



2024 Financial Statements

Auditors:
PKF Hamilton

Waikato Thoroughbred Racing Incorporated

Directory

For the Year Ended 31 July 2024

| | |
|---|--|
| Legal name of entity: | Waikato Thoroughbred Racing Incorporated |
| Type of entity and legal status: | Incorporated Society |
| Registration number: | 214043 |
| Registered office: | Te Rapa Racecourse Te Rapa Road HAMILTON |
| Nature of business: | Waikato Thoroughbred Racing is the host club conducting 18 licenses of the 19 race days held at Te Rapa Racecourse, Hamilton. All 11 of the licenses held on the Cambridge Synthetic Track are conducted by Waikato Thoroughbred Racing. |
| Board of Directors: | Bruce Harvey (Chairperson) John Elstob Carolyn Christian Mark Fraser-Campin Mark Irwin Glenn Holmes Ben Speedy |
| Independent auditor: | PKF Hamilton Audit Limited 1026 Victoria Street Hamilton, 3240 |



Waikato Thoroughbred Racing Incorporated

Contents of Consolidated Financial Statements

For the Year Ended 31 July 2024

| | |
|--|------------------|
| Directory | Page 1 |
| Contents of Consolidated Financial Statements | Page 2 |
| Consolidated Statement Service Performance | Page 3 |
| Consolidated Statement of Comprehensive Revenue and Expenses | Page 4 |
| Consolidated Statement of Changes in Net Assets/Equity | Page 5 |
| Consolidated Statement of Financial Position | Page 6 |
| Consolidated Statement of Cash Flows | Page 7 |
| Notes to the Consolidated Financial Statements | Page 8 - Page 23 |
| Independent Auditors' Report | Page 24 |



Waikato Thoroughbred Racing
Consolidated Statement of Service Performance
For the year ended 31 July 2024

Waikato Thoroughbred Racing Incorporated is an Incorporated Society registered under the Incorporated Societies Act 1908. The Waikato Thoroughbred Racing Group consists of the club (the parent) and its controlled entities Mainstreet Place Limited Partnership and Sir Tristram Avenue Limited Partnership. The limited partnerships are registered under the Limited Partnership Act 2008, with the Club being the sole limited partner.

Waikato Thoroughbred Racing is the host club conducting 18 licenses of the 19 race days held at Te Rapa Racecourse, Hamilton. All 11 of the licenses held on the Cambridge Synthetic Track are conducted by Waikato Thoroughbred Racing. The Hamilton racetrack is one of the best in the country and provides an excellent surface all year round. Cambridge has the largest training centre in Australasia and provides a consistent surface for winter racing.

Outcome:

Promoting and advancing thoroughbred racing in all its forms in New Zealand.

Outputs:

| | 2024 Actual | 2023 Actual |
|---------------------------------------|------------------------|------------------------|
| > Total number of Race days in a year | 29 | 18 |
| > Total track maintenance spending | 2,935,832 | 562,630 |

Outcome:

Maintaining and striving to further improve conditions that support positive welfare outcomes for thoroughbreds in New Zealand.

Outputs:

| | 2024 Actual | 2023 Actual |
|--|------------------------|------------------------|
| > Total spending on advertising and promotions | 85,239 | 100,823 |
| > Total sponsorships received during the year | 627,616 | 527,634 |

Costs:

The directly attributable expenditure associated with race meetings for the year amounts to \$11,806,943 (2023: \$10,464,608)



Waikato Thoroughbred Racing
Consolidated Statement of Comprehensive Revenue and Expenses
For the year ended 31 July 2024

| | Notes | Group 2024 \$ | Group 2023 \$ |
|--|---------|---------------------|---------------------|
| Revenue from exchange transactions | | | |
| Race meeting revenues | 5 | 13,617,536 | 12,182,578 |
| Rental income | 6 | 1,859,056 | 1,449,884 |
| Rendering of services | 7 | 50,870 | 71,527 |
| Other revenue | 8 | 2,206,396 | 111,807 |
| Finance revenue | | 31,071 | 9,060 |
| Total revenue from exchange transactions | | <u>17,764,929</u> | <u>13,824,856</u> |
| Revenue from non-exchange transactions | | | |
| Race meeting grants | 5 | 100,000 | - |
| Other revenue | 8 | 528,961 | - |
| Total revenue from non-exchange transactions | | <u>628,961</u> | <u>-</u> |
| TOTAL REVENUE | | <u>18,393,890</u> | <u>13,824,856</u> |
| Expenses | | | |
| Race meeting costs and expenses | 5 | 11,806,943 | 10,464,608 |
| Expenses from rendering of services | 7 | 25,427 | 17,900 |
| Property expenses | 6 | 444,781 | 390,070 |
| Other operating expenses | 9 | 4,385,339 | 1,497,117 |
| TOTAL EXPENSES | | <u>16,662,490</u> | <u>12,369,695</u> |
| | | <u>1,731,400</u> | <u>1,455,161</u> |
| Interest, depreciation, and amortisation expense | | | |
| Depreciation and amortisation | 12 & 14 | 1,760,932 | 360,430 |
| Finance expense | | 799,057 | 543,096 |
| Total interest, depreciation and amortisation expense | | <u>2,559,989</u> | <u>903,526</u> |
| Surplus/(Deficit) for the year | | (828,589) | 551,635 |
| Other comprehensive revenue and expenses | | - | - |
| Total comprehensive revenue and expenses | | <u>(828,589)</u> | <u>551,635</u> |

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



Waikato Thoroughbred Racing
Consolidated Statement of Changes in Net Assets/Equity
For the year ended 31 July 2024

| | Note | Group Retained earnings \$ | Group Total \$ |
|---|------|-------------------------------------|----------------------|
| Balance as at 31 July 2022 | | 15,765,438 | 15,765,438 |
| Net surplus/(deficit) for the year | | 551,635 | 551,635 |
| Other comprehensive revenue and expense | | - | - |
| Balance as at 31 July 2023 | | 16,317,073 | 16,317,073 |
| Net surplus/(deficit) for the year | | (828,589) | (828,589) |
| Other comprehensive revenue and expense | | - | - |
| Retained earnings transferred on amalgamation: | | | |
| - Cambridge Jockey Club Incorporated | 23 | 11,288,744 | 11,288,744 |
| - Waipa Racing Club Incorporated | 23 | 1,092,623 | 1,092,623 |
| Total retained earnings transferred on amalgamation | | 12,381,367 | 12,381,367 |
| Balance as at 31 July 2024 | | 27,869,851 | 27,869,851 |

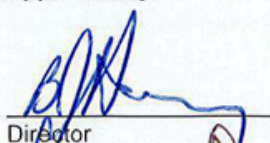
These financial statements should be read in conjunction with the notes to the financial statements

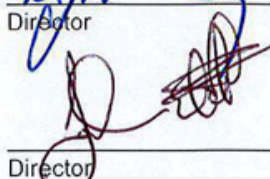


Waikato Thoroughbred Racing
Consolidated Statement of Financial Position
As at 31 July 2024

| | Notes | Group 2024 \$ | Group 2023 \$ |
|--|-------|---------------------|---------------------|
| Current assets | | | |
| Cash and cash equivalents | 10 | 1,666,915 | 861,253 |
| Receivables from exchange transactions | 11 | 416,456 | 66,744 |
| GST Receivables | | 43,682 | 70,255 |
| Prepayments and other assets | | 67,935 | 203,270 |
| Inventories | | 875 | 876 |
| Other current financial assets | 13 | 118,796 | 112,515 |
| Total current assets | | 2,314,659 | 1,314,913 |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 23,161,186 | 9,909,156 |
| Investment property | 14 | 13,131,622 | 13,138,028 |
| Total non-current assets | | 36,292,808 | 23,047,184 |
| Total assets | | 38,607,467 | 24,362,097 |
| Current liabilities | | | |
| Trade and other payables | 15 | 565,610 | 496,358 |
| Employee entitlements | 16 | 284,062 | 119,664 |
| Income received in advance | | 154,836 | 19,913 |
| Other financial liabilities | 18 | 153,108 | 109,089 |
| Borrowings | 17 | 380,000 | 4,000,000 |
| Total current liabilities | | 1,537,616 | 4,745,024 |
| Non-current liabilities | | | |
| Borrowings | 17 | 9,200,000 | 3,300,000 |
| Total non-current liabilities | | 9,200,000 | 3,300,000 |
| Total liabilities | | 10,737,616 | 8,045,024 |
| Net assets | | 27,869,851 | 16,317,073 |
| Net assets comprised of: | | | |
| Retained earnings | | 27,869,851 | 16,317,073 |
| Total net assets | | 27,869,851 | 16,317,073 |

Approved by:


 Director


 Director

Date: 16 October 2024

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



Waikato Thoroughbred Racing
Consolidated Statement of Cash Flows
For the year ended 31 July 2024

| | Notes | Group 2024 \$ | Group 2023 \$ |
|--|-------|-------------------------|-------------------------|
| Cash flows from operating activities | | | |
| Cash was received from: | | | |
| Industry profit distribution | | 11,677,744 | 9,687,042 |
| Other race meeting receipts | | 1,939,793 | 2,495,536 |
| Grants and subsidies | | 717,946 | - |
| Fees, subscriptions and other receipts from members | | 13,208 | 35,488 |
| Receipts from providing goods or services | | 4,100,685 | 1,444,326 |
| Net GST received | | 66,985 | (11,521) |
| Cash was applied to: | | | |
| Payments to suppliers and employees | | (16,786,199) | (12,177,942) |
| Net cash flows from operating activities | | <u>1,730,162</u> | <u>1,472,929</u> |
| Cash flows from investing activities | | | |
| Cash was received from: | | | |
| Proceeds from disposal of property, plant & equipment | | 122,762 | - |
| Interest received | | 29,228 | 9,061 |
| Cash was applied to: | | | |
| Payments for purchase of property, plant and equipment | | (746,619) | (318,427) |
| Net cash flows from investing activities | | <u>(594,629)</u> | <u>(309,366)</u> |
| Cash flows from financing activities | | | |
| Cash was received from: | | | |
| Proceeds from borrowings | | 39,323 | - |
| Funds transferred on amalgamation | | 547,538 | - |
| Cash was applied to: | | | |
| Finance lease liability | | (13,599) | - |
| Loan repaid | | (100,000) | (400,000) |
| Interest paid | | (803,133) | (543,096) |
| Net cash flows from financing activities | | <u>(329,871)</u> | <u>(943,096)</u> |
| Net Increase / (Decrease) in Cash | | 805,662 | 220,467 |
| Opening Cash | | 861,253 | 640,786 |
| Closing Cash | | <u>1,666,915</u> | <u>861,253</u> |
| This is represented by: | | | |
| Cash on hand and in bank | 10 | 1,666,915 | 861,253 |
| Cash and cash equivalents at end of the period | | <u>1,666,915</u> | <u>861,253</u> |

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



Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

1. Statement of Accounting Policies

a) Reporting Entity

As at 1 August 2023, the entities Cambridge Jockey Club Incorporated and Waipa Racing Club Incorporated were amalgamated with Waikato Racing Club Incorporated. On the same date, Waikato Racing Club changed its trading name to Waikato Thoroughbred Racing Incorporated ("the Club"). Waikato Thoroughbred Racing Incorporated is an incorporated society registered under the Incorporated Societies Act 1908. The financial statements of Waikato Thoroughbred Racing Club Incorporated consists of the Club (the parent) and its controlled entities Mainstreet Place Limited Partnership and Sir Tristram Avenue Limited Partnership (together the Group). The limited partnerships are registered under the Limited Partnerships Act 2008, with the Club continue to be the sole limited partner.

b) Basis of Preparation

Reporting Period

The consolidated financial statements are presented for the year ending 31 July 2024.

Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Principal Activities and primary objective

The primary objective of the Club is to promote, conduct and control thoroughbred racing, and the principal activity of the Club is to hold and promote thoroughbred racing at the Club's racecourses in Te Rapa Hamilton, Cambridge, and Te Awamutu. The principal activity is supported by sponsorship income, function revenue and the rental income of investment properties which are held in the limited partnerships.

16

These consolidated financial statements have been approved and were authorised for issue by the Board of Directors on 7 October 2024. The Board of Directors does not have the power to amend these financial statements once issued.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Board of Directors have elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. Changes in accounting policies

Consistent with the requirements of PBE IPSAS 40, the comparative balance only reflects the audited balances of Waikato Racing Club Incorporated for 2023. The current year's Consolidated Statement of Service Performance, Consolidated Statement of Comprehensive Revenue and Expenses, Consolidated Statement of Changes in Net Assets/Equity, Consolidated Statement of Financial Position, and Consolidated Statement of Cash Flows reflects the results of the amalgamated entities Waikato Racing Club, Cambridge Jockey Club, and Waipa Racing Club.

The impact of the amalgamation is disclosed in note 23 to the consolidated financial statements.

There have been no changes in accounting policies during the current financial year.

Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

4. Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

(a) Basis of measurement

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

(b) Functional and presentation currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statement of the club and its controlled subsidiaries (the Group) as at 31 July 2024.

Controlled entities are all those entities over which the Club (the controlling entity) has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The financial statements of the subsidiaries are prepared for the same reporting period as the Club, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions have been eliminated in full.

The controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is lost. Assets, liabilities, income and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date the Group gains the control until the date the Group ceases to control the controlled entity.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

The Group receives revenue from both exchange and non-exchange transactions. An exchange transaction is defined as a transaction in which one entity receives assets or services (or has liabilities extinguished) and directly gives approximately equal value to another entity in exchange.

A non-exchange transaction is a transaction in which the group receives an asset (such as cash), but does not provide approximately equal value in return. Revenue from non-exchange transactions is recognised on receipt, unless there is an associated condition.

Where there is a condition, a liability is recognised on receipt of the funds and revenue is recognised (and the liability extinguished) as the condition is met.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

(i) Revenue from non-exchange transactions

Grant Revenue

Grant revenue includes grants given by other charitable organisations, and businesses. Grant revenue is recognised when the conditions attached to the grant has been complied with. Where there are unfulfilled conditions attaching to the grant, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

(d) Revenue (continued)

(ii) Revenue from exchange transactions

Race meeting revenue

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

Interest revenue

Interest revenue is recognised as it accrues, using the effective interest method.

Rental income on investment property

Rental income from investment property is recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Track revenue

The Club's track revenue consisted mainly of track hireage and jumpouts. Revenue from track hireage and jumpouts is recognised in the Consolidated Statement of Comprehensive Revenue and Expense at time of sale.

Amounts received in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

(e) Income tax expense

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

(f) Goods and Services Tax (GST)

The Group is registered for GST. Therefore, amounts recorded in the financial statements are exclusive of GST, except for receivables and payables which are inclusive of GST.

(g) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) 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 uncollectibility. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Group. A receivable is considered uncollectable where there is objective evidence the Group will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

(i) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent to initial recognition, property, plant and equipment are measured using the cost model, at carried at cost net of accumulated depreciation and any impairment losses. Plant and machinery and office equipment are measured using the cost model.

An item of property, plant and equipment is derecognised upon disposal or when the Group 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.

Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

(i) Property, plant and equipment (Continued)

Depreciation is charged on a diminishing value basis over the useful life of the asset. Except for the synthetic track and motor vehicle, Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life.

Synthetic track and motor vehicle are depreciated over their estimated useful lives on a straight line basis. Lands are not depreciated.

The estimated useful lives of the assets are:

- Buildings: 0% - 33% DV
- Plant and equipment: 2% - 80% DV
- Synthetic Track: 5% - 20% SL
- Motor vehicles: 10% - 48% SL
- Office equipment: 2% - 67% DV
- Capital work in progress: 0%

(j) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Investment property acquired through non-exchange transactions is measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and impairment losses. Therefore all the PBE IPSAS 17's requirements apply to the investment properties. The group assesses the fair value of investment properties at each reporting date. Where there is objective evidence of impairment, an impairment loss will be recognised in surplus or deficit.

The Group adopts the following depreciation rates over its investment properties:

- Building Fit-out - 10% DV
- Buildings - 2% RV

The buildings are depreciated on the residual value of the building. The residual value of the buildings is expected to be equal or above the carrying amount of the buildings. This assessment is carried out annually by the Board.

Derecognition

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

(k) Financial instruments

Financial Assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through surplus or deficit (FVTSD); or
- fair value through other comprehensive revenue and expense (FVTOCRE)

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTOCRE.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTOCRE:

- it is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely prepayments of principal and interest on the principal amount outstanding.

Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

(k) Financial instruments (Continued)

Financial Assets (continued)

The Group's cash and cash equivalents, term deposits, and receivables are classified as financial assets at amortised cost. The Group's investments at fair value are classified as financial assets at FVTOCRE on the basis they are managed, and their performance is evaluated on a fair value basis.

A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense.

Financial Assets - Subsequent Measurement and Gains and Losses

Financial assets at FVTOCRE - These assets are subsequently measured at fair value. Net gains and losses are recognised in other comprehensive revenue and expenses.

Financial assets at FVTSD - These assets are subsequently measured at fair value. Net gains and losses are recognised in Surplus or Deficit.

Financial Assets at Amortised Cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in other comprehensive revenue and expenses. Any gain or loss on derecognition is recognised in other comprehensive revenue and expenses.

Financial Liabilities - Classification, Subsequent Measurement and Gains and Losses

All of the Group's financial liabilities meet the criteria to be classified as measured at amortised cost. These financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in other comprehensive revenue and expenses. The Group's financial liabilities include payables and borrowings.

(l) Impairment of financial assets

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Group first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

(m) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, property plant and equipment and investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For non-financial cash-generating assets, except for those assets that are measured using the revaluation model, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. An asset's or CGU's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

(n) Impairment of non-cash generating assets

For non-financial non-cash-generating assets, the Group assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive revenue and expenses.

(o) Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

(p) Interest bearing loans and borrowings

Interest bearing loans and borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Interest bearing loans and borrowings are classified as non-current liabilities as the settlement of the liability for at least 12 months after balance date.

(q) Trade and other payables

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

(r) Employee benefits

Employee benefits include accrued wages, annual leave, alternative leave and sick leave. Short-term employee entitlement liabilities are recognised when the Group has a legal or constructive obligation to remunerate employees for services provided within 12 months of reporting date, and is measured on an undiscounted basis and expensed in the period in which employment services are provided.

Waikato Thoroughbred Racing

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

(s) Significant judgements and estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the preparation of the Group Limited's financial statements, management have made the following judgements, estimates and assumptions which would affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses:

Revenue Recognition

Revenue must be classified as arising from either exchange or non-exchange transactions. Where there is a non-exchange transaction, management must determine whether there are associated conditions (a condition is a requirement to return assets that have not been used for the purposes specified by the other party to the transaction).

Information on the manner in which exchange and non-exchange transactions are accounted as provided in the accounting policy on revenue.

Useful lives of property, plant, and equipment

The Board reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting date. The Board believes that the estimated useful lives of the property, plant and equipment as disclosed in the notes to the financial statements are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at Note 12.

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the Group. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease, no such asset is recognised. Future operating lease commitments are disclosed in note 20.

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

5 Race meeting revenue and expenses

| | Group 2024 \$ | Group 2023 \$ |
|--|---------------------|---------------------|
| Revenue from exchange transactions | | |
| Industry profit distribution | 11,677,744 | 9,687,042 |
| Acceptance fees | 404,612 | 945,767 |
| On-course totalisator income | 277,489 | 248,822 |
| Race meeting sponsorships | 627,616 | 527,634 |
| Bar sales (race meeting days related) | 521,622 | 640,921 |
| Admission and Privilege Revenue | 72,542 | 57,806 |
| Other race meeting income | 35,911 | 74,586 |
| Total Race meeting Revenue - Exchange | 13,617,536 | 12,182,578 |
| Revenue from non-exchange transactions | | |
| Grant Received | 100,000 | - |
| Total Race Meeting revenue - non-exchange | 100,000 | - |
| Total Race meeting Revenue | 13,717,536 | 12,182,578 |
| Expenditure | | |
| Stakes | 10,389,973 | 9,134,676 |
| Totaliser expenses | 13,453 | 15,763 |
| Advertising and promotions | 85,239 | 100,823 |
| Direct race meeting operating costs | 597,569 | 422,328 |
| Race meeting sponsorship costs | 81,644 | 79,127 |
| Race book costs | 46,858 | 50,960 |
| Bar, Function and Package Expenses | 343,975 | 462,422 |
| Salaries and wages (direct) | 248,232 | 198,509 |
| Total race meeting costs & expenses | 11,806,943 | 10,464,608 |
| Net race meeting surplus/(deficit) | 1,910,593 | 1,717,970 |

6 Property rental revenue and expenses

| | Group 2024 \$ | Group 2023 \$ |
|-------------------------------|---------------------|---------------------|
| Rental Income | | |
| Rental income from properties | 1,239,121 | 1,169,707 |
| Parking and field income | 38,995 | 38,495 |
| Other Rental income | 352,978 | 30,000 |
| Opex income | 227,962 | 211,682 |
| Total rental income | 1,859,056 | 1,449,884 |
| Rental Costs | | |
| Property Expenses | 305,686 | 194,905 |
| OPEX expenses | 139,095 | 195,165 |
| Total rental cost | 444,781 | 390,070 |
| Net property Income | 1,414,275 | 1,059,814 |



Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

7 Revenue from rendering of services

| | Group 2024 | Group 2023 |
|---|---------------|---------------|
| | \$ | \$ |
| Function revenue | 12,637 | 14,385 |
| Venue Hire revenue | 38,233 | 57,142 |
| Total revenue from rendering of services | 50,870 | 71,527 |
| Function costs | 25,427 | 17,900 |
| Net revenue from rendering of services | 25,443 | 53,627 |

8 Other revenue

| | Group 2024 | Group 2023 |
|---|------------------|----------------|
| | \$ | \$ |
| Revenue from exchange transactions | | |
| Sponsorship income | 41,500 | 50,500 |
| Members subscription income | 13,208 | 35,488 |
| Track revenue | 2,151,688 | 25,819 |
| Total other exchange revenue | 2,206,396 | 111,807 |
| Revenue from non-exchange transactions | | |
| MBIE synthetic track construction grant funding * | 214,335 | - |
| NZTR synthetic track maintenance grant funding ** | 113,000 | - |
| NZTR starting gate grant funding *** | 201,626 | - |
| Total other non-exchange revenue | 528,961 | - |
| Total other operating revenue | 2,735,357 | 111,807 |

* Final payment from MBIE for the construction of the Synthetic track in Cambridge

** NZTR's 50% contribution to 4 year re-wax programmed maintenance of the Cambridge Synthetic track

*** NZTR's one-off contribution towards set of 16 starting gates to replace Waikato Racing's existing set of 14 gates

9 Other operating expenses

| | Group 2024 | Group 2023 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Administration salaries and wages | 2,127,721 | 816,557 |
| Accounting fees | 106,884 | 40,011 |
| Audit fees | 30,185 | 17,328 |
| Entertainment | 2,356 | 1,678 |
| Fuel expenses | 112,217 | 23,856 |
| Repairs and maintenance | 1,310,974 | 137,839 |
| Legal and professional fees | 2,768 | 4,976 |
| Lease expenses | 41,373 | 27,839 |
| Merger Costs | 62,763 | 102,198 |
| Irrigation expenses | 4,306 | 9,477 |
| Utilities and insurance | 338,073 | 145,086 |
| Stationery, printing and postage | 14,291 | 7,121 |
| Other expenses | 198,525 | 145,733 |
| Telephone & computer expenses | 32,903 | 17,418 |
| Total other operating expenses | 4,385,339 | 1,497,117 |

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

10 Cash and cash equivalents

| | Group 2024 | Group 2023 |
|--|-------------------------|-----------------------|
| | \$ | \$ |
| ASB Cheque account | 351,835 | 354,488 |
| ASB Savings account | 407,622 | 2,581 |
| ANZ Cheque account | 907,273 | 297,264 |
| ANZ Call account | - | 205,170 |
| ASB Business Cheque account | - | 1,565 |
| Cash floats | 185 | 185 |
| Total cash and cash equivalents | <u>1,666,915</u> | <u>861,253</u> |

11 Receivables

| | Group 2024 | Group 2023 |
|--|-----------------------|----------------------|
| | \$ | \$ |
| Receivables from exchange transactions | | |
| Trade receivables | 416,456 | 66,744 |
| | <u>416,456</u> | <u>66,744</u> |



Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

12 Property, plant and equipment

| | Opening balances (Group) | | Current year movements (Group) | | | | Closing balances (Group) | |
|--|--------------------------|-------------------------------------|--------------------------------|------------------------|--------------------|-------------------------------------|--------------------------|-------------------------------------|
| | Cost/ valuation | Acc. depreciation/ impairment | Additions | Disposal/ Transfers | Depreciation | Less Depreciation on disposal | Cost/ valuation | Acc. depreciation/ impairment |
| as at 31 July 2024 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land and buildings | 14,372,983 | (4,991,194) | 3,742,061 | - | (458,518) | - | 18,115,044 | (5,449,712) |
| Synthetic Track | - | - | 10,155,943 | - | (1,110,589) | - | 10,155,943 | (1,110,589) |
| Plant and equipment | 1,320,545 | (882,202) | 513,669 | (94,517) | (112,118) | - | 1,739,697 | (994,320) |
| Office equipment | 133,062 | (120,799) | 9,090 | - | (4,112) | - | 142,152 | (124,911) |
| Motor Vehicles | 266,199 | (189,438) | 347,048 | (31,343) | (69,188) | - | 581,904 | (258,626) |
| Property Development - Work in Progress | - | - | 364,604 | - | - | - | 364,604 | - |
| | 16,092,789 | (6,183,633) | 15,132,415 | (125,860) | (1,754,525) | - | 31,099,344 | (7,938,158) |
| | | | | | | | | 23,161,186 |

| | Opening balances (Group) | | Current year movements (Group) | | | | Closing balances (Group) | |
|---------------------|--------------------------|-------------------------------------|--------------------------------|------------------------|------------------|-------------------------------------|--------------------------|-------------------------------------|
| | Cost/ valuation | Acc. depreciation/ impairment | Additions | Disposal/ Transfers | Depreciation | Less Depreciation on disposal | Cost/ valuation | Acc. depreciation/ impairment |
| as at 31 July 2023 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Land and buildings | 14,372,983 | (4,715,936) | - | - | (275,258) | - | 14,372,983 | (4,991,194) |
| Plant and equipment | 1,282,943 | (817,538) | 37,602 | - | (64,664) | - | 1,320,545 | (882,202) |
| Office equipment | 133,062 | (119,232) | - | - | (1,567) | - | 133,062 | (120,799) |
| Motor Vehicles | 266,199 | (177,617) | - | - | (11,821) | - | 266,199 | (189,438) |
| | 16,055,187 | (5,830,323) | 37,602 | - | (353,310) | - | 16,092,789 | (6,183,633) |
| | | | | | | | | 9,909,156 |



Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

13 Other current financial assets

| | Group 2024 | Group 2023 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Opening balance ANZ term deposits | 112,516 | 108,846 |
| Add interest received & reinvested | 6,280 | 3,669 |
| Closing balance | <u>118,796</u> | <u>112,515</u> |

On behalf of the James and Anne Sarten Memorial Fund, the Group holds funds in a term deposit with ANZ bank for which interest revenue is recognized during the term of the investment. The fund is restricted for a specific purpose and is therefore rolled on an annual and continuing basis.

14 Investment property

| | Group 2024 | Group 2023 |
|-----------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Opening balance at 1 August | | |
| Land at cost | 2,654,944 | 2,654,944 |
| Buildings at cost | 10,498,114 | 10,217,287 |
| | <u>13,153,058</u> | <u>12,872,231</u> |
| | | |
| Additions/ Transfer | - | 280,827 |
| Disposals/ Transfer | - | - |
| Accumulated depreciation | (21,436) | (15,030) |
| Closing balance at 31 July | <u>13,131,622</u> | <u>13,138,028</u> |
| | | |
| Depreciation charges for the year | 6,406 | 7,120 |

15 Trade and other payables

| | Group 2024 | Group 2023 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Trade payables | 354,183 | 308,597 |
| Accrued expenses | 211,427 | 187,761 |
| Total trade and other payables | <u>565,610</u> | <u>496,358</u> |
| | | |
| Payables for Exchange Transactions | 565,610 | 496,358 |

16 Employee entitlements

| | Group 2024 | Group 2023 |
|------------------------------------|----------------|----------------|
| | \$ | \$ |
| Salaries and wages payable | 16,871 | 7,262 |
| Holiday pay liability | 267,191 | 112,402 |
| Total employee entitlements | <u>284,062</u> | <u>119,664</u> |

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

17 Borrowings

| | Group 2024 \$ | Group 2023 \$ |
|---|-------------------------|-------------------------|
| Current financial liabilities | | |
| Current interest-bearing loan and borrowings | 380,000 | 4,000,000 |
| Non-current financial liabilities | | |
| Non-current interest-bearing loans and borrowings | <u>9,200,000</u> | <u>3,300,000</u> |
| | <u>9,580,000</u> | <u>7,300,000</u> |

The Group has borrowings with ASB Bank for a sum of \$7.2 million (2023: \$7.2 million). The borrowings bear interest rates of 8.18% - 8.24% (2023: 8.15% - 8.84%) per annum.

The Group also has borrowings with ANZ bank with a total sum of \$2.38 mil (2023: Nil). The borrowings bear interest rates of 8.15% - 8.84% (2023: Nil) per annum.

The Group has a total undrawn interest-bearing borrowing facilities with ANZ and ASB of \$716,247 as at 31 July 2024. All banking covenants associated with interest-bearing borrowings were complied with on 31 July 2024.

The intention of the club is to roll over the loan every 12 months and only repay capital when it has surplus funds. On this basis, except for the overdraft facility drawn down of \$380,000 (2023: Nil), all other borrowings with ASB and ANZ bank have been recognised as non-current borrowings.

ASB Security:

Borrowings are secured by a first charge over land and buildings held as the Group's investment property with carrying value of \$13,131,622. Together with general security deeds over all assets of Mainstreet Place Limited Partnership and Sir Tristram Avenue Limited Partnership.

ANZ Security:

The borrowing relates to the Cambridge Jockey Club's Synthetic Track. The costs of construction to date have been capitalized and form part of the Group's Property, Plant, and Equipment as of 1 August 2023 on amalgamation. There is a general security agreement granted and a first mortgage over the club's property at 32 Racecourse Road, Cambridge.

18 Other financial liabilities

| | Group 2024 \$ | Group 2023 \$ |
|----------------------------|---------------------|---------------------|
| J & A Sarten Memorial Fund | 100,000 | 100,000 |
| Loan from J F Grylls Trust | 18,940 | - |
| Jockey's Support Fund | 2,536 | - |
| UDC finance Loan | 25,724 | - |
| Deposits and bonds | 5,908 | 9,089 |
| | <u>153,108</u> | <u>109,089</u> |

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

19 Categories of financial instruments

| | Group 2024 | Group 2023 |
|---|-------------------|------------------|
| | \$ | \$ |
| <i>Financial Assets at amortised costs</i> | | |
| Cash and cash equivalents | 1,666,915 | 861,253 |
| Receivables from exchange transactions | 416,456 | 66,744 |
| Other current financial assets | 118,796 | 112,515 |
| | <u>2,202,167</u> | <u>1,040,512</u> |
| <i>Financial liabilities at amortised costs</i> | | |
| Trade and other payables | 565,610 | 496,358 |
| Other financial liabilities | 153,108 | 109,089 |
| Borrowings | 9,580,000 | 7,300,000 |
| | <u>10,298,718</u> | <u>7,905,447</u> |

20 Commitment and contingencies

1) Non-cancellable operating lease commitments - Group as lessee

As at reporting date, the Group has entered into various non-cancellable operating lease contracts with a term averaging between 3 - 5 years for the motor vehicles and peripherals building and office equipment. 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:

| | Group 2024 | Group 2023 |
|---|----------------|---------------|
| | \$ | \$ |
| Within one year | 38,628 | 19,020 |
| After one year but not more than five years | 67,599 | 29,975 |
| | <u>106,227</u> | <u>48,995</u> |

2) Non-cancellable operating lease commitments - Group as lessor

As at reporting date, the Group has entered into commercial property leases on its investment property portfolio consisting of the Group's office buildings. These non-cancellable leases have remaining terms of between five and twenty years. All leases include a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions. Future minimum rentals receivables under non-cancellable leases at 31 July 2024 are as follows:

| | Group 2024 | Group 2023 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Within 1 year | 1,228,012 | 1,116,509 |
| After 1 year but not more than 5 years | 9,926,483 | 9,679,440 |
| More than 5 years | 12,268,556 | 12,316,803 |
| | <u>23,423,051</u> | <u>23,112,752</u> |

3) Capital commitments

The Club has no capital commitments.

4) Contingencies

The Group has no contingent liabilities or assets as of 31 July 2024

Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

21 Related party transactions

Waikato Thoroughbred Racing own 100% of Mainstreet Place Limited Partnership and Sir Tristram Avenue Limited Partnership.

The Group's transactions with its related party entities are interest free and are made on normal terms. As of reporting date, the Group has no impaired receivables from related parties.

The aggregate remuneration of key management personnel and the number of individuals determined on a full-time equivalent basis receiving remuneration is as follows:

| | Group 2024 \$ | Group 2023 \$ |
|--------------------|---------------------|---------------------|
| Total remuneration | 810,983 | 487,665 |
| Number of persons | 5.0 | 3.0 |

During the reporting period, total remuneration and compensation of \$39,169 (2023: Nil) was provided by the Group to employees who are close family members of key management personnel.

No remuneration is paid to Directors on the Board.

Transaction with the Directors:

During the 2024 financial year, the following transactions incurred with the Directors.

| | | Group 2024 \$ | Group 2023 \$ |
|--------------------|-------------------------------|---------------------|---------------------|
| John Elstob | Membership fees | 30 | 125 |
| | Package sales & function fees | 11,326 | 16,271 |
| | Sponsorship received | 26,000 | 27,600 |
| Bruce Harvey | Membership fees | 30 | - |
| | Track Fees | 8,366 | - |
| | Sponsorship received | 5,750 | - |
| Carolyn Christian | Membership fees | 30 | - |
| | Sponsorship received | 1,840 | - |
| Mark Fraser-Campin | Membership fees | 30 | - |
| | Track Fees | 3,986 | - |
| Mark Irwin | Membership fees | 30 | - |
| | Track Fees | 4,522 | - |
| Glenn Holmes | Membership fees | 30 | 125 |

22 Subsequent event

There are no subsequent events that have occurred subsequent to the balance date that would have a material impact on the financials (2023: On 1 August 2023, Waikato Racing Club was merged with Cambridge Jockey Club and Waipa Racing Club. The Club subsequently changed its name to Waikato Thoroughbred Racing).



Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2024

23 Amalgamation

As at 1 August 2023, the following assets and liabilities of Waipa Racing Club Incorporated and Cambridge Jockey Club Incorporated were transferred to Waikato Thoroughbred Racing Club at book value. The following summarises the recognised amount of assets transferred and liabilities and retained earnings assumed at the date of amalgamation:

| | Cambridge Jockey Club Inc. | Waipa Racing Club Inc. | Total |
|---|----------------------------------|---------------------------|-------------------|
| Cash and cash at bank (Including term deposits) | 423,962 | 123,576 | 547,538 |
| Trade and other receivables, prepayments, and other assets | 293,730 | 106,847 | 400,577 |
| Property, plant, and equipment | 13,329,302 | 988,622 | 14,317,924 |
| Trade and other payables, employee entitlement, and deferred income | (374,760) | (126,422) | (501,182) |
| Borrowings | (2,383,490) | - | (2,383,490) |
| Net Asset | <u>11,288,744</u> | <u>1,092,623</u> | <u>12,381,367</u> |
| Retained earnings | <u>11,288,744</u> | <u>1,092,623</u> | <u>12,381,367</u> |

24 Comparatives

There has been a number of prior period comparatives that have been reclassified to make disclosure consistent with the current year.



**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF WAIKATO THOROUGHBRED RACING INCORPORATED**

Opinion

We have audited the consolidated financial statements of Waikato Thoroughbred Racing Incorporated ("the Club") on pages 3 to 23, which comprise the consolidated statement of financial position as at 31 July 2024, and the consolidated statement of service performance, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects:

- the consolidated financial position of the Club as at 31 July 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended;
- the service performance for the year ended 31 July 2024, in accordance with the club's service performance criteria,

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") 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)") and the audit of the service performance information in accordance with ISAs and New Zealand Auditing Standard (NZ AS 1) The Audit of Service Performance Information (NZ). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Club in accordance with Professional and Ethical Standard 1 (Revised) *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 we have no relationship with, or interests in, the Club.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors are responsible on behalf of the Club for:

- a) the preparation and fair presentation of the consolidated financial statements and statement of service performance in accordance with PBE Standards RDR issued by New Zealand Standards Board;
- b) service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards RDR; and

- c) such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of directors are responsible on behalf of the Club for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website at:

[Audit Report 13 » XRB](#)

Who we Report to

This report is made solely to the Board of Directors, as a body. Our audit work has been undertaken so that we might state those matters which 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 Club and the Board, as a body, for our audit work, for this report or for the opinions we have formed.



Director
PKF Hamilton Audit Limited
Hamilton
New Zealand
16 October 2024