WAIKATO THOROUGHBRED RACING
TE RAPA · CAMBRIDGE · WAIPA

# 2026 Financial Statements

Auditors:
PKF Hamilton





# 2026 Financial **Statements**


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# Consolidated Statement of Service Performance

## Waikato Thoroughbred Racing Incorporated
**Consolidated Statement of Service Performance**
**For the year ended 31 July 2026**

Waikato Thoroughbred Racing inc is an Incorporated Society registered under the Incorporated Societies Act 2022. The Waikato Thoroughbred Racing Group consist 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 race meeting days of the 19 race meetings days held at Te Rapa Racecourse, Hamilton. All 11 of the race meeting days held on the Cambridge Synthetic Track were 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:*

| | 2026 Actual | 2025 Actual |
|---|---|---|
| > Total number of Race days in a year | 29 | 30 |
| > Total track maintenance spending | 2,568,976 | 2,714,756 |

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

*Outputs:*

| | 2026 Actual | 2025 Actual |
|---|---|---|
| > Total spending on advertising and promotions | 94,273 | 251,728 |
| > Total sponsorships received during the year | 619,768 | 576,327 |

*Costs:*
The directly attributable expenditure associated with race meetings for the year amounts to $10,995,412 (2025 : $12,615,434).



# Consolidated Statement of Comprehensive Revenue and Expenses

## Waikato Thoroughbred Racing Incorporated
**Consolidated Statement of Comprehensive Revenue and Expenses**
**For the year ended 31 July 2026**

| | Notes | Group 2026 $ | Group 2025 $ |
|---|---|---|---|
| **Revenue from exchange transactions** | | | |
| Race meeting revenues | 5 | 12,924,281 | 14,703,619 |
| Rental income | 6 | 2,052,637 | 2,028,539 |
| Rendering of services | 7 | 22,049 | 31,711 |
| Other operating revenue | 8 | 2,921,595 | 2,399,378 |
| Finance revenue | | 1,608 | 21,620 |
| **Total revenue from exchange transactions** | | 17,922,170 | 19,184,867 |
| **Revenue from non exchange transactions** | | | |
| Race Meeting grants | 5 | 90,000 | 102,000 |
| Other revenue | | 200,000 | 262,500 |
| **Total revenue from non exchange transactions** | | 290,000 | 364,500 |
| **TOTAL REVENUE** | | **18,212,170** | **19,549,367** |
| **Expenses** | | | |
| Race meeting costs and expenses | 5 | 10,995,412 | 12,615,435 |
| Expenses from rendering of services | 7 | 8,362 | 16,424 |
| Property expenses | 6 | 490,756 | 467,758 |
| Other operating expenses | 9 | 4,509,622 | 4,644,863 |
| **TOTAL EXPENSES** | | **16,004,152** | **17,744,480** |
| | | **2,208,018** | **1,804,887** |
| **Interest, depreciation and amortisation expense** | | | |
| Depreciation and amortisation | 12 & 14 | 1,761,231 | 1,756,037 |
| Finance expense | | 466,314 | 629,618 |
| **Total interest, depreciation and amortisation expense** | | **2,227,545** | **2,385,655** |
| **Surplus/(Deficit) for the year before extraordinary items** | | (19,527) | (580,768) |
| Other Comprehensive Revenue & Expenses | | - | - |
| **Total comprehensive revenue and expenses** | | **(19,527)** | **(580,768)** |

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

# Consolidated Statement of Changes in Net Assets/Equity

**Waikato Thoroughbred Racing Incorporated**
**Consolidated Statement of Changes in Net Assets/Equity**
**For the year ended 31 July 2026**

| | Group | Group |
|---|---|---|
| | Retained earnings $ | Total $ |
| **Balance as at 1st August 2024** | **27,869,851** | **27,869,851** |
| Net surplus/(deficit) for the year | **(580,768)** | (580,768) |
| **Balance as at 31 July 2025** | **27,289,083** | **27,289,083** |
| Net surplus/(deficit) for the year | **(19,527)** | **(19,527)** |
| **Balance as at 31 July 2026** | **27,269,556** | **27,269,556** |

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



# Consolidated Statement of Financial Position

**Waikato Thoroughbred Racing**
**Consolidated Statement of Financial Position**
**For the year ended 31 July 2026**

| | Notes | Group 2026 $ | Group 2025 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | *10* | 1,648,873 | 873,140 |
| Receivables from exchange transactions | *11* | 501,155 | 597,707 |
| GST Receivables | | 118,990 | 100,810 |
| Prepayments and other assets | | 84,795 | 226,072 |
| Inventories | | - | 882 |
| Investment - Term Deposit | *13* | 130,388 | 125,235 |
| **Total current assets** | | **2,484,201** | **1,923,846** |
| **Non-current assets** | | | |
| Property, plant and equipment | *12* | 20,667,867 | 21,960,665 |
| Investment property | *14* | 13,161,559 | 13,172,419 |
| Work in progress - Greenfield Development | | 2,195,977 | - |
| **Total non-current assets** | | **36,025,403** | **35,133,084** |
| **Total assets** | | **38,509,604** | **37,056,930** |
| **Current liabilities** | | | |
| Trade and other payables from exchange transactions | *15* | 879,310 | 781,324 |
| Employee entitlements | *16* | 306,233 | 299,088 |
| Income received in advance | | 104,801 | 108,143 |
| Other financial liabilities | *21* | 169,711 | 199,292 |
| Borrowings | *17* | 81,000 | 81,000 |
| **Total current liabilities** | | **1,541,055** | **1,468,847** |
| **Non-current liabilities** | | | |
| Borrowings | *17* | 9,699,000 | 8,299,000 |
| **Total non-current liabilities** | | **9,699,000** | **8,299,000** |
| **Total liabilities** | | **11,240,055** | **9,767,847** |
| **Net assets** | | **27,269,556** | **27,289,083** |
| **Net assets comprised of:** | | | |
| Retained earnings | | 27,269,556 | 27,289,083 |
| **Total net assets** | | **27,269,556** | **27,289,083** |

**Approved by:**

Director
Date: 2 October 2026

Director
Date: 2 October 2026

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

# Consolidated Statement of Cash Flows

## Waikato Thoroughbred Racing Incorporated
**Consolidated Statement of Cash Flows**
**For the year ended 31 July 2026**

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Cash was received from:** | | | |
| Industry profit distribution | | 11,019,720 | 12,594,048 |
| Other race meeting receipts | | 1,904,561 | 2,087,951 |
| Grants and subsidies | | 90,000 | 364,500 |
| Fees, subscriptions and other receipts from members | | 33,410 | 15,425 |
| Receipts from providing goods or services | | 5,036,158 | 4,045,773 |
| Net GST received | | (18,180) | (57,129) |
| **Cash was applied to:** | | | |
| Payments to suppliers and employees | | (15,524,509) | (17,519,870) |
| **Net cash flows from operating activities** | | **2,541,160** | **1,530,698** |
| **Cash flows from investing activities** | | | |
| **Cash was received from:** | | | |
| Proceeds from disposal of property, plant & equipment | | 32,739 | 5 |
| Interest Received | | 1,608 | 20,238 |
| **Cash was applied to:** | | | |
| Payments for purchase of property, plant and equipment | | (459,800) | (568,319) |
| Payments for Work in Progress | | (2,195,977) | 0 |
| **Net cash flows from investing activities** | | **(2,621,430)** | **(548,076)** |
| **Cash flows from financing activities** | | | |
| **Cash was received from:** | | | |
| Proceeds from borrowings | | 1,400,000 | 125,925 |
| **Cash was applied to:** | | | |
| Finance lease liability | | (29,580) | (73,833) |
| Loan repaid | | (29,581) | (1,200,000) |
| Interest paid | | (484,836) | (628,489) |
| **Net cash flows from financing activities** | | **856,003** | **(1,776,397)** |
| **Net Increase / (Decrease) in Cash** | | **775,733** | **(793,775)** |
| **Opening Cash** | | 873,140 | 1,666,915 |
| **Closing Cash** | | **1,648,873** | **873,140** |
| **This is represented by:** | | | |
| Cash on hand and in bank | *10* | 1,648,873 | 873,140 |
| **Cash and cash equivalents at end of the period** | | **1,648,873** | **873,140** |

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



# Notes to the Consolidated Financial Statements

## Waikato Thoroughbred Racing
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

### 1. Statement of Accounting Policies

**a) Reporting Entity**

Waikato Thoroughbred Racing Incorporated ("The Club") is an incorporated society registered under the Incorporated Societies Act 2022. 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 (together the Group). The limited partnerships are registered under the Limited Partnerships Act 2008, with the Club being tthe sole limited partner.

**Basis of Preparation**

***Reporting Period***

The consolidated financial statements are presented for the year ending 31 July 2026.

***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.

These consolidated financial statements have been approved and were authorised for issue by the Board of Directors on 2 October 2026. The Board of Directors does not have the power to amend these financial statements once issued.

***Note 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. (Operating expenditure has been between $5m and $33m)

***Note 3: Changes in accounting policies***

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

***Note 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 2026.

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.

**Waikato Thoroughbred Racing**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

The controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated form 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.

*(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.

*(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 operating income) and third parties in the form of grants 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 Income***
Track income comprises revenue earned from the use of the Club's racing and training facilities, including training fees, track hire charges and other related services. Revenue is recognised when the related services are provided and is measured at the amount the Club expect to be entitled to in exchange for those services.

***(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.



Notes to the Consolidated Financial Statements

**Waikato Thoroughbred Racing**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

***(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.

***(j) Property, plant and equipment***

*Depreciation*
Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life. Land is not depreciated.
- Buildings: 0% - 26.4%
- Plant and equipment: 2% - 20%
- Motor vehicles: 10% - 48%
- Office equipment: 2% - 67%
- Capital work in progress: 0%

***(k) 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 the is objective evidence of impairment, an impairment loss will be recognised in surplus or deficit.

Depreciation
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.

***(l) Financial instruments***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the financial instrument.

The Group derecognises a financial asset or, where applicable part of a financial asset or part similar financial assets when the rights to receive cash flows from the assets have expired or are waived, or the Group has transferred its rights to receive cash flows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Group has transferred substantially all the risks and rewards of the assets; or
- the Group has neither transferred nor retained subtantially all the risks and rewards of the asset, but has transferred control of the asset.

## Waikato Thoroughbred Racing

**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

*(i) Financial assets*
Initial Recognition
On initial recognition, a financial asset is classified and measured at :
. Amortised cost; or
. Fair value through surplus of deficit (FVTSD);
. fair value through other comprehensive revenue and expense (FVTOCRE)

Subsequent Measurement and Gains and Losses
Financial assets within the Scope of NFP PBE IPSAS 41 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit or amortised costs. The classifications of the financial assets are determined at initial recognition.

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.

Financial assets at FVTOCRE - These assets are subsequently measured at fair value. Net gains and losses are recognised in other comprehensive revenue and expenses. The Group has not designated any financial assets at FVTOCRE.

Financial assets at FVTSD - Financial assets at fair value through surplus or deficit included items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. These assets are subsequently measured at fair value. Net gains and losses are recognised in Surplus or Deficit. The Group has not designated any financial assets at fair value through 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. As at balance date, all of the Group's financial assets are classified as amortised at cost. The Group's financial assets include cash and cash equivalents, receivables from non-exchange transactions, receivables from exchange transactions and and investments and ANZ term deposits. Any gain or loss on derecognition is recognised in other comprehensive revenue and expenses.

*(ii) Financial liabilities - Classification, Subsequent Measurement and Gains and Losses*

The Group's financial liabilities include trade and other creditors and interest bearing borrowings.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortise cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.
Gains and losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the effective interest rate amortisation process. The effective interest rate amortisation is included as finance costs in the statement of comprehensive revenue and expenses.

***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.





Waikato Thoroughbred Racing
Notes to the Consolidated Financial Statements
For the year ended 31 July 2026

In determining whether there are any objectives 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.

***(m) 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.

***(n) 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.

***(o) 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.

**(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.

**Waikato Thoroughbred Racing**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

***(r) Significant judgments and estimates***
In preparing the financial statements, the Board of Directors are required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Group bases its assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key significant judgments and estimates used in the preparation of these financial statements are as follows:

*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.





**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements For the year ended 31 July 2026**

## 5 Race meeting revenue and expenses

| | Group 2026 | Group 2025 |
|---|---|---|
| **Revenue from exchange transactions** | **$** | **$** |
| Industry profit distribution | 11,019,720 | 12,594,048 |
| Acceptance fees | 357,660 | 506,808 |
| On-course totalisator income | 298,446 | 334,411 |
| Race meeting sponsorships | 619,768 | 576,327 |
| Bar sales (race meeting days related) | 498,420 | 569,280 |
| Admission and Privilege Revenue | 88,767 | 81,245 |
| Other race meeting income | 41,500 | 41,500 |
| Total Race meeting Revenue - Exchange | **12,924,281** | **14,703,619** |
| **Revenue from non-exchange transactions** | | |
| Grant Received | 90,000 | 102,000 |
| Total Race Meeting revenue - Non Exchange | **90,000** | **102,000** |
| **Total Race meeting Revenue** | **13,014,281** | **14,805,619** |
| **Expenditure** | | |
| Stakes | 9,677,425 | 11,191,016 |
| Totaliser expenses | 12,313 | 15,501 |
| Advertising and promotions | 94,273 | 251,728 |
| Direct race meeting operating costs | 522,864 | 525,628 |
| Race meeting sponsorship costs | 53,554 | 56,729 |
| Race book costs | 50,054 | 25,115 |
| Bar, Function and Package Expenses | 357,743 | 404,107 |
| Salaries and wages (direct) | 227,186 | 145,611 |
| **Total race meeting costs & expenses** | **10,995,412** | **12,615,435** |
| **Net race meeting surplus/(deficit)** | **2,018,869** | **2,190,184** |

## 6 Property rental revenue and expenses

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| **Rental Income** | | |
| Rental income from properties | 1,372,646 | 1,325,402 |
| Parking and field income | 48,790 | 45,392 |
| Other Rental income | 362,280 | 404,538 |
| Opex income | 268,921 | 253,207 |
| | **2,052,637** | **2,028,539** |
| **Rental Costs** | | |
| Property Expenses | 377,576 | 349,036 |
| OPEX expenses | 113,180 | 118,722 |
| | **490,756** | **467,758** |
| **Net property Income** | **1,561,881** | **1,560,781** |

**Waikato Thoroughbred Racing**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 7 Revenue from rendering of services

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Function revenue | - | 3,871 |
| Venue Hire revenue | 22,049 | 27,840 |
| **Total revenue from rendering of services** | 22,049 | 31,711 |
| Function costs | 8,362 | 16,424 |
| **Net revenue from rendering of services** | **13,687** | **15,287** |

## 8 Other Operating revenue

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Sponsorship income | 95,370 | 21,500 |
| NZB Kiwi | 84,150 | 0 |
| Members subscription income | 33,410 | 15,425 |
| Track revenue | 2,708,665 | 2,362,453 |
| **Total other operating revenue** | **2,921,595** | **2,399,378** |

## 9 Other operating expenses

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Administration salaries and wages | 2,341,382 | 2,214,255 |
| Accounting fees | 19,907 | 22,157 |
| Audit fees | 30,267 | 28,000 |
| Entertainment | - | 3,696 |
| Fuel expenses | 111,769 | 101,112 |
| Repairs and maintenance | 1,032,444 | 1,207,826 |
| Legal and professional fees | 5,973 | 15,766 |
| Lease expenses | 44,798 | 43,973 |
| NZR Kiwi | 150,000 | 79,606 |
| Utilities and insurance | 277,025 | 361,085 |
| Greenfield Development | 161,593 | 197,064 |
| Waste to Energy Plant Hearing costs | 6,230 | 109,611 |
| Stationery, printing and postage | 13,260 | 14,525 |
| Other expenses | 274,700 | 214,427 |
| Telephone & computer expenses | 40,274 | 31,760 |
| **Total other operating expenses** | **4,509,622** | **4,644,863** |



Notes to the Consolidated Financial Statements

**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 10 Cash and cash equivalents

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| ASB Cheque account | 702,097 | 166,709 |
| ASB Savings account | 12,447 | 12,493 |
| ANZ Cheque account | 916,671 | 679,830 |
| ANZ Call account | 17,473 | 13,923 |
| Cash floats | 185 | 185 |
| **Total cash and cash equivalents** | **1,648,873** | **873,140** |

## 11 Receivables

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| **Receivables from exchange transactions** | | |
| Trade receivables | 501,155 | 597,707 |
| | **501,155** | **597,707** |

**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 12 Property plant and equipment

| as at 31 July 2026 | Opening balances (Group) | | | Current year movements (Group) | | | | Closing balances (Group) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost / valuation | Acc. depreciation / impairment | Carrying amount | Additions | Disposals / Transfers | Impairment charges | Depreciation | Less Depreciaiton on disposal | Cost / valuation | Acc. depreciation / impairment | Carrying amount |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Land and buildings | 18,138,147 | (5,868,203) | 12,269,944 | 312,513 | - | - | 416,103 | - | 18,450,660 | (6,284,306) | 12,166,354 |
| Synthetic Track | 10,155,943 | (2,221,540) | 7,934,403 | - | 18,774 | - | 1,106,173 | 11,538 | 10,148,707 | (3,327,713) | 6,820,994 |
| Plant and machinery | 1,972,447 | (1,162,040) | 810,407 | 96,190 | - | - | 133,343 | - | 2,068,637 | (1,295,383) | 773,254 |
| Office equipment | 145,395 | (129,231) | 16,164 | 5,657 | - | - | 5,248 | - | 151,052 | (134,479) | 16,573 |
| Vehicles | 663,167 | (277,562) | 385,605 | 65,683 | 59,990 | - | 84,503 | 35,000 | 668,860 | (327,065) | 341,795 |
| Property Development | 544,142 | - | 544,142 | 4,755 | - | - | - | - | 548,897 | - | 548,897 |
| | **31,619,241** | **(9,658,576)** | **21,960,665** | **484,798** | **78,764** | **-** | **1,745,370** | **46,538** | **32,036,813** | **(11,368,946)** | **20,667,867** |
| **as at 31 July 2025** | | | | | | | | | | | |
| Land and buildings | 18,115,044 | (5,449,712) | 12,665,332 | 23,103 | - | - | 418,941 | - | 18,138,147 | (5,868,203) | 12,269,944 |
| Synthetic Track | 10,155,943 | (1,110,589) | 9,045,354 | - | - | - | 1,110,951 | - | 10,155,943 | (2,221,540) | 7,934,403 |
| Plant and machinery | 1,739,697 | (994,320) | 745,377 | 232,750 | - | - | 167,720 | - | 1,972,447 | (1,162,040) | 810,407 |
| Office equipment | 142,152 | (124,911) | 17,241 | 3,243 | - | - | 4,320 | - | 145,395 | (129,231) | 16,164 |
| Vehicles | 581,904 | (258,626) | 323,278 | 109,263 | 28,000 | - | 46,931 | 27,995 | 663,167 | (277,562) | 385,605 |
| Property Development | 364,604 | - | 364,604 | 179,538 | - | - | - | - | 544,142 | - | 544,142 |
| | **31,099,344** | **(7,938,158)** | **23,161,186** | **547,897** | **28,000** | **-** | **1,748,863** | **27,995** | **31,619,241** | **(9,658,576)** | **21,960,665** |



**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 13 Other current financial assets

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Opening balance ANZ term deposists | 125,235 | 118,796 |
| Add interest received & reinvested | 5,153 | 6,439 |
| Closing balance | 130,388 | 125,235 |

On behalf of the James and Anne Sarten Memorial Fund, the Group holds funds in a term deposit at 31 July 2026 with the ANZ bank for which interest revenue is recognised 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 2026 $ | Group 2025 $ |
|---|---|---|
| Opening balance at 1 August | | |
| Land | 2,654,944 | 2,654,944 |
| Buildings | 10,517,475 | 10,525,099 |
| | 13,172,419 | 13,180,043 |
| Additions | 5,000 | 0 |
| Depreciation | (15,860) | (7,624) |
| Closing balance at 31 July | 13,161,559 | 13,172,419 |

## 15 Trade and other payables

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Trade payables | 735,696 | 600,612 |
| Accrued expenses | 143,614 | 180,712 |
| **Total trade and other payables** | 879,310 | 781,324 |
| Payables for Exchange Transactions | **879,310** | **781,324** |

## 16 Employee entitlements

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Salaries and wages payable | 31,535 | 24,008 |
| Holiday pay liability | 274,698 | 275,080 |
| **Total employee entitlements** | **306,233** | **299,088** |

**Waikato Thoroughbred Racing**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 17 Other financial liabilities

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| **Current financial liabilities** | | |
| Current interest-bearing loan and borrowings | 81,000 | 81,000 |
| **Non-current financial liabilities** | | |
| Non-current interest-bearing loans and borrowings | 8,299,000 | 8,299,000 |
| NZTR Loan | 1,400,000 | - |
| | **9,780,000** | **8,380,000** |

The Group has term borrowings with the ASB Bank with a total value of $6.3 million (2025:$6.3million), of which $3.4 million matured in August 2025. The loans bear interest rate of 5.93% to 5.94% (2025: 5.93%-5.94%) per year.

The Group has term borrowings with the ANZ Bank with a total value of $2.08 million (2025: $2.08 million). The loans bear interest rate of 5.9% (2025 : 5.9%) per year.

The Group has a total undrawn interest-bearing loans facilities with ANZ and ASB of $1,418,932 (2025:$1,418,932) at 31 July 2026. All banking covenants associated with interest bearing loans and borrowings have been complied with at 31 July 2026.

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 $81,068 (2025:$81,068), all other borrowings with ASB and ANZ bank have been recognised as non-current borrowings.

**ASB Security:**
These borrowings are secured by a first charge over land and buildings held as the Group's investment property with carrying value of $13,172,419 million. 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

**NZTR Loan:**
The loan from NZTR is funding for the initial costs of the Greenfields development. No interest is being charged on the loan and it will be reviewed by both parties on the 22nd December 2027.

## 18 Categories of financial assets and liabilities

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| *Financial Assets at amortised costs* | | |
| Cash and cash equivalents | 1,648,873 | 873,140 |
| Receivables from exchange transactions | 501,155 | 597,707 |
| Other current financial assets | 130,388 | 125,235 |
| | 2,280,416 | 1,596,082 |

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| *Financial liabilities at amortised costs* | | |
| Trade and other payables | 879,310 | 781,324 |
| Other financial liabilities | 169,711 | 199,292 |
| Borrowings | 9,780,000 | 8,380,000 |
| | 10,829,021 | 9,360,616 |





**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 19 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 2026 $ | Group 2025 $ |
|---|---|---|
| Within one year | 69,672 | 69,672 |
| After one year but not more than five years | 8,452 | 78,124 |
| | 78,124 | 147,796 |

**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 2026 are as follows:

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| Within 1 year | 1,259,634 | 1,296,057 |
| After 1 year but not more than 5 years | 8,408,279 | 9,312,189 |
| More than 5 years | 10,322,334 | 11,186,029 |
| | 19,990,247 | 21,794,275 |

**3) Capital commitments**
The Club has no capital commitments.

**4) Contingencies**
The Group has no contingent liabilities or assets as of 31 July 2026 (2025: Nil ).

## 20 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 2026 $ | Group 2025 $ |
|---|---|---|
| Total remuneration | 911,198 | 807,525 |
| Number of persons | 5 | 5 |

During the reporting period, the total remuneration and compensation of $17,792 (2025 : $8,418) was provided by the Group to employees who are close family members of key management

No remuneration is paid to Directors on the Board.

# Notes to the Consolidated Financial Statements

**Waikato Thoroughbred Racing Incorporated**
**Notes to the Consolidated Financial Statements**
**For the year ended 31 July 2026**

## 20 Related party transactions (Continued)

**Transaction with the Directors:**
During the 2026 financial year, the following transactions incurred with the Directors.

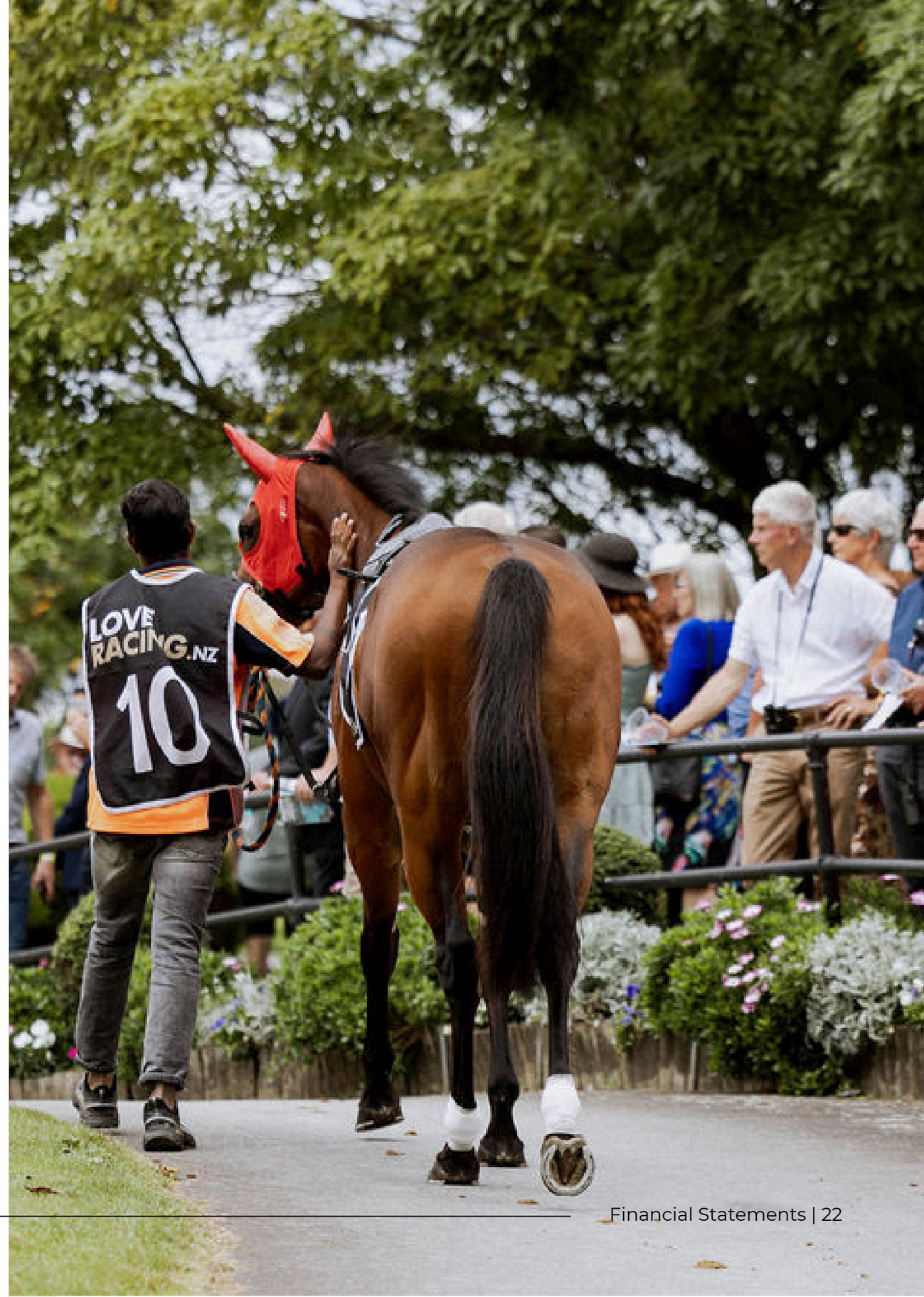
| | | Group 2026 $ | Group 2025 $ |
|---|---|---|---|
| Bruce Harvey | Membership fees | - | 30 |
| | Track Fees | 3,887 | 1,413 |
| | Sponsorship | - | 2,875 |
| John Elstob | Membership fees | 100 | 30 |
| | Package Sales & Function Fees | 9,423 | 11,387 |
| | Sponsorship | - | 8,050 |
| Carolyn Christian | Membership fees | 100 | 30 |
| | Sponsorship | | 1,840 |
| Mark Fraser-Campin | Membership fees | 100 | 30 |
| | Track Fees | 2,501 | 1,978 |
| Mark Irwin | Membership fees | - | 30 |
| | Track Fees | - | 3,851 |
| | Sponsorship | - | 1,840 |
| Glenn Holmes | Membership fees | - | 30 |
| Ben Speedy | Membership fees | 100 | 150 |

## 21 Other financial liabilities

| | Group 2026 $ | Group 2025 $ |
|---|---|---|
| J & A Sarten Memorial Fund | 100,000 | 100,000 |
| Loan from J F Grills Trust | 18,940 | 18,940 |
| Jockey's Support Fund | 2,536 | 2,536 |
| Waikato Tractors Loan | 48,235 | 77,816 |
| | 169,711 | 199,292 |

## 23 Subsequent Event

There are no subsequent events that have occurred subsequent to balance date that would have a material impact on the financials.



# Independent Auditor's Report

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

**Opinion**

We have audited the consolidated financial report of Waikato Thoroughbred Racing Incorporated (the "Club"), which comprise the consolidated financial statements on pages 4 to 21, and the consolidated service performance information on pages 3. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 July 2026, and the consolidated statement of comprehensive revenue and expenses, the consolidated statement of changes in net assets/ equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report presents fairly, in all material respects:

- the consolidated financial position of the entity as at 31 July 2026, and its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 July 2026 in that the service performance information is appropriate and meaningful and prepared in accordance with the entity's measurement bases for evaluation methods

in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") standard issued by the New Zealand Accounting Standards Board.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)), and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standards NZ AS 1 (Revised) *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity 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 auditors, we have no relationship with, or interests in, the entity.

**Responsibilities of The Board of Directors for the Financial Report**

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

- The preparation and fair presentation of the consolidated financial report in accordance with the PBE Standards RDR;
- The selection of elements/aspects of service performance, performance measures, and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the PBE Standards RDR;



- The preparation and fair presentation of service performance information in accordance with the entity's measurement bases or evaluation methods, in accordance with the PBE Standards RDR;
- The overall presentation, structure, and content of the service performance information in accordance with the applicable financial reporting framework; and
- Such internal control as the Board of Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the Board of Directors are responsible for assessing the entity'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 Board of Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial report as a whole is 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 it is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) 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, or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

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

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14-1/

**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 entity and the Board of Directors, 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
2 October 2026