



HAWKE'S BAY

Racing

ANNUAL REPORT

2021

RUGBY, RACING & REA



Darin Balcombe

Chief Executive Officer

HAWKE'S BAY RACING INCORPORATED

HASTINGS RACECOURSE

HASTINGS

HAWKE'S BAY
Racing

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Hawke's Bay Racing Incorporated will be held in the Champions Lounge, Hastings Racecourse on Tuesday 23rd November 2021 at 6pm.

BUSINESS

1. Apologies
2. Condolences
3. Presentation of the Annual Report and Accounts for the year ended 31 July 2021
4. Appointment of Auditor
5. Announcement of Board Appointments
6. General Business

ANNUAL REPORT

2021

HAWKE'S BAY RACING INCORPORATED

Directors

Mr E Cooper (Chairman)
Mr T Gillespie
Mr D J Holden
Mr K Browne
Mr E G Lowry
Ms D Kirkpatrick
Mr R Riddell
Mr C Williams

Stewards

Mr P Schirnack
Mrs A Horrocks
Mr H Chard
Mr A J Wall
Mrs J Morison
Mr L Somervell
Mrs M Gourlie

Staff

Marketing

& Events Manager

Administration Manager

Accountant

Track Manager

Track Assistants

Facilities Manager

Bar Manager

Sam Alexander

Gayle Richardson

Patricia Wooten

Richard Fenwick

Peter Dickie

Phil Lyons

Craig Berge

Ange Greene

Racing Officials

Handicapper

Clerks of The Course

Judge

Assistant Judge

Course Commentator

Starter

Clerk of Scales

Veterinary Surgeons

NZ Thoroughbred Racing

Phillip Thompson

Sarah Davies

John Jenkins

P Terry

Tony Lee

Gary Philips

Marie Nilsen

VetsOne Hastings

Chief Executive Officer

Solicitors

Auditors

Bankers

Mr Darin Balcombe

Bramwell Bate

Baker Tilly Staples Rodway

ANZ



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CHAIRMAN'S REPORT

ELIOT COOPER



Once again I am pleased to present the Annual Report and Financial Statements for the year ending 31 July 2021.

On behalf of the board, I would like to congratulate Darin Balcombe for completing his first full racing year as CEO. Through Darin's management, the club has achieved a strong financial standing, which has resulted in Hawke's Bay Racing, as at October 2020, being free from bank debt. Further a positive closing cash position means that the club, under the guidance of the CEO can confidently move forward with purpose and conviction.

During the year the Board reviewed its Strategic Plan and has a renewed focus to deliver strategy that is aligned with industry's long term outlook. A primary focus is to ensure that the racing venue is fit for purpose and that it enhances all stakeholders experience at the races. Therefore, a significant part of our strategy is now clearly focused on our future venue. This work involves analysing a current location upgrade, along with alternative site options for development. Tim Gillespie heads a small committee on this work stream, where the Board has engaged various consultants to assist as and when required.

As part of our strategy review we have identified that there is the potential to diversify our income by developing our autumn race days, thus spreading our risks and not relying solely on our successful Spring Carnival.

During the year we have been working collaboratively with NZTR and other Central Districts Clubs to potentially establish a Central Districts Hub. This is a work in progress and is been driven in order to establish a more efficient and effective model, where financial and staff assets are better utilised within the Central Districts.

Part of the Health and Safety focus, HBRI are undertaking a plastic running rail upgrade on the plough, which has been co funded by the NZTR Safety Fund.

This year you will also note in the annual report, that Darin is reporting on the Clubs give back to the region. This triple bottom line reporting is an important part of our culture. We feel that the 'Community Good', which Hawke's Bay Racing contributes toward, needs to be recognised and acknowledged by our stakeholders.

Hawke's Bay Racing this season was the only Racing Club in New Zealand to feature in the Longines Top 100 races with the Windsor Park Plate being the 82nd highest rating race in the world, with the Livamol Classic being the 2nd highest NZ rating race at 104th. We are very proud of this accolade and again wish to thank all our sponsors, members and Stakeholders who continue to support us throughout our major carnival and Racing season. Special mention must go to Westbury Stud, Windsor Park, Livamol (IAHP), Dundee at Arrowfield and Bostock NZ who are the major sponsors for the three day Spring Carnival.

James Russell stepped down from the Board during the season to focus on his own private business, we sincerely thank James for his contribution and wish him well. Casey Williams joined the Board in February; Casey has a strong background in commercial banking and finance. He is also experienced in wagering functions of the TAB and has been involved in property development in recent years.

I would like to thank the Board for their commitment and the ever increasing demands required on them to run the club.

Thanks also to Darin and his team for all the work put in for the year.

Eliot Cooper



BOARD RESPONSIBILITY

The Board meets on a monthly basis and on separate occasions if required to discuss issues and provide direction to management for the operations of HBRI.

The Board is responsible for;

- Ensuring management focus on and plan to meet the goals and objectives of HBRI.
- Contributing to the development and approving the strategic direction of HBRI.
- Setting budgets and reviewing financial results.
- Approving strategic capital expenditure and stake levels.
- Monitoring and reviewing the risk management process of HBRI.
- Performance assessment of the Chief Executive Officer.

SUBCOMMITTEES

The Board, where applicable, establish sub committees to assist in carrying out its central functions. These subcommittees will meet as required and will act in an advisory capacity making recommendations to the full Board. Subcommittees may by invite include Racing Stewards as appropriate.

The subcommittees for the 2019/20 season were as follows;

- | | |
|--|---|
| • Audit and Finance
Tim Macphee and Tim Gillespie | • Health and Safety
Guy Lowry |
| • Racing and Track
Guy Lowry (Chairman)
Ken Browne and David Holden | • Chairman Ex-officio
across all sub-committees |



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman is responsible for leading the Board, ensuring at all times that the Board activities are recorded and efficiently conducted.

The Chief Executive Officer is responsible for identifying and implementing strategies for Hawke's Bay Racing Incorporated. As well as recommending policies for adoption by the Board to meet the goals and objectives of Hawke's Bay Racing Incorporated.

The Chief Executive Officer is further responsible for the Club's operations, to deliver an effective and efficiently maintained business at all times.

FINANCIAL REPORTING

The Chairman, Chief Executive Officer and Finance Sub-committee Chairman have made the following representations to the Board;

- That the Club's Financial Statements are complete and present fairly in all material respects of the financial position and operational results; and
- That the above statement is founded on a sound system of internal controls, risk management assessment and that these are operating efficiently and effectively.

CONFLICTS OF INTEREST

Board Members are expected to avoid any action, position or interest that conflicts with any interest of HBRI or gives any appearance of such a conflict. A Board Member that has a conflict or perceived conflict of interest with that of the Club must bring it to the notice of other Board Members.



CORPORATE GOVERNANCE

Hawke's Bay Racing is an Incorporated Society. The Club is governed by the Rules and Regulations adopted by the members (last updated Special General Meeting July 2012 - see www.hawkesbayracing.co.nz for the electronic version).

The Board of the Society is responsible for the Governance of the Club. Governance is a matter of high importance and is a fundamental foundation of the culture and business practices of Hawke's Bay Racing Incorporated (HBRI).

A description of the main corporate governance practices are set out below, all practices described, unless otherwise stated, were in place for the entire season.

BOARD COMPOSITION & TERM OF OFFICE

The Board consists of the Chairman and nine directors (increased to twelve at the SGM dated July 19 2012).

Each Board Director (elected) must retire tri-annually and may then seek re-election. The Chairman is elected annually by the Board.

It is the Board's and indeed rules intention that Directors reflect a broad range of skills to aid it in carrying out its responsibilities and in meeting the Club's strategic objectives.

Three positions are able to be co-opted with emphasis on recruiting Directors with skills that compliment the structure of the group.

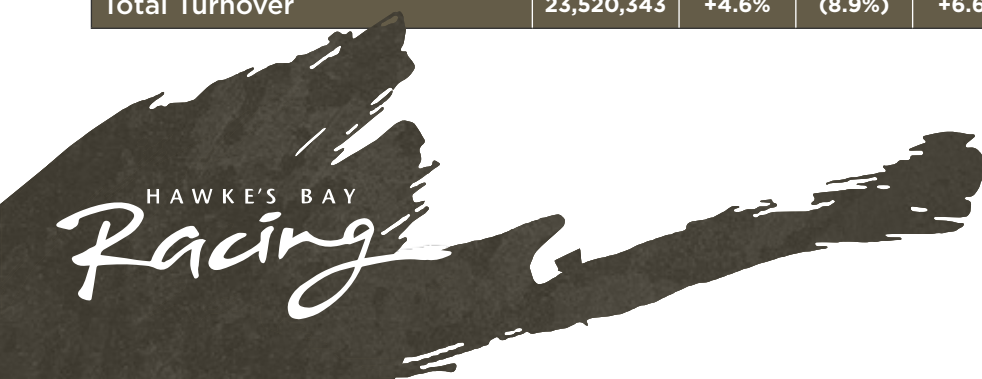


HAWKE'S BAY RACING INC

TURNOVER & STAKES STATISTICS

Details	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Number of racedays	15	14	13	13	14	13	9	12
Number of races	126	123	107	114	118	113	81	109
Numbers of horses started	1,334	1,249	1,171	1,167	1,235	1,139	801	1,171
Average starters per race	10.59	10.15	10.94	10.24	10.47	10.08	9.89	10.74
Hawke's Bay total season stake	2,717,300	2,906,800	2,506,500	3,066,500	3,221,725	3,133,000	2,435,250	3,272,227
Average stakes per race	21,566	23,633	23,425	26,899	27,303	27,726	30,065	30,020
On-course turnover	1,844,449	1,933,558	1,843,170	1,865,356	1,658,959	2,007,185	1,719,134	1,680,492
Off-course totalisator turnover	14,448,910	14,058,026	11,919,891	12,709,804	13,302,761	12,372,451	8,238,071	11,616,936
Off-course FOB	5,106,078	6,397,949	6,637,400	7,170,742	7,541,410	7,607,419	6,716,634	10,222,915
Total Turnover	21,399,436	22,389,533	20,400,460	21,745,902	22,503,130	21,987,055	16,673,840	23,520,343

Details	2020/2021	2015 v 2014 % Change	2016 v 2015 % Change	2017 v 2016 % Change	2018 v 2017 % Change	2019 v 2018 % Change	2020 v 2019 % Change	2021 v 2020 % Change
Number of racedays	12	(6.7%)	(7.1%)	0.0%	+7.7%	(7.1%)	(30.8%)	+33.3%
Number of races	109	(2.4%)	(13.0%)	+6.5%	+3.5%	(4.2%)	(28.3%)	+34.6%
Numbers of horses started	1,171	(6.4%)	(6.2%)	(0.3%)	+5.8%	(7.8%)	(29.7%)	+46.2%
Average starters per race	10.74	(4.1%)	+7.8%	(6.5%)	+2.2%	(3.7%)	(1.9%)	+8.6%
Hawke's Bay total season stake	3,272,227	+7.0%	(13.8%)	+22.3%	+5.1%	(2.8%)	(22.3%)	+34.4%
Average stakes per race	30,020	+9.6%	(0.9%)	+14.8%	+1.5%	+1.5%	+8.4%	(0.1%)
On-course turnover	1,680,492	+4.8%	(4.7%)	+1.2%	(11.1%)	+21.0%	(14.4%)	(2.2%)
Off-course totalisator turnover	11,616,936	(2.7%)	(15.2%)	+6.6%	+4.7%	(7.0%)	(33.4%)	+41.0%
Off-course FOB	10,222,915	+25.3%	+3.7%	+8.0%	+5.2%	+0.9%	(11.7%)	+52.2%
Total Turnover	23,520,343	+4.6%	(8.9%)	+6.6%	+3.5%	(2.3%)	(24.2%)	+41.1%



CHIEF EXECUTIVE OFFICER'S REPORT

DARIN BALCOMBE



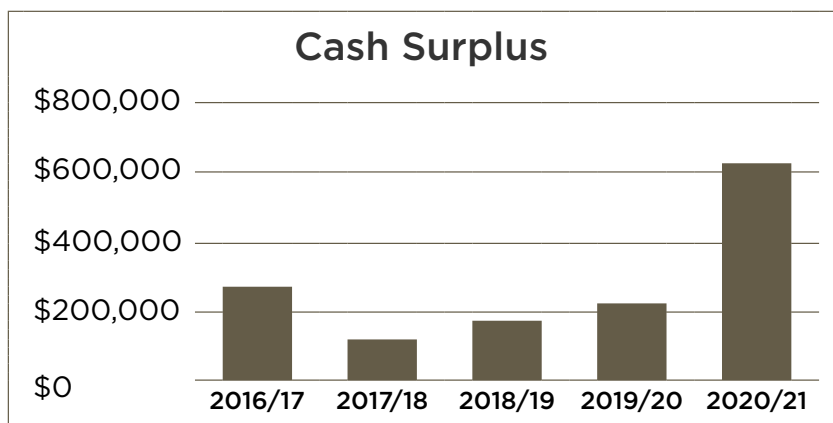
Despite the season beginning with the first day of the Bostock New Zealand Spring Carnival being run under Level 2 restrictions, it is very pleasing to be able to report a healthy surplus for the 2020/21 Racing Season of \$358,538, this being a Pre-Depreciation profit of \$635,641.

This was a particularly pleasing result due to the uncertainty that surrounded the start of the season and borne off the back of a sold out Livamol Classic Raceday, NZRB return to racing grant and the finalisation to the sale of a very small parcel of Land which reversed a previous Right of Way.

With the Covid Level returning to normal after the Tarzino Trophy raceday everyone was keen to get out and enjoy the Bay sun. It was great to see such a high standard of behaviour especially on Livamol Classic day from all patrons and the racing was first class with Melody Belle defending her titles and recording her 12th win at Group 1 level.

After many years of Hawke's Bay Racing striving to reduce debt levels, I can report that in October 2020, we were able to repay the remaining \$550,000 bank loan meaning the club was now finally debt free. This is the culmination of huge effort, planning over the past few years and gives us the chance to look to the future with a wider range of possibilities.

As a Club we will continue to drive our annual Cash surpluses to allow us to keep control of our own destiny and allow options with upcoming decisions around the facilities. As you can see from the below graph this has continued to improve, which has allowed repayment of the debt, now we can build a cash reserve to protect against the current uncertainties in the events market and give us options with our facilities.



As you would be aware the main buildings at Hastings Racecourse were identified by the Hastings District Council as being possibly earthquake prone, the Club has not provided an Earthquake assessment, so the Council is proceeding as if it had determined that the buildings are Earthquake prone. Hawke's Bay Racing is now required to complete seismic work by November 2035 or prove the buildings to be no longer Earthquake Prone.

This resulted in a recalculation of the Depreciation on the Main Buildings to reflect a much shorter life span, this is the reason for the big increase in depreciation for the current season. We are currently investigating our options; these include revisiting a Greenfields option or rebuilding the stands on the existing site. Several options have been investigated in recent years including a very promising site between Napier & Hastings unfortunately this was quashed very early in the process by the local Charitable Trust that owns the land.

The major decision around the future of the Hawke's Bay Racing Incorporated will need to be made with regards the facilities and the racecourse, members be fully consulted, when the options are available and endorse any options before decisions are made,

CHIEF EXECUTIVE OFFICER'S REPORT

consultation will take place at this stage of the process once we have thoroughly investigated and can present the best options for a sustainable and attainable future.

As reported earlier if it was disappointing that the first day of the Bostock NZ Spring Carnival was run with Level 2 restrictions in place, this was quickly tempered with local John Bary trained Callsign Mav winning the Group 1 Tarzino Trophy at huge odds. A large crowd attended on Windsor Park Plate Day, witnessing the return of Melody Belle and what a return, defending her crown with the Windsor Park Plate the only race in New Zealand last season to make the Longines Top 100 Rated races in the world a huge achievement.

We also welcomed a new major sponsor with Dundee at Arrowfield sponsoring the Hawke's Bay Guinea's for three years, with the perfect start, Aegon trained by Murray Baker & Andrew

Forsman the original trainers of Dundee in New Zealand, winning then going on to further success in Australia, this resulted in the Hawke's Bay Guineas being NZ's top rated 3yo race of the season in the recently released Graded Stakes report.

As previously reported the Bostock NZ Spring Carnival culminated in the sold out Livamol Classic Raceday, what a way to finish a Carnival that started under such uncertainty. Special mention needs to be made to the strong long term support we get from our major sponsors Westbury Stud (Tarzino), Windsor Park Stud, IAHP (Livamol), Dundee at Arrowfield, Hastings District Council, Ngati Kahungunu, Bostock NZ, Little Avondale Stud, Power Farming, Power Turf and many others who are essential to Hawke's Bay Racing continuing to operate at such a high level and deliver a professional product.



CHIEF EXECUTIVE OFFICER'S REPORT

Speaking of a professional product this would not be possible without the efforts of a small but very passionate team at Hawke's Bay Racing, Gayle Richardson (Office Manager), Sam Alexander (Events & Marketing Manager), Richard Fenwick (Track Manager) his team of Phil Lyons and Peter Dickie, Craig Berge (Buildings and Maintenance Manager) and Ange Green (Bar Manager) have once again gone beyond expectations during uncertain times. I cannot speak highly enough of the effort the team here at Hawke's Bay Racing put in to ensure our events run efficiently.

As a Club we are very proud of the community benefit that we provide by supporting various Groups and Charities throughout the year. St Matthews School utilise our grounds for sporting events as they do not have sports grounds big enough for some of their events, Police Dogs train in the grounds and in our Stands, we have provided donations to Hawke's Bay Cancer Society (Tarzino Trophy Daffodil Raceday), Rosie Myers, Breathe and Ellie Stokes Trust. The Rural Support Trust also ran their annual fundraising function on Hawke's Bay Cup Day raising over \$20,000. HBRI also make the grounds available 365 days of the year for children, recreational runners and dog walkers who regularly utilise the facilities.

This would not be possible without several Community Foundations, we acknowledge the support of Firstlight Community Foundation, NZ Community Trust and NZ Racing Safety Development Fund. The support of these Trusts has allowed us to upgrade our equipment this season, with the purchase of a Ride on Mower, Track Mower and a Vertidrain to allow us to maintain the facilities to a high standard, for community groups to utilise them free of charge as well as preparing tracks to a high standard with consideration of Animal Welfare and Safety.

Repairs and Maintenance of our Buildings continues to be a major component in our planning, this season we have undertaken several projects to improve the comfort of our members, patrons, and participants. Heat Pumps have been installed in the Special Guest and Kelt Rooms. With support from the NZ Jockey's Association, we have installed Heat Pumps in both the male & female jockey rooms. Reception has been painted and carpet tiles laid, painting was also completed in Special Guests, Winners & Birdcage Bars.



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We have also upgraded some of the furniture, purchased new portable heaters and installed large televisions in the Desert Gold Room.

Accessibility for our Disabled and Aged members is an ongoing challenge, we are continuing to look at ways to improve the access to the first floor of the Hylton Smith Stand although so far Fire regulations have precluded the option of a chair lift. This season we have also purchased our own Golf Cart to assist with moving patrons around the venue, as the carts previously used are no longer available due to being relocated.

If Covid has taught us anything it is the need to be adaptable and flexible, we have taken this lesson on board by moving our IT system into the Cloud allowing us to be able to operate remotely in the event of quarantines, lock downs or extreme weather events. After losing a significant amount of Ticket Income due to our provider going into liquidation last season, we developed our own Ticketing Site which means the club now have control over all our ticketing and the money goes directly into our own holding account prior to any event, this completely removes any third-party risk to the Club.

This season also saw Waipukurau Jockey Club, Wairoa Racing Club and Poverty Bay Turf Club all race at Hastings.

All three clubs saw good support from their local communities despite the disappointment of not being able to race at their home venues. The Committees of all three clubs need to be commended for the positive attitude towards these days. A special mention to the Poverty Bay Turf Club for their support of Hawke's Bay Racing and the wider Racing Community by way of a very generous Industry Contribution which was used to boost the Stake of the Poverty Bay Cup and other initiatives to grow their involvement on Hawke's Bay Cup Day, as well as upgrade facilities and equipment.

I would also like to thank the Board of Hawke's Bay Racing for their support through my first full season, their guidance and advice has been instrumental in the Club achieving such a tremendous financial result. Special mention to Chairman Eliot Cooper who puts in many hours on behalf of the club and is always there with the support needed to achieve what we have this season.

As we head into the new season with an enhanced membership offering, a hunger to grow our events, further develop our position as a major event venue and grow our raceday events it is an exciting but uncertain time in NZ Racing and the country, with these challenges there will be opportunities we look forward to seeing you all back on-course once vaccination levels reach the required target.

Darin Balcombe

Chief Executive Officer
Hawke's Bay Racing Incorporated

HAWKE'S BAY
Racing



2020-21 SEASON HAWKE'S BAY RACING REVIEW

Group 1 Tarzino Trophy

WFA



Distance	1400m
Date	19 September 2020
Owner	J Cross, A Nelson, B Nelson, T Ongarezos, T Schneider, M Carney & J Bary
Trainer	John Bary
Jockey	Jonathan Riddell
Breeding	4 year old gelding Atlante x Raadisi (by Volksraad)
Breeder	Windsor Park Stud
Margins	$\frac{3}{4}$ length, nose, 1 length
Time	1:22.12 (Dead 4)

1st	Callsign Mav
2nd	Supera
3rd	Avantage

Hastings-trained Callsign Mav caused a massive upset when he upstaged a number of high profile weight-for-age performers in the first Group 1 event of the season.

The Atlante gelding may have shocked punters when winning at odds of 81 to one but he certainly brought a much-needed smile to the face of his Hastings trainer John Bary, who brought up his 10th Group 1 training success and his first as an owner.

Bary was not on course to celebrate the win. Instead he was laid up at home after undergoing two back operations to fix a prolapsed disc and the victory provided him with an excuse to crack open a special bottle of wine for a celebration drink.

Bary was recording his second win in the 1400m feature, after Survived won the event (then named the Makfi Challenge Stakes) in 2013. He had also produced Jimmy Choux to win five times at the elite level as well as Recite (two) and Miss Wilson (one). The success also gave Bary special satisfaction as he owns a 10 per cent share in Callsign Mav.

"I've trained 10 Group 1 winners but this is my first one as an owner," Bary said.

Callsign Mav cost only \$3000 at a 2017 mixed bloodstock sale at Karaka and was bought by Victorian-based Jeremy Cross, on behalf of some of his Australian mates. Bary said he had a brief acquaintance with Cross before suddenly getting a ring out of the blue from him, asking whether he would train the horse. He said the horse was turned out in the off foreleg but agreed to take him on and also said he would take a small share.

Callsign Mav's win in the Tarzino Trophy was attributed to a 10 out of 10 ride from jockey Jonathan Riddell who hunted the horse out of the barrier to slot into a perfect trail before driving him between horses at the top of the straight to take the lead.

The gelding kept up a strong run to the line to win by three-quarters of a length from the fast-finishing Supera, who just nosed out race-favourite Avantage for second place. It was a case of the old firm being reunited in Group 1 glory as Riddell was the regular rider of Jimmy Choux for Bary, piloting that great galloper to 11 of his 12 wins including his five Group 1 victories.

CALLSIGN MAV

Listed El Roca - Sir Colin Meads Trophy 3YO



Distance	1200m
Date	19 September 2020
Owner	Tony Rider, Guy & Brigid Lowry, Paul & Maree Apatu, Grant & Ali Syminton, Sam & Anna Wood, John & Diane Bongard
Trainer	Guy Lowry & Grant Cullen
Jockey	Craig Grylls
Breeding	3 year old filly Savabeel x Elusive Nature (by O'Reilly)
Breeder	Tony Rider
Margins	$\frac{3}{4}$ length, $\frac{1}{2}$ neck, 1-3/4 lengths
Time	1:11.31 (Dead 4)

1st	Shezzacatch
2nd	Suffused
3rd	Alchemia

SHEZZACATCH

Hastings trainer Guy Lowry's late decision to enter first starter Shezzacatch in the Listed \$50,000 El Roca-Sir Colin Meads Trophy at Hastings proved to be a masterstroke with the filly downing a talented field of three-year-olds in the 1200m event.

Shezzacatch was not among the original nominations for the race with Lowry, who trains in partnership with Grant Cullen, thinking that a mid-week maiden race at Woodville would probably suit her better.

But, after looking at the field for the Hastings black type event and waying up his options, he decided to make a late entry.

"We were looking at a maiden race at Woodville on Thursday, but we were worried about the possibility of not getting a start there. I looked at the field for the Hastings race and noted that most of the horses only had wet track form and so we decided to give her a chance against them on a good track."

Ridden by Craig Grylls, Shezzacatch settled in a midfield position for most of the race and suffered a check half-way through the race. With 200 metres to run, she was still fifth and more than three lengths behind the leaders Suffused and Alchemia, who appeared to be fighting out the finish.

But then Grylls angled Shezzacatch into the clear and she produced a dazzling turn of foot, charging to the front to win by three-quarters of a length. "We weren't surprised by that performance," Lowry said.

"She still doesn't know much really and has been a real handful but she's continued to improve and she'll learn a lot more from this."

Lowry and his wife Brigid share in the ownership of the filly with the horse's Cambridge breeder Tony Rider and close friends Paul and Maree Apatu, Grant and Ali Syminton, Sam and Anna Wood and John and Diane Bongard.

Group 3 Hawke's Bay Breeders Gold Trail Stakes

3YO fillies

Distance 1200m
Date 19 September 2020
Owner Tony Rider
Trainer Jamie Richards
Jockey Craig Grylls
Breeding 3 year old filly
Per Incanto x Danex (by Danasinga)
Breeder Tony Rider
Margins Neck, head, nose
Time 1:11.21 (Dead 4)

1st Miss Aotearoa
2nd Sweet Anna
3rd Babylon Berlin

Promising galloper Miss Aotearoa provided her Cambridge owner/breeder Tony Rider and jockey Craig Grylls with a black type double on the first day of the 2020 Bostock New Zealand Hawke's Bay spring carnival when she out-finished her age-group rivals in the Group 3 Hawke's Bay Breeders' Gold Trail Stakes.

Successful two races earlier with debutant Shezzacatch in the Listed El Roca-Sir Colin Meads Trophy (1200m), the pair were at it again with the Jamie Richards-trained three-year-old producing a stylish performance in the first race in the three-year-old Filly of the Year series.

The daughter of Per Incanto had shown a glimpse of her ability with an authoritative fresh up victory over 1100m at Taupo the previous month after finishing fifth behind her highly rated stablemate Need I Say More in her only start as a two-year-old. Sent out third favourite for the Hastings feature Miss Aotearoa provided Grylls with an armchair ride. She quickly settled nicely midfield from an outside barrier as race favourite Babylon Berlin and Sweet Anna disputed the pace.

Grylls asked his mount to improve approaching the home turn and she quickly joined the two pacemakers with 200m to run before edging clear in the final few strides to claim victory by a neck in a close four-horse finish. Sweet Anna managed to hold on for second by a head, with Babylon Berlin just managing to hold out the fast finishing Tokorangi to claim third place by a nose.

Grylls was full of praise for Miss Aotearoa, saying the filly had to cover plenty of extra ground from her draw but travelled well and was very tough at the finish.

"They were coming at her late and she was a little bit wayward but she got the job done," Grylls said.

Trainer Jamie Richards was equally impressed with the filly's win, saying she has a great pedigree and is a horse that has it all in front of her as she gets older.

Bred by her owner Tony Rider, Miss Aotearoa is out of the Danasinga mare Danex and a younger half-sister to the top-class Australian stayer Oceanex and also descends from the family of dual Group 1 winner Calm Harbour.

MISS AOTEAROA

Prestige Te Whangai Romneys Hawke's Bay Hurdles

Distance 3100m
Date 19 September 2020
Owner Paul Mirabelli
Trainer Paul Mirabelli
Jockey Barry Donoghue
Breeding 5 year old gelding
He's Remarkable
x Casual Fling (by O'Reilly)
Breeder C J T & Mrs G Davison
Margins 5-1/2 lengths, 3/4 length, neck
Time 3:28.52 (Dead 4)

1st The Midnight Shift
2nd Revolution
3rd Grinner

THE MIDNIGHT SHIFT

Cambridge visitor The Midnight Shift upset punters and dented the reputations of some more highly rated jumpers when he strode clear of his rivals to take out the 2020 running of the Te Whangai Romneys Hawke's Bay Hurdle, creating a new track record in the process.

The premier hurdle event, along with the AHD Hawke's Bay Steeplechase, had been rescheduled from earlier in the year due to the COVID-19 pandemic and, with the track rated a Dead-4, the race was run at a frenetically high speed.

The Paul Mirabelli-trained five-year-old, who had broken his maiden status as a jumper with a win at Ellerslie the previous weekend, relished the dry underfoot conditions as he jumped fluently throughout before looming into contention with 600m to run.

Winning jockey Barry Donoghue, who had been riding over fences for less than a month, urged The Midnight Shift past free-going pacemaker Revolution coming around the home bend and he flew the last two fences

before racing away for a 5-1/2 length victory. Mirabelli, who shouted the house down as his charge cleared out from his rivals in the run home, was still trying to calm his emotions as he accepted congratulations after the race.

"He's only five and has only been jumping since after the first lockdown so he is very green, but he's won a Hawke's Bay Hurdle now"

"He's only five and has only been jumping since after the first lockdown so he is very green, but he's won a Hawke's Bay Hurdle now," he said.

Donoghue was full of praise for The Midnight Shift who gave him no reason for concern throughout the race.

"I was able to slot in to a perfect spot going into the first fence and we just travelled beautifully the whole way," he said.

"I looked around after we cleared the last fence as we were still travelling so good and I just couldn't believe it. "This is my biggest win by far so it's absolutely phenomenal."



Prestige AHD Hawke's Bay Steeplechase



Distance	4800m
Date	19 September 2020
Breeding	11 year old gelding Zed x Ngaio (by Deputy Governor)
Owner	I See Red Syndicate
Trainer	Paul Nelson & Corrina McDougal
Jockey	Aaron Kuru
Breeder	P J & Mrs S L Kay
Margins	2-1/4 lengths, 12-1/4 lengths, 19-1/2 lengths
Time	6:11.37 (Dead 4)

1st	Perry Mason
2nd	Napoleon
3rd	Delacroix

Hastings trainer Paul Nelson brought up his fifth Hawke's Bay Steeplechase success when Perry Mason recorded back-to-back wins in the 2020 running of the 4800m prestige event.

Nelson now trains in partnership with Corrina McDougal and the pair celebrated a memorable milestone when winning both the AHD Hawke's Bay Steeplechase, with Perry Mason, and Te Whangai Romney Hawke's Bay Hurdles, with No Change, in 2019. Nelson also produced No Hero for two victories in the Hawke's Bay Steeples, in 2003 and 2005, before also taking out the race in 2007 with Just A Swagger.

Hastings-born jumps jockey Aaron Kuru, who has been an integral part of the Nelson/McDougal stable in recent years, produced another masterful ride on Perry Mason as they combined for their second successive triumph in the race.

After letting the horse work to the front in the early stages, Kuru dictated the pace of the race and saved every inch of ground in the running. They were left clear in front when

the only close challenger, Des de Jeu, slipped over on the flat with 800m to run and went on to win by 2-1/4 lengths from Napoleon, with third placed Delacroix a further 12-1/4 lengths back. Kuru stood high in the irons and gave a victory salute as he crossed the line, saying later that it was a massive thrill as he had underrated Perry Mason before the race.

"That's why I'll probably never be a trainer but full credit to Paul as he believed in the horse and kept telling me to stick with him." Nelson said winning the race for a fifth time was "a huge thrill" especially as he and McDougal had worked overtime to get Perry Mason back to peak fitness during the year.

"We've had a bit of trouble getting him back and it's thanks to Corrina. She does most of the work on the horse and said he was right again," Nelson said.

Perry Mason credited his owners, the Hastings based I See Red Syndicate, with its third win in the race as the syndicate also raced Just A Swagger.

PERRY MASON

Group 1 Windsor Park Plate

WFA



Distance 1600m
Date 3 October 2020
Owner Fortuna Melody Belle Syndicate
(Manager: John Galvin)
Trainer Jamie Richards
Jockey Troy Harris
Breeding 6 year old mare
Commands x Meleka Belle (by Iffraaj)
Breeder Mrs N M Leicester
Margins Nose, long neck, 1-1/2 lengths
Time 1:33.88 (Dead 4)

1st Melody Belle
2nd Avantage
3rd Callsign Mav

MELODY BELLE

Glamour racemare Melody Belle created history again on the Hastings track when she became the first horse to win the Group 1 feature on the middle day of the Bostock New Zealand spring carnival three years in a row. The Commands mare had won the 2018 and 2019 running of the Windsor Park Plate (1600m) and completed a unique treble with another game performance in the 2020 event. Her third win in the race did not come easy however as she had to call on all her champion qualities to get the better of her stablemate Avantage and Hastings-trained Callsign Mav in the final stages.

It was a race Melody Belle wasn't supposed to be in. The six-year-old should have been in Sydney chasing the big riches but two substandard performances over there, to start her season, saw her return home with her career at a crossroads.

A quiet trial win at Rotorua 11 days before the

Windsor Park convinced her connections to pay a late entry for the Hastings feature but it was only three days out from the event that trainer Jamie Richards started to believe that Melody Belle was starting to regain her spark. That spark ignited at the top of the Hastings home straight as she first ran down a brave Callsign Mav before getting into a head to head tussle with the younger Avantage.

The latter briefly held an advantage but the "Queen" of New Zealand racing was not about to give up her crown and she fought back to get her nose in front right on the line.

It was a performance that had winning rider Troy Harris in raptures when describing the mare's sheer ability and will to win.

"She's so tough," Harris said.

"Avantage got past us but she wasn't going to give in and fought back."

"She's a dream to ride... just so tough."

Group 2 Dundeel @ Arrowfield Hawke's Bay Guineas 3YO



Distance 1400m
Date 3 October 2020
Owner Andrew Forsman & Zame Partnership
Trainer Murray Baker & Andrew Forsman
Jockey Leith Innes
Breeding 3 year old gelding
Sacred Falls x Toss Up (by Zabeel)
Breeder Waikato Stud
Margins Nose, head, ½ neck
Time 1:22.94 (Dead 4)

1st Aegon
2nd Bourbonaire
3rd Moana

In one of the closest finishes to a Hawke's Bay Guineas seen in years a new star was born in the shape of exciting three-year-old Aegon.

Five horses went over the line with less than half a length covering them with the photo-finish print going the way of Aegon. He got in the deciding stride to win by a nose from Bourbonaire, who was only a head in front of third placed Moana. There was only a half-neck back to fourth placed Need I Say who was only a short neck in front of Suffused.

Aegon, a son of Sacred Falls, was having just his second start after producing a similar effort to win over 1300m on debut at Taupo the previous month.

Settled near the rear by rider Leith Innes, Aegon looked to be in trouble approaching the home turn as he was more than eight lengths adrift of stablemate Suffused, who had taken the lead. Race favourite Need I Say More was the first to challenge and looked the

likely winner before Moana managed to clear a pocket and dashed at him inside the last 200m. Just as an upset seemed on the cards Aegon and Bourbonaire arrived to claim the leaders with Aegon managing to get his nose in front right on the line.

Aegon's co-trainer and part-owner Andrew Forsman was a little stunned by the performance. "I just didn't think he would be able to do that from where he was in the running," he said.

"To make up the ground he did in the last 200m, by a horse that is still maturing, speaks volumes for the ability he does have."

The victory brought back special memories for Leith Innes who also won the race on Aegon's sire, Sacred Falls, back in 2012 before he went on to capture the Group 1 New Zealand 2000 Guineas (1600m) at just his sixth start.

AEGON



Group 3 Red Badge Spring Sprint

Open Handicap

Distance 1400m
Date 17 October 2020
Owner F E & R A Dixon
Trainer Roger James & Robert Wellwood
Jockey Danielle Johnson
Breeding 5 year old gelding
Reliable Man x Quality Dream (by Elusive Quality)
Breeder G Harvey
Margins Short head, ½ length, ¾ length
Time 1:26.08 (Slow 8)

1st Hypnos
2nd Rock On Wood
3rd Vigor Winner

Former smart three-year-old Hypnos bounced back to his best after a disappointing four-year-old season with a hard fought victory in the feature sprint race on the last day of the Bostock New Zealand spring carnival.

The Reliable Man five-year-old won a Listed race and was Group 1 placed in the Levin Classic (1600m) as a three-year-old but had raced well below par on several occasions during his four-year-old season, winning just one race from six starts.

Trainers Roger James and Robert Wellwood felt sure they had the horse near his best again after he finished a close second over 1200m on the middle day of the Hawke's Bay spring carnival and so it proved, helped by a peach of a ride from top jockey Danielle Johnson.

Kept wide off an inside barrier draw, Johnson didn't panic as she had her charge relaxed and rolling along nicely in the rear group

before improving sharply approaching the home bend.

Johnson urged Hypnos top the front early in the run home and he defied his rivals over the last 300m to score by a nose from Rock On Wood, with Vigor Winner half a length back in third.

"He toughed it out well and he was well ridden. I told anyone who wanted to listen that his work during the week was just sparkling." Roger James said.

"My biggest concern was the slow track but he copped it okay."

James added that he was thrilled for the owners of Hypnos, Ron and Fran Dixon, as the Wellington couple were his original owners when he branched out training on his own and the first people he ever bought a yearling for from the sales.

HYPNOS

Group 1 Livamol Classic

WFA

Distance 2040m
Date 17 October 2020
Owner Fortuna Melody Belle
Syndicate (Manager: John Galvin)
Trainer Jamie Richards
Jockey Troy Harris
Breeding 6 year old mare
Commands x Meleka Belle
(by Iffraaj)
Breeder Mrs N M Leicester
Margins 2-3/4 lengths, ½ neck, 1-3/4 lengths
Time 2:10.12 (Slow 8)

1st Melody Belle
2nd Avantage
3rd Vadavar

MELODY BELLE

Seven days after being named New Zealand Horse of the Year for her deeds in the previous season, superstar racemare Melody Belle showed her class again by recording back-to-back wins in the Livamol Classic.

After narrowly winning the Windsor Park Plate (1600m) at her last start, this time Melody Belle was in a class of her own as she strode away for a 2-3/4 length triumph in what is the pinnacle race of the Bostock New Zealand spring carnival.

Settled beyond midfield due to her outside barrier, Melody Belle was still giving the leaders a sizeable start with 600m to run. Stablemates Avantage and Prise De Fer took over rounding the home bend but Melody Belle was starting to go through her gears as she dashed to the front at the 300m with a powerful burst. Harris then had an armchair ride over the concluding stages as Melody Belle comfortably held out Avantage, who had also provided the quinella with her a fortnight before in the Windsor Park Plate. Outsider Vadavar charged late to snatch third.

"They only went steady for the first half of the race so there was a touch of concern, but she was explosive in the end," trainer Jamie Richards said.

"I don't like to say too much leading into races but she hadn't put a foot wrong and she was awesome today, just a great mare."

"Twelve Group 1 wins, a Karaka Million (1200m) and a Group 1 in Melbourne, she is just going great and is nowhere near finished yet."

Harris was ecstatic when he returned to the Hastings birdcage. "She went to sleep in the gates a little and I was happy to be where I was in the run," he said.

"When we got out into the middle of the track and I had come off their backs, she just accelerated and was way too good."

"It's very special to me as I do a lot of work with her and I have had some great success in these colours. This is right up there in my career and it's just great to get my name in the book for this race."



Group 2 Little Avondale Stud Lowlands Stakes 3YO



Distance 2100m
Date 3 March 2021
Owner Mrs D J & K E Hopson & Stephen Nickalls
Trainer Stephen Nickalls
Jockey Leah Hemi
Breeding 3 year old filly
Contributer x L'Accord (by Golan)
Breeder Simms Davison & Mrs J C Hewitt
Margins Nose, ½ length, nose
Time 2:10.25 (Dead 4)

1st Llanacord
2nd Charms Star
3rd Canuhandleajandal

LLANACORD

Llanacord, a last-start maiden winner having only her eighth start, credited small-time Manawatu trainer Stephen Nickalls with his biggest success to date when taking out the Group 2 feature at the March Hawke's Bay meeting. The daughter of Contributer had run out a dominant eight length winner in a maiden race over 2040m at Wanganui the previous month and handled the step up to Group company with a gutsy win, staving off a late challenge from runner-up Charms Star to score a nose win.

Ridden by Leah Hemi, Llanacord enjoyed a nice run three back on the fence before being presented at the top of the home straight and proved too tough in the run to the line.

Nickalls, best known for training jumpers, was ecstatic after claiming his first flat stakes success. "It feels amazing. It's just an incredible feeling," Nickalls said.

"We ran second in a Wellington Steeplechase and that was a special day, but this is something else."

Nickalls owns the filly in conjunction with his mother and stepfather, Dianne and Kevin Hopson. The latter bought her for \$15,000 at the 2019 yearling sales and sent her to be prepared by Glynn Brick at Cambridge.

However, that came to a tragic end when Brick died in a car crash near Cambridge in March last year.

"Glynn had trained Kevin's horses for 10 years, and the intention was always that he would train this filly," Nickalls said.

"When that happened my stepfather called and asked if I could take her and we were only too happy to."

Nickalls is married to Laura Knight, daughter of former All Black Gary Knight, and the couple train a small team of thoroughbreds while Laura is also heavily involved in showjumping.

"We both like the jumpers. We tend to look for horses that will either be stayers on the flat, or if they're too slow for that, become jumpers," Nickalls added.

Listed Power Farming Hawke's Bay Cup

Open Handicap

Distance 2200m
Date 17 April 2021
Owner G S & Mrs S A Fausett, B L & C K & Estate late K B Phelan
Trainer Craig & Shaun Phelan
Jockey Hazel Schofer
Breeding 8 year old gelding
Don Eduardo x Landvetter
(by Felix The Cat)
Breeder G S & Mrs S A Fausett
Margins 3-1/2 lengths, 1-3/4 lengths, head
Time 2:18.12 (Dead 5)

BIG MIKE

Tough front-running galloper Big Mike bounced back to his best with a dominant and emotional success in this year's Power Farming Hawke's Bay Cup.

The eight-year-old son of Don Eduardo was recording his 12th win from 45 starts and took his stake earnings to more than \$500,000 when he led his rivals a merry chase in the 2200m feature.

He has been the flag bearer for Craig Phelan and his jockey son Shaun, who prepare him from their small stable in Cambridge, and included among his victories is the 2018 Listed Pakenham Cup (2500m) in Australia.

However things didn't go exactly to plan when the horse was taken back to Australia in the spring of last year. After winning the Moe Cup (2050m) second up he then struggled to beat horses home in his next three starts, finishing ninth, 16th and ninth and he returned home.

Those poor performances were completely out of character as Big Mike had been a model of consistency, returning a dividend in more than 50 per cent of his starts.

1st Big Mike
2nd Sir Nate
3rd Yatima

The Phelans had to try and instil that will to win back into the big horse and Shaun Phelan said it was not without its heartaches, with even thoughts of retiring the horse at one stage. An eye-catching run for fifth over 1550m eight days before the Hawke's Bay Cup gave the Phelans some optimism going into the Hastings race and he didn't let them down. Taken straight to the front by apprentice Hazel Schofer, Big Mike bowled along at his own pace and it was evident coming to the home turn that he had his rivals in trouble.

The eventual minor placegetters Sir Nate and Yatima both lodged challenges to the leader early in the home straight but Schofer booted her mount clear again and never missed a beat as the horse kept up a strong run to win by 3-1/2 lengths.

"It's been a long haul getting him right after Melbourne," Shaun Phelan said.

"It's pretty amazing and pretty emotional because he's part of the family and has taken us to places you couldn't imagine."



Listed Power Turf Sprint

Rating 74

Distance 1200m
Date 17 April 2021
Owner A P Cassin, P Collett,
Little Avondale Trust,
Mrs R A & S McLeod, W Parkinson,
G K Pickering, G W Sharman,
M Smith & R Wilson
Trainer Michael Moroney & Pam Gerard
Jockey Ashvin Goindasamy
Breeding 4 year old mare
Per Incanto x Rochfort
(by Cecconi)
Breeder Little Avondale Trust
Margins $\frac{3}{4}$ length, neck, long neck
Time 1:11.79 (Dead 5)

1st Roch 'N' Horse
2nd Mr Universe
3rd What A Smasher

ROCH 'N' HORSE

Matamata visitor Roch 'N' Horse recorded her first stakes win when taking out the Listed Rating 74 event at the Hawke's Bay autumn meeting.

The Per Incanto mare, prepared from the Mike Moroney & Pam Gerard stable, had gone within a nose of achieving the feat two starts before when narrowly defeated in the Listed Lightning Handicap (1200m) at Trentham.

In between times she had finished 11th out of 13 on an unsuitable slow-9 surface over 1400m at Awapuni and she relished the return to better footing at Hastings.

Ridden by apprentice Ashvin Goindasamy, Roch 'N' Horse travelled sweetly in midfield before edging closer to the leaders coming to the home turn. Angled to the middle of the track in the straight the four-year-old balanced up before letting down strongly to race clear in the final 200m and score a decisive three-quarter length win.

Roch 'N' Horse was having only her eighth career start for a record of three wins and two seconds.

"She has had some immaturity problems but has come right with age and some time on her side," co-trainer Pam Gerard said.

"We were having trouble working her as she kept going shin-sore after her races.

"We had to nurse her along in those early starts but, as she has matured, she has gotten better.

"She is a very honest mare who puts in one hundred per cent every time she steps out."

Bred and part-owned by the Little Avondale Trust, Roch 'N' Horse is a daughter of the Cecconi mare Rochfort and hails from the family of well performed stakes winners Weissmuller and Travolta and multiple Group 1 placegetter Harlow Gold.



Prestige Te Whangai Romneys Hawke's Bay Hurdle

Distance 3100m
Date 3 July 2021
Owner Mrs D A & T G Autridge,
K A Burke, R S Cole,
Mrs L C & R L Ginns & D J Robb
Trainer Toby Autridge
Jockey Shaun Phelan
Breeding 9 year old gelding
The Flag x Hippo Priscilla
(by Blues Traveller)
Breeder D J Robb
Margins ½ length, ½ length, head
Time 3:47.60 (Slow 9)

1st Tommyra
2nd No Change
3rd Tallyho Twinkletoe

Jumps jockey Reece Cole had the misfortune to miss out on a chance to register his biggest riding success aboard Tommyra in this year's \$50,000 Te Whangai Romneys Hawke's Bay Hurdle but at least he got to receive the owners' trophy at the post-race presentation.

Cole, 28, is a part-owner of Tommyra, and was supposed to be aboard the nine-year-old in the feature but aggravated an existing hip injury when he fell in the first hurdle race on the day. He looked a little dejected and was clearly walking with a limp when presented with the owners' trophy after Tommyra's triumph in the 3100m event.

Shaun Phelan was the lucky replacement rider and produced a well-judged performance to get the Raise The Flag gelding home a half-length winner over No Change, with third placed Tallyho Twinkletoe another half a length back.

Phelan had Tommyra in a prominent position from the start and took the horse up to attack the pacemaker and race-favourite Bak Da Master with 1400m to run. The pair then went head-to-head until the second to last fence

where Bak Da Master hit the top of it and crashed on landing, leaving Tommyra clear and he clung on gamely when challenged in the final 200 metres.

Winning trainer Toby Autridge was glad to see his charge return to his best form after an indifferent run of form since he won the Waikato Hurdle in August last year. He was also thrilled he could get Phelan as a pinch hitter after that jockey's original mount, The Cossack, was scratched on the morning of the race after being found to have a minor blood disorder.

"I didn't think the day was going to go too well after we lost our jockey, but I was thrilled Shaun could take the ride," Autridge said.

"He is one of the best jocks around and he took the initiative when the leader was getting it easy out in front.

"The better track today helped our horse too as he doesn't really handle the deep stuff."

Autridge and his wife Deb also share in the ownership of Tommyra along with Cole and four others.

TOMMYRA

Prestige AHD Hawke's Bay Steeplechase Rating 74



Distance	4800m
Date	3 July 2021
Owner	M D N & S N Wallace
Trainer	Kevin Myers
Jockey	James Seivwright
Breeding	11 year old gelding King's Chapel x Shilling (by Rainbow Myth)
Breeder	M D N & S N Wallace
Margins	22 lengths, 5-1/2 lengths, 10-1/4 lengths
Time	6:20.71 (Slow 9)

1st	Yardarm
2nd	Shamal
3rd	Mesmerize

YARDARM

MJockey James Seivwright had mixed feelings after recording his biggest success aboard Yardarm in this year's \$50,000 AHD Hawke's Bay Steeplechase.

The 26-year-old was originally without a ride in the 4800-metre feature. But he was called in as a replacement for Sam O'Malley who had to forgo his remaining mounts for the day after suffering heavy concussion and a fractured vertebrae when his mount Remarx fell heavily in the first hurdle race on the card.

"I'm ecstatic to have won such a prestigious race but it's a real shame for Sam to have to miss out through those circumstances," Seivwright said.

"I knew the horse had the ability, but he's been unlucky over his career and has copped a number of injuries."

The 11-year-old gelding, who carries the colours of former champion galloper Mainbrace, was good enough to finish second in the 2017 Australian Grand National Steeplechase (4500m) but has been plagued by injury throughout his career and only

returned to racing in May after a two year absence.

Seivwright kept Yardarm in contact with the pacemakers Notabadrooster and It's A Wonder from the outset before sending him forward to take the lead rounding the home bend. Yardarm cleared the last fence in great style and raced away to register just his second career victory and his first over the bigger fences after taking out a maiden hurdle at Te Aroha back in July 2015.

"He really just towed me around and I didn't have to do too much at all. He made a mistake at the third-last fence, and when I gave him a squeeze, he just took off. I didn't realise I was in front by so much until I got to the winning post."

Yardarm also credited Wanganui trainer Kevin Myers with his third Hawke's Bay Steeplechase success after producing Perfect Alibhai to win in 1995 and Palemo in 2014.

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HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Statement of Comprehensive Revenue and Expense

For the year ended 31 July 2021

Revenue	Note	2021 \$	2020 \$
Race meeting revenues	2.1	5,636,703	4,227,367
Sale of goods	2.2	4,189	3,569
Rendering of services	2.3	227,523	106,520
Other operating revenue	2.4	403,164	401,229
Finance revenue	4.1	706	685
Total operating revenue		6,272,285	4,739,370
Expenses			
Race meeting costs and expenses	2.1	4,578,778	3,533,781
Cost of sales	2.2	232	380
Other operating expenses	3	1,316,278	1,050,719
Finance expense	4.2	18,459	34,342
Total operating and other expenses		5,913,747	4,619,222
Net operating surplus/(deficit)		358,538	120,148
Total comprehensive revenue and expense attributable to:			
Hawke's Bay Racing Inc	19	358,538	120,148
Total comprehensive revenue and expense for the year		358,538	120,148

The above statement of comprehensive revenue and expense should be read in conjunction with the accompanying notes.

Approval of Financial Report

Hawke's Bay Racing Incorporated for the year ended 31 July 2021.

These financial statements were authorised for and on behalf of the Board on 26 October 2021.

CHAIRMAN



BOARD MEMBER



HAWKE'S BAY RACING INC

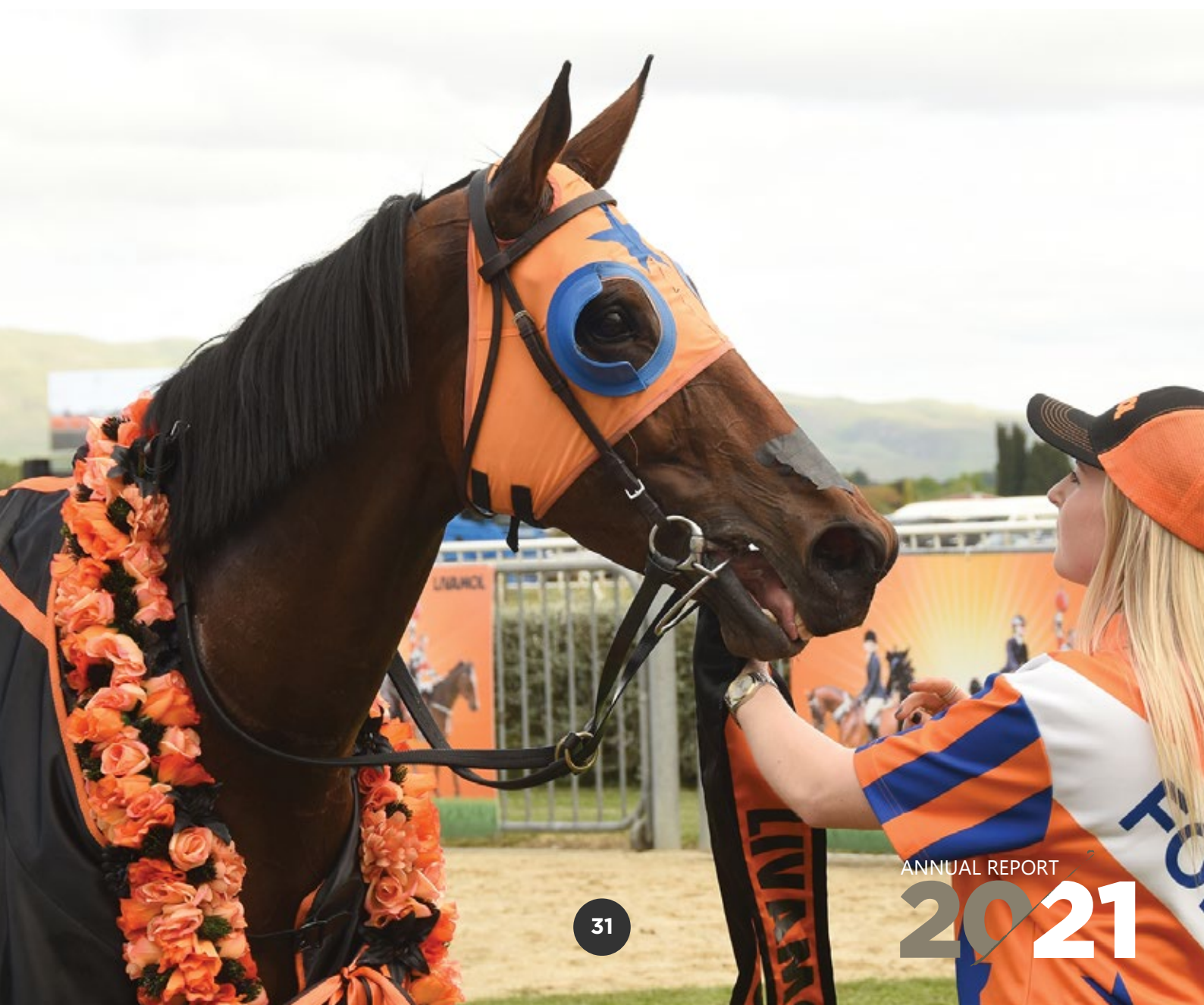
FINANCIAL STATEMENTS 2020/21

Statement of Changes in Equity

For the year ended 31 July 2021

	Accumulated comprehensive revenue & expense	Equity attributable to controlling interest	Total equity
Balance as at 1 August 2019	2,889,772	2,889,772	2,889,772
Net surplus/(deficit) for the year	120,148	120,148	120,148
Balance as at 31 July 2020	3,009,920	3,009,920	3,009,920
Net surplus/(deficit) for the year	358,538	358,538	358,538
Balance as at 31 July 2021	3,368,458	3,368,458	3,368,458

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



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Statement of Financial Position

as at 31 July 2021

		2021	2020
Current Assets	Note	\$	\$
Cash and cash equivalents	5	330,438	371,796
Receivables from exchange transactions	6	153,551	157,093
Receivables from non-exchange transactions	6	7,128	0
Inventories	7	17,250	18,347
Other current assets	9	103,685	11,541
Total current assets		612,052	558,777
Non-Current Assets			
Property, plant and equipment	10	3,458,571	3,595,180
Investment in associate and joint venture	8	8,590	8,590
Total non-current assets		3,467,161	3,603,770
Total Assets		4,079,213	4,162,547
Current Liabilities			
Payables under exchange transactions	11.1	523,741	336,095
Payables under non-exchange transactions	11.1	90,306	180,717
Employee entitlements	11.2	75,410	47,625
Other financial liabilities	12	11,624	15,730
Total current liabilities		701,081	580,167
Non-Current Liabilities			
Other financial liabilities	12	9,674	572,460
Total non-current liabilities		9,674	572,460
Total Liabilities		710,755	1,152,627
Net Assets		3,368,458	3,009,920
Equity attributable to:			
Hawke's Bay Racing Inc		3,368,458	3,009,920
Total Equity		3,368,458	3,009,920

The above statement of financial position should be read in conjunction with the accompanying notes.



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Statement of Cashflows

For the year ended 31 July 2021

		2021	2020
Cashflows from operating activities	Note	\$	\$
Cash was received from:			
Industry profit distribution		4,094,462	3,010,250
Other race meeting receipts		1,743,667	1,219,804
Fees, subscriptions and other receipts from members		37,278	33,325
Receipts from providing goods or services		296,424	398,230
Grants		81,135	171,150
Net GST refund		1,827	13,497
Cash was applied to:			
Payments to suppliers and employees		(5,695,705)	(4,290,791)
NZRB charges		(862)	(108,600)
Net cashflows from operating activities		558,226	446,865
Cashflows from investing activities			
Cash was received from:			
Interest & Dividends received		708	685
Cash was applied to:			
Payments for purchase of property, plant and equipment		(140,496)	0
Cash was received from:			
Sales of property, plant and equipment		126,739	0
Net cash flows from investing activities		(13,757)	0
Cash was applied to:			
Payments for borrowings		(566,728)	(175,398)
Interest paid		(19,805)	(32,996)
Net cashflows from financing activities		(586,533)	(208,394)
Net Increase (Decrease) in Cash		(41,358)	238,536
Opening Cash		371,796	133,260
Closing Cash		330,438	371,796
This is represented by:			
Cash on hand	5	128	93
Bank account	5 & 12	326,155	367,548
Short term deposits	5	4,155	4,155
Cash and cash equivalents at end of the period		330,438	371,796

The above statement of cash flows should be read in conjunction with the accompanying notes.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Notes to the financial statements

For the year ended 31 July 2021

1. BASIS OF PREPARATION

Reporting entity

Hawke's Bay Racing Incorporated (henceforth, "the Club") is incorporated under the Incorporated Societies Act 1908. The primary objective of the Club is to promote, conduct and control thoroughbred racing and is registered with the New Zealand Thoroughbred Racing Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Act 2003.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Act 2003, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

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

The Club has elected to report in accordance with the Tier 2 PBE accounting standards on the basis that it is not publicly accountable and not considered large for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) as appropriate for Tier 2 not-for-profit entities and disclosure concessions have been applied.

Measurement basis

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

Going concern

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

Income taxes

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

Changes in accounting policies

There have been no changes in accounting policies in the reported period.

2. REVENUES AND DIRECT COSTS & EXPENSES

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



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

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

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

2.1 Race meeting revenue and expenses

Race meeting revenues comprise the amounts received or receivable for services provided, and goods sold that directly relate to race meeting events conducted by 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.

The Club incurred certain direct costs and expenses in conducting its race meeting days and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as an asset. Direct costs and expenses on race meeting days are presented below excluding depreciation expense which are included as part of other operating expenses in note 3.

	2021 \$	2020 \$
Industry profit distribution	4,094,462	3,010,250
On-course totalisator income	543,153	395,983
Race meeting sponsorships	262,683	230,743
Bar & private function sales (race meeting days related)	610,516	585,030
Race book sales	4,230	5,139
Other race meeting income (Emergency Support for Racing's recovery)	121,659	222
Total race meeting revenues	5,636,703	4,227,367
Stakes	3,467,152	2,444,337
Advertising and promotions	79,342	76,575
Direct race meeting operating costs	87,104	93,346
Track maintenance, repairs and set-up costs	293,027	229,818
NZRB charges	862	108,600
Other race meeting costs	102,904	91,513
Bar & private function expenses (race meeting days related)	492,060	452,289
Salaries and wages (direct)	56,327	37,303
Total race meeting costs & expenses	4,578,778	3,533,781
Net race meeting surplus/(deficit)	693,585	693,585

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

2.2 Revenue from sale of goods and cost of sales

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

The direct costs and expenses included in this table relate to directly attributable costs.

	2021 \$	2020 \$
Sale of lambs on consignment	4,189	3,569
Total sales of goods	4,189	3,569
Other direct and overhead costs	232	380
Cost of sales	232	380
Net surplus/(deficit) sale of goods	3,957	3,189

2.3 Revenue from rendering of services

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

	2021 \$	2020 \$
Rental revenues	81,348	65,506
Service revenues	146,175	41,014
Total revenue on rendering of services	227,523	106,520

2.4 Other operating revenue

	Note	2021 \$	2020 \$
Members subscriptions and other fees		37,278	33,325
Gain on sale of assets	21	126,739	0
Grants		81,135	0
Sundry income		38,592	31,188
Covid 19 wage subsidy		0	217,325
Track & Training Income		119,420	119,390
Total other operating revenue		403,164	401,229

The Club received grants of \$81,135 during the year (2020 \$nil).



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

2.5 Revenue from exchange and non-exchange transactions

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

	2021 \$	2020 \$
Covid 19 wage subsidy	0	217,325
Grants	81,135	0
Total non-exchange revenues	81,135	217,325
Industry profit distribution	4,094,462	3,010,250
On-course totalisator income	543,153	395,983
Race meeting sponsorships	262,683	230,744
Bar sales (race meeting days related)	610,516	585,030
Other race meeting revenue	121,659	222
Race book sales	4,230	5,139
Sale of goods	4,189	3,569
Sale of services	227,523	106,520
Finance income	706	685
Other exchange revenue	322,029	183,903
Total exchange revenues	6,191,150	4,522,045
Total revenues	6,272,285	4,739,370

An asset acquired through a non-exchange transaction (e.g., cash, discounts, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received (note 5 for cash; note 7 for inventory; note 10 for property, plant and equipment and note 12 for borrowings). Revenue from non-exchange transactions are measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's revenues from exchange and non-exchange transactions are detailed in the above table.

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

3. OTHER OPERATING EXPENSES

Costs and expenses relating to the overall costs of running the Club include staff time, office space, rental, information technology and asset costs. These are recognised as incurred and are presented in the table below. This includes a portion of salaries and wages and depreciation and amortisation expenses incurred in relation to the revenues generated by the Club; all other direct costs and expenses are presented in note 2 and note 4.2.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

	2021	2020
	\$	\$
Depreciation and amortisation	277,103	112,343
Salaries and wages	568,639	532,950
Repairs and maintenance	102,892	70,867
Insurance	77,400	64,365
Audit fees	11,189	12,190
Consultants' fees	11,373	10,441
Stationery, printing, and postage	15,694	10,413
Bad debts expense	0	663
Other operating expenses	251,988	236,487
Total other operating expenses	1,316,278	1,050,719

4. FINANCE INCOME AND COSTS

4.1 Finance revenue

Interest revenue primarily arises from investments in banks in the form of cash and term deposits.

	2021	2020
	\$	\$
Interest from bank and term deposits	16	10
Dividends	690	675
Total finance revenue	706	685

4.2 Finance cost

The Club has outstanding borrowings from banks and other entities and has incurred interest thereon at the agreed rate of interest.

	2021	2020
	\$	\$
Interest on bank borrowings	6,816	29,703
Interest on other debt instruments	11,643	4,639
Total finance cost	18,459	34,342



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

5. CASH AND CASH EQUIVALENTS

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

	2021	2020
	\$	\$
Cash on hand	128	93
Current account	326,155	367,548
Short-term deposits	4,155	4,155
Total cash and cash equivalents	330,438	371,796

6. 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 uncollectability. Impairment is assessed if there is objective evidence that the customer cannot settle the amount due to the Club.

Receivables from non-exchange transactions include committed grants and subsidies from external parties or assets donated but not yet physically transferred as of balance date and for which the Club has legal and contractual right over said assets.

The following table summarises the Club's receivables from exchange and non-exchange transactions.

	2021	2020
	\$	\$
Receivables from exchange transactions		
Trade receivables	153,551	157,093
Receivables from non-exchange transactions		
GST receivable	7,128	0
Total net realisable value of receivables	160,679	157,093

7. INVENTORIES

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

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

	2021	2020
	\$	\$
Food and beverage	17,250	18,347
Total inventories at net realisable value	17,250	18,347

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Club holds ownership interest in the form of shareholding in the Central Districts Starting Gates Consortium over which the Club exercises significant influence demonstrated by its ability to participate in but not exercise control or joint control over the financial and operating policy decisions of the investees.

Investments in associates and joint ventures are accounted for using the equity method under which the investment is recognised at cost.

9. OTHER ASSETS

	2021	2020
	\$	\$
Prepayments	77,970	11,541
Livestock	25,715	0
Total other assets	103,685	11,541

10. PROPERTY, PLANT AND EQUIPMENT

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

Subsequent to initial recognition, property, plant and equipment are measured using the cost model with the exception of land, course developments and improvements which are recorded at 1979 Government Valuation plus subsequent additions at cost less building accumulated depreciation. Under the cost model, the item is carried at cost net all accumulated depreciation and any impairment losses. Plant and machinery and office equipment are measured using the cost model. These classes of assets include farm tractors, computers, furniture and fittings.

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

Depreciation

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



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Valuation

Pre 1979 Land, Course Developments and Buildings are revalued to 1978 government valuation, with subsequent additions recorded at cost.

The latest Rating Valuation (01/08/2019) of land and buildings is \$18,815,000.

This Is made up of:

Racecourse Land and Buildings	\$16,200,000
Float Park Southland	\$1,205,000
Wall Road	\$1,410,000

Earthquake Risk

The engineering assessment of the earthquake strength of the HBRI's buildings and the legal requirements around timeframes for rectification or re-building have resulted in the Directors reassessing the useful lives of the buildings as 5 years. When there is more clarity regarding the useful lives the depreciation rates for the other assets will be updated.

	Opening Balances		
	Cost/Valuation \$	ACC Depreciation Impairment \$	Carrying amount \$
Land	1,213,478		1,213,478
Land Improvmenents	761,996		761,996
Buildings	3,480,752	(2,180,174)	1,300,578
Plant & Machinery	1,347,454	(1,047,935)	299,518
Office Equipment	365,424	(345,817)	19,608
	7,169,104	(3,573,926)	3,595,178

	Current Year Movements		
	Additions \$	Disposals/ Transfers \$	Depreciation \$
Land			
Land Improvmenents			
Buildings	0		(231,863)
Plant & Machinery	129,444	(23,107)	(44,123)
Office Equipment	11,052		(1,117)
	140,496	(23,107)	(277,103)

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

	Closing Balances			
	Cost/ Valuation \$	ACC Depreciation Impairment \$	Carrying amount \$	Estimated useful life used for depreciation
Land	1,213,478		1,213,478	not depreciated
Land Improvements	761,996		761,996	not depreciated
Buildings	3,480,752	(2,412,037)	1,068,715	5 years
Plant & Machinery	1,453,791	(1,068,951)	384,840	5-15 years
Office Equipment	376,476	(346,934)	29,542	5-10 years
	7,286,493	(3,827,922)	3,458,571	

11. TRADE AND OTHER PAYABLES

11.1 Payables under exchange transactions

	2021 \$	2020 \$
GST	0	8,196
Grants received in advance	90,306	172,521
Payables under non-exchange transactions	90,306	180,717

11.2 Payables under non-exchange transactions

	2021 \$	2020 \$
Accounts payable and accruals	88,312	95,848
Deferred revenue (trade)	435,429	238,365
Interest payable	0	1,882
Payables under exchange transactions	523,741	336,095
Total taxes and transfers payables	614,047	516,812

Grants received in advance include \$40,306 towards the plastic running rail and \$50,000 grant towards the club's detailed seismic assessment of its buildings. These grants are to fund costs to be incurred in the 2022 financial year therefore the directors have determined that it is appropriate that the grants are recognised in the 2022 financial year.

11.3 Employee entitlements

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

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

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

	2021	2020
	\$	\$
Salaries and wages payable	19,105	9,720
Other employee entitlements	56,305	37,905
Total employee entitlements	75,410	47,625

12. OTHER FINANCIAL LIABILITIES

	2021	2020
	\$	\$
Bank borrowings	0	550,000
Finance advances	21,298	38,190
Total other financial liabilities	21,298	588,190
Current financial liabilities	21,298	15,730
Non-current financial liabilities	0	572,460
Total other financial liabilities	21,298	588,190

All of the Club's borrowings are classified as financial liabilities carried at amortised cost.

Bank Borrowings

These borrowings were secured by a first mortgage over the Club's land and buildings.

The Club entered into a new interest only finance agreement on 27 July 2018 with ANZ, which was repaid during the financial year.

Loans and advances

The movements and carrying value of such loans are summarised in the following table.

Counterparty	Relationship to Counterparty	Start Date	Maturity Date	Interest Rate	Opening Balance (face value)	Repaid	Closing balance (face value)	Carrying value
					\$	\$	\$	\$
John Deere Financial	External	23 Jun 18	23 May 23	5.05%	31,560	9,768	20,764	20,764
UDC	External	10 Aug 17	30 Sep 20	5.05%	6,630	6,960	534	534
ANZ	External	3 Aug 18	6 Aug 21	5.15%	550,000	0	0	0
					588,190	566,728	21,298	21,298

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

13. TROPHY FUND PROVISIONS

HBRI acknowledge the provision of a Trophy Fund by the Walker & Stead families with the interest put towards the purchase of a sash for the Gold Trail Stakes (Stead) and trophies for the Hawke's Bay Hurdles & Steeples (Walker) each year. The amount of the funds provided is \$11,200 in total.

14. COMMITMENTS AND CONTINGENCIES

HBRI acknowledge the provision of a Trophy Fund by the Walker & Stead families with the interest put towards the purchase of a sash for the Gold Trail Stakes (Stead) and trophies for the Hawke's Bay Hurdles & Steeples (Walker) each year. The amount of the funds provided is \$11,200 in total.

14.1 Non-cancellable operating lease commitments Club as lessee

The Club has entered into a non-cancellable operating lease contract for a server for three years ending December 2022.

	2021	2020
	\$	\$
Within one year	15,669	15,669
After one year but not more than five years	16,524	32,193
Total lease commitments as lessee	32,193	47,862

14.2 Contingencies

There are no contingent liabilities at balance date (2020: Nil).

15. FINANCIAL INSTRUMENTS

15.1 Categories of financial Instruments

The following table summarises the categories of the Club's financial instruments.

		2021	2020
		\$	\$
Loans and receivables			
Cash and cash equivalents	5	330,438	371,796
Trade and other receivables	6	160,679	157,093
		491,117	528,889
Investments in associates and JVs	8	8,590	8,590
Total other financial assets		499,707	537,479
Financial liabilities at amortised cost		\$	\$
Trade and other payables	11.1/11.2	689,457	564,437
Bank borrowings	12	0	550,000
Loans	12	21,298	38,190
Total other financial liabilities		710,755	1,152,627

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Financial Assets

The Club's financial assets include its cash, short-term deposits and various receivables.

The Club recognises financial assets when it becomes party to a contract. These assets may be classified into one of the four categories of financial assets depending on the Club's intention to hold them and the nature of the investments.

All financial assets are recognised at cost.

Financial Liabilities

The Club's financial liabilities include payables and borrowings. The Club recognises financial liabilities when it becomes party to a contract. All financial liabilities are recognised at cost.

16. RESERVES

The disaggregation of changes arising from other comprehensive revenue and expense for each type of reserve and transfers between reserves is shown below:

	Asset revaluation reserves	Total reserves
31 July 2020	\$	\$
Opening balance	1,248,856	1,248,856
	1,248,856	1,248,856
31 July 2021	\$	\$
Opening balance	1,248,856	1,248,856
	1,248,856	1,248,856

17. RELATED PARTIES

17.1 Transactions and balances with related parties

The following Directors have provided sponsorship during the year, G Lowry incurred Track & training fees of \$43,901 (2020: \$42,174). J Russell hospitality income of \$863 (2020: \$555 hospitality income); K Brown \$862 expenses incurred; Lambs purchased \$2,158 (2020 \$686 incurred expenses These are at normal commercial rates and terms.

17.2 Transactions and balances with key management personnel

Key management personnel of the Club include the members of the Committee and various sub-committees of the Club, the Chief Executive and Executive Management Team who exercise control or significant influence over the financial and operating decision-making of the Club. For purposes of financial reporting disclosures, the Club also considers transactions with close members of the key management personnel's family as related party transactions.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2020/21

Transactions

Key management personnel are also members of the Club and pay membership fees and other fines and charges on the same rate and terms as charged to other members who are not key management personnel. In addition, members of the Club may have interest in racing through ownership, breeding, training, driving or similar capacity. Key management personnel and close members of their family may also join races and be eligible for stake money from the Club under normal trade terms and conditions applicable to other persons not otherwise considered key management personnel.

With the exception of the regular fees and charges, compensation (discussed below) and race-related transactions under normal terms, there have been no other transactions between the Club and its key management personnel and close members of their family during the year (2019: \$nil).

	2021 \$	2020 \$
Salaries and other short-term benefits	386,324	345,950
Total paid to key management personnel	386,324	345,950

The Club did not provide any compensation at non-arm's length terms to KMPs and close family members of KMPs during the year (2020: nil).

18. BAD DEBTS

No allowance has been made for non-recovery debt in 2021 (2020: \$nil).

19. TRADING SURPLUS

The trading surplus was \$152,403 (2020: loss of \$97,177). The capital gain on the sale of the land and grants are considered non-trading revenue. In 2020, the Covid wage subsidy revenue of \$217,325 was considered non-trading revenue.

20. SUBSEQUENT EVENTS

The Spring Carnival has been impacted by the Covid alert levels not allowing full public access (2020: \$nil).

21. SALE OF LAND

A strip of land measuring .1302 hectares was sold during the year to Ricanne Development Trustees Ltd for \$125,000. The full amount was taken into revenue as the net book value of the land sold was not material.



LETTER OF REPRESENTATION AUDIT

26 October 2021

Baker Tilly Staples Rodway Audit Limited
PO Box 46
Hastings 4156
New Zealand



Dear Partners

This representation letter is provided in connection with your audit of the financial statements of Hawke's Bay Racing (Incorporated) ('the Society') for the year ended 31 July 2021 ('reporting date') for the purpose of expressing an opinion as to whether the financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR') and give a true and fair view of the financial position of the Society as at 31 July 2021 and of the results of its operations and its cash flows for the year then ended.

We confirm that the representations we make in this letter are in accordance with the definitions set out in the appendix to this letter (**Appendix A**). We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

- We have fulfilled our responsibilities on behalf of the Society, as set out in the terms of the audit engagement dated 15 September 2021, for the preparation of the financial statements in accordance with PBE Standards RDR; in particular the financial statements are fairly presented in accordance therewith.
- The selection and application of accounting policies are appropriate.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements (**Appendix B**) in accordance with the requirements of PBE IPSAS 20 *Related Party Disclosures*.
- All events subsequent to the date of the financial statements which require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter (**Appendix C**).

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
 - Access to all minutes of meetings of the Board of Directors.
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the Society from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to instances of fraud or suspected fraud that we are aware of and that affects the Society and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Society's financial statements communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the Society's related parties and all the related party relationships and transactions of which we are aware.
- We will provide the final version of the documents determined to comprise the annual report to the auditor when available, and prior to its issuance by the entity.

Representations on Specific Assertions

1. Compliance with Laws and Regulations

We recognise that in accordance with Section 9 of the Financial Reporting Act 2013 the directors are responsible to take all reasonable steps to ensure that the financial statements give a true and fair view and comply with generally accepted accounting practice. We are aware that PBE Standards RDR issued by the External Reporting Board have as a stated objective the introduction of a definitive approach to a true and fair view.

We have satisfied all requirements under the Health and Safety at Work Act 2015, Health and Safety Regulations, and Safe Work Instruments. We have ensured, so far as is reasonably practicable, the health and safety of workers (including volunteer workers), and that other people (including other volunteers) are not put at risk by our work. This includes, but is not limited to, so far as is reasonably practicable:

- Providing and maintaining a work environment that is without risks to health and safety;
- Providing and maintaining safe plant and structures;
- Providing and maintaining safe systems of work;
- Ensuring the safe use, handling and storage of plant, structures and substances;
- Providing adequate facilities for the welfare at work of workers in carrying out work for the Society, including ensuring access to those facilities.
- Providing any information, training, instruction, or supervision that is necessary to protect all persons from risks to their health and safety arising from work carried out as part of the conduct of the Society.
- Monitoring the health of workers and the conditions at the workplace for the purpose of preventing injury or illness of workers arising from the conduct of the Society.
- The means of entering and existing any workplace managed or controlled by the Society, and anything else arising from the workplace are without health and safety risks to any person.
- Any fixtures, fittings or plant managed or controlled by the Society at a workplace are without risks to the health and safety of any person.
- Any plant, substances or structures designed, manufactured, imported, supplied or installed by the Society that are to be used, or that could reasonably be expected to be used, at a workplace are without health and safety risks when they are used for their intended purpose in a workplace.

We understand that it is the responsibility of management and those charged with governance to:

- Ensure that the Society's business activities are conducted in accordance with laws and regulations; and
- Identify and address any non-compliance by the Society, by an individual charged with governance of the Society, by a member of management, or by other individuals working for or under the direction of the Society.

Where management or those charged with governance have been informed of any non-compliance or suspected non-compliance by the auditor, we have addressed them appropriately in a timely fashion, including, where applicable:

- Rectify, remediate or mitigate the consequences of the non-compliance.
- Deter the commission of the non-compliance where it has not yet occurred; or

Disclose the matter to an appropriate authority where required by law or regulation or where considered necessary in the public interest.

There have been no actual or suspected non-compliance with laws or regulations, or communications from regulatory agencies, governmental representatives, tax authorities or others concerning investigations of allegations of non-compliance with laws and regulations, deficiencies in financial reporting practices or other matters that should be considered for provision or disclosure in the financial statements.

2. Errors and Irregularities

We understand that you have examined and tested the records of the Society and obtained other supporting evidence by methods and to the extent you deemed appropriate for the purpose of expressing an opinion on the financial statements, but that such tests or examination would not necessarily disclose errors or irregularities should any exist. No errors or irregularities were discovered or are being investigated that have not been disclosed to you. To the best of our knowledge there is nothing reflecting on the integrity of members of our organisation.

3. Pledged or Assigned Assets

None of the Society's assets were specifically or generally assigned, pledged, subject to purchase option, or encumbered by lien in any manner except as disclosed in the financial statements.

4. Contracts, Commitments, and Contingencies

Except as disclosed in the notes to the financial statements:

- There are no commitments of any consequence.
- There are no contingent liabilities of any consequence.

Among other things, the term 'contingent liabilities' is generally understood to relate to the following: notes and accounts receivable discounted, assigned or sold; endorsements or guarantees; pending law suits; unsatisfied judgements or claims; additional taxes for prior years; uncalled share or other capital; re-purchase agreements, etc.

As at 31 July 2021, the Society had no unfulfilled purchase commitments in excess of normal requirements or at prices materially in excess of prevailing market price, and had no sales contracts at prices materially below current sales prices or inventory prices. There is no potential liability arising from an inability to fulfil the commitment.

All contractual commitments have been complied with.

We confirm that no termination or suspension of any material section of the business is foreseen or intended to take place.

The Society is adequately indemnified by their insurers and reinsurers against all risks which are of an insurable and reinsurable nature, and which having regard to the type of business, the premium payable and the risk involved should reasonably be insured.

All matters referred to or dealt with by our legal advisers other than those concerned with the normal day to day business operations, have been disclosed to you.

Except as disclosed in the financial statements, the Society have no off-balance sheet assets or liabilities, including financial derivatives.

5. Options

Except as disclosed in the notes to the financial statements, the Society does not own any options to purchase property, plant and equipment or interests in affiliated or other entities. No shares are reserved for issuance to officers or employees, nor are any shares reserved for options, warrants, conversions or other rights.

6. Future Cash Resources

We believe the Society has adequate resources, as further explained below, to continue operations for the foreseeable future. For this reason, we will continue to adopt the going concern assumption in preparing the financial statements.

We have reached this conclusion having regard to circumstances which we consider likely to affect the Society during the period one year from the date of the auditor's current report, and to circumstances which we know will occur after that date. The key considerations are set out below:

- a) there will be sufficient cash flows generated from operating activities to meet the investing and financing cash flow requirements of the Society;
- b) the available borrowing facilities are adequate to meet peak borrowing requirements;
- c) cash flow is sufficient to meet all commitments for the next 12 months.

We have no plans or intentions that may affect the carrying amount or classification of assets and liabilities.

7. Pending Investigations

We confirm as at the date of this letter, that there are no pending investigations by any regulatory bodies such as the Financial Markets Authority (New Zealand), the Commerce Commission, the Ministry of Business, Innovation and Employment, the Inland Revenue Department, or any overseas regulatory body.

8. Other Assets and Liabilities

We confirm that:

- With the possible exception of relatively immaterial assets, all known assets of the Society have been appropriately reflected in the financial statements and are expected to be realised at least at their stated value.
- With the possible exception of relatively immaterial obligations for which invoices had not been received and which otherwise could not be readily determined or estimated, all known direct liabilities of the Society have been recorded in the financial statements.
- With the possible exception of relatively immaterial obligations, all known legal or constructive obligations, as a result of past events, for which it is probable that outflows of economic benefits will result and that the outflows can be reliably measured, all known provisions of the Society have been recorded in the financial statements.

Yours faithfully



Eliot Cooper

Chairman



Richard Riddell

Chairman Audit & Finance

Life Membership

Best R	Hutchinson B J D	Roebuck Peter	Smyth E B
Buddo D	Lowry T R	Sabiston D W	Symes T W M
de Gruchy Graham	Mudgway W A	Scoular Mr J D & Mrs L	Trower D G
Ellingham R	Nelson Sam	Shanley C G	Wedd M
Harvey W J	Ormond Arthur	Skidmore B	
Holden S	Renton D M	Small M S	

Honorary Membership

Bary A	Frizzell J	McLeod D	Sheild J
Beachen A	Grieve I	McMillin J	Sherratt C
Beale J	Grieve P	Mick Ormond	Smith R A
Bishop D	Guerin P	Miller R	Stevenson David
Broughton L	Holden D	Mulcaster R	Sugden P
Callaghan	Holland J	Murtagh M	Thomson Michael
Chard H	Jans B	Murtagh P	Twist N
Chittick A	Jones D	Nelson P	Verschaffelt E
Chittick B	Kerins Peter M	Nichol D	Wall B
Chittick W	Liddle A	Northover S	Ward P
Christensen E	Little S M	Orange K	Watson M
Coleman P	Lowry EP	Razos M	Willis Tuppence
Couper W	MacMillan Maureen	Richardson I	Wilson J
Dent W	McDonald P	Robson A R	

Membership

Abraham Michael	Baxter Andrea	Brady Pat	Campbell John
Aldridge A (Tony)	Bayliss Weslie	Breban D	Campbell Pauline
Aldridge P	Beamish P	Bremer C H & O R	Carter D
Andersen Murray	Beatson B	Brenton-Rule M	Caryl B
Andersen Joanne	Bell G	Bridge John	Chilton E
Anderton I	Bennett R	Bridge Racing Ltd James Bridge	Clark T
Apatu M	Bernie RW		Coates Fred
Apatu N	Bicknell M	Brigham Mary Blanche	Coates Juliet
Arnerich John	Biggs M	Brittin D	Coffey T
Arnold G	Bird, K E	Brougham Xavier	Colson G
Arrowsmith R	Birrell Mason	Brown Chris	Common Neil
Baker D	Bisset C	Browne KJ & LM	Conen Trevor
Ballantyne Jennifer	Black R	Buckeridge J	Connor Peter James
Ballantyne William	Blundell B	Bulled George William	Cook A
Bary J	Blundell J	Burt-Andrews R	Cooper E
Bath S	Bradley Joseph	Cameron A	Costello J

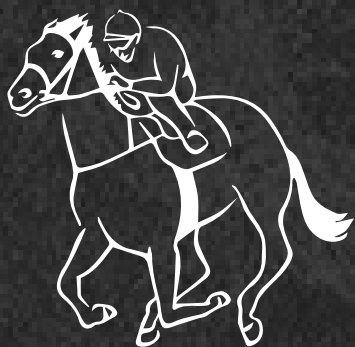
Membership

Costello N	Greaney M	Jones Leanne	McDowall C
Craig Michael	Greene K	Julius Kerry	McEwan Greg
Craig Sharyn	Greer K	Jury P	McGinty P
Cutler R	Greer P	Kain GHC	McGrigor Raewyn
Davenport MW	Grieve D	Keall Alan	McIntosh L
de Denne John	Hales Peter & Margaret	Keighley B	McIntyre P
de Lautour W	Hall Katrina	Kelsey B	McKennie L
Deans M	Hamilton Rosalind	Kenderdine Murray	McKenzie JLW
Dee R	Hancock B	Kerins P	McKenzie Richard
Dixon M	Hannan Glenys M	Kight H	McLaughlin J
Dorward N	Harper M	Kirkpatrick D	McLean I
Downey W	Hart G J	Koorey R	McLeod Margaret
Drake L	Haslett Tony	Laffey P	McMillan G
Drinkwater J	Healy M	Kennedy H	Meech H
Duff G	Hearn L	Kent J	Meehan Bruce
Duncan John	Hebberley B	Knapp C	Meek Stephanie
Margaret Jeanne	Henderson I	Lambert C	Miller K
Dunn H	Hesketh G	Lawrence A	Mirando Tony
Durrant H	Heywood Tony	Lawson-Jones B	Mitchell Mark
Elgie Richard	Hickin Lawrence Brent	Leonard C	Moorhead S
Epplett D	Hill D	Liddle P & H	Morison Jenny
Exeter Peter	Hill G	Lightfoot John	Morison David
Ferguson A	Holden P R	Liley Sean	Morrison Kevin
Finnucane Angela	Hollebone N	Lister N	Mossman David
Firth David	Holmes Ruth Mary	Lloyd Maurice	Moughan G
Fleming J	Hook G	Lowry Guy	Munford Ben
Fletcher V	Hesketh G	Lowry TG (Tommy) Jnr	Murphy G
Fox-Warren Sue	Heywood Tony	Lynch Kenneth J	Murphy P
France F	Hickin Lawrence Brent	Lyndon T	Nation Sue
Francis G	Horgan Peter	Mackay D	Nelson DR
Franklin S	Horrocks A	Mackay P	Nelson L
Gibbs A	Howie Greg	MacLeod Mary	Nelson Mark
Gillespie Tim	Hoy B	Macphee Duncan	Nichol R
Gillies A	Hutchinson M	MacPhee T	Nicholson Noel
Goldsack Jay	Hutton Mary	Mactaggart B	Nobilo R
Good Jeanette	Hyslop B	Mahony T	O'Connor Brian Michael
Goodall Max	Ireland B	Martin Anthony David	O'Connor K
Gourlie M	Jefferd RJ	Matthews P	O'Dwyer B
Grace A	Jensen P	McCarthy Gerald	O'Grady H
Gray-Bryant M	Johnson K	McCauley P	O'Neill Shaun
Gray David	Johnston K	McClurg David John	Ormond C

Membership

Ormond Marcus	Roach-Gray, Jane	Speedy S	Wedd G
O'Shaughnessy P	Roadley G	Spotswood R	West David
O'Sullivan T	Robertson Maryanne	Spring K	Weston W
Owen D	Robin James	Stanger Roy	White Glenda
Pardoe Priscilla Anne	Robinson Peter	Stevenson P	White Trudy Jane
Parker L	Robinson W	Stewart Allen	White Mark
Parkin Terence	Roebuck J	Stovell Michael	Whyte C
Paterson Bronny	Rowling H	Strong Robert	Wiley Tony
Peacock Andrew	Russell Chris	Swadel Raymond	Wiley John
Pearce Robert	Russell Robert	Symes Guy	Williams Casey (Board Member)
Pearce Sarah	Russell James	Symes Wilfred	Williams K
Phil Lascelles	Russell K	Tasker B	Williams P
Phillips Mr Doug	Russell M	Thomas GC	Williams R
Picone Vincent	Ryan D W	Thompson Phillippa	Williamson G
Powell Lorelei	Sally Tothill	Thompson D	Wilmer M
Pratt A	Sanders V	Thomson A Thomson Suits	Wilson D
Prenter S	Sayers J	Thorman Kal	Wishnowsky Steven
Quin Buildings Direct	Schirnack M	Tindall M	Wolland Stephen
Razos K	Schirnack P	Toback D	Wood R D
Redshaw M	Schmidt A	Tonge A	Wood S
Reeder Jeanette	Sheeran Kevin	Train A	Wood Shirin
Reid Ian	Sherratt G	Truman J	Woolhouse B
Reilly W	Shivas, M	Van Zonneveld T	Wright Samuel John
Renton Iain	Simonsen Evan N	Wall A S	Wright K
Reynolds P	Slack T	Wall Anthony	Yanko B
Richardson E	Smith A	Waller R	Yartlett I
Riddell R A	Smith B	Walter C	Yule James Donald
Rigby F	Smith I	Warren M	Yule Ralph Andrew
Rimmer J			





HAWKE'S BAY

Racing

Prospect Road, Hastings, New Zealand
www.hawkesbayracing.co.nz