



HAWKE'S BAY

Racing

ANNUAL REPORT

21/22



HAWKE'S BAY
Racing

Darin Balcombe

Chief Executive Officer

HAWKE'S BAY RACING INCORPORATED

HASTINGS RACECOURSE

ANNUAL REPORT

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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 22nd November 2022 at 6pm.

AGENDA

1. Apologies
2. Condolences
3. Presentation of the Annual Report and Accounts for the year ended 31 July 2022
4. Appointment of Auditor
5. Announcement of Board Appointments
6. General Business

HAWKE'S BAY RACING INCORPORATED

Directors

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

Stewards

Mrs A Horrocks
Mrs J Morison
Mr L Somervell
Mrs M Gourlie
Ms R Waller
Mr A J Wall

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

Course Commentator

Starter

Clerk of Scales

Veterinary Surgeons

NZ Thoroughbred Racing
Phillip Thompson
Sarah Davies
John Jenkins
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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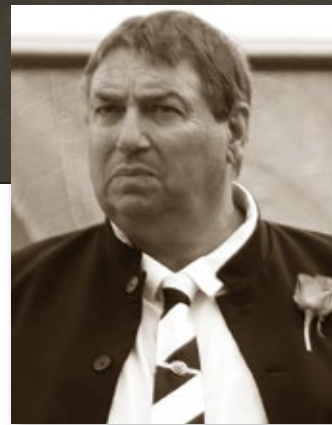
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CHAIRMAN'S REPORT

ELIOT COOPER



It is with pleasure that I present the Annual Report and financial statements for the year ending 31 July 2022.

On behalf of the Board of Directors, I would like to congratulate and thank Darin Balcombe for the energy and drive he brought to his role as CEO of Hawke's Bay Racing. Darin's management skills and racing experience has led us to a strong financial result. The Club has remained profitable through a difficult period for the sector. This can be attributed to the resilience of the team here at Hawke's Bay Racing, who I commend for their commitment to keeping the races on track.

I would like to extend gratitude to our race sponsors for their support during the year. Colliers has joined as the Spring Carnival key sponsor following more than a decade of funding from Bostock New Zealand. We have enjoyed having a strong working relationship with Bostock New Zealand and I am sure our paths will cross again in a positive light in the future. The Club is continually exploring opportunities to deliver value to our partners as we see this as an important space for growth.

It is pleasing to see horse numbers in work have grown over the last couple of years. Consistently over 100 horses a month are in work, which bodes well for the future of the industry.

Dana Kirkpatrick retired from the Board during the year to further other opportunities. Dana reviewed and made some constitutional recommendations whilst on the board, and introduced Steve Bramley from SGL group. Steve has been engaged as a consultant to assist in facilitating community engagement as we grapple with the future racecourse location.

The Board remains committed to ensuring we can create a plan that will deliver on our long-term strategy. This includes providing a venue that is fit for purpose and enhances the experience of all stakeholders on both racedays plus other events that benefit the Hawke's Bay community. Darin makes mention in his report of the purchase of land by the Club on Railway Road and outlines some of the strategy behind the purchase. Whilst 14 hectares is not sufficient land to build a racecourse, this purchase marks a significant step towards our goal.

The location of the club is not a decision to rush or make lightly, therefore the land acquisition on Railway Road is one of many avenues we are exploring. As other options are explored during the 2023 financial year, we look forward to progressing to a point where we can provide clarity to our stakeholders regarding the Club's future direction. This will involve consultation with our members and engagement with the Poverty Bay, Wairoa, and Waipukurau racing clubs to ensure that we cement a strong future for racing on the East Coast.

It is appropriate that I also acknowledge the many other stakeholders whose support and commitment to creative problem solving is required to navigate the future of the Club. I

believe the knowledge and expertise that we are able to draw on within Hawke's Bay is second to none.

There is a huge amount of work ahead of us, but the status quo is not an option. It is absolutely fantastic that concrete options are now being realised and our Club's future looks promising.

Change, although chaotic, is inevitable. Progression however is a choice.

A stylized, handwritten signature of Eliot Cooper in black ink.

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 2021/22 season were as follows.

Ex-Officio on all Sub-Committees

Eliot Cooper (Chairman)

Venue

Tim Gillespie (Chair), A Schmidt (Non-Board), S Bramley (Paid Consultant)

Relationships & Partnerships

C Williams (Chair), Ken Browne, G Howie

Audit & Finance

R Riddell (Chair), Tim Gillespie

Health & Safety

Guy Lowry & David Holden

Sustainable Diversified Revenues

Finance + Partnerships & Relationships

Organisational Capacity & Asset Management

Guy Lowry (Chair), Ken Browne, David Holden

Appropriate Governance Structure

HBRI Board



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.

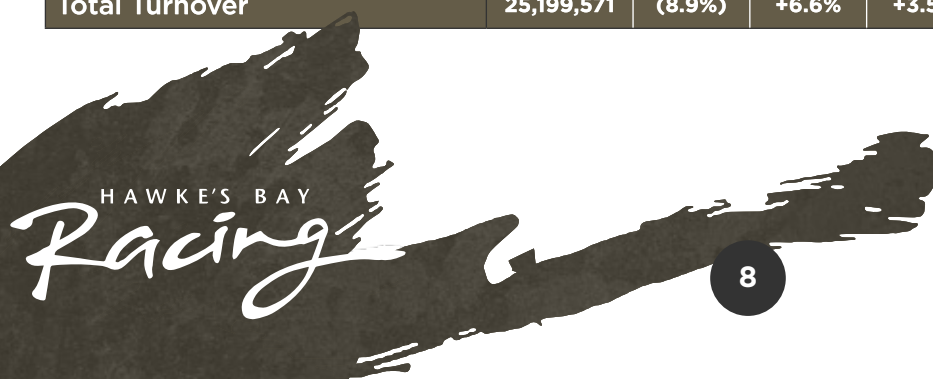


HAWKE'S BAY RACING INC

TURNOVER & STAKES STATISTICS

Details	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Number of racedays	14	13	13	14	13	9	12	15
Number of races	123	107	114	118	113	81	109	127
Numbers of horses started	1,249	1,171	1,167	1,235	1,139	801	1,171	1,282
Average starters per race	10.15	10.94	10.24	10.47	10.08	9.89	10.74	10.09
Hawke's Bay total season stake	2,906,800	2,506,500	3,066,500	3,221,725	3,133,000	2,435,250	3,272,227	3,948,020
Average stakes per race	23,633	23,425	26,899	27,303	27,726	30,065	30,020	31,087
On-course turnover	1,933,558	1,843,170	1,865,356	1,658,959	2,007,185	1,719,134	1,680,492	1,105,644
Off-course totalisator turnover	14,058,026	11,919,891	12,709,804	13,302,761	12,372,451	8,238,071	11,616,936	12,173,480
Off-course FOB	6,397,949	6,637,400	7,170,742	7,541,410	7,607,419	6,716,634	10,222,915	11,920,447
Total Turnover	22,389,533	20,400,460	21,745,902	22,503,130	21,987,055	16,673,840	23,520,343	25,199,571

Details	2021/2022	2016 v 2015 % Change	2017 v 2016 % Change	2018 v 2017 % Change	2019 v 2018 % Change	2020 v 2019 % Change	2021 v 2020 % Change	2022 v 2021 % Change
Number of racedays	15	(7.1%)	0.0%	+7.7%	(7.1%)	(30.8%)	+33.3%	+25.0%
Number of races	127	(13.0%)	+6.5%	+3.5%	(4.2%)	(28.3%)	+34.6%	+16.5%
Numbers of horses started	1,282	(6.2%)	(0.3%)	+5.8%	(7.8%)	(29.7%)	+46.2%	+9.5%
Average starters per race	10.09	+7.8%	(6.5%)	+2.2%	(3.7%)	(1.9%)	+8.6%	(6.0%)
Hawke's Bay total season stake	3,948,020	(13.8%)	+22.3%	+5.1%	(2.8%)	(22.3%)	+34.4%	+20.7%
Average stakes per race	31,087	(0.9%)	+14.8%	+1.5%	+1.5%	+8.4%	(0.1%)	+3.6%
On-course turnover	1,105,644	(4.7%)	+1.2%	(11.1%)	+21.0%	(14.4%)	(2.2%)	(34.2%)
Off-course totalisator turnover	12,173,480	(15.2%)	+6.6%	+4.7%	(7.0%)	(33.4%)	+41.0%	+4.8%
Off-course FOB	11,920,447	+3.7%	+8.0%	+5.2%	+0.9%	(11.7%)	+52.2%	+16.6%
Total Turnover	25,199,571	(8.9%)	+6.6%	+3.5%	(2.3%)	(24.2%)	+41.1%	+7.1%



CHIEF EXECUTIVE OFFICER'S REPORT

DARIN BALCOMBE



We headed into the season with the hope of putting Covid regulations behind us and launching into the Bostock NZ Spring Racing Carnival, which for the first time had completely sold out all hospitality options - including the revamped R18 area - prior to the end of August. Thus it was devastating for everyone at Hawke's Bay Racing when news came through that the Covid restrictions were not going to be lifted prior to the carnival. With each of the three days needing to be run under a different set of restrictions, the administration burden was heavy. Returns to the Club were negatively impacted as the restrictions meant a vast majority of our members were unable to attend. It was a huge credit to the staff that after refunding over \$500,000 of hospitality revenue for Livamol Classic Raceday, a massive exercise in itself, they then picked up the challenge of making the best of the situation and still provided a professional product and magical carnival.

Despite a season full of uncertainty and with the restrictions prevailing throughout the season it is pleasing to be able to report a cash profit of \$350,483 (\$52,344 after depreciation). Given the extra costs associated with the Covid regulations along with reduced income, it was particularly pleasing to achieve an overall positive result. Once again the result could not have been achieved without our long-term sponsors, many of whom were unwavering in their support despite not being able to undertake their usual hospitality or promotional activity. In particular I would like to thank our major partners Westbury Stud (Tarzino), Windsor Park Stud, IAHP (Livamol), Dundee at Arrowfield, Hastings District Council, AHD, Bostock NZ, Little Avondale Stud, Power Farming and Power Turf. In addition, there are many others who are essential to Hawke's Bay Racing continuing to operate at such a high level and deliver a professional product.

Through the season the Board has continued to consider what the future for the Club will

look like as the clock continues to tick down on the useful life of our current main stands. Many sites around the Hawke's Bay region have been investigated for the possibility of constructing a greenfield racecourse, with many being discounted for a variety of factors including value of land, availability of water for irrigation, drainage and soil type or accessibility.

During the season an opportunity presented itself for the Club to ensure one possible option was kept available, with the purchase of 14 hectares of land on Railway Road, Hastings. The property has a number of residential dwellings which are currently tenanted. This significantly offsets the holding costs of the property, allowing the Club time to reach a final decision on whether reconstruction or relocation is the best way forward. Another possibility is for the existing Wall Road stables facility, situated on the residential fringe of Hastings, to be moved to the Railway Road site enabling Wall Road to be freed up. Failing all other options, should the new site prove surplus to requirements it could also be put back on the market. Currently this is far from decided, with all options still being carefully worked through and the associated risks identified. Hawke's Bay Racing would like to acknowledge the tremendous support of the Hastings District Council through this process - in particular the support of CEO Nigel Bickell and Mark Clews. I would also like to acknowledge the support of Andrew Schmidt who has given up many hours of his own time to assist the Club during the ongoing investigative process.

While this season was frustrating there is a deep sense of optimism as we head into the new season. Turnovers have been strong throughout the Covid pandemic, meaning distributions to the codes have remained on track despite the various lockdowns.

CHIEF EXECUTIVE OFFICER'S REPORT

New Zealand Thoroughbred Racing (NZTR) has initiated a Regional Track Manager Scheme. This involves six Regional Track Managers advising the other tracks within their region, rather than one National Track Manager. Our Hawke's Bay Track manager Richard Fenwick is the Regional Track Manager for a large area incorporating Tauherenikau, Otaki, Foxton, Wanganui, Waverley & Woodville. NZTR is also looking to invest in track surfaces and infrastructure with \$10m to be made available over the next five years.

This season has also seen the introduction of the Central Hub - a partnership of all the Central District (CD) racing clubs. With the support of NZTR the hub now administers payroll systems plus the raceday officials and tote staff of all CD clubs. This takes a significant administrative load off all clubs. Plans are now being put in place to look at further economies of scale that can be leveraged by the hub. Health & Safety is the first to be implemented with all clubs moving onto the same online system.

As mentioned, with the ever-changing restrictions experienced through the season the administrative requirements were immense with every patron on course needing to be registered and restricted to a specific area of the course. This put a high strain on our staff, but their commitment and attention to detail allowed the Club to continue to trade safely

and in accordance with the Covid framework. Testament to this is the fact the club's Covid systems were utilised by many other clubs around the Central Districts and nationally.

We have once again retained a small but elite team with Gayle Richardson (Office Manager), Sam Alexander (Marketing & Events Manager), Richard Fenwick (Track Manager), Craig Berge (Buildings & Grounds Manager) Ange Green (Bar Manager) and our track team Peter Dickie & Phil Lyons. They were supported by a large crew of casual staff who pull together to make our racedays the professional events that have come to be expected.

I would like to take the opportunity to thank the Board for their support - in particular Eliot Cooper whose guidance has been very much appreciated, as the Club navigates its way through a challenging yet exciting time.

I also wish my successor Aaron Hamilton all the best, especially for the Colliers Spring Racing Carnival, which will be the first since 2019 without some form of Covid related restriction.



Darin Balcombe

Chief Executive Officer
Hawke's Bay Racing Incorporated





2021-22 SEASON HAWKE'S BAY RACING REVIEW

Group 1 Tarzino Trophy

WFA



Distance 1400m
Date 21 September 2021
Owner J Bary, S Baster, R & S Boob,
M Carney, D & N Haynes, S Kyriazis,
A, B & M Nelson, A Ng, T Ongarezos,
A Pearce, T Raptis, B Roubos & T Schneider
Trainer John Bary
Jockey Jonathan Riddell
Breeding 5 year old gelding
Atlante x Raadisi (by Volksraad)
Breeder Windsor Park Stud
Margins Head, 4¼ lengths, nose
Time 1:25.98 (Slow 4)

1st Callsign Mav
2nd Spring Tide
3rd Masetto

CALLSIGN MAV

Hastings-trained Callsign Mav recorded back-to-back wins in the first Group 1 event of the season and became just the fifth dual winner of the 1400-metre weight-for-age feature.

The Atlante gelding, prepared and part-owned by John Bary, had caused a major upset when winning the race at odds of 81 to one in 2020 but was sent out a \$3.40 favourite this time and had to call on all his talent and strength to get the job done.

Rider Jonathan Riddell had no hesitation in taking Callsign Mav to the front from barrier rise, where he set up a solid speed after being taken on by several runners in the early stages.

The big striding gelding was idling as he approached the home turn and Riddell sent him for home, opening up a 3 length advantage and being hailed the winner as far out as 250m from the finish.

However suddenly last start winner Spring Tide launched from the chasing pack to set out after the leader.

For a while it looked likely that Spring Tide would run down Callsign Mav but the latter dug deep and stuck his neck out to fend off the challenge and claim a well-earned head victory.

"He worked overtime to get there and they never made it easy for him," said Bary, who also owns a 10 per cent share in the horse.

"They never left him alone and he had to do it at both ends of the race and it showed just how tough he is."

It was Bary's 11th Group 1 training success and, what made it even more special, was that Callsign Mav raced in his famous gold racing colours.

Callsign Mav followed on from the glamour racemare Melody Belle, who recorded back-to-back wins in the race in 2018 and 2019 while other dual winners of the race have been Catering King (1986 and 1989), Seachange (2006 and 2007) and Kawi (2015 and 2016).

Listed El Roca - Sir Colin Meads Trophy

3YO

Distance 1200m
Date 18 September 2021
Owner R & P Wiltshire, G Haddon,
L & J Bowden, B Church,
M & F Fearon, J & A Looner, N King,
P Lissington, G Goldsack, U Chadwick,
S Bird, F McDonald, G Whitham,
C Wilkshire, K Towers, J Ghanem & A Os
Trainer Roydon Bergerson
Jockey Kozzi Asano
Breeding 3 year old gelding
Vespa x Denlee (by One Cool Cat)
Breeder Bill Gleeson
Margins Long neck, 2 lengths, ½ head
Time 1:13.63 (Slow 8)

Awapuni galloper Wakari upset the punters when he held out hot favourite I Wish I Win to take out the Listed El Roca-Sir Colin Meads Trophy at odds of 20 to one.

The Vespa gelding was disregarded after he could only manage second fresh-up in Rating 65 company over 1200m at Hawera, when expected to win. However trainer Roydon Bergerson didn't buy into that sentiment and was expecting a forward showing from his charge with the benefit of that race under his belt.

Rider Kozzi Asano bounced Wakari out quickly from the outside barrier draw to dispute the early pace before sitting half a length off the speedster Dragon Biscuit. Asked to length at the top of the straight, Wakari found a good kick to take control before fending off the challenge from the \$1.30 favourite I Wish I Win to win by long neck.

Bergerson was delighted with the win, saying the horse's work had been really good since his first up run.

1st Wakari
2nd I Wish I Win
3rd Magneto

"Although people were putting him down a bit after he got beaten at Hawera we knew he wasn't ready that day," he said.

"He was tough today... really good."

Bergerson struggled to keep his emotions in check as he described how his charge had come back from a life-threatening injury (chipped sesamoid) that he suffered after winning his second start as a two-year-old at Awapuni back in November 2000.

"He's pretty special, as they were going to put him down after he won impressively on his home track that day," he said. "We sent him up to the water walker at John Trumper's Te Aroha property and he did a great job with him for two months."

"We then gave him plenty of time to fully recover and we also gelded him as we didn't want him to come back too heavy."

WAKARI

Group 3 Hawke's Bay Breeders Gold Trail Stakes

3YO fillies

Distance 1200m
Date 18 September 2021
Owner Ben Kwok
Trainer Chrissy Bambry
Jockey Sarah Macnab
Breeding 3 year old filly
Burgundy x Devon Doll (by Tavistock)
Breeder Dr M Y Chong
Margins ½ neck, long neck, 1¼ lengths
Time 1:14.17 (Dead 4)

1st **Bellaconte**
2nd **Mustang Valley**
3rd **Imperatriz**

Young jockey Sarah Macnab produced a gem of a ride as she guided under-rated filly Bellaconte to a thrilling victory in the Hawke's Bay Breeders' Gold Trail Stakes (1200m).

The Chrissy Bambry-trained daughter of Burgundy went into the Group 3 feature off the back of a gritty win in the Listed O'Leary's Fillies Stakes (1200m) at Wanganui earlier in the month but was overlooked by the punters, returning a win dividend of \$21.70.

Macnab had pierced through an inside gap to win that Wanganui race and repeated the dose at Hastings as she cuddled her mount up until the final 200m before charging home along the inside rail to snatch a half-neck victory.

Mustang Valley had trouble securing a clear passage in the home straight and also powered home late to snatch second ahead of race favourite Imperatriz, who looked the winner at the 100m but was out finished.

Macnab was recording her third win aboard Bellaconte and was confident of a win if she got the right luck in the home straight.

"I was going to be pretty unlucky if the gap didn't come as I was getting up on the heels of other horses. But she just sprinted so well when it finally opened up," she said.

Bambry was quick to praise the ride by Macnab.

"That was just bloody marvellous. She rode her a cracker and she just loves this filly," Bambry said.

"She is just the coolest filly to do anything with and to beat a field like that is pretty special."

Bellaconte is raced by Singapore-based businessman Ben Kwok who acquired her as a foal at foot when he bought her dam Devon Doll (by Tavistock) off the gavelhouse.com online auction site.

She comes from a family that includes the Group 1 Telegraph Handicap (1200m) runner-up Tootsie and stakes performers La Rose Noir and No Excuse Maggie.

BELLACONTE

Group 1 Windsor Park Plate

WFA



Distance	1600m
Date	2 October 2021
Owner	J Bary, S Baster, R & S Boob, M Carney, D & N Haynes, S Kyriazis, A, B & M Nelson, A Ng, T Ongarezos, A Pearce, T Raptis, B Roubos & T Schneider
Trainer	John Bary
Jockey	Jonathan Riddell
Breeding	5 year old gelding Atlante x Raadisi (by Volksraad)
Breeder	Windsor Park Stud
Margins	½ length, 1¼ lengths, 1½ length
Time	1:36.28 (Dead 4)

1st	Callsign Mav
2nd	Prise De Fer
3rd	Gino Severini

Hometown hero Callsign Mav confirmed his one-way trip across the Tasman for a shot at the \$A5million Cox Plate (2040m) at Moonee Valley after another gutsy winning performance in the second leg of the Hawke's Bay Group 1 triple crown, the Windsor Park Plate.

The John Bary-trained son of Atlante had scored in the Group 1 Tarzino Trophy (1400m) a fortnight earlier and went into the 1600m feature as the warm \$1.80 favourite to make it two elite wins in succession.

Ridden positively by regular jockey Jonathan Riddell, Callsign Mav sat outside the pacemaker Tappy's One on a moderate speed before applying the pressure approaching the home turn.

Riddell sent his mount to the front early in the home straight and Callsign Mav always looked to have the situation in control, holding off a stern challenge from second placed Prise De Fer by half a length. There was a gap of 1-1/4 lengths back to third placed Gino Severini.

"He doesn't win by much but at the end of the day he's won," an elated Bary said.

"He is really tough and just grinds it out when the pressure goes on."

Riddell said he wanted to be positive from the start and so he bounced Callsign Mav out smartly from a midfield draw and quickly got him across to sit outside the leader.

"He just purred along and then did what he usually does by putting his head up and gawking around," Riddell said.

"But then when you really get at him he puts his head down again and nothing much is going to get past him." "I was a little worried when I saw Prise De Fer coming, but knowing the horse and knowing John and his team had said he was better than day one, I was pretty confident he would hold on."

Raced by a large syndicate that includes Bary himself, Callsign Mav cost only \$3000 as a weanling and took his stake earnings to more than \$565,000.

CALLSIGN MAV

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



Distance 1400m
Date 2 October 2021
Owner Tony Rider
Trainer Chad Ormsby
Jockey Vinnie Colgan
Breeding 3 year old colt
No Nay Never x Alpine Julz (by Keeper)
Breeder Tony Rider
Margins ¾ length, 1 length, short head
Time 1:24.01 (Dead 4)

1st Mana Nui
2nd Wakari
3rd Drum Major

Despite providing trainer Chad Ormsby with some mid-race jitters, promising three-year-old colt Mana Nui delivered when it counted as he claimed victory in the Group 2 Dundeel At Arrowfield Hawke's Bay Guineas.

The son of No Nay Never was having just his third start after clearing maiden ranks over 1200m at Te Rapa a month before.

He was stepping up in distance and meeting some more seasoned opponents but was kept safe in the betting, starting at odds of six to one.

Ormsby had asked rider Vinnie Colgan to try and ride the colt up on the pace but the horse got crowded for room 300m after the start and was shuffled back to sixth.

With the pacemakers easing up slightly at the 800m, Mana Nui began to over-race and had Ormsby fearing he wouldn't be able to finish the race off strongly.

Those fears were quickly allayed however as Colgan eased his mount into the clear 300m from the finish and the colt quickly surged

to the front before holding out the challenge of race favourite Wakari, with Drum Major fighting on doggedly for third.

"He had me a little bit worried when he was pulling pretty hard across the top for Vinnie," Ormsby said.

"I started to shake and sweat a little bit, but he's quality and there is more in store for him."

Colgan was impressed with the way that Mana Nui responded to his urgings in the home straight after travelling so keenly throughout.

"There was a bit of movement in front of me early but then I ended up in a good spot, before the speed buttoned off," he said.

"In the straight he just cruised up nicely and was very strong to the line."

Bred and owned by Cambridge-based Tony Rider, Mana Nui is the first foal from the Keeper mare Alpine Julz.

MANA NUI



Group 1 Livamol Classic

WFA

LIVAMOL

2021 Livamol Classic Group 1

Distance 2040m
Date 16 October 2021
Owner Gartshore Bloodstock Limited
Trainer Jamie Richards
Jockey Danielle Johnson
Breeding 6 year old mare
Savabeel x Ampin (by Pins)
Breeder Gartshore Bloodstock Limited
Margins Short neck, long neck, short head
Time 2:04.50 (Good 3)

1st Savy Yong Blonk
2nd Harlech
3rd Prise De Fer

SAVY YONG BLONK

Quality staying mare Savy Yong Blonk, aided by a picture-perfect ride from Danielle Johnson, paid the believers when she bounced back to her best when taking out the third leg of the Hawke's Bay Group 1 triple crown, the Livamol Classic.

The Jamie Richards-trained six-year-old had indicated she was in for a profitable spring with an eye-catching late run for sixth in the Tarzino Trophy (1400m) at Hastings a month earlier.

However in between times she had only beaten three horses home over 1600m at Te Rapa, where she bombed the start and was never in contention.

Johnson made sure that didn't happen again as she bounced the daughter of Savabeel out well from barrier six and settled her one out and midfield in the keenly contested early running. Johnson had Savy Yong Blonk travelling nicely approaching the home bend and made her move to loom into contention on the back of stablemate Prise De Fer with 400m to run. Angled the widest in the home straight, Savy Yong Blonk produced

a sustained burst of speed to chase down Harlech, who had swept to the lead inside the final 200m. The two horses drove to the line together with Savy Yong Blonk putting in some giant strides late to snatch a short-neck decision. Prise De Fer battled on strongly for third.

Richards said the Livamol Classic was the race he had set Savy Yong Blonk for before her pending retirement but admitted his confidence had been dented a bit after her below par performance at Te Rapa.

"You just have to take her on trust to get away from the gates cleanly, which she did today, and Danielle gave her a lovely ride."

"She is off to visit the stallion Super Seth now and I'm thrilled she has a Group 1 win to her credit as she thoroughly deserves it."

Bred and raced by Jim and Bill Gartshore, Savy Yong Blonk was recording her eighth win from 27 starts and took her stake earnings to more than \$486,000.

Group 3 Red Badge Spring Sprint

Open Handicap



Distance	1400m
Date	16 October 2021
Owner	Brent & Cherry Taylor, Faith Taylor, Jane Taylor & Scott Malcolm
Trainer	Roger James & Robert Wellwood
Jockey	Michael McNab
Breeding	5 year old mare Jimmy Choux x Gemini (by Tale Of The Cat)
Breeder	Mrs F P & Ms J Taylor & Trelawney Thoroughbred Limited
Margins	1¼ lengths, 1 length, neck
Time	1:22.43 (Good 3)

1st	Two Illicit
2nd	Times Ticking
3rd	Vigor Winner

TWO ILLICIT

Noted fresh-up performer Two Illicit provided another example of her undoubted ability when she cruised to victory in the Group 3 Red Badge Spring Sprint.

The Roger James and Robert Wellwood trained five-year-old was having her first run since an unsuccessful two-race campaign in Queensland during the winter and came into the race without a trial to help fit her.

That didn't matter to the daughter of Jimmy Choux as she settled beautifully, midfield, for jockey Michael McNab, before idling into contention approaching the home turn.

Once McNab had her in clear air in the home straight, Two Illicit produced an undeniable sprint that carried her past eventual runner-up Times Ticking in three huge bounds before she eased up at the post to record her sixth career victory.

McNab was full of praise for the mare's effort, saying he was confident of the win a long way from home.

"I got on the back of every horse I wanted during the run," McNab said.

"They really pumped it on from the 600m and I scooted up the inside and then got every split I needed to."

"Mind you, when you have horses that are going that good it does make it easy for you and, in the last bit, she was having a good look around."

Wellwood was both pleased and relieved to see the mare bounce back to winning form after an indifferent four-year-old season.

"She has just had a few niggles but hopefully we have ironed those out now. It's just good to see her back in the right order and winning nicely."

Carrying the Trelawney Stud silks, Two Illicit is raced by Brent and Cherry Taylor, Faith Taylor, Jane Taylor and Scott Malcolm and was one of the leading three-year-olds of her year, winning four of her seven starts, including twice at Group 2 level.

Group 2 Little Avondale Stud Lowlands Stakes 3YO



Distance 2100m
Date 2 March 2022
Owner D R Price
Trainer Jamie Richards
Jockey Michael McNab
Breeding 3 year old filly
Shocking x Mawaakib (by O'Reilly)
Breeder D R Price
Margins ½ length, 2¼ lengths, ¾ length
Time 2:11.40 (Dead 4)

1st Self Obsession
2nd One Dream One Soul
3rd Flash Mary

SELF OBSESSION

The Jamie Richards-trained Self Obsession cemented her place at the top of the three-year-old fillies list for the season with yet another game victory in the Group 2 Little Avondale Lowland Stakes.

The daughter of Shocking was recording her fourth win in a row, three of those at stakes level, with her only defeat being when she finished third on debut.

It was her third Group 2 success, having previously landed the Royal Stakes (2000m) at Ellerslie and David and Karyn Ellis Fillies Classic (2000m) at Te Rapa.

Under leading jockey Michael McNab, Self Obsession settled just behind the speed set by local hope One Dream One Soul, a \$37 outsider.

McNab produced the \$1.50 favourite Self Obsession three-wide turning for home but needed the length of the straight to reel in a brave One Dream One Soul, edging past that filly in the final few strides to win by half a length.

They had the finish to themselves, with a gap of 2¼ lengths back to Flash Mary in third.

Richards was pleased with Self Obsession's winning effort and delighted to have picked up another New Zealand Group race win before his impending move to Hong Kong the following month.

"What a great win, gee she's tough," Richards said.

"She was able to relax off the speed, on a good tempo, and was given a lovely ride by Michael."

"She was coming home strongly all the way down the straight and always looked as though she had the race within her grasp."

"She's a great staying filly, although she is no oil painting and maybe not one you'd put your hand up to buy at the yearling sales."

Listed Power Farming Hawke's Bay Cup

Open Handicap



Distance	2200m
Date	16 April 2022
Owner	S Dickens, R Duke, Gee Equine Ltd (Manager: Gerard Peterson), W John & S Ritchie
Trainer	Joe Kamaruddin
Jockey	Hazel Schofer
Breeding	6 year old gelding Camelot x Sarvon (by Zabeel)
Breeder	R A Emery
Margins	$\frac{3}{4}$ length, 2 lengths, $1\frac{1}{2}$ length
Time	2:18.12 (Dead 5)

1st	Swords Drawn
2nd	Leaderboard
3rd	Aquair

SWORDS DRAWN

Swords Drawn added to his impressive record on the Hastings track with a richly deserved win in the Listed \$85,000 Power Farming Hawke's Bay Cup.

After playing a supporting role in several feature staying races on the New Zealand calendar in the past, Swords Drawn broke through for his first black type success in the time-honoured race.

It was his sixth start on the Hastings track and he now boasts a record of three wins and two seconds on the course.

Bought for \$140,000 by co-trainer Shaune Ritchie at the 2017 premier yearling sale, the Camelot gelding took his stake earnings to more than \$300,000.

His first stakes win in the 2200m event capped his previous placings in the Group 3 Wellington Stakes (1600m) at Trentham and Listed Three-year-old Salver (2100m) at Ellerslie. He has also finished fourth in the Wellington Cup (3200m), fifth in the Auckland Cup (3200m), seventh in a

Taranaki Cup (2000m) and eighth in a City Of Auckland Cup (2400m).

"He deserved to win a stakes race, because he has been thereabouts in these types of races before,"

said Ritchie, who trains him in partnership with Colm Murray.

"You always worry when they are having their first run after a two-mile race, but luckily he didn't have a real gut-buster in the Auckland Cup, and a brief break in the paddock did him the world of good."

Patiently ridden by apprentice Joe Kamaruddin, Swords Drawn settled well back in the field before unleashing a strong, sustained, finish out wide in the home straight.

Race favourite Leaderboard had gone clear and looked the likely winner but Swords Drawn swept past him in the final stages to score by three-quarters of a length.

Listed Power Turf Sprint

Open Handicap



Distance 1200m
Date 16 April 2022
Owner Mrs M, M M & T J Carter
Trainer Tim & Margaret Carter
Jockey Darryl Bradley
Breeding 4 year old gelding
Charm Spirit x Galway (by Savabeel)
Breeder C R Grace
Margins ½ length, ¾ length, 1 length
Time 1:10.70 (Soft 6)

1st Johny Johny
2nd Gospodin
3rd Cavallo Veloce

The Listed Power Turf Sprint has a knack for unearthing exciting sprinting talent, none more so than the 2021 winner Roch 'N' Horse, who went on to take out this year's Group 1 Newmarket Handicap (1200m) at Flemington in March.

This year's edition of the 1200m edition drew an even line-up and it was the speedy Johny Johny who showed his 11 rivals a clean pair of heels in the 1200m event.

Jockey Darryl Bradley bounced Johny Johny straight to the front from an inside draw and the Charm Spirit four-year-old showed explosive speed to take a clear early lead.

Bradley then kept a good hold on the four-year-old before kicking him away again at the top of the home straight.

Johny Johny stuck to his task strongly over the final stages to score by half a length from Gospodin, with Cavallo Veloce three-quarters of a length back in third.

Johny Johny is trained by the Cambridge husband and wife team of Tim and Margaret

Carter, who also share in the ownership of the gelding with their son, New Zealand Bloodstock auctioneer Morgan.

"He just has speed to burn, so the instructions to Darryl were to go to the front and rate him from there which he did perfectly," Margaret Carter said.

"The track had dried out a fair bit during the day and that suited him too.

"He has been a hard horse to train and just needs to strengthen up further, so we think he will be at his best in his next campaign."

On breeding Johny Johny should be more like a middle distance horse, as he is a full-brother to Kirwan's Lane who has been a winner up to 1600m in Australia. But he is all about speed.

He was bred by Hunterville's Christopher Grace and is out of the Savabeel mare Galway, who is a full-sister to the Group 1 winner Shillelagh.

JOHNY JOHNY

Prestige K S Browne Hurdles



Distance	3100m
Date	6 June 2022
Owner	J Frizzell, D & P Grieve & P Nelson
Trainer	Paul Nelson & Corrina McDougal
Jockey	Shaun Phelan
Breeding	8 year old gelding Mastercraftsman x Stellardelmar (by Galileo)
Breeder	Ivan Grieve
Margins	11¼ lengths, 5¼ lengths, 3¼ lengths
Time	3:47.80 (Heavy 10)

1st	The Cossack
2nd	Chief Sequoyah
3rd	Tommyra

It was a day when the Hastings training combination of Paul Nelson and Corrina McDougal completely dominated, winning five of the 10 races on the programme including all three hurdle events.

The combination produced Nedwin and Motivation to take out the two maiden hurdle races before The Cossack added to his outstanding record over fences with a runaway victory in the \$60,000 K S Browne Hurdle.

The Cossack, the previous season's champion New Zealand jumper, produced an enormous performance to lump 73kg to victory in the 3100m event, outclassing a field of handy jumpers to score by 11-1/4 lengths.

It is thought to be the biggest weight carried to victory in a New Zealand hurdle race since the introduction of metrics and equals the 73kg that Mr Hickey lumped when winning a 4400m steeplechase at Tauranga in June 1981.

The Cossack carried 5kg more than any of his rivals and seemed to make light work of the impost. Jockey Shaun Phelan settled the

Mastercraftsman eight-year-old in third place before letting him cruise up to take the lead with 800m to run.

From then on they were always in control, with The Cossack measuring the last three fences well before racing away for a dominant win. Phelan could not have been more complimentary about The Cossack's performance.

"He is amazing. If anything he has come back better this time in. I couldn't get him to go any slower, he just took me for a ride."

It was The Cossack's 11th win from 44 starts and his eight over hurdles.

The horse was bred by Hawke's Bay's Ivan Grieve, who initially raced him from the Hastings stable of John Bary and he won two races on the flat from that stable.

The horse was then sold to Grieve's brother Peter and his son Doug along with trainer Paul Nelson and another good friend John Frizzell.

THE COSSACK

Prestige Poverty Bay Hunt Ferguson Gold Cup Steeplechase



Distance	4000m
Date	6 June 2022
Owner	Mrs C & P S Nelson
Trainer	Paul Nelson & Corrina McDougal
Jockey	Shaun Phelan
Breeding	10 year old gelding Mettre En Jeu x Grosveness (by Grosvenor
Breeder	Mrs C & P S Nelson
Margins	1¼ lengths, 5½ lengths, 1 length
Time	5:24.19 (Heavy 10)

1st	No Tip
2nd	Zamora
3rd	Delegate

No Tip, a horse that was once given away by Paul Nelson and his wife Carol, recorded his second major steeplechase victory in their colours when taking out the time-honoured Poverty Bay Hunt Ferguson Gold Cup Steeplechase.

The Nelsons bred the 10-year-old Mettre En Jeu gelding but, at one stage, they thought he was too small to make it on the racetrack so they gave him away to be tried as an eventing horse.

"He went okay for a start at that but then didn't want to do it so the people that had him gave him back to us," Nelson said.

"Carol said what are we going to do with him now and I said we might as well put him into work and he has since picked up a Manawatu Steeples and now the Ferguson Gold Cup plus two hurdle races before that."

Cambridge-based jockey Shaun Phelan was the successful rider as No Tip scored a gutsy 1-1/4 length win over race-favourite Zamora in the 4000m feature event, which was run on the Hastings track for the first time.

The Poverty Bay Ferguson Gold Cup Steeplechase is one of the oldest jumping races on the New Zealand calendar, dating back to 1928. It was run on the Gisborne course up until 1995 but was then mothballed. It has now been resurrected and plans are to again stage it on an annual basis.

Phelan gave No Tip the perfect run in the early stages but admitted he had some anxious moments when they became tightened for room as the leading division bunched coming to the second to last fence. He angled his mount to the outside and they joined Zamora approaching the last.

The two horses jumped that obstacle in unison and then fought out a slog to the finish, with No Tip managing to gain an advantage close to the line.

Phelan was full of praise for No Tip saying:

"He has just gone around in the last couple of seasons and now he has probably come into his own. The wet track helped him as well."

NO TIP

Prestige Te Whangai Romneys Hawke's Bay Hurdles



Distance	3100m
Date	2 July 2022
Owner	J Frizzell, D & P Grieve & P Nelson
Trainer	Paul Nelson & Corrina McDougal
Jockey	Shaun Phelan
Breeding	8 year old gelding Mastercraftsman x Stellardelmar (by Galileo)
Breeder	Ivan Grieve
Margins	3 lengths, 6 lengths, 2¼ lengths
Time	3:43.91 (Heavy 10)

1st	The Cossack
2nd	Kajino
3rd	Tahuroa Height

THE COSSACK

One of the worst feelings a jumps jockey can have is when they know their mount is going to arrive at a fence on the wrong stride.

Top horseman Shaun Phelan had that feeling when riding champion jumper The Cossack approaching the final jump in this year's Te Whangai Romney's Hawke's Bay Hurdle.

The Cossack, sent out a raging hot \$1.50 favourite for the 3100m feature, had taken a commanding lead and only had to negotiate the last jump safely and victory was his. However he got in a bit too close, crashing through the top of the fence but still managing to stay on his feet. The incident cost The Cossack valuable momentum but he showed his toughness and tenacity by rallying again, under the huge weight of 73kg, to surge clear and win by three lengths.

It is the biggest winning weight carried to victory in a Hawke's Bay Hurdle since the introduction of metrics while the weight carrying record in the race is held by Loch Lommond, who won with 12st 7lb (78kg) in 1884.

It was The Cossack's 13th win from 46 starts and his eighth jumping success in a row. That successful run over fences started when

he took out the Great Northern Hurdle in October 2020 and he then added a Waikato Hurdles, Wellington Hurdles, Grand National Hurdles, a second Great Northern Hurdles, K S Browne Hurdle, Ken and Roger Browne Maiden Steeplechase and now the Hawke's Bay Hurdle.

Phelan, who has been aboard The Cossack in the last six of those wins, was fairing the worst when the horse misjudged the last fence and was full of praise for how he managed to stay on his feet and recover so well.

"This horse is incredible," Phelan said in his victory speech.

"I'm just a very lucky person to sit up on top of him and go for the ride."

It was Phelan's fourth win in the race after previous victories aboard Kipkeino in 2017, Monarch Chimes in 2018 and Tommyra in 2021.

For the training partnership of Paul Nelson and Corrina McDougal it was their second success in the race after No Change scored in 2019 while Nelson also prepared Ho Down to win in 2010, when training on his own.

Prestige AHD Hawke's Bay Steeplechase



Distance 4800m
Date 2 July 2022
Breeding 8 year old gelding
Gallant Guru x Politic (by Corrupt)
Owner B Foote, Mrs C & P Nelson, Miss K Rogers,
G & Mrs J Sherratt
Trainer Paul Nelson & Corrina McDougal
Jockey Charlie Case
Breeder G O & Mrs J D Sherratt
Margins 8 lengths, 4 lengths, 10 lengths
Time 6:31.68 (Heavy 10)

1st Argyll
2nd No Tip
3rd West Coast

After being runner-up in the race twice in the past, Central Hawke's Bay thoroughbred owner-breeder Garry Sherratt and his wife Jan were rewarded with a deserved success in this year's AHD Hawke's Bay Steeplechase.

The Sherratts are the breeders and part-owners of Argyll, who followed up his success in the Waikato Steeplechase a fortnight earlier to score a dominant win in the 4800m Hastings feature.

Garry Sherratt has bred and raced horses for more than 50 years and he and his wife Jan have enjoyed plenty of success with their jumpers over the years.

Their horse Proposition was runner-up to Captain Jingle in 2008 running of the Hawke's Bay Steeplechase and filled the same placing behind Climbing High in 2011.

It was an extra special day for the Sherratts as, earlier on the programme, Argyll's year younger half-brother The Anarchist also took out the maiden steeplechase.

The Sherratts have retained a 50 per cent shareholding in both horses and both are prepared by the Hastings partnership of Paul Nelson and Corrina McDougal.

The Nelson-McDougal stable lined up two horses in this year's Hawke's Bay Steeplechase and took out the quinella, with Argyll getting home an eight length winner over No Tip. Shaun Phelan, who has built up an outstanding record with the Nelson-McDougal stable in recent times, was given the choice of mounts and opted for No Tip.

The winning mount on Argyll went to English jockey Charlie Case, who was on a working holiday in New Zealand and based at the Nelson/McDougal establishment.

Argyll disputed the pace with West Coast for most of the race before jumping to a clear lead at the second to last fence. He was then challenged by stablemate No Tip but had plenty in reserve and surged clear again in the final stages.

It was the sixth time Paul Nelson has trained the winner of the Hawke's Bay Steeplechase, the last three of those in partnership with McDougal. It also capped another huge day for the training partnership as they also claimed the Te Whangai Romney's Hawke's Bay Hurdle (3100m) with The Cossack and the Hawke's Bay Hunt Maiden Hurdle (2500m) with Noess.

ARGYLL

BRAMWELL BATE

LAWYERS

THE ANNUAL

Hawkes Bay Poverty Bay

2022 Racing Breeding AWARDS

Hawke's Bay/Poverty Bay
Trainer of the Year (Strike Rate)

Paul Nelson / Corrina McDougal

Hawke's Bay/Poverty Bay
Owner of the Year

Paul Nelson

Hawke's Bay/Poverty Bay
Trained Horse of the Year

NOMINATIONS

Callsign Mav | Asterix | The Cossack

Hawke's Bay/Poverty Bay
Trainer of the Year (Wins)

Paul Nelson / Corrina McDougal



WINNER
The Cossack



HBPB Thoroughbred Broodmare of the Year

Stellardelmar **WINNER**

Owner: Ivan Grieve - Dam of The Cossack

Winner of Prestige \$75,000 Grand National Hurdle (4200m) at Riccarton

Prestige \$125,000 Great Northern Hurdle (4200m) Te Aroha

Prestige \$60,000 K S Browne Hurdle (3100m) Hastings

Prestige \$60,000 Hawke's Bay Hurdle (3100m) Hastings

Black-type stake earnings: \$184,000



HBPB Thoroughbred Breeder of the Year by New Zealand bred progeny (points)

Ivan Grieve (Breeder) **WINNER**

The Cossack (Mastercraftsman ex Stellardelmar)
6 wins (26 points)

Galileo Express (Shamexpress ex Stellardelmar)



HBPB Thoroughbred Breeder of the Year (points)

Ivan Grieve (Breeder) **WINNER**

The Cossack (Mastercraftsman ex Stellardelmar)
6 wins (26 points)

Galileo Express (Shamexpress ex Stellardelmar)

2 wins (2 points)



Chouxmaani Investments 3YO of the Year

Duchy Of Savoy (Snitzel ex Saavoya) **WINNER**

Bred by: Murray, Joanne & Tracy Andersen, Gavin Chaplow, Mike & Sharyn Craig, Dave & Jenny Morison
5 starts. 1 win, 1 second (\$A62,400 in stakemoney)

HBPB Thoroughbred Breeder of the Year (wins)

Ivan Grieve (Breeder) **WINNER** 8 wins
The Cossack (6 wins) Galileo Express (2 wins)

Chris Russell (Breeder) **WINNER** 8 wins
New York Jazz (3 wins) No Time To Jazz (3 wins)
Manhattan Jazz (1 win) Maria Dior (1 win)

Group & Listed Awards

Argyll (Gallant Guru ex Politic)
Breeders: Garry & Jan Sherratt

Nedwin (Niagara ex Edwina)
Breeders: Tom Lowry

No Tip (Mettre En Jeu ex Grosveness)
Breeders: Paul & Carol Nelson

The Cossack (Mastercraftsman ex Stellardelmar)
Breeders: Ivan Grieve

Tittletattle (Faltaat ex Regal Swift)
Breeders: John & the late Jan Frizzell

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HAWKE'S BAY

Racing

FINANCIAL
STATEMENTS

21/22

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HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

Statement of comprehensive revenue and expense

For the year ended 31 July 2022


	Note	2022 \$	2021 \$
Revenue			
Race meeting revenues	2.1	5,810,969	5,636,703
Sale of goods	2.2	45,643	4,189
Rendering of services	2.3	222,953	227,523
Other operating revenue	2.4	398,867	403,164
Finance revenue	4.1	<u>1,033</u>	<u>706</u>
Total operating revenue		<u>6,479,465</u>	<u>6,272,285</u>
Expenses			
Race meeting costs and expenses	2.1	4,943,198	4,578,778
Cost of sales	2.2	30,153	232
Other operating expenses	3	1,397,522	1,316,278
Finance expense	4.2	<u>56,248</u>	<u>18,459</u>
Total operating and other expenses		<u>6,427,121</u>	<u>5,913,747</u>
Net operating surplus / (deficit)		<u>52,344</u>	<u>358,538</u>
Total comprehensive revenue and expense attributable to:			
Hawkes Bay Racing Inc	19	<u>52,344</u>	<u>358,538</u>
Total comprehensive revenue and expense for the year		<u>52,344</u>	<u>358,538</u>

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

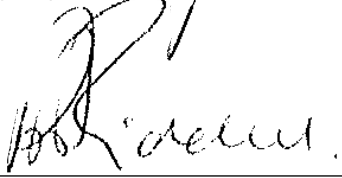
APPROVAL OF FINANCIAL REPORT

Hawkes Bay Racing Incorporated for the year ended 31 July 2022

These financial statements were authorised for and on behalf of the Board on the 25th October 2022



Chairman



Board Member



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

Statement of changes in equity

For the year ended 31 July 2022

	Accumulated comprehensive revenue & expense	Equity attributable to controlling interest	Total equity
Balance as at 1 August 2021	3,009,920	3,009,920	3,009,920
Net surplus/(deficit) for the year	358,539	358,539	358,539
Balance as at 31 July 2021	3,368,459	3,368,459	3,368,459
Net surplus/(deficit) for the year	52,344	52,344	52,344
Balance as at 31 July 2022	3,420,803	3,420,803	3,420,803

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

BTSR



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

Statement of Financial Position as at 31 July 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	5	433,042	330,438
Receivables from exchange transactions	6	163,819	153,551
Receivables from non-exchange transactions	6	63,133	7,128
Inventories	7	17,038	17,250
Other current assets	9	<u>151,891</u>	<u>103,685</u>
Total current assets		<u>828,923</u>	<u>612,052</u>
Non-current assets			
Property, plant and equipment	10	7,259,781	3,458,571
Investment in associate and joint venture	8	<u>8,590</u>	<u>8,590</u>
Total non-current assets		<u>7,268,371</u>	<u>3,467,161</u>
Total assets		<u>8,097,294</u>	<u>4,079,213</u>
Current liabilities			
Payables under exchange transactions	11.1	657,860	523,741
Payables under non-exchange transactions	11.1	16,735	90,306
Employee entitlements	11.2	72,220	75,410
Other financial liabilities	12	<u>9,676</u>	<u>11,624</u>
Total current liabilities		<u>756,491</u>	<u>701,081</u>
Non-current liabilities			
Other financial liabilities	12	3,920,000	<u>9,674</u>
Total non-current liabilities		<u>3,920,000</u>	<u>9,674</u>
Total liabilities		<u>4,676,491</u>	<u>710,755</u>
Net assets		<u>3,420,803</u>	<u>3,368,458</u>
Equity attributable to:			
Hawkes Bay Racing Inc		<u>3,420,803</u>	<u>3,368,458</u>
Total equity		<u>3,420,803</u>	<u>3,368,458</u>

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



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

Statement of Cashflows

For the year ended 31 July 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Cash was received from:			
Industry profit distribution		4,899,247	4,094,462
Other race meeting receipts		852,065	1,743,667
Fees, subscriptions, and other receipts from members		27,317	37,278
Receipts from providing goods or services		508,228	296,424
Grants		53,775	81,135
Net GST refund		(56,005)	1,827
Cash was applied to:			
Payments to suppliers and employees		(5,958,140)	(5,695,705)
NZRB charges		0	(862)
Net cash flows from operating activities		<u>326,487</u>	<u>558,226</u>
Cash flows from investing activities			
Cash was received from:			
Interest & Dividends received		1,032	706
Sale of property, plant and equipment		3,478	126,033
Cash was applied to:			
Payments for purchase of property, plant and equipment		(4,099,348)	(140,496)
Net cash flows from investing activities		<u>(4,094,838)</u>	<u>(13,757)</u>
Net cash flows from financing activities			
Cash flows from financing activities			
Cash was received from:			
Loan from ANZ		3,920,000	
Cash was applied to:			
Payments for borrowings		(11,622)	(566,728)
Interest paid		(39,369)	(19,805)
Net cash flows from financing activities		<u>3,870,955</u>	<u>(586,533)</u>
Net Increase (Decrease) in Cash		102,604	(41,358)
Opening Cash		<u>330,438</u>	<u>371,796</u>
Closing Cash		<u>433,042</u>	<u>330,438</u>
This is represented by:			
Cash on hand	5	83	128
Bank account	5	428,794	326,155
Short term deposits	5	<u>4,165</u>	<u>4,155</u>
Cash and cash equivalents at end of the period		<u>433,042</u>	<u>330,438</u>

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

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

Notes to the financial statements

For the year ended 31 July 2022

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 it 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.

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.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

	Note	2022 \$	2021 \$
Industry profit distribution		4,899,247	4,094,462
On-course totalisator income		418,778	543,153
Race meeting sponsorships		202,460	262,683
Bar and private function sales (race meeting days related)		287,104	610,516
Race book sales		2,743	4,230
Other race meeting income		636	121,659
Total race meeting revenues		<u>5,810,969</u>	<u>5,636,703</u>
Stakes		4,161,948	3,467,152
Advertising and promotions		89,022	79,342
Direct race meeting operating costs		56,724	87,104
Track maintenance, repairs and set-up costs		192,551	293,027
NZRB charges		0	862
Other race meeting costs		126,998	102,904
Bar and private function expenses (race meeting days related)		253,001	492,060
Salaries and wages (direct)		62,953	56,327
Total race meeting costs & expenses		<u>4,943,198</u>	<u>4,578,778</u>
Net race meeting surplus/(deficit)		<u>867,771</u>	<u>1,057,925</u>

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.

	Note	2022 \$	2021 \$
Sale of lambs on consignment		45,644	4,189
Total sales of goods		<u>45,644</u>	<u>4,189</u>
Other direct and overhead costs		30,153	232
Cost of sales		<u>30,153</u>	<u>232</u>
Net surplus/(deficit)- sale of goods		<u>15,491</u>	<u>3,957</u>

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.

	Note	2022 \$	2021 \$
Rental revenues		122,553	81,348
Service revenues		100,401	146,175
Total revenue on rendering of services		<u>222,954</u>	<u>227,523</u>

2.4 Other operating revenue

	Note	2022 \$	2021 \$
Members subscriptions and other fees		28,130	37,278
Gain on sale of assets		3,478	126,739
Sundry income		119,328	38,592
Covid 19 wage subsidy		1,800	0
Grants		127,346	81,135
Track & Training Income		118,785	119,420
Total other operating revenue		<u>398,867</u>	<u>403,164</u>

The Club received grants of \$127,346 during the year (2021 \$81,135).

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

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.

	Note	2022 \$	2021 \$
Grants		127,346	81,135
Total non-exchange revenues		127,346	81,135
Industry profit distribution		4,899,247	4,094,462
On-course totalisator income		418,778	543,153
Race meeting sponsorships		202,461	262,683
Bar sales (race meeting days related)		287,104	610,516
Other race meeting revenue		636	121,659
Race book sales		2,742	4,230
Sale of goods		45,644	4,189
Sale of services		222,954	227,523
Finance income		1,033	706
Other exchange revenue		<u>271,521</u>	<u>322,029</u>
Total exchange revenues		<u>6,352,120</u>	<u>6,191,150</u>
Total revenues		<u>6,479,466</u>	<u>6,272,285</u>

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 is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

The Club's 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.

	Note	2022 \$	2021 \$
Depreciation and amortisation		298,139	277,103
Salaries and wages		595,584	568,639
Repairs and maintenance		93,639	102,892
Insurance		82,481	77,400
Audit fees		13,072	11,189
Consultants' fees		10,891	11,373
Stationery, printing, and postage		7,513	15,694
Other operating expenses		<u>296,203</u>	<u>251,988</u>
Total other operating expenses		<u>1,397,522</u>	<u>1,316,278</u>



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

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.

	Note	2022	2021
		\$	\$
Interest from bank and term deposits		342	16
Dividends		<u>690</u>	<u>690</u>
Total finance revenue		<u>1,032</u>	<u>706</u>

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.

	Note	2022	2021
		\$	\$
Interest on bank borrowings		49,762	6,816
Interest on other debt instruments		<u>6,486</u>	<u>11,643</u>
Total finance cost		<u>56,248</u>	<u>18,459</u>

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.

	Note	2022	2021
		\$	\$
Cash on hand		83	128
Current A/c		428,794	326,155
Short-term deposits		<u>4,165</u>	<u>4,155</u>
Total cash and cash equivalents		<u>433,042</u>	<u>330,438</u>

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.

	Note	2022	2021
		\$	\$
Receivables from exchange transactions			
Trade receivables		<u>163,819</u>	<u>153,551</u>
Receivables from non-exchange transactions			
Total net realisable value of receivables		<u>226,952</u>	<u>160,679</u>

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.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

	Note	2022 \$	2021 \$
Food and beverage		<u>17,038</u>	<u>17,250</u>
Total inventories at net realisable value		<u>17,038</u>	<u>17,250</u>

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

	Note	2022 \$	2021 \$
Prepayments		126,246	77,970
Livestock		25,645	25,715
Total other assets		<u>151,891</u>	<u>103,685</u>



HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

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 of 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 and 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.

Valuation

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

The latest Rating Valuation (01/07/2020) of land and buildings is \$21,135,000.

This is made up of:

Racecourse Land and Buildings	\$16,150,000
Float Park Southland Road	\$1,205,000
Wall Road	\$1,410,000
Railway Road Land	\$2,370,000

Earthquake Risk

The Board of HBRI have begun the process of a formal engineering assessment of the earthquake strength of the HBRI's buildings. While the outcome and timing of this process is not yet known the Directors have reassessed 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			Current year movements			Closing balances			Estimated useful life used for depreciation
	Cost/ valuation	Ace depreciation/ impairment	Carrying amount	Additions	Disposals/ Transfers	Depreciation	Cost/ Valuation	depreciation/ impairment	Carrying amount	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Land	1,213,478		1,213,478	3,933,767			5,147,245		5,147,245	not depreciated
Land improvements	761,996		761,996				761,996		761,996	not depreciated
Buildings	3,480,752	(2,412,037)	1,068,715	0		(220,468)	3,480,752	(2,632,505)	848,247	5 years
Plant and machinery	1,453,791	(1,068,951)	384,840	161,844	(61,000)	(68,514)	1,554,635	(1,076,465)	478,170	5-15 years
Office equipment	376,476	(346,934)	29,542	3,738		(9,157)	380,214	(356,090)	24,123	5-10 years
	7,286,493	(3,827,922)	3,458,571	4,099,349	(61,000)	(298,139)	11,324,842	(4,065,060)	7,259,781	

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

11. TRADE AND OTHER PAYABLES

11.1 Payables under exchange transactions

	2022	2021
Note	\$	\$
Accounts payable and accruals	270,073	88,312
Deferred revenue (trade)	370,908	435,429
Interest payable	16,880	0
Payables under exchange transactions	<u>657,860</u>	<u>523,741</u>

11.2 Payables under non-exchange transactions

	2022	2021
	\$	\$
Grants received in advance	16,735	90,306
Payables under non-exchange transactions	16,735	90,306
Total taxes and transfers payables	<u>674,595</u>	<u>614,047</u>

Grants received in advance include \$16,735 towards the bore. This grant is to fund costs to be incurred in the 2023 financial year therefore the directors have determined that it is appropriate that the grant is recognised in the 2023 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.

	2022	2021
Note	\$	\$
Salaries and wages payable	15,238	19,105
Other employee entitlements	56,982	56,305
Total employee entitlements	<u>72,220</u>	<u>75,410</u>

12. OTHER FINANCIAL LIABILITIES

	2022	2021
Note	\$	\$
Finance advances	9,676	11,624
Total other financial liabilities	<u>9,676</u>	<u>11,624</u>
Current financial liabilities	0	9,674
Non-current financial liabilities	3,920,000	0
Total other financial liabilities	<u>3,920,000</u>	<u>9,674</u>

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 land and buildings at Railway Road, Wall Road and the main racecourse in Prospect Road and by a general security agreement over all present and after acquired property of the Club.

The Club entered into a new interest only finance agreement on with ANZ, which matures in April 2024.

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

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%	21,298	11,622	9,676	9,676
ANZ	External	24 April 22	24 April 24	4.57%	0	0	3,920,000	3,920,000
					21,298	11,622	3,929,676	3,929,676

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 sas the Gold Trail Stakes (Stead) and trophies for the Hawke's Bay Hurdles & Steeples (Walker) each year. The amount of the funds prov is \$11,200 in total.

14. COMMITMENTS AND CONTINGENCIES

14.1 Non-cancellable operating lease commitments- Club as lessee

The Club has entered into a non-cancellable operating lease contract for a server and photocopier with the final expiry date being July 2024.

	Note	2022	2021
		\$	\$
Within one year		10,307	15,669
After one year but not more than five years		<u>4,285</u>	<u>16,524</u>
Total lease commitments as lessee		<u>14,592</u>	<u>32,193</u>

14.2 Contingencies

There are no contingent liabilities at balance date (2021: Nil).

15. FINANCIAL INSTRUMENTS

15.1 Categories of financial instruments

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

	Note	2022	2021
		\$	\$
<i>Loans and receivables</i>			
Cash and cash equivalents	5	433,042	330,438
Trade and other receivables	6	<u>226,952</u>	<u>160,679</u>
		<u>659,994</u>	<u>491,117</u>
Investments in associates and JVs	8	<u>8,590</u>	<u>8,590</u>
Total other financial assets		<u>668,584</u>	<u>499,707</u>
Financial liabilities at amortised cost			
Trade and other payables	11.1, 11.2 & 11.3	746,815	689,457
Bank borrowings	12	3,920,000	0
Loans	12	<u>9,676</u>	<u>21,298</u>
Total other financial liabilities		<u>4,676,491</u>	<u>710,755</u>

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

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 2021		
	\$	\$
Opening balance	1,248,856	1,248,856
	1,248,856	1,248,856
31 July 2022		
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 transacted with the Club during the year, G Lowry incurred track & training fees of \$41,617 (2021: \$43,901). T Gillespie and R Riddell have incurred \$5,000 each incl GST for hospitality income relating to the 2022 Spring Carnival (2021: Nil). G Howie was paid \$1,800 for marquee hireage for the Spring Carnival (2021: Nil). K Browne \$666 of expenses were incurred, Lambs purchased Nil (2021: \$863 incurred expenses; lambs purchased \$2,158). D Holden incurred \$4,000 incl GST for the purchase of a second-hand tractor from the Club (2021: Nil).

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.

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. (2021: nil).

Remuneration

The amounts disclosed in the following table are recognised as an expense during the reporting period related to key management personnel. They did not receive any remuneration or compensation other than in their capacity as key management personnel (2021: nil). The Club has 4 key management personnel, determined on full-time equivalent basis, which received compensation from the Club during the year (2021: 4 key management personnel).

	2022	2021
	\$	\$
Salaries and other short-term benefits	388,147	376,324
Bonus	10,000	10,000
Total paid to key management personnel	398,147	386,324

The Club did not provide any compensation at non-arm's length terms to KMPs and close family members of KMPs during the year (2021: nil).

HAWKE'S BAY RACING INC

FINANCIAL STATEMENTS 2021/22

18. BAD DEBTS

No allowance has been made for non-recovery debt in 2022 (2021: \$nil).

19. TRADING SURPLUS

The trading loss was \$75,002 (2021: surplus of \$152,403). Grants and the 2021 capital gain on the sale of the land are considered non-trading revenue.

20. SUBSEQUENT EVENTS

The Spring Carnival's Arrowfield Stud Plate Raceday due to be held on the 1st of October 2022 was cancelled due to weather conditions (2021: The Spring Carnival was impacted by the Covid alert levels not allowing full public access).

BTSR



INDEPENDENT AUDITOR'S REPORT

To the Members of Hawkes Bay Racing Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hawkes Bay Racing Incorporated ('the Society') on pages 31 to 44, which comprise the statement of financial position as at 31 July 2022, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 July 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

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

Other than in our capacity as auditor we have no relationship with, or interests in, Hawkes Bay Racing Incorporated.

Responsibilities of The Board for the Financial Statements

The Board is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as The Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, The Board is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>


BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Hastings, New Zealand

25 October 2022




Life Membership

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

Honorary Membership




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

Membership

Aldridge A (Tony)	Bradley J	Connor P J	Galloway D	Hearn L
Aldridge P	Brady P	Cooper E Chairman	Garvey M	Hebberley B
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Andersen M	Breban D	Craig M	Gillespie T 	Henderson I
Apatu M	Bremer C H & O R	Craig S	Gillies A	Heywood T
Apatu N	Brenton-Rule M	Davenport M	Goldsack J	Hickey B
Arnerich J	Bridge J	Davenport M W	Good J	Hickin L B
Arrowsmith R	Brigham M B	de Lautour W	Good K D	Hill G
Atkins-North R A	Brittin D	Deans M	Goodall M	Holden P R
Baker D	Brown C	Dee R	Gourlie M	Hollebone N
Bary J	Bruce P	Dixon M	Grace A	Holmes R M
Bath S	Bulled GW	Downey W	Gray B M	Hook G
Baxter A	Burt-Andrews R	Drake L	Gray D	Horgan P
Bayliss W	Cameron A	Drinkwater J	Greaney M	Horrocks A
Beamish P	Campbell J	Duff G	Greene K	Howie G 
Beatson B	Campbell P	Duncan J C	Greer P	Hoy BR
Bell G	Carter D M	Elgie R	Grieve D	Hutton M
Bennett R	Caryl B	Exeter P	Gutsell K J	Hyslop B
Bernie R W	Chilton E	Ferguson A	Hales P	Jefferd RJ
Bicknell M	Clark T	Firth D	Hancock B	Jensen P
Biggs M	Coates F	Fleming J	Hannan G M	Jones L
Birrell M	Coates J	Fletcher V	Harper M	Julius K
Black R	Collins J	France F	Haslett T	Kain GHC
Blundell J	Conen T	Francis G	Healy M	Keighley B



Membership

Kelsey B	McIntosh L	O'Dwyer B	Russell J	Trew CA
Kenderdine M	McIntyre P	O'Grady H	Russell M	Truman J
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Kent JT	McKenzie R	Ormerod P	Sanders V	Wall A S
Kerins P	McLaughlin J	O'Shaughnessy P	Schirnack M	Wall Anthony
Kevin BJ	McLean I	Owen D	Schirnack P	Waller R
Kirk - Diane	McLeod M	Pardoe PA	Schmidt A	Walter C
Knapp - Carl	McMillan G	Parkin T	Sheeran K	Wedd G
Koorey R	Meech H	Paterson B	Sherratt G	West - David
Laffey P	Meehan B	Peacock A	Shivas, M	Weston W
Lambert C	Meek S	Pearce R	Slack T	White G
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Laurent P & K	Millard - Peter	Popplewell D	Smith B	White TJ
Lawrence A	Mitchell M	Powell L	Smith I	Whitmore N
Leonard C	Moorhead S	Prenter S	Spargo KJ	Whyte C
Liddle P & H	Morgan - PL	Quin M	Speedy S	Wiley John
Lightfoot John	Morison J	Razos K	Spotswood R	Wiley T
Lister N	Morison D	Redshaw M	Spring K	Williams C 
Lister RJ	Morrison F	Reeder J	Stanger Roy	Williams K
Lowry G 	Morrison KK	Reid I	Stevenson P	Williams P
Lowry TG	Mossman D	Reilly W	Stovell M	Williams R
Lynch KJ	Moughan G	Riddell R A 	Strong R	Williamson G
MacLeod M	Murphy G	Rigby F	Swadel R	Wilmer M
Macphee D	Murphy P	Rimmer J	Symes G	Wilson D
Macphee T	Nation S	Roadley G	Symes W	Wishnowsky S
Mactaggart B	Nelson DR	Robin J	Tasker B	Wolland S
Mahony T	Nelson L	Robinson P	Thomas GC	Wood R D
Martin AD	Nelson M	Robinson W	Thompson P	Wood S
Matthews P	Nichol R	Roddick G	Thompson D	Wood S
McCarthy G	Nicholson N	Roebuck J	Thomson A	Wright K
McClurg DJ	Nobilo R	Russell C	Toback D	Yanko B
McEwan G	O'Connor K	Russell R	Tonge A	Yartlett I





HAWKE'S BAY

Racing

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