactions</b>		<b>9,906,973</b>	<b>7,760,484</b>
<b>Total revenue from non exchange transactions</b>	5	40,400	-
<b>TOTAL REVENUE</b>		<b>9,947,373</b>	<b>7,760,484</b>
<b>Expenses</b>			
Race meeting costs and expenses	5	7,297,371	5,638,403
Expenses from rendering of services	7	13,759	21,546
Property expenses	6	359,212	263,159
Other operating expenses	9	1,363,093	1,211,410
<b>TOTAL EXPENSES</b>		<b>9,033,435</b>	<b>7,134,518</b>
		<b>913,938</b>	<b>625,966</b>
<b>Interest, depreciation and amortisation expense</b>			
Depreciation and amortisation	12 & 14	388,586	430,879
Finance expense		310,480	155,155
<b>Total interest, depreciation and amortisation expense</b>		<b>699,066</b>	<b>586,034</b>
<b>Surplus/(Deficit) for the year</b>		214,872	39,933
<b>Other comprehensive revenue and expenses</b>		-	-
<b>Total comprehensive revenue and expenses</b>		<b>214,872</b>	<b>39,933</b>

These financial statements should be read in conjunction with the notes to the financial statements

**Waikato Racing Club**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2022**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
<b>Cash was received from:</b>			
Industry profit distribution		1,274,342	976,660
Other race meeting receipts		668,916	871,245
Grants and subsidies		40,400	-
Fees, subscriptions and other receipts from members		29,195	28,473
Receipts from providing goods or services		1,397,651	1,193,855
Net GST received		62,616	(110,754)
<b>Cash was applied to:</b>			
Payments to suppliers and employees		(2,872,761)	(2,106,976)
NZRB charges		-	-
Net GST paid		-	-
<b>Net cash flows from operating activities</b>		<b><u>600,359</u></b>	<b><u>852,503</u></b>
<b>Cash flows from investing activities</b>			
<b>Cash was received from:</b>			
Proceeds from disposal of property, plant and equipment			-
<b>Cash was applied to:</b>			
Payments for purchase of property, plant and equipment		(713,162)	(3,283,709)
Payments for purchase of other assets			
<b>Net cash flows from investing activities</b>		<b><u>(713,162)</u></b>	<b><u>(3,283,709)</u></b>
<b>Cash flows from financing activities</b>			
<b>Cash was received from:</b>			
Proceeds from borrowings		697,266	3,621,026
Interest		378	-
<b>Cash was applied to:</b>			
Finance lease liability		-	
Interest paid		(301,605)	(155,155)
Deposit and bonds repaid		-	-
<b>Net cash flows from financing activities</b>		<b><u>396,039</u></b>	<b><u>3,465,871</u></b>
<b>Net Increase / (Decrease) in Cash</b>		<b><u>283,236</u></b>	<b><u>1,034,665</u></b>
<b>Opening Cash</b>		<b><u>357,550</u></b>	<b><u>(677,115)</u></b>
<b>Closing Cash</b>		<b><u>640,786</u></b>	<b><u>357,550</u></b>
<b>This is represented by:</b>			
Cash on hand and in bank	10	640,786	357,550
<b>Cash and cash equivalents at end of the period</b>		<b><u>640,786</u></b>	<b><u>357,550</u></b>

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**Waikato Racing Club**  
**Consolidated Statement of Changes in Net Assets/Equity**  
**For the year ended 31 July 2022**

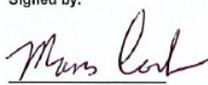
	Note	Group Retained earnings \$	Group Total \$
<b>Balance as at 31 July 2021</b>		<b>15,510,638</b>	<b>15,510,638</b>
Net surplus/(deficit) for the year		39,933	39,933
Other comprehensive revenue and expenses for the year		-	-
<b>Balance as at 31 July 2022</b>		<b>15,550,571</b>	<b>15,550,571</b>
Net surplus/(deficit) for the year		214,872	214,872
Other comprehensive revenue and expenses for the year		-	-
<b>Balance as at 31 July 2022</b>		<b>15,765,443</b>	<b>15,765,443</b>

These financial statements should be read in conjunction with the notes to the financial statements

**Waikato Racing Club**  
**Consolidated Statement of Financial Position**  
**As at 31 July 2022**

	Note	Group 2022 \$	Group 2021 \$
<b>Current assets</b>			
Cash and cash equivalents	10	640,786	357,550
Receivables from exchange transactions	11	69,001	47,379
GST Receivables		36,355	116,724
Prepayments		51,853	119,110
Inventories		595	595
Other current assets	13	108,846	107,376
<b>Total current assets</b>		<b>907,436</b>	<b>748,734</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	10,224,866	14,440,229
Investment property	14	12,864,321	8,324,381
<b>Total non-current assets</b>		<b>23,089,187</b>	<b>22,764,610</b>
<b>Total assets</b>		<b>23,996,623</b>	<b>23,513,344</b>
<b>Current liabilities</b>			
Trade and other payables	15	346,955	790,902
Employee entitlements	16	79,431	62,187
Other liabilities	18	104,800	106,950
Other Financial Liabilities	17	3,300,000	3,202,734
<b>Total current liabilities</b>		<b>3,831,186</b>	<b>4,162,773</b>
<b>Non-current liabilities</b>			
Other financial liabilities	17	4,400,000	3,800,000
<b>Total non-current liabilities</b>		<b>4,400,000</b>	<b>3,800,000</b>
<b>Total liabilities</b>		<b>8,231,186</b>	<b>7,962,773</b>
<b>Net assets</b>		<b>15,765,437</b>	<b>15,550,571</b>
<b>Net assets comprised of:</b>			
Retained earnings		15,765,437	15,550,571
<b>Total net assets</b>		<b>15,765,437</b>	<b>15,550,571</b>

Signed by:

 11/10/22  
 Director

 11/10/22  
 Director

These financial statements should be read in conjunction with the notes to the financial statements

The above statement of financial position is an extract from the audited Waikato Racing Club Financial Statements as a 31 July 2022



**ANDREW CASTLES**  
 CEO - Waikato Racing Club



**JOHN ELSTOB**  
 Chairman - Waikato Racing Club

The complete WRC Audited Financial Statements and notes are available for download at [teraparacing.co.nz/membership](http://teraparacing.co.nz/membership)

# MAJOR PARTNERS

HERBIE DYKE TRUST



MARIE LEICESTER



LEGACY LODGE



# 2021/22 ROLL OF HONOUR

## GROUP 1 BCD GROUP SPRINT - LEVANTE

T: K & B Kelso J: Ryan Elliot

## GROUP 1 HERBIE DYKE STAKES - COVENTINA BAY

T: Robert Patterson J: Craig Grylls

## GROUP 2 CAL ISUZU STAKES - CONCERT HALL

T: R James & R Wellwood J: Leith Innes

## GROUP 2 DAVID & KARYN ELLIS FILLIES CLASSIC - SELF OBSESSION

T: Jamie Richards J: Michael McNab

## GROUP 2 JAMES & ANNIE SARTEN MEMORIAL - PAREANUI BAY

T: Tony Pike J: Michael McNab

## GROUP 2 LEGACY LODGE WAIKATO GUINEAS - FIELD OF GOLD

T: Tony Pike J: Michael McNab

## GROUP 2 VALACHI DOWNS FOXBRIDGE PLATE - MASCARPONE

T: Graeme Rogerson J: Ryan Elliot

## GROUP 3 J SWAP SPRINT - PACKING ROCKSTAR

T: Lauren Brennan J: Leith Innes

## GROUP 3 SKYCITY HAMILTON WAIKATO CUP - CHEAPERHANDIVORCE

T: R James & R Wellwood J: Danielle Johnson

## LISTED LEGACY LODGE SPRINT - RAPOSA RAPIDA

T: Stephen Marsh J: Wiremu Pinn

## PJR FAIRVIEW MOTORS WAIKATO HURDLE - DR HANK

T: Harvey Wilson J: Shaun Phelan

## PJR SIGNATURE HOMES WAIKATO STEEPLECHASE- ARGYLL

T: C McDougal & P Nelson J: Shaun Phelan

## CHEAPERHANDIVORCE

*SkyCity Hamilton Waikato Cup winner*

