



We're racing to new heights

2023/24 Annual Report

The investment and enhancements of Thoroughbred racing, through the TAB NZ Entain Strategic Partnership arrangement, are evident.

These changes have given us the opportunity to step back and look at the role in which NZTR plays to deliver outcomes to our stakeholders that align with our priorities over the guaranteed funding period through to 2028.



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Chair and CEO report —



From top: Russell Warwick, Chair and Bruce Sharrock, CEO

New Zealand Thoroughbred Racing Board and management are pleased to present the 2023/24 Annual Report. In the following pages, we summarise our financial and operational performance, as well as review our key strategic initiatives addressed in our 2023/24 Statement of Intent and Business Plan for the wider Thoroughbred racing industry.

The 2023/24 racing season has truly been one for the books, marked by exciting announcements and elevated stakes following the historic Strategic Partnership with Entain announced in 2023. This partnership has sparked impressive growth within the industry, and our collective embrace of change has seen increased standards across our clubs and participants. NZTR is eager to see what the next four years will bring, as this period holds incredible potential for transformation as we continue to strive for excellence.

As we reflect on the season's highlights, we must celebrate the remarkable contributions of former NZTR Chairman Cameron George. His leadership since 2020 has been a driving force behind the transformation of New Zealand Racing. Cameron's commitment and passion have not only helped navigate challenges but also inspired significant growth, igniting a renewed enthusiasm for the sport that benefits us all.

Seasonal Review:

The return of racing to Ellerslie was highly anticipated after 22 months of closure to install their new StrathAyr surface. The club's first Karaka Millions night on their new track was a raving success with a record \$9.5 million wagered on the meeting – the most on any New Zealand meeting spanning back to at least 1988. The mammoth figure was \$2 million more than the previous highest meeting on record and a 55% increase on the previous season.

Ellerslie is now poised for their biggest summer racing calendar in New Zealand racing history after completing improvements to their StrathAyr surface over the winter.

The season's highlights would not be complete without a mention of the rise of Warren Kennedy. The ex-pat South African stamped an indelible mark on New Zealand racing this season. His dominating proceedings at Pukekohe on New Year's Day with seven wins, including four of the five feature events on the card, was a day to remember. The seven victories set a new mark for most wins on a raceday in New Zealand with five other riders having achieved six.

In addition to Warren Kennedy's dominant season, major milestones were reached by some of the industry greats as Opie Bosson and Michael Pitman both reached the significant career milestone of 2000 career winners throughout their remarkable careers.

The 3-year-old crop was once again exceptionally strong this year with five individual Group One winners in the crop and 25 individual New Zealand bred Group One winners of all ages in the 2023/24 season.

Matamata's marvellous mare Imperatriz proved a standout when she added a 10th Group One victory to her collection and cemented herself as the highest rated sprinter in the world in 2024. Campaigned by Te Akau Racing, the five-year-old mare

is the first New Zealand-trained horse to win five Group One races in Australia in a single season since the introduction of the Australian group classification system, in the 1978/79 season. In record-breaking fashion she then went on to sell for \$6.6 million at the Magic Millions Gold Coast Broodmare sale, all without leaving her paddock in New Zealand. To celebrate her outstanding season, the mighty mare took home both Horse of the Year honours and the Outstanding Global Achievement award at the 2024 New Zealand Horse of the Year Awards and was recently crowned Australian Sprinter of the Year.

The consistent international success of the New Zealand Thoroughbred is a testament to the quality of the land, bloodstock and horsemen throughout the country and is a constant reminder of the work we do to maintain the quality of our product while lifting our standards.

Financial Result

During the 2023/24 season, we recorded a significant turnaround with a surplus of \$4.27 million, compared to a deficit of \$5.98 million in the previous year. This surplus was driven by strategic management of our funds, including investments in high-rate term deposits, increased race day fees, and growth in income from licensing and registrations. We also achieved savings through operational efficiencies, allowing us to allocate resources more effectively.

Stakes prize money saw a significant boost, rising from \$69.6 million to an impressive \$93.5 million, thanks to revenue increases from TAB NZ and Entain. Club funding also experienced growth, moving from \$16.6 million in 2022/23 to \$17.3 million in 2023/24. Our enhanced investment in media and communications, particularly for the second season of The Grand Tour Racing Festival and the new NZB Kiwi Slot Race, contributed to a rise in marketing efforts, offset by decreases in general advertising revenue. We also made a substantial investment of \$4.4 million into the construction of the Awapuni track in Palmerston North, aligning with

our long-term venue and asset optimisation plans.

We are in a strong financial position to achieve our strategic objectives, with total equity of \$26.9 million, which includes a \$10.5 million infrastructure reserve, a \$9.4 million sustainable reserve, and a \$0.6 million Thoroughbred welfare reserve. In 2023/24, we introduced our second Statement of Service Performance, enabling us to measure and report on important non-financial areas of our organisation. The selected performance measures align with our three strategic focus areas: improving tracks and infrastructure, enhancing wagering and participation, and promoting our national sport. Although no set targets were included in the Statement of Intent, we provided previous years' data to highlight trends, offering a clear framework for tracking our progress toward strategic objectives.

Looking ahead to the 2024/25 year, the Statement of Intent outlines our budget and includes new non-financial performance measures with specific targets that align with our updated 2024 to 2028 Strategic Plan. The Strategic Partnership Agreement between TAB NZ and Entain presents us with a unique opportunity to reassess our role in delivering positive outcomes for our stakeholders, ensuring we align with our priorities through guaranteed funding until 2028. The 2024-28 Strategic Plan reflects our overarching vision to rejuvenate and secure the sustainable success of Thoroughbred racing in New Zealand, supported by our four pillars of success: growing revenue, supporting welfare of horse and human, enhancing infrastructure and engaging communities.

Welfare

NZTR continued to prioritise the wellbeing of our equine athletes by introducing several new initiatives, while continuing to optimise the 1% levy on prize money.

Key initiative(s) included an increased focus on traceability, supporting Thoroughbreds in their second careers and the development of an equine

2023/24 performance highlights

Stakes prize money increased substantially over the prior year from \$69.6m to \$93.5m in line with revenue increases from TAB NZ and Entain.

In record-breaking fashion, five-year-old mare Imperatriz went on to sell for \$6.6 million at the Magic Millions Gold Coast Broodmare sale, all without leaving her paddock in New Zealand.

Premiership winning jockey Warren Kennedy set a new mark for most wins on a raceday in New Zealand with seven wins on the day.

The 3-year-old crop was once again exceptionally strong this year with five individual Group One winners in the crop.

Club funding increased from \$16.6 million to \$17.3 million.

Champions Day was announced as the pinnacle racing event of the season with \$10 million in prize money on offer and home to the NZB Kiwi.



crematorium. A comprehensive welfare spread can be found on pages 22 and 23.

Mental Health Services

The Mental Health Programme OnTrack was introduced in 2024. An initiative supported by TAB NZ to support all three codes, OnTrack is tasked with making mental health a priority in racing. Their staff are now available to support industry participants to work together to create a strong, supportive culture in racing that values the wellbeing of our people.

Licensing

The licensing department was delighted to announce its transition to the realm of digital licenses in the 2023/24 season. After a series of successful trials, an uncomplicated solution was discovered for ensuring that all licence holders could conveniently carry their licence ID details with them at all times.

Having a digital licence accessible on the phone results in a seamless experience when asked to provide your ID at racing clubs, tracks, swabbing facilities, stable audits, or any other scenario where it's needed and has improved the efficiency of renewing your licence greatly.

Training and Education

Continuing Professional Development (CPD) was also introduced in the 2023/24 season to let participants keep up to date on the skills and requirements necessary to operate at the highest standard in their field. Through the exciting educational platform Chameleon, participants could easily log in to access their CPD requirements to renew their license for the season. CPD is another step towards moving our industry to the next level and we thank industry participants for taking part. Within this report more training and education outline their areas of strategic action on page 26 and 27.

Tracks and Infrastructure

It's of the greatest importance that our racing surfaces and tracks are consistent, safe and well maintained across the short, medium and long-term, leading to safer racedays for both horse and rider, as well as increased confidence in wagering.

Several initiatives were implemented in the 2023/24 to achieve this outcome, including finalising the long-awaited Ellerslie reconstruction. Although not always straightforward, the StrathAyr track instalment at Ellerslie was key to ensuring our elite venue can continue to operate at the highest level long into the future. Further activity from Tracks and Infrastructure is outlined in more detail on page 28.

Summer Calendar Enhancements

The summer racing calendar revitalisation announced in early 2024 presented opportunities for NZTR to focus on building a world-class racing calendar that can attract international participation and drive wagering growth. NZTR alongside Entain and the New Zealand Pattern Committee made programme changes support these goals.

A focus has been put on creating a calendar that provides several key initiatives to drive discussion and engagement across the summer period both within, but also to drive engagement outside the industry to capture the attention of the mainstream. The guiding principles of the planning process behind these changes has been to ensure that we are seeing the best horses, ridden by the best jockeys, racing on the best tracks – consistently.

Champions Day

Champions Day was announced last season and focuses the previous Auckland Cup Carnival racedays into one supreme event, becoming a day not to be missed. The best horses, across all classes, ridden by the best jockeys, on New Zealand's leading track will ensure Champions Day is the pinnacle of the sport in the country with \$10 million in prizemoney on offer.

The NZB Kiwi will become one of the major highlights of a newly established 'Champions Day'. Held on the second Saturday of March at Ellerslie Racecourse, Champions Day will also include the Trackside New Zealand Derby and three other iconic Group One races, positioning the meeting as a pinnacle event on New Zealand's racing calendar.

Champions Day forms part of the new summer Thoroughbred racing calendar that will boast a series of truly world-class races and meetings, offering more than \$23.8 million in stakes across 51 black-types races from January to early April.

NZB Kiwi

One of Cameron George's final contributions to New Zealand racing was the development and announcement of the NZB Kiwi – the Southern Hemisphere's richest 3-year-old race. Scheduled to debut in the 2024/25 season, this 1500m race, sponsored by New Zealand Bloodstock (NZB), will take place each March at Ellerslie Racecourse during the newly established Champions Day.

Stakes for the NZB Kiwi will start at \$3.5 million in 2025, increasing to \$4.5 million by 2027. Additionally, \$1 million in bonuses will be available to the top three finishers, provided they have won a select series of iconic Bonus Eligible races across New Zealand and Australia. With the bonus structure in place, the total prizemoney for the NZB Kiwi winner could reach up to \$1.8 million.

A key milestone was reached on 27 February 2024, when NZTR successfully hosted a world-first Slot Auction for the NZB Kiwi, achieving a surplus of \$2.2 million above the reserve fees. These additional funds will be used to bolster the promotion of the race over the next three years, with a dedicated marketing budget focused on maximising the race's profile and impact. The first year will see a front-loaded investment to ensure substantial visibility for both the race and its Slot Holders.

This initiative aims to deliver an unparalleled experience for Slot Holders, particularly those who joined as foundation participants, while positioning the NZB Kiwi as a marquee event in the global Thoroughbred racing calendar.

Appreciation

We recognise the dedication and commitment that the NZTR staff have demonstrated in service to our organisation. After the strategic

partnership was announced the staff demonstrated professionalism and resilience through each challenge and change presented, such as a significant head office relocation from Petone to Cambridge.

The Rt Hon Winston Peters returned as the Minister for Racing in 2023 and NZTR express our gratitude for continuously standing behind the racing industry and supporting its revitalisation.

We extend our sincere appreciation to Dean Shannon, Entain Australia and New Zealand CEO and Deputy CEO Lachlan Fitt, as well as members of the Entain leadership team, led by New Zealand Managing Director Cameron Rodger and Jessica Meech, General Manager, New Zealand. Their efforts in renewing a sense of positivity to our industry has been exceptional and we look forward to the opportunities that will continue from the Entain Australia and New Zealand in the future.

We would like to acknowledge the governance of TAB NZ, including CEO Nick Roberts and departing Chair Anna Stove. Their contribution and support have played a pivotal role in shaping the positive direction our industry is heading.

Russell Warwick – Chair

Bruce Sharrock – CEO



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Vision and values —

Following the Strategic Partnership Agreement between TAB NZ and Entain, it was imperative we raise the standard both as an organisation and an industry as a whole.

Management developed a strategic plan to work towards over the next four years, defining success supported by four pillars of success. These pillars outlined key initiatives to deliver throughout the timeline while also revisiting our core purpose, vision and values to best support our organisation internally and externally. The re-vamped vision and values provide a framework for decision-making, shaping our organisation’s identity, culture, and overall success.

**Together shaping a bright future
for our people, our horses**



INNOVATION

We challenge the status quo to drive efficiency and improvements



RESPECT

We foster an inclusive environment where everyone is treated with dignity and differences are embraced



INTEGRITY

We have an unwavering commitment to honesty, transparency, and moral principles



COLLABORATION

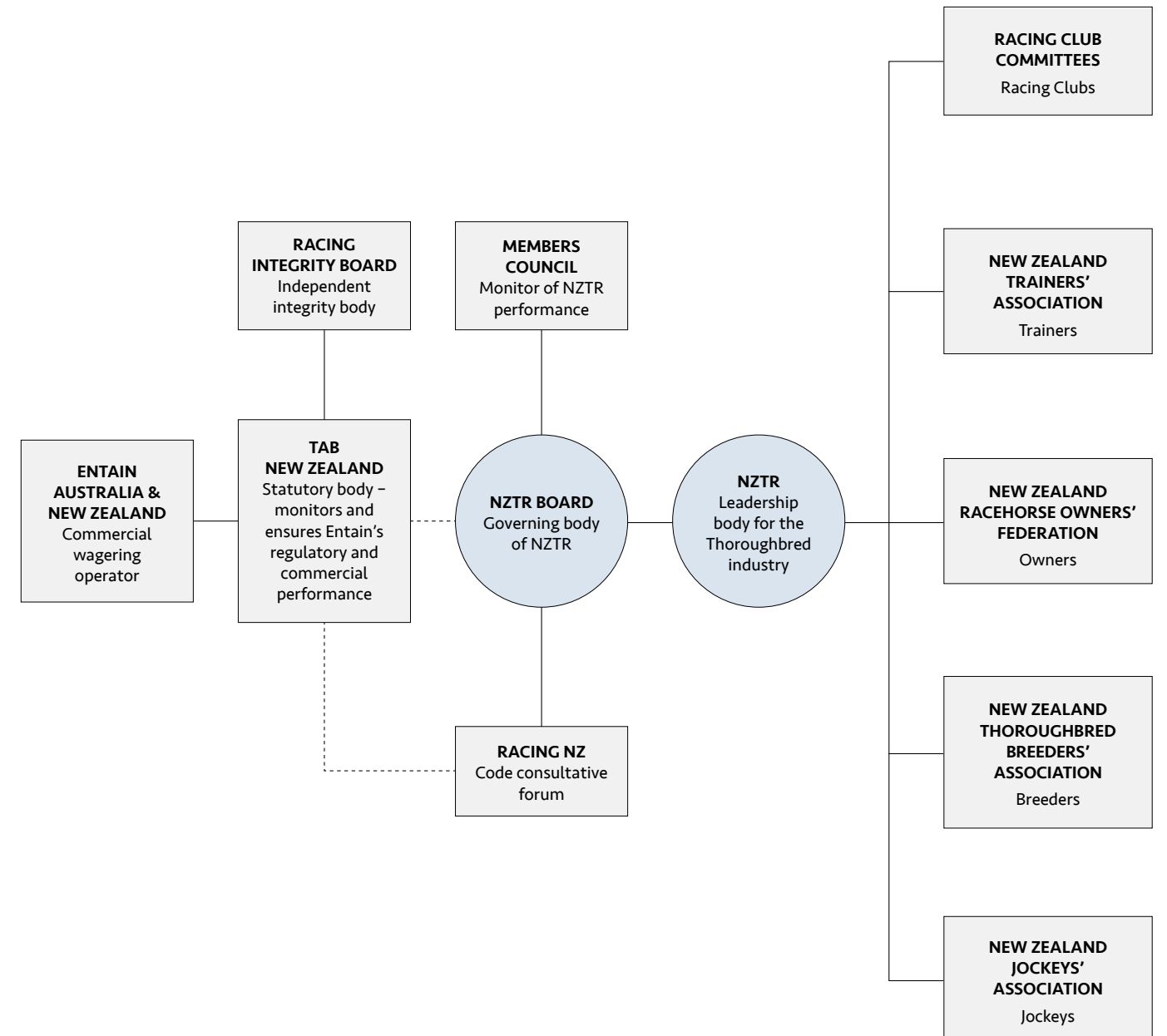
We work together and respect each others ideas to achieve common goals



EXCELLENCE

We relentlessly pursue the highest standards, continuously striving to surpass expectations

Industry structure —



The summer racing calendar revitalisation announced in early 2024 presented opportunities for NZTR to focus on building a world-class racing calendar that can attract international participation and drive wagering growth. NZTR alongside Entain and the New Zealand Pattern Committee made programme changes to support these goals.



NZTR Board of Directors —



Russell Warwick Chair

In June 2024 Russell Warwick became a member of the Board after being appointed by the NZTR Members' Council to replace Bruce Sherwin. Russell brings a wealth of industry knowledge and administrative experience to his appointment to the NZTR Board. As the General Manager of Westbury Stud, Warwick's ability to lead one of New Zealand's elite breeding and racing programmes made him an excellent candidate to join the NZTR Board. Russell was voted into the position of Chairman after the resignation of Cameron George in July 2024.



Mike Clarke

Mike is a Director and Board Advisor with 30+ years of diverse business experience, including gaming. Previously a Consulting Partner at KPMG and Chief Information Officer at SkyCity, he has worked globally with technology organizations to drive business transformation. Additionally, Mike actively engages in the Thoroughbred industry as an owner and breeder. He holds the designation of Chartered Member of the Institute of Directors (CMIInstD).



Andrew Fairgray

Andrew has over 25 years of experience in IT&T and currently serves as the Chief Business Officer at 2degrees. He is passionate about leveraging technology and sees the potential in the convergence of Media and Telecommunications to meet consumer demands for real-time content. Andrew applied for the Director role at NZTR to utilise his local and global experience, driving innovation and transformation for the organisation.

He is personally involved in the Thoroughbred industry through his company, JETA Group, and strongly values its contribution to New Zealand Inc.



Andrew Flexman

Andrew is presently employed as an investment advisor at Forsyth Barr in Cambridge. Prior to this role, he worked as a lawyer and sports administrator. As a passionate Thoroughbred owner, Andrew brings a diverse background to the table. He has served as the Chief Executive of the Chiefs Rugby Club and possesses extensive experience in fan engagement, sports management, and entertainment.



Dean Lawrence

Dean is currently engaged as a consultant for the International Monetary Fund, following his previous positions within the Inland Revenue Department. With his background as the former president of the Otago Racing Club and a board member of GallopSouth, Dean brings together a wealth of racing administration expertise and knowledge. His international experience complements his longstanding involvement in Thoroughbred ownership and breeding pursuits.



Rodney Schick

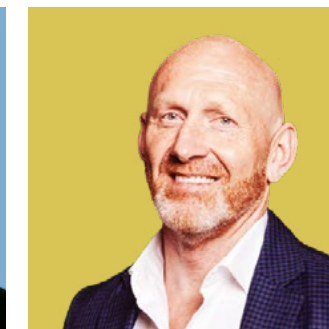
Rodney brings a wealth of knowledge and expertise to the Board of Directors, having run his own large-scale Stud Farm operation, Windsor Park Stud, for more than 20 years alongside his wife Gina. Appointed by the NZTR Members' Council in March 2024, Rodney's lifetime of industry experience and business acumen brings an invaluable insider perspective to the organisation.

Rodney's position fills the position left by current TAB NZ General Manager Commercial, Jason Fleming, who left NZTR's Board in July 2023.



Bruce Sherwin

Having first commenced Board duties in 2020, Bruce is currently the Managing Director of Frontier Farm in Cambridge. With an accounting background and prior experience in broadcasting for the Macau Jockey Club and the Hong Kong Jockey Club, he continues to engage in part-time broadcasting in New Zealand. Bruce has extensive involvement in the racing industry, having served as the treasurer of the Cambridge Jockey Club for 11 years and currently holds a position on the New Zealand Pattern Committee. Bruce took a leave of absence from the Board in 2024 as he assumed the NZTR Handicapper position on a short-term contract.



Bruce Sharrock Chief Executive Officer

Bruce Sharrock became NZTR's CEO on April 4, 2022, following Bernard Saundry. With experience as NZTR's COO and a board member, he led his own successful international sports management business for 20+ years. Bruce's leadership, industry expertise, and track record of results has helped drive NZTR forward through time of immense change and instability. His focus continues to be on building upon existing progress, addressing industry priorities, and securing a sustainable future for Thoroughbred racing.



Cameron George, Chair 2020-2024

The NZTR Board announced the resignation of its Chair, Cameron George, in March 2024.

Under his leadership, George played a pivotal role in steering NZTR and the racing industry through various challenges and sizeable achievements. Cameron's passion and dedication to the New Zealand racing industry has been illustrated by the numerous positive actions he has undertaken while holding the position and we thank him for his contribution.



Governance —

The Constitution of New Zealand Thoroughbred Racing Incorporated determines the composition, appointment and duties of its Board of Directors. This is supported by a Board Charter and a Board Code of Conduct. NZTR supports the need for the highest standards of behaviour and accountability from Directors, and endorses the principles set out in the Code of Practice for Directors approved by the Institute of Directors in New Zealand (Inc).

NZTR is governed by a Board of between five and seven independent Directors. Appointments to the Board are for three year terms and for a maximum of three terms.

The Board met ten times in 2023/24, excluding sessions on strategy, teleconferences and circular resolutions.

Board members with perceived or real conflicts of interest are excluded from those Board (or Committee) discussions and decision making.

The Chairperson of the Board reviews all expense claims of the Chief Executive. The Chief Executive and the Head of People and Culture oversee a formal performance review process for all NZTR staff.

A Members' Council, comprising six members elected by racing clubs (two from each of the three geographical regions) and three members appointed by recognised sector organisations (Owners, Trainers and Jockeys, and Breeders), is charged with the responsibility for all aspects of the appointment, appraisal and termination (if required) of the independent Directors.

The Members' Council as at 31 July 2024, comprised: Chair Jeff McCall (Southern Region), Deputy Chair Geoff Vazey (Northern Region), John Elstob (Northern Region), Eliot Cooper (Central Districts Region), Sam Trotter (Central Districts Region), Simon Williamson (Southern Region), Tony Pike (New Zealand Trainers' Association and New Zealand Jockeys' Association), John Thompson (New Zealand Thoroughbred Breeders' Association), and Bernard Hickey (New Zealand Thoroughbred Racing Owners' Federation).

NZTR statutory role —

NZTR's statutory role is set out in the Racing Industry Act 2020.

NZTR's statutory objective is to develop and promote Thoroughbred racing, and its statutory functions are:

- a. to govern racing clubs, racing venues, and participants, including by —
 - monitoring the performance and finances of those racing clubs and racing venues and their approach to managing risks to health and safety under the Health and Safety at Work Act 2015;
 - making racing rules (and any amendments to those rules) in relation to Thoroughbred racing;
 - approving the constitution of a racing club and any amendments to it before the constitution or amendments take effect;
 - registering or licensing racing clubs, participants and horses in accordance with racing rules made by NZTR;
 - taking measures to ensure adequate representation and involvement of small racing clubs in NZTR's decision making.

- b. to develop and implement policies that are conducive to the overall economic development of Thoroughbred racing and the economic wellbeing of people who, and organisations which, derive their livelihoods from that racing.
- c. to use its resources, including (without limitation) its financial, technical, physical, and human resources for purposes that, in the NZTR's opinion, will directly or indirectly benefit racing conducted by the NZTR.
- d. to develop and implement animal welfare policies in respect of Thoroughbred racing.
- e. to distribute revenue received by NZTR to racing clubs registered with NZTR.
- f. to manage any assets or surplus venues transferred to NZTR under subpart 2 of Part 2, including (without limitation) by selling or retaining any asset or surplus venue.

- g. to undertake, or arrange for the undertaking of, research, development, and education for the benefit of New Zealand racing.
- h. to enter into commercial agreements with TAB NZ.
- i. to collaborate with the other racing codes to achieve the objectives of the racing industry as a whole.
- j. to carry out any other functions that are necessary or desirable to assist the code in achieving its objectives.

Small clubs —

Measures to allow for adequate representation and involvement of small racing clubs in the NZTR's decision making. For the purposes of section 18(2)(b) of the Act:

- Small clubs are entitled to participate through the NZTR Members Council in the appointment of the NZTR Board;
- Small clubs are entitled to nominate and participate in the election of regional members to the Members' Council;
- Small clubs are entitled to vote at the NZTR AGM in proportion to the race meetings they conduct;
- NZTR has included small clubs in all industry communications, roadshows, and consultation and has had regard to their views; and
- Small clubs are invited to submit concerns to the Members' Council three times a calendar year for formal consideration by the NZTR Board.

NZTR Committees and Trusts —

NZTR Committees and Trusts had the following membership for the year ended 31 July 2024. The commencement of the 2024/25 season has seen the establishment of the Investment Fund Committee and an Infrastructure Committee, along with a change to some of the memberships shown below as of 31 July 2024.

Audit and Risk Committee

The Audit and Risk Committee normally comprises three Board members, along with management representatives. In the final months of the 2023/24 financial year, Russell Warwick joined the Committee prior to the departure of Cameron George on 31 July. The Committee met nine times during the 2023/24 season, and during this time established the foundation for the Investment Fund Committee that will commence in the 2024/25 season.

Chair – Mike Clarke

Members – Andrew Flexman, Cameron George, Russell Warwick (from May 2024)

Secretary – Sam Fursdon

Racing and Integrity Committee

The Racing and Integrity Committee comprises four Board members. Where appropriate the Committee also sits with advisors from the Racing Integrity Board and management representatives. The Committee is independently chaired. The Committee met twice during the 2023/24 season.

Chair – Mark Freeman

Members – Cameron George, Dean Lawrence, Russell Warwick (from May 2024), Bruce Sherwin (until his leave of absence in May 2024)

Secretary – Colin Hall

Training and Welfare Committee

The Training and Welfare Committee was mostly dormant in the 2023/24 season as other initiatives were progressed, including the OnTrack Programme. Subsequent to 31 July 2024, the Committee was disestablished on 21 August 2024.

Chair – Andrew Fairgray

Member – Mike Clarke

General Trust Fund

Operated in accordance with the Rules of Racing and the General Trust Fund Policy, the Fund supports participants if they become injured as a result of an accident while carrying out duties in their capacity as a licensed person.

Trustee and Chair – John Rattray

Trustee – Cameron George

Secretary – Matthew Williamson

Apprentice Jockeys' Fund

Governed by the Rules of Racing, the Apprentice Jockeys' Fund holds in trust income earned (stakes and riding fees) for apprentice jockeys until such time as they finish their apprenticeship.

Trustees – Cameron George, Bruce Sharrock

The New Zealand Pattern Committee:

The New Zealand Pattern Committee (NZPC) is constituted by Rule 506 of the Rules of Racing. It is an independent committee jointly convened by New Zealand Thoroughbred Breeders' Association Inc (NZTBA) and New Zealand Thoroughbred Racing Inc. (NZTR). The NZPC comprises eight voting members, viz. a Chairman who is appointed by NZTR after consultation with NZTBA, three nominees of NZTBA, three nominees of NZTR and one nominee of NZB to represent the Thoroughbred auction companies. The personnel appointed to the Pattern Committee are expected to have the expertise and experience to exercise flexibility and discretion whilst continually maintaining a review of appropriate levels of Black Type opportunity for horses of different age, sex and aptitudes, throughout the total New Zealand racing scene. The Committee met three times during the 2023/24 season.

Chair – Matthew Goodson

Members – Scott Calder, Nick Hewson, Michelle Saba, Kane Jones, Mark Freeman, Bruce Sherwin, Jeff McCall.

Secretary – Colin Hall



Activity review —

NZTR is extremely heartened by the strategic arrangement, which has given us the ability to plan with certainty for the next four years and prioritise key areas of the business to promote growth. Key initiatives driven by management allow for the opportunity to sustain revenue growth and deliver appropriate returns to our stakeholders, while acknowledging their hard work and contributions.





2023/24 New Zealand Thoroughbred Horse of the Year Awards

Jockeys' Premiership – **Warren Kennedy**

Trainers' Premiership – **Mark Walker & Sam Bergerson**

Apprentice Jockeys' Premiership – **Lily Sutherland**

Owners' Premiership – **Brendan & Jo Lindsay**

Newcomer to Training – **Sam Mynott**

LOVERACING.NZ Award for Contribution to Media, Digital & Content – **Trackside Premier**

NZB Filly of the Year – **Molly Bloom**

Champion Two-Year-Old – **Velocious**

Champion Three-Year-Old – **Orchestral**

Champion Sprinter-Miler – **Imperatriz**

Champion Middle Distance Horse – **Legarto**

Champion Stayer – **Orchestral**

Champion Jumper – **West Coast**

Jockey of the Year – **Warren Kennedy**

Jumps Jockey of the Year – **Portia Matthews**

Trainer of the Year – **Mark Walker & Sam Bergerson partnership**

Owner of the Year – **Denise Bassett & John Elstob**

NZ Stablehand of the Year – **Joanne Pearson**

NZTR Award for Outstanding Contribution to Racing – **Dawn & Peter Williams**

NZTR Award for Outstanding Global Achievement – **Imperatriz**

SENZ Thoroughbred Horse of the Year – **Imperatriz**

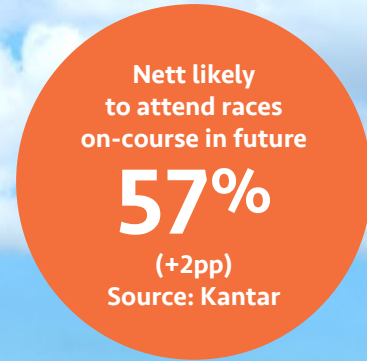
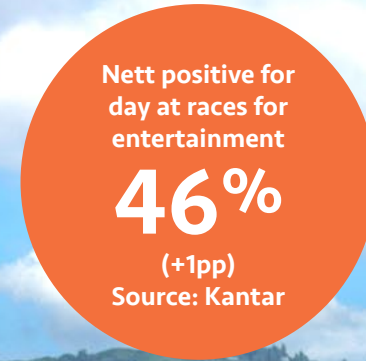
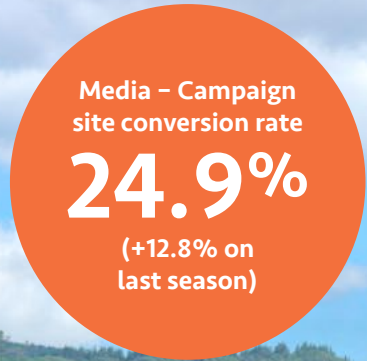
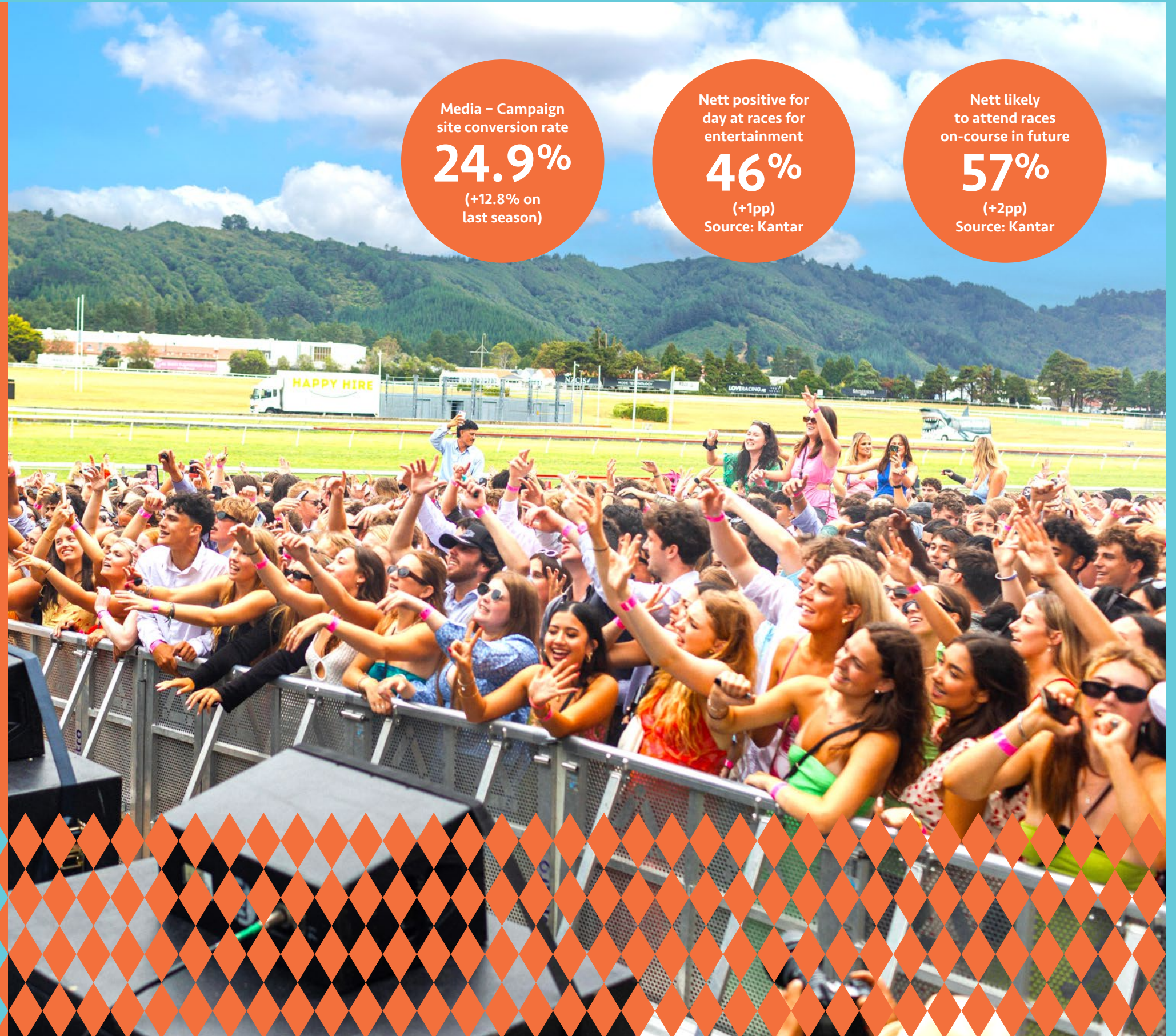


Scan the QR code for the full list of winners, finalists and sponsors.

THE GRAND TOUR RACING FESTIVAL

That the Grand Tour Racing Festival helps to drive a positive shift in perception for racing, through repositioning the excitement of a raceday and creating unforgettable experiences on-course. At our biggest days.

The Grand Tour Racing Festival was back with a bang in Season 2. With the support of our major Clubs the nationwide campaign continued to target premier racedays across Hawke’s Bay, Auckland, Christchurch, Wellington, and Waikato regions, aiming to promote broader mainstream interest in our sport. Season 2 saw a stronger presence on-course featuring headline music acts, brand ambassadors and activations to attract and enhance the event experience for our target demographic. Included in the line-up of entertainment was legendary Australian dance duo Peking Duk and Kiwi favourites Sir Dave Dobbyn and The Black Seeds. The research completed at the conclusion of the Tour has shown we are making good cut-through at driving interest from a new audience and attracting them to a day at the races.



Thoroughbred welfare —

The 1% Thoroughbred Welfare Levy has completed its third season and the largest portion of the 1% Levy has been directed toward the retired Thoroughbred horse population supporting the Acknowledged Retrainers network and post-racing sponsorship to increase demand for Thoroughbreds in equestrian, polo, and Thoroughbred recreational sports.

A contribution of \$200,000 towards the development of an Equine Crematorium was made from the 1% Levy. This will operate under The Rural Guardian Trust which has been approved for charitable status and a large portion of any profit will be reinvested into equine initiatives and research.

It is our responsibility to the industry to ensure we carefully consider how the levy is best utilised and provide transparency via our quarterly 1% reports to the industry.

Acknowledged Retrainers

We acknowledge the pressures on this service, providing homes for our retired Thoroughbreds is challenging and there is no one single reason but with many contributing factors. Despite these challenges, over the year the Acknowledged Retraimer network successfully rehomed 404 horses via the network thus reaching our goal for the 2023/24 season.

This is a continuation of the work achieved previously - 383 Thoroughbreds in the 2022/ 23 season, 286 Thoroughbreds in the 2021/22 season.

Welfare Assistance

Throughout the year we have provided support for 8 horses through our partnership with the SPCA. The relationship with the SPCA continues to develop and we continue to raise

awareness of the support we can supply across the centres. Throughout the year the 1% also supported the closing of a small breeding operation managed by an independent person ensuring secure outcomes for the horses involved. The team continue to monitor situations as they arise and co-ordinate with the appropriate entities to ensure the best outcomes for the horses involved.

NZ Horse Ambulance

A horse ambulance and experienced operator are at every Thoroughbred race day and trial meeting, funded by the 1% welfare levy on stakes.

In the 2023/24 season, a horse ambulance was deployed 74 times to both race-day and non-race-day incidents involving a Thoroughbred in training or breeding. Ambulances are located at Cambridge, Matamata, Awapuni, and Pukekohe racecourses and are available to deal with training accidents and transport injured horses to equine referral clinics or hospitals.

A tenth horse ambulance and tow vehicle, funded by the TAB Rejuvenation Fund, will be deployed to Cambridge in early September. This will increase the nationwide coverage to ten: six in the North Island and four in the South Island.

Post-Racing NZOTTB Sponsorship

A large portion of the spend of the 1% for the 2023/24 season was for sponsorship

dedicated to showcasing Thoroughbred versatility. We have been working with the different equestrian disciplines and recreational sports to encourage the use of Thoroughbreds in a variety of disciplines. Bridging the gap between the Thoroughbred and equestrian communities is mutually beneficial. We continue to explore opportunities and solutions to stimulate the demand for the ever-versatile Thoroughbred but also ensure that we are supporting, educating, and improving the horsemanship skills to those for whom the Thoroughbred is their horse of choice.

Thoroughbred Welfare Research

Most of this spend was for the development and administration of the Equine Mortality Review Panel which was established to review the circumstances of equine fatalities in racing and determine whether identifiable factors may have contributed to the horse's death. In the 2023/24 racing season the panel reviewed the 18 fatalities that occurred on raceday. The panel met 9 times and where possible postmortems were undertaken by Massey University.

Equine Crematorium

\$200,000 from the 1% reserve fund has gone towards supporting the development of the Equine Crematorium. This contribution along with other industry stakeholders, have supported the building of the first dedicated Equine Crematorium. This will provide the means

and opportunity for a dignified end of life for our horses and ensure responsible carcass disposal.

Traceability

An independent in-depth report of the Thoroughbred population aimed at Providing Retirement Data was carried out of the 2023/24 season. To date the report highlights improvement by the industry to complete the SR24's to ensure we can provide up-to-date information and better forecasting. The final report will be provided once the 2023/24 data is complete.

There is a need for better reporting so we can identify the number of horses that are retired to plan and provide data information to the public from a social license.

Education and Communication

An initiative the 1% Levy funded was the Kick Up for Kiwis workshops designed to constructively defend our industry to protect racing's social license. These workshops were well attended by all groups of participants from a variety of roles in the industry. Providing sponsorship for the Companion Animal NZ International Society for Equitation Science Conference, for the first time held in New Zealand, providing a unique opportunity to host international experts who presented the latest research that supported the conference theme "A Good Life For Horses."

We are continuing to promote Thoroughbreds in as many equestrian disciplines as possible by telling their stories to showcase their versatility to the public and other equestrians. Providing a 1% update and an edition of the Thoroughbred Welfare Advocate of which the purpose is to bridge the gap between the Thoroughbred and equestrian communities.

	Actual 2023/24 \$	Budget 2023/24 \$	Variance 2023/24 \$
Total Levy	968,601	908,000	60,601
Animal Welfare & Research	81,444	84,000	- 2,556
Communication & Education	34,256	124,650	- 90,394
Acknowledge Retrainers/Rehoming	219,398	180,000	39,398
Traceability	51,582	81,350	- 29,768
Showcasing OTTB Versatility	198,057	180,000	18,057
NZOTTB Lesson Scheme	-	30,000	- 30,000
SPCA/MPI/Rescue Groups	12,456	30,000	- 17,544
Horse Ambulance	192,332	198,000	- 5,668
Total Expenditure	789,525	908,000	-118,475
Net Result	179,076	-	179,076
Reserve at 31 July 23	609,424		
Unspent portion 23/24 budget	179,076		
Crematorium	-200,000		
Reserve at 31 July 24	588,500		

We are continuing to promote Thoroughbreds in as many equestrian disciplines as possible by telling their stories to showcase their versatility to the public and other equestrians. Providing a 1% update and an edition of the Thoroughbred Welfare Advocate of which the purpose is to bridge the gap between the Thoroughbred and equestrian communities.



Areas of strategic action —

The following pages set out specific areas of action NZTR pursued in 2023/24. We prioritised our work against five focus areas;

- Industry training and enhancing the welfare of our people and horses
- Enhancing track/surface performance for better racing outcomes
- Ensuring accountability for performance among Clubs
- Achieving sustainable revenue growth
- Enhancing public relations to improve the image and reputation of the industry.



Industry training and enhancing the welfare of our people and horses —

What is success?

For our people, success means that we attract, train and retain talented people in our industry. We will do this by ensuring that people are confident and excited to enter lifelong careers (whether as an employee or business owner) in the Thoroughbred racing and breeding sectors, and where NZTR:

- Highlights career pathways with higher skills linked to increased remuneration
- Provides training opportunities including internationally recognised industry-shaped NZQA qualifications, and participant continuing professional development (CPD)
- Helps lead further improvements to industry health and safety practices.
- Ensures that they can access the industry’s welfare support services when faced with occasional difficult times

Meanwhile, success for our horses is ensuring they have the care and conditions that allow them to thrive and perform to their natural abilities, and that they are provided a good life both in racing and in their ‘second careers’.

What were our key deliverables?

Metric	Target Milestone	Actual January 2024	Actual August 2024
Roll-out of regional CPD for our licence holders regionally.	By August 2023	In place will be rolled out in Feb 24.	Project paused due to internal capacity constraints. Will recommence from Q4 2024.
Commission a mobile training unit available for career promotion, track rider and Apprentice Jockey training.	By November 2023	Mobile Training should be landed in April 24.	Landed in New Zealand in July. Awaiting signwriting and tech install, then will be deployed.
Review of our current apprentice model and continued improvement with the support of high-performance sporting centres to our current model.	By December 2023	Proposed framework to be presented to Board Feb 2024.	Elite Jockey Programme developed and implemented in Feb 2025. Delay due to key person away on maternity leave.
Complete initiatives outlined in the 2022 Thoroughbred Welfare Strategy. Update and confirm the Thoroughbred Welfare Strategy for the following two years.	By July 2024	Work in progress, particular emphasis currently on improving traceability and creating more demand for Post Racing Thoroughbreds.	Many initiatives complete. Key updates include: <ul style="list-style-type: none"> — Stable audits conducted based on the Thoroughbred Welfare Detailed Assessment Guidelines — Population Analysis Project completion November 24 to identify data shortfalls — More opportunities for Post Racing Thoroughbreds via increase sponsorship and training clinics in the 2024/25 season

Enhancing track/surface performance for better racing outcomes —

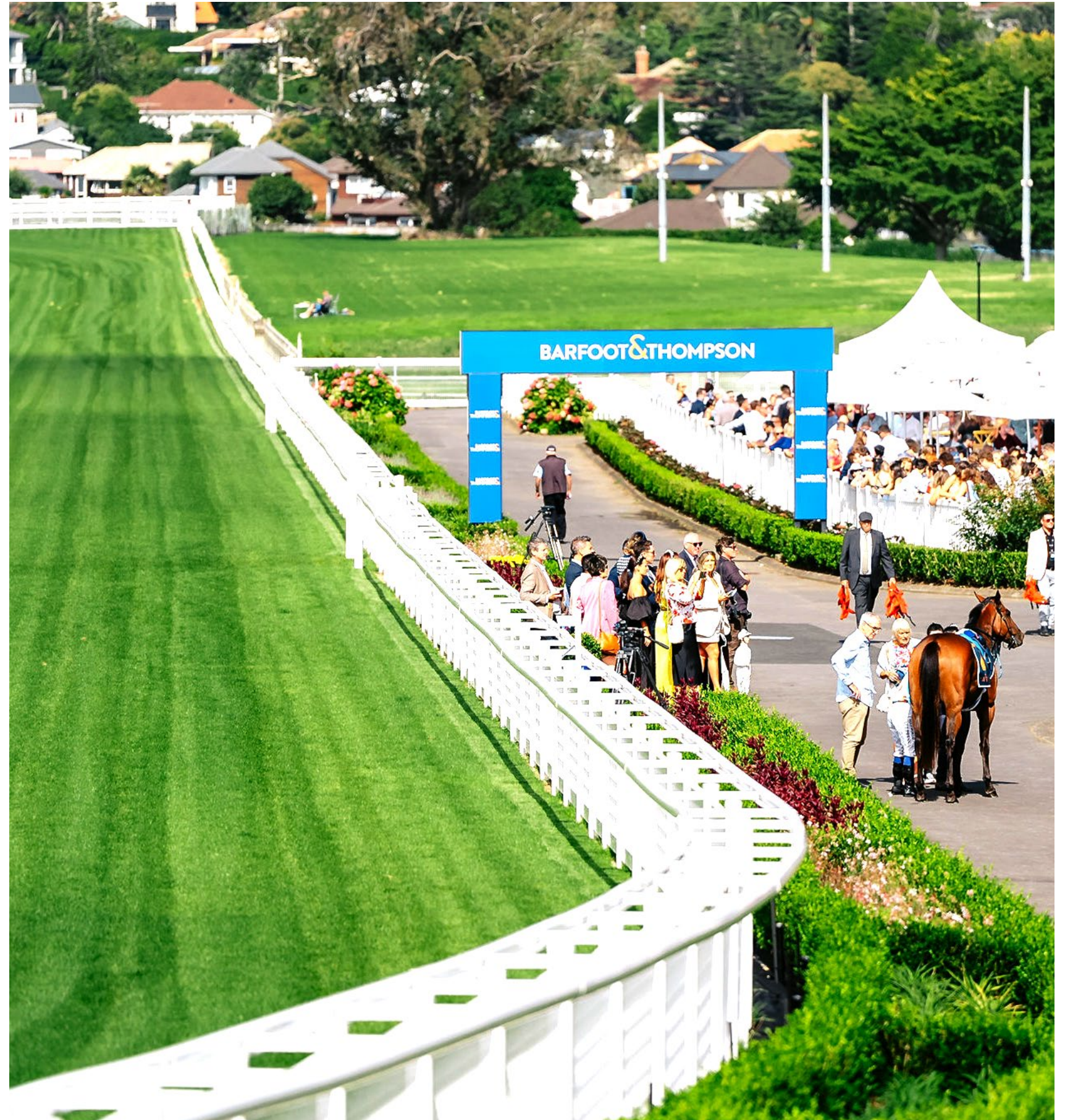
What is success?

- Racing surfaces and tracks are consistent, safe and well maintained across the short, medium and long-term, leading to safer racedays for both horse and rider, as well as increased confidence in wagering.
- Sustainable track surfaces that can deliver the required amount of racedays on a consistent basis.
- Synthetic tracks participation increases to alleviate the pressure on the turf surfaces through the wetter months on both race and trial days.

What were our key deliverables?

Metric	Target Milestone	Actual January 2024	Actual August 2024
Implementation of track renovation windows.	By August 2023	Complete.	Complete.
Development pathways for Track Managers.	By December 2023	Has been developed with HR fund now have 2 managers involved. A number of other training initiatives instigated.	Two trainee Track Managers approved to date, with three pending applications.
Upgrade irrigation systems at Ōtaki and Riccarton tracks.	By December 2023	Ōtaki complete, reviewing massive uplift in Riccarton cost with our Irrigation Consultant currently.	Riccarton ongoing, in peer review phase.
Complete the Awapuni reconstruction.	By April 2024	Awapuni Reconstruction currently on target.	Awapuni Reconstruction currently on target.

It's of the greatest importance that our racing surfaces and tracks are consistent, safe and well maintained across the short, medium and long-term, leading to safer racedays for both horse and rider, as well as increased confidence in wagering.





Ensuring accountability for performance among clubs –

What is success?

- Clubs are funded appropriately and are delivering a consistent, positive experience for both industry participants and racing fans across the different tiers of racedays.
- A funding model that delivers benefits for proactive Clubs and increased positive outcomes for participants.
- Clubs prioritise the preparation of a safe and raceable surface at all times.
- Clubs take ownership of all aspects of the delivery of exceptional raceday events and meeting fan, stakeholder and participant expectations. Note this is a sub-set of funding model review.

What were our key deliverables?

Metric	Target Milestone	Actual January 2024	Actual August 2024
Agree minimum standards for the various levels of raceday.	By August 2023	Standards are in place but ensuring compliance still work to be done.	Update to minimum standards is underway.
Clubs proactively utilising raceday funding to promote and deliver premium raceday experiences.	By September 2023	Work still needed with a number of Clubs in this space.	Ongoing.
Abandonments due to avoidable track issues are reduced.	By July 2024	Data available and trending well.	Ongoing data collection has been established and will continue to be refined. Track abandonments at similar levels to previous years.

Clubs play an integral role in ensuring a positive experience for our customers and participants. Successfully ensuring accountability amongst Clubs would see them **taking ownership of the raceday experience and delivering exceptional events that consistently meet fan, stakeholder and participant expectations.**

Achieving sustainable revenue growth —

What is success?

Achieving sustainable revenue growth will have a number of benefits for the industry’s long-term outlook. Improving the reliability of income streams and increasing diversification through the growth of existing revenue streams and the development of new revenue streams will enable longer-term investment decisions from participants and an improved economic outlook for the industry.

What were our key deliverables?

Metric	Target Milestone	Actual January 2024	Actual August 2024
Complete establishment of industry investment fund.	By December 2023	Near completion.	Independent Chair appointed, committee formed, SIPO and RFP with fund managers required.
Industry venue footprint and determination of surplus Clubs completed and all Clubs notified.	By March 2024	On target, consultation closes Feb 2024.	Updated venue plan complete May 24. Clubs notified Venue plan on NZTR website.
Prepare for re-negotiation of International Marketing Agreements following roll-over of existing arrangements until April 2024 and new agreements implemented.	By August 2024	Preparation underway gathering data currently.	IMA & Tabcorp agreements in final stages of negotiation, current arrangements extended until November 2024.

NZTR’s focus is to establish and execute strategic initiatives that drive sustainable revenue growth, ensuring the financial health and resilience of the industry, and creating a platform for ongoing investment in the future of Thoroughbred racing in New Zealand.





Enhancing public relations to improve the image and reputation of the industry —

What is success?

Currently, positive awareness of New Zealand’s racing industry in the mainstream is relatively low, with issues such as animal cruelty and gambling often featuring prominently.

According to research commissioned by NZTR (conducted by Kantar in 2023), 32% of New Zealanders feel negatively towards the domestic Thoroughbred racing industry, with 35% negativity towards betting on horses. Regarding horse racing behaviour, 37% of New Zealanders surveyed have never watched horse racing on television, while 36% have never placed a bet and 42% of Kiwis measured themselves as having never attended a raceday.

At a broader level, Kantar’s Better Futures study suggests that 43% of Kiwis are concerned with the mistreatment of animals. This reflects the importance of animal welfare and our social licence.

These negative public perceptions and low participation rates are impacting NZTR and our ability to attract people to our sport.

Through dedicated public relations workstreams, NZTR will look to better educate the population, providing a greater awareness around the economic contribution of our industry, and share positive experiences of our participants to promote greater interest and celebrate the exceptional athletes, both horse and human, in our sport.

New Zealand’s Thoroughbred racing industry will have increased fan engagement, including the involvement of new fans, who in turn, will generate more revenue for the Thoroughbred industry. NZTR will also see improved media coverage, wider public understanding, as well as acceptance and positivity towards the sport, enhancing the sport’s reputation.

What were our key deliverables?

Metric	Target Milestone	Actual January 2024	Actual August 2024
Selection of public relations partner and development of public relations strategy.	By August 2023	Completed in draft form.	Eleven PR were selected as PR partner and retainer has been extended through to April 2025.
Communication of public relations strategy to industry stakeholders.	By September 2023	Awaiting Board approval.	Covered as part of presentation at the March Industry conference with Ian Benet (Eleven PR) as a guest presenter.
Public relations launch activity aligning with the commencement of The Grand Tour Racing Festival Season Two.	By September 2023	As above.	Public relations launch activity aligning with the commencement of The Grand Tour Racing Festival Season Two; <ul style="list-style-type: none"> – Eleven supported NZTR with the drafting of a press release announcing the return of TGT – Revised for both consumer and trade audiences – Issued to relevant media to raise awareness – Coverage secured in Hawke’s Bay Today and NZ Herald online.



Financial statements –

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Industry statistics —

Thoroughbred Clubs	Mtgs	Races	Starts	Total off-course turnover	Total on-course turnover	Total NZ turnover	TABCORP export turnover (\$NZD)	Total stakes paid	Club noms & accepts & other chargers/ payments	Net stakes	Total club, meeting & stakes funding	Net stakes to funding ratio
Ashburton RC	8	70	835	8,272,175	134,362	8,406,537	20,641,386	1,778,920	9,000	1,769,920	2,080,215	85.08%
Auckland TR	22	180	2,000	53,604,267	6,678,304	60,282,571	78,942,333	18,822,540	1,550,419	17,272,121	17,068,848	101.19%
Avondale JC	1	7	75	797,768	24,395	822,163	1,693,550	128,390		128,390	178,390	71.97%
Banks Peninsula RC	1	10	126	1,709,282	53,455	1,762,737	2,556,209	356,000		356,000	409,848	86.86%
Beaumont RC	1	8	70	834,603	51,802	886,406	1,617,978	165,640		165,640	207,375	79.87%
Canterbury JC	31	277	3,259	48,529,452	4,022,957	52,552,408	81,738,749	11,522,230	719,060	10,803,170	13,096,162	82.49%
Central Otago RC	1	9	114	1,077,379	43,195	1,120,575	1,904,945	189,125		189,125	234,875	80.52%
Egmont RC	5	45	463	5,888,316	227,598	6,115,914	8,592,790	1,200,525	10,350	1,190,175	1,403,099	84.82%
Feilding JC	3	22	192	3,135,360	103,495	3,238,855	6,312,891	588,470		588,470	724,686	81.20%
Foxton RC											8,000	0.00%
Gore RC	3	30	326	3,644,791	72,928	3,717,718	7,889,954	817,950		817,950	965,950	84.68%
Greymouth JC	1	8	72	958,349	90,674	1,049,023	1,513,356	171,380		171,380	226,265	75.74%
Hawke's Bay RI	10	77	759	17,688,426	2,211,634	19,900,059	27,438,748	4,698,655	298,910	4,399,745	5,568,813	79.01%
Kumara RC	1	8	69	1,614,413	293,283	1,907,696	1,965,522	171,315		171,315	272,776	62.80%
Kurow JC	1	9	90	1,575,132	183,575	1,758,707	2,005,975	180,315		180,315	248,758	72.49%
Levin RC	3	24	260	3,776,670	200,700	3,977,369	6,428,369	871,685	16,200	855,485	1,027,421	83.27%
Manawatu RC	8	63	573	10,609,966	580,422	11,190,388	18,036,982	3,070,865	102,422	2,968,443	3,588,704	82.72%
Marlborough RC											5,000	0.00%
Marton JC	3	22	239	3,381,215	190,505	3,571,721	6,366,025	615,260	14,850	600,410	763,677	78.62%
Masterton RC	1	8	69	852,229	39,929	892,158	1,211,988	149,680		149,680	195,430	76.59%
Matamata RC	14	119	1,318	18,785,970	738,084	19,524,054	37,523,234	3,040,945	29,088	3,011,858	3,630,767	82.95%
Oamaru JC	3	26	301	2,769,041	68,261	2,837,301	5,087,856	576,955		576,955	691,205	83.47%
Otago RC	11	94	1,061	14,136,693	612,511	14,749,204	23,980,234	3,217,900	55,975	3,161,925	3,745,213	84.43%
Ōtaki-Māori RC	10	81	843	14,404,248	635,765	15,040,012	22,457,258	2,632,565	72,700	2,559,865	3,144,092	81.42%
Pakuranga HC											5,000	0.00%
Poverty Bay TFC											10,000	0.00%
Rangitikei RC	2	14	138	1,977,964	59,131	2,037,094	3,521,101	395,230	10,400	384,830	487,230	78.98%
Reefton JC	1	9	75	894,706	85,363	980,069	1,365,427	176,460		176,460	234,465	75.26%
Riverton RC	4	35	365	4,928,919	379,615	5,308,534	7,663,694	927,005		927,005	1,103,762	83.99%
Rotorua, Racing	9	72	743	9,397,248	370,867	9,768,115	17,193,149	1,722,535	26,711	1,695,824	2,091,410	81.09%
Rotorua-BOP HC	1	8	62	492,991	10,332	503,323	1,152,781	161,190		161,190	207,190	77.80%
South Canterbury RC	3	28	339	3,453,425	95,114	3,548,539	6,354,703	566,910		566,910	693,385	81.76%
South Waikato RC	1	8	91	1,239,112	27,890	1,267,002	3,201,472	209,475		209,475	246,475	84.99%
Southland RC	5	41	467	5,291,352	369,999	5,661,351	11,908,142	1,313,620	14,475	1,299,145	1,506,787	86.22%

Thoroughbred Clubs	Mtgs	Races	Starts	Total off-course turnover	Total on-course turnover	Total NZ turnover	TABCORP export turnover (\$NZD)	Total stakes paid	Club noms & accepts & other chargers/ payments	Net stakes	Total club, meeting & stakes funding	Net stakes to funding ratio
Tapanui RC	1	8	68	970,736	44,125	1,014,861	1,922,709	158,700		158,700	204,450	77.62%
Taranaki TRI	12	97	912	15,105,287	1,045,558	16,150,845	24,446,322	2,854,812	38,125	2,816,687	3,486,880	80.78%
Taumarunui RC	1	8	80	1,733,932	139,484	1,873,416	2,706,978	280,500		280,500	323,304	86.76%
Taupō, Racing	8	66	659	8,546,413	321,939	8,868,352	18,181,537	1,502,750	14,475	1,488,275	1,699,765	87.56%
Tauranga, Racing	14	122	1,270	20,412,037	1,360,689	21,772,726	35,509,650	3,824,785	43,325	3,781,460	4,577,707	82.61%
Te Aroha, Racing	4	40	410	4,660,973	188,189	4,849,162	8,141,886	884,440		884,440	1,076,326	82.17%
Thames, Racing	1	9	96	1,546,108	132,739	1,678,847	2,963,887	176,525		176,525	264,433	66.76%
Waikato TR	29	250	2,558	44,943,041	2,194,741	47,137,783	76,561,788	10,421,973	365,237	10,056,736	11,733,812	85.71%
Waikouaiti RC	1	9	105	1,704,169	72,340	1,776,508	3,541,762	350,200		350,200	408,506	85.73%
Waimate RC	1	2	26	247,689	4,959	252,648	148,732	34,000		34,000	72,000	47.22%
Waipukurau JC	1	7	42	527,473	32,424	559,897	1,416,712	125,620		125,620	178,120	70.53%
Wairarapa RC	4	32	272	4,057,081	628,254	4,685,335	6,478,275	634,285	10,150	624,135	893,686	69.84%
Wairio JC	1	9	99	1,006,478	28,575	1,035,054	1,200,867	164,980		164,980	207,980	79.32%
Wairoa RC	1	7	54	941,530	45,869	987,398	1,234,353	144,020		144,020	192,420	74.85%
Wanganui JC	12	102	1,078	15,581,532	691,010	16,272,543	29,004,671	3,015,935	41,550	2,974,385	3,563,539	83.47%
Waverley RC	5	46	461	4,857,792	143,307	5,001,099	10,405,042	862,260		862,260	1,003,466	85.93%
Wellington RC	10	86	920	22,945,512	1,532,084	24,477,596	34,124,233	7,213,200	776,359	6,436,841	7,902,983	81.45%
Westland RC											5,000	0.00%
Whangarei RC	10	81	811	13,875,574	680,550	14,556,124	23,523,744	2,411,045	7,350	2,403,695	2,901,982	82.83%
Winton JC	1	8	88	815,616	27,274	842,891	1,688,061	163,235		163,235	206,235	79.15%
Woodville-Pahiatua RC	6	50	514	5,167,589	230,298	5,397,886	11,186,044	999,310		999,310	1,209,935	82.59%
Wyndham RC	1	8	93	814,985	23,205	838,190	1,665,183	173,425		173,425	203,175	85.36%
TOTAL	292	2,459	26,010	416,183,007	28,223,760	444,406,768	714,319,238	96,835,735	4,227,130	92,608,605	108,386,980	85.44%

NOTES

- Total turnover is provided by Entain NZ on a per race basis. Total on-course turnover is all tote and fixed odds racing turnover placed on-course, including geo-located mobile and digital turnover.
- Australian Racefields includes Australian TAB turnover and a calculation to estimate total Corporate Bookmaker turnover at a per race level using data received from these companies.
- Club Noms, Accepts & other charges/payments to Owners is the net amount of all direct club nomination and acceptance charges for Group & Listed races, minus credits paid to owners for the same races.
- Total Club, Meeting & Stakes Funding is all NZTR funding paid to clubs, including Minimum Stakes, Group and Listed, Special Interest, Iconic, Heritage, Country Cup, Innovation and Other Race funding, Meeting Type, Venue Category, Racing Compliance, Club Compliance, Event Tier funding, Carnival funding, Jumping Support and Jumping noms and accepts income, On-Course payments, including any Digital turnover and any other meeting funding. Other funding to clubs or venues for infrastructure, Strategic Training Centre funding, HR Support, Business Innovation is not included. All efforts have been made to reconcile against the Club Settlement
- Net Stakes to Funding Ratio is Stakes Paid minus Club Noms & Accepts & other charges/payments, then divided by Total Club, Meeting & Stakes Funding. Note that Club funding and other numbers can be affected by meetings or races not run, abandoned or transferred.



Independent Auditor's Report

To the Members of New Zealand Thoroughbred Racing Incorporated

Opinion

We have audited the consolidated general purpose financial report consolidated performance report of New Zealand Thoroughbred Racing Incorporated (the 'entity') and its subsidiaries ('the group'), which comprise the consolidated financial statements on pages 46 to 69, and the consolidated statement of service performance on pages 42 to 45. The complete set of consolidated financial statements comprise the statement of financial position as at 31 July 2024, and the consolidated 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 a summary of significant accounting policies.

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

- the consolidated financial position of the group as at , and its consolidated financial performance and cash flows for the year then ended; and
- the consolidated service performance for the year ended 31 July 2024 in accordance with the group's service performance criteria in accordance with Public Benefit Entity Standards ('PBE Standards') issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing ('ISAs'), and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 *The Audit of Service Performance Information* ('NZ AS 1'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Report* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and the taxation services provided, we have no relationship with or interests in the entity or any of its subsidiaries. These services have not impaired our independence as auditor of the entity or group.

Other information

The Board of Directors are responsible on behalf of the group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial report and the audit report.

Our opinion on the consolidated financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information obtained prior to the date of our audit report and consider whether it is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Board of Director's responsibilities for the consolidated financial report

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

- the preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with PBE Standards
- service performance criteria that are suitable in order to prepare service performance information in accordance with PBE Standards; and
- such internal control as the Board of Directors determine is necessary to enable the preparation of a consolidated financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated statement of service performance 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) and NZ AS 1 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 this consolidated financial report.

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

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/>

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Members, as a body, in accordance with Section 20 of the Constitution. Our audit has been undertaken so that we might state to the Members 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Hamilton, New Zealand
23 October 2024

This audit report relates to the consolidated financial report of New Zealand Thoroughbred Racing Incorporated (the 'entity') and its subsidiaries (the 'group') for the year ended 31 July 2024 included on the entity's website. The Board of Directors are responsible for the maintenance and integrity of the entity's website. We have not been engaged to report on the integrity of the entity's website. We accept no responsibility for any changes that may have occurred to the consolidated financial report since they were initially presented on the website. The audit report refers only to the consolidated financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial report. If readers of this report are concerned with the inherent risks arising from electronic data communication, they should refer to the published hard copy of the audited consolidated financial report and related audit report dated 23 October 2024 to confirm the information included in the audited consolidated financial report presented on this website.

Statement of Service Performance

For the year ended 31 July 2024

Purpose

New Zealand Thoroughbred Racing (NZTR) is the governing body for Thoroughbred horse racing in New Zealand. NZTR oversees and regulates the sport, ensuring that races are conducted fairly and in accordance with the rules and regulations while supplying the Thoroughbred product for wagering and sporting customers. We are also responsible for the administration, promotion and development of Thoroughbred racing in New Zealand.

Performance

As detailed in our Statement of Intent, we are focused on three strategic areas of action: Improving Track Infrastructure, Wagering and Participation, and Marketing of the National Sport. To assess our performance we have selected measures aligning to the three strategic areas of action. This is the second Statement of Service Performance for NZTR. Where possible, historical results up to five years have been provided to indicate trends in results, noting that years prior to 2022/23 are unaudited. Formal targets for 2023/24 have not been previously agreed by the Board, so achievement against targets are not presented.

Improving Track Infrastructure

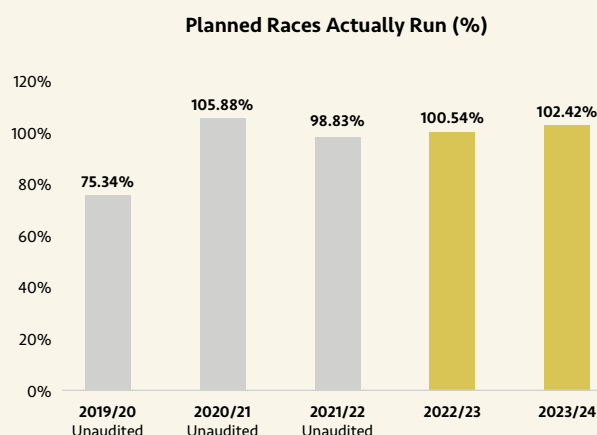
Improving and maintaining track infrastructure is a strategic goal of NZTR because our success requires us having a sustainable network of fit for purpose venues. Maintaining the track surfaces to a high standard will result in us being able to optimise the number of races, reduce chances of abandonments, and improves Thoroughbred welfare.

Measure: Number of races run as percentage of planned races

This is an impact measure as while NZTR control the race meetings and cancellations, race abandonments are often affected by the quality of the track and weather on race day. The result provides an indication of the general track capability across the country to be able to cater for demand and deliver the planned races to be run each year. More races can be run than planned due to a race being split in two to cater for a higher number or general changes to planned scheduling.

Performance results

For this year we have run 58 more races than planned. While we have lost races due to full or partial abandonments, NZTR has generally been able to put on replacement races at a later date. In addition, there has been higher demand for racing opportunities this season with stake increases and as the number of horses looking for starts has increased and additional races have been put on where programming, timing, tracks and funding have allowed. Having the synthetic tracks provides more ability to cope with demand for additional racing, although other track closures due to renovations or reconstructions have at times made this a challenge.

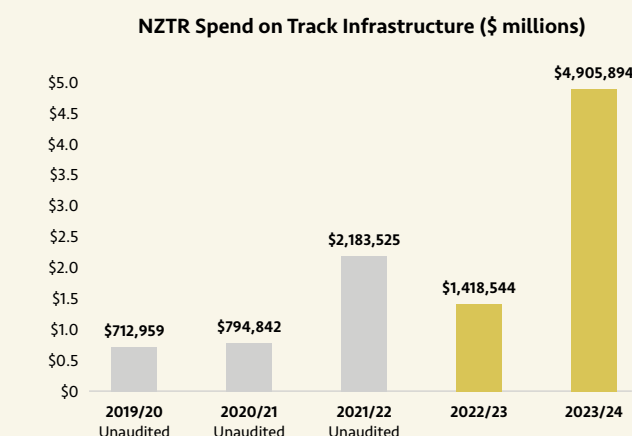


Measure: NZTR spend on tracks

NZTR track infrastructure spend is the amount that NZTR is directly spending on supporting Clubs to improve and maintain their tracks to support track sustainability long-term. This is an output measure as NZTR controls its budget and expenditure. The expenditure excludes amounts spent directly by Clubs on their tracks and infrastructure.

Performance results

The results are showing a pattern of an increased spend in this area, and this will continue to grow with more funds being made available over the coming years. In 2021/22 we had the reconstruction of the Te Aroha Track, and for 2022/23 we have completed the installation of plastic running rails at all racing venues as well as commencing initial work on the reconstruction of the Awapuni Course Proper. 2023/24 includes \$200k capex spend, maintenance of synthetic tracks, and further construction of Awapuni Course Proper.



Wagering and Participation

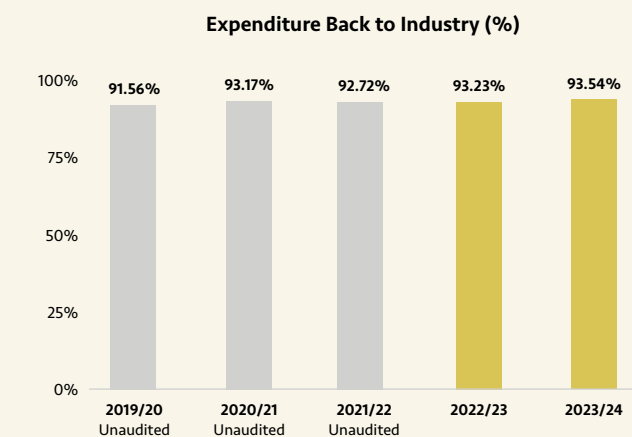
Improved wagering and participation is a strategic goal of NZTR because we are responsible for the promotion and development of the sport throughout New Zealand, and the success of this can be measured by increased participation and increased wagering.

Measure: Percentage of NZTR total expenditure back to the industry

This is significant because NZTR's intention is for the majority of its expenditure to go direct to the industry whether that is directly through Club and industry support, stakes payments, or indirectly by delivering industry specific projects. This pass-through of funding directly increases the wagering and participation rates due to higher quality races being held. This is an output measure as NZTR has control over these budgets and expenditure.

Performance results

These results show that a high proportion of expenditure continues to go back to the industry each year.

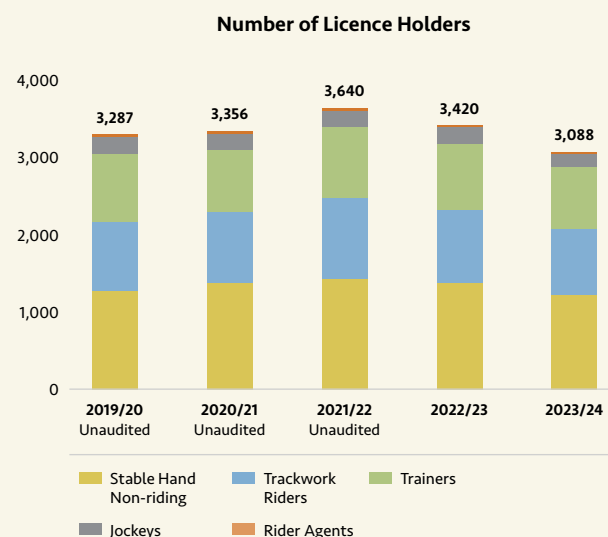


Measure: Number of Licence Holders

This measure shows us how many people are actively involved in the industry. NZTR issues annual licences based on applicants meeting set approval criteria, but this is an impact measure indicating the general participation rates of people working in the industry. Due to the trends in the industry it is expected that some of these licence numbers will reduce over coming years with the move to more bigger training operations (rather than individuals), improved licence standards, and increases in compliance requirements for Licence Holders. The current economic climate and the skilled labour shortages in the industry are also likely to have an impact.

Performance results

NZTR issues annual renewals and approves new licences through a licensing process that includes background checks and suitability assessments. The decline in licences since 2022/23 is due to free renewals offered to all licence holders, regardless of necessity. No free licences were offered in 2023/24. In February 2024, Licensing implemented a new Licensing Policy that aligns with contemporary needs and best practices. This policy updates the rules to enhance clarity and enforcement and establishes a new suitability policy to better assess the qualifications and fitness of licensees. Additionally, with the creation of a new licence database, we will now have an accurate reflection of active licence holders.

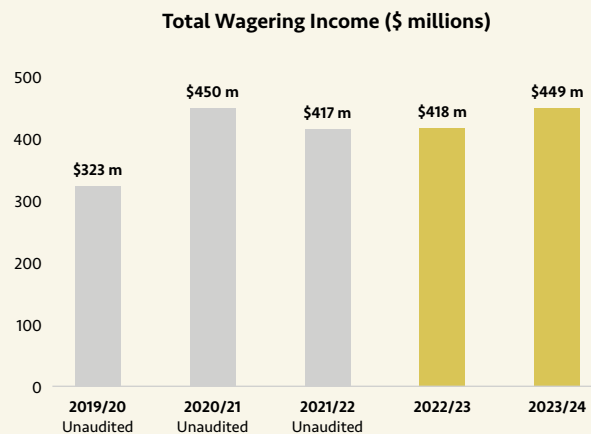


Measure: Wagering Income (from TAB/Entain Reports)

This impact measure shows us the amount of domestic turnover in wagering on Thoroughbred racing, of which all funds are either returned as winnings, re-invested back into the Thoroughbred racing industry, or paid to maintain the operations of the industry including payments to racing Clubs, Trainers, Owners and Jockeys. NZTR controls the number of races, and the general promotion of Thoroughbred racing, but has indirect influence over the total wagering income.

Performance results

Domestic wagering on New Zealand Thoroughbred Racing was up \$30.6m in the 2023/24 season. This was a strong result given current economic conditions and general decline in consumer spending and business confidence. The new strategic partnership with Entain and the lifting in profile of our sport has been a major factor here.



Marketing of the National Sport

Delivery of an overarching marketing and promotional campaign to grow interest and participation in our sport is a strategic goal of NZTR, aiming to engage with all fans, both existing and future fans.

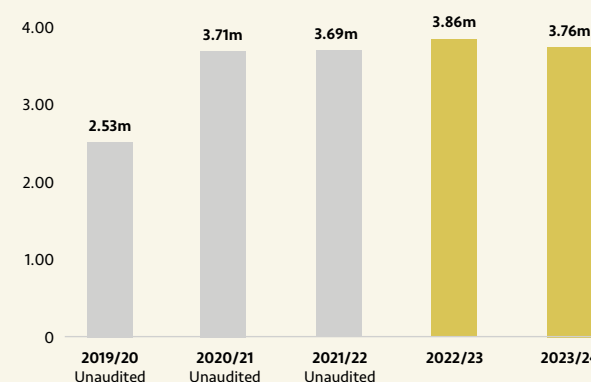
Measure: LOVERACING.NZ website views

This measure is the average monthly number of website page views. It shows us how many times people are engaging with our sport through our website. This is significant as one of our goals is to attract more digitally-savvy and socially connected fans. NZTR has an indirect control over this. Our input is that we promote our website and work hard to deliver a modern, mobile, and responsive fan experience through improved delivery of data, content and media.

Performance results

Central to our marketing strategy is aggregation of audience and driving traffic to LOVERACING.NZ website - through better engagement of current fans, and introducing new ones. Over recent seasons we have had a strong focus on content creation (largely video and editorial) to the extent we have outsourced this activity to a media company (SENZ) to achieve scale and growth. This supports delivery of our content objectives. Therefore, continued growth in website traffic and engagement are all positive indicators of these strategies. We are currently transitioning our digital channels to a new content management system so the reduction in the traffic is indicative of the fact we have our corporate site on a different content management system since mid season.

LOVERACING.NZ Website Views (million/monthly average)



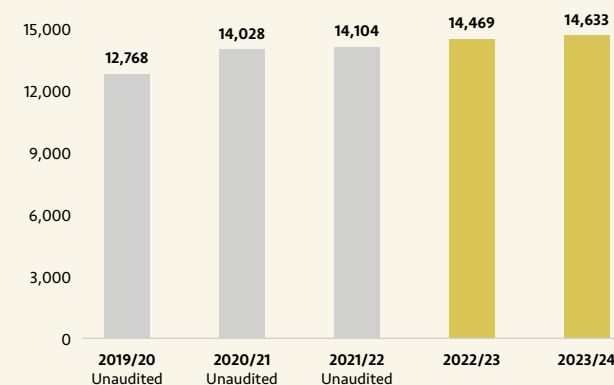
Measure: Number of registered horse owners

This measure aligns to meet our strategic goal of marketing and promotional campaigns to generally support the growth of ownership and syndication models.

Performance results

The results show an increase in the number of registered horse Owners this year from last year. This increase does reflect that more horses are being raced by syndicates, therefore the average number of Owners per horse is increasing. Marketing activity to promote ownership is aligned to this shift towards syndication with promotional campaigns such as 'Share the Thrill' during the New Zealand Bloodstock National Yearling Sales Series.

Number of Registered Horse Owners



Consolidated Statement of Comprehensive Revenue and Expense

For the year ended 31 July 2024

	Note	2024 Actual \$	2023 Actual \$
Revenue			
Racing NZ	3.1.4	126,719,844	90,646,432
TAB NZ Funding		1,836,000	150,000
Entain Funding		750,000	-
NZB Kiwi Slot Race		200,000	-
Raceday fees		1,739,099	926,105
Race programmes and other publications		3,420	6,327
Stud Book		1,325,151	1,401,147
Licence fees		372,958	24,180
Registrations		637,807	549,851
Interest		1,597,484	836,022
Sundry revenue	3.1.3	2,399,617	1,825,393
Total revenue		137,581,380	96,365,457
Less expenses			
Club payments (subsidies and prizemoney)	4.1	110,781,851	86,207,379
Other club and industry support payments	4.2	2,992,175	3,003,235
Race programmes and other publications		58,212	43,200
Ownership, media and communications	4.3	3,804,840	2,864,655
Industry training and development		248,185	176,511
Property and central overheads		811,590	609,813
IT infrastructure and network costs		1,091,184	972,552
Special projects	4.5	1,494,421	1,201,280
Salaries and other staff costs		5,788,639	5,406,060
Infrastructure expenditure	4.6	4,712,733	181,607
Other department costs		958,459	712,646
Sundry costs	4.7	711,567	968,657
Total expenses		133,453,856	102,347,595
Other revenue			
Gain/(loss) on share of investment in associate	4.8	145,614	-
Total surplus/(deficit)		4,273,137	(5,982,138)
Total comprehensive revenue and expense		4,273,137	(5,982,138)

Consolidated Statement of Changes in Equity

For the year ended 31 July 2024

	Note	Accumulated Surplus \$	Infrastructure Reserve \$	Welfare Reserve \$	Sustainable Reserve \$	Total Accumulated Reserves \$
Accumulated reserves as at 1 August 2022		8,246,077	10,000,000	327,925	10,000,000	28,574,002
NZTR surplus/(deficit) for the year ended 31 July 2023		(5,982,138)	-	-	-	(5,982,138)
Transfer from sustainable reserve to accumulated surplus		616,180	-	-	(616,180)	-
Transfer to welfare reserve from accumulated surplus		(281,499)	-	281,499	-	-
Accumulated reserves as at 31 July 2023		2,598,620	10,000,000	609,424	9,383,820	22,591,864
Accumulated reserves as at 1 August 2023						
Accumulated reserves as at 1 August 2023						
NZTR surplus/(deficit) for the year ended 31 July 2024		4,273,137	-	-	-	4,273,137
Transfer to infrastructure reserve from accumulated surplus		(500,000)	500,000	-	-	-
Transfer to accumulated surplus from welfare reserve		20,924	-	(20,924)	-	-
Accumulated reserves as at 31 July 2024		6,392,682	10,500,000	588,500	9,383,820	26,865,002

Consolidated Statement of Financial Position

As at 31 July 2024

	Note	2024 Actual \$	2023 Actual \$
Total accumulated reserves attributable to NZTR		26,865,002	22,591,864
Current assets			
Cash and cash equivalents	2.1	6,256,656	15,886,735
Term deposits	2.1	27,896,096	5,516,372
Trade and sundry debtors from exchange transactions	2.2	645,483	934,695
Trade and sundry debtors from non-exchange transactions	2.2	512,243	57,429
Prepayments		580,087	169,162
Short term loans and advances	2.3	196,127	179,263
Code distribution account	2.2	1,940,827	6,775,815
Total current assets		38,027,518	29,519,471
Less current liabilities			
Trade and sundry creditors from exchange transactions	2.4	4,590,523	4,983,552
Trade and sundry creditors from non-exchange transactions	2.4	-	-
Employee entitlements	9.0	538,232	491,367
Fees in advance		4,190,404	1,136,470
Funds held on behalf of Clubs		2,565,385	-
Funds payable to Apprentice Jockeys	7.3.1	1,468,600	1,189,088
Other provisions	2.4	12,500	22,500
Total current liabilities		13,365,644	7,822,977
Net current assets		24,661,874	21,696,494
Non-current assets			
Property, plant and equipment	6.0	994,543	307,785
Intangibles	6.0	-	-
Work in progress		173,672	-
Investment in Associates		145,614	-
Loans and advances	2.3	889,299	587,585
Total non-current assets		2,203,128	895,370
Net assets		26,865,002	22,591,864

The Financial Statements of New Zealand Thoroughbred Racing Incorporated have been accepted on behalf of the Board of Directors on 23 October 2024.



Russell Warwick
Board Chair



Mike Clarke
Audit and Risk Chair

Consolidated Statement of Cash Flows

For the year ended 31 July 2024

	Note	Actual 31 July 2024 \$	Actual 31 July 2023 \$
Cash flow from operating activities			
Cash was provided from:			
Fees, services and subscriptions from exchange transactions		10,295,787	5,024,755
Receipts from the code distribution and other revenue		136,079,931	93,436,957
Interest income		1,484,367	815,861
		147,860,086	99,277,573
Cash was applied to:			
Payment to suppliers and employees		(19,950,885)	(12,519,713)
Payments to clubs		(113,904,429)	(89,618,461)
		(133,855,314)	(102,138,175)
Net cash flow from/(used in) operating activities		14,004,772	(2,860,602)
Cash flow from investing activities			
Cash was provided from:			
Maturity in term deposits		62,337,108	35,608,174
Repayment of loans		40,543	2,620
		62,377,651	35,610,794
Cash was applied to:			
Purchase of property, plant and equipment		(762,875)	(238,723)
Work in progress		(173,672)	-
Investment in term deposits		(84,716,835)	(23,855,728)
Advance of loans		(359,120)	(73,023)
		(86,012,502)	(24,167,474)
Net cash flow from/(used in) investing activities		(23,634,851)	11,443,320
Net (decrease) / increase in cash held		(9,630,079)	8,582,717
Add opening cash and cash equivalents		15,886,735	7,304,018
Total cash and cash equivalents	2.1	6,256,656	15,886,735

Reconciliation of Operating Surplus to Cash Flows

For the year ended 31 July 2024

	Note	2024 Actual \$	2023 Actual \$
Total surplus/(deficit) for the year		4,273,137	(5,982,138)
Add non-cash items			
Depreciation		76,116	56,946
		76,116	56,946
Movement in other working capital items			
Trade and sundry debtors and code distribution account		4,669,387	2,613,163
Prepayments		(410,925)	193,514
Investment in Associate		(145,614)	-
Trade and sundry creditors		(66,653)	(41,041)
Fees and subscriptions in advance		5,609,321	298,954
		9,655,516	3,064,590
Net cash flow from operating activities		14,004,770	(2,860,602)

Notes to the Consolidated Financial Statements

For the year ended 31 July 2024

The notes to the financial statements include information which is required to understand the treatment, recognition and measurement of the transactions which compile the financial statements, and information that is material and relevant to the operations of NZTR.

The notes to the financial statements are organised into the following sections:

Note 1 – Basis for Preparation

Note 2 – Financial Instruments

- 2.1 Cash and cash equivalents
- 2.2 Trade and sundry debtors and revenue receivable
- 2.3 Club loans and advances
- 2.4 Other financial liabilities
- 2.5 Financial instrument risk
- 2.6 Financial guarantee contracts

Note 3 – Revenue

- 3.1 Revenue from exchange transactions
 - 3.1.1 Registrations, Stud Book, licensing, race programmes and other publications
 - 3.1.2 Interest
 - 3.1.3 Sundry revenue
 - 3.1.4 Racing NZ code distribution and other revenue
 - 3.1.5 Fees and subscriptions in advance
 - 3.1.6 Funds held in Trust revenue

Note 4 – Expenditure

- 4.1 Club payments (subsidies and prizemoney)
- 4.2 Other Club and industry support payments
- 4.3 Ownership, media and communications
- 4.4 Depreciation and amortisation
- 4.5 Special projects
- 4.6 Infrastructure expenditure
- 4.7 Sundry costs
- 4.8 Investment in associates
- 4.9 Related parties

Note 5 – Operating Leases

Note 6 – Property, plant, equipment, and intangible assets

Note 7 – Related parties

Note 8 – Insurance and indemnities

Note 9 – Employee remuneration and entitlements

Note 10 – Contingent liabilities

Note 11 – Infrastructure reserve

Note 12 – Sustainable reserve

Note 13 – Welfare reserve

Note 14 – Capital commitments

Note 15 – Subsequent events

Notes to the Financial Statements

For the year ended 31 July 2024

1 — Basis of preparation

Reporting entity and statutory base

New Zealand Thoroughbred Racing Incorporated (“NZTR”) is an Incorporated Society registered and domiciled in New Zealand. It is a racing code as defined in the Racing Industry Act 2020. Its principal activity is to govern and promote Thoroughbred racing in New Zealand.

The primary objectives of NZTR are to:

- supply Thoroughbred races for entertainment and wagering;
- determine the Thoroughbred code’s business plan, including performance targets and distribution of funds to maximise and sustain financial benefits to the Thoroughbred industry; and
- define, regulate and amend the policies and the Rules of Racing of the Thoroughbred code.

Any equity has been provided with a view to supporting these primary objectives rather than making a financial return. Accordingly, NZTR has designated itself as a public benefit entity for financial reporting purposes.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Tier 1 Public Benefit Entity Standards (PBE IPSAS), which are the New Zealand equivalents of the International Public Sector Accounting Standards (IPSAS) and other financial reporting standards as applicable for Tier 1 not-for-profit entities.

Basis of preparation

These financial statements have been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in exchange for assets.

The Board and Chief Executive consider NZTR as a going concern, that will continue to operate in the foreseeable future.

Accounting policies are selected and applied in a manner that ensures the resulting financial information satisfies the concepts of relevance and reliability.

These financial statements are the consolidated financial statements of NZTR. Consolidation includes the combined results of operations, assets and liabilities of both the General Trust Fund (GTF) and the Apprentice Jockey Fund (AJF).

NZTR and such entities are together referred to in these financial statements as NZTR or the Group.

These financial statements are prepared in New Zealand dollars, which is the functional currency of NZTR and all values are rounded to the nearest dollar.

These financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which include GST invoiced.

Changes in accounting policies

There have been no new accounting policies adopted in the preparation of the Statement of Service Performance or financial statements in the preparation of this Financial Report.

Critical accounting estimates and assumptions

In preparing these financial statements, NZTR has made estimates and assumptions concerning the future. These estimates and assumptions may differ from actual results. The significant estimates and assumptions are as follows:

- **Loans and advances:** The carrying values of the loans and advances assume that no debtor will default on any instalment due and that the guarantee over the loan is equal to or higher than the value of the loan. At balance date the carrying value of the loans was face value plus any capitalised interest.

Taxation

NZTR is exempt from income tax pursuant to section CW 47 of the Income Tax Act 2007.

Specific definitions

Throughout this report specific language is used to refer to industry activity. Some definitions specific to the racing industry are detailed below.

- **Codes:** Codes refers to the racing industry bodies, namely Harness Racing New Zealand Incorporated, New Zealand Greyhound Racing Association Incorporated and New Zealand Thoroughbred Racing Incorporated.
- **Code funding distribution agreement:** The code funding distribution agreement refers to the relevant inter-code agreement between the TAB NZ and the codes via Racing New Zealand. TAB NZ entered into a Strategic Partnering Arrangement in June 2023 for the outsourcing of wagering operations to Entain Australia and New Zealand. TAB NZ receives the wagering funds from Entain, then distributes it to Racing NZ who make distributions to NZTR and the other codes under section 71(2)(b) of the Racing Industry Act 2020.
- **Club funding policy:** The Club funding policy represents the agreed methodology by which NZTR will distribute funds to Thoroughbred Clubs for prize money and other racing activities.
- **Racing New Zealand:** Racing NZ is the consultative forum established by the Racing Industry Act 2020. It represents the codes in negotiations and interactions with other bodies. TAB NZ provides the code distribution to Racing NZ. Racing NZ provides the code distribution to each of the codes.

2 — Financial instruments

NZTR's financial instruments are principally debtors, cash and cash equivalents, short-term bank investments, loans and advances, creditors and employee entitlements.

Financial instrument categories

NZTR classifies its financial assets as financial assets at amortised cost. Financial liabilities are measured at amortised cost.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

At the end of each reporting period, and whenever circumstances warrant, loans and receivables are assessed for objective evidence of impairment. Impairment is considered incurred as a result of one or more events which has an impact on the estimated future cash flows of that asset and can be estimated reliably. Any financial asset impairment loss is recognised through the statement of comprehensive revenue and expense. Impairment is calculated using the expected credit loss model.

2.1 — Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, and call deposits with an original maturity date of less than three months.

NZTR places surplus funds on term deposit with the following objectives;

- to ensure credit risk is minimised as far as possible;
- to ensure liquid funds are available when necessary; and
- to maximise interest revenue.

All NZTR operational bank accounts and short-term deposits are held with ANZ Banking Corporation Limited, which has an AA- credit rating.

All cash or call deposit balances held by NZTR are available for use. The carrying values of cash and cash equivalents approximate their fair values.

The maximum credit exposure over cash and cash equivalents is limited to the carrying value of the cash and call deposits.

	31 July 2024 \$	31 July 2023 \$
Operational bank accounts	37,506	69,991
GST Refund account	144,137	475,901
On call accounts	2,685,096	11,559,036
Short-term deposits	3,000,000	3,000,000
NZTR cash and cash equivalents	5,866,739	15,104,928
Restricted Funds		
Total cash held for Apprentice Jockey Fund	256,123	605,854
Total cash held for General Trust Fund	133,794	175,953
Total cash and cash equivalents	6,256,656	15,886,735
Investments - term deposits for NZTR	25,078,534	3,000,000
Investments - term deposits for Apprentice Jockey Fund	1,591,432	1,356,902
Investments - term deposits for General Trust Fund	1,226,130	1,159,470
Total Term Deposits	27,896,096	5,516,372

Cash balances and term deposits held for the Apprentice Jockey Fund and the General Trust Fund are not available for NZTR operational expenditure. They are held for the explicit purposes expressed in the Rules of Racing.

2.2 — Trade and sundry debtors, and code distribution receivable

Trade and sundry debtors and code distribution receivable are initially recognised at the fair value of the amounts to be received. They are subsequently measured at amortised cost, using the effective interest method, less impairment and expected credit loss.

	31 July 2024 \$	31 July 2023 \$
Trade and sundry debtors		
Trade debtors from exchange transactions	316,991	462,532
Accrued income from exchange transactions	139,987	412,180
Interest receivable	188,505	59,983
	645,483	934,695
Trade debtors from non-exchange transactions	38,497	54,093
GST Receivable	473,746	3,336
	512,243	57,429
Code Distribution Receivable (Racing NZ)	1,940,827	6,775,815
	1,940,827	6,775,815
Total trade and sundry debtors, and code distribution receivable	3,098,553	7,767,939
Aging debtors		
Current	2,712,191	7,608,535
1 - 30 days	135,818	57,557
31 - 60 days	40,223	27,472
61 days +	210,321	74,375
Total trade and sundry debtors, and code distribution receivable	3,098,553	7,767,939

NZTR has reviewed all trade and sundry debtors, and code distribution receivable for collectability. There is an allowance for expected credit loss recognised on trade or other receivables as at 31 July 2024 of \$108,435 (2023: \$146,418). The provision recognises expected credit losses based on debts due that are being actively pursued but are considered doubtful, have been placed with a debt collection agency, or where the debtor has been placed on the Arrears List.

2.3 — Club loans and advances

NZTR has advanced loans primarily to assist Clubs with infrastructure projects. Loans and advances are recognised when the Club becomes party to the contractual provisions of the financial instrument. Loans and advances are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and advances are measured at amortised cost using the effective interest method.

NZTR holds bank guarantees or security over the assets of each Club provided with a loan or advance. The value of assets for which the security rests is in excess of the loan amounts outstanding.

The NZTR Board has determined that the carrying value of the loans materially approximates their fair value as at 31 July 2024.

	Interest rate	31 July 2024 \$	31 July 2023 \$
Short term loans and advances			
Ōtaki-Māori Racing Club Inc.	OCR + 3.5%	196,127	179,263
Total short term loans and advances		196,127	179,263
Non-current loans and advances			
Hawke's Bay Racing Inc.	OCR + 1.5%	271,548	59,867
RACE Inc.	OCR + 1.0%	526,097	527,717
Te Aroha Jockey Club	OCR + 2.5%	91,654	-
Total non-current loans and advances		889,299	587,584
Total loans		1,085,426	766,848

Loans are due to be settled on the following settlement dates:

Ōtaki-Māori Racing Club Inc.	31 October 2024
Hawke's Bay Racing Inc.	3 May 2026
RACE Inc.	1 May 2027
Te Aroha Jockey Club Inc.	8 March 2026

2.4 – Other financial liabilities

NZTR classifies all its financial liabilities as other financial liabilities. Trade and sundry payables are recognised when NZTR becomes obliged to make future payments. Trade and sundry payables are measured at amortised cost using the effective interest method.

Employee entitlement liabilities for annual leave and other contractual payments expected to be settled within 12 months of the reporting date are recognised for employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

	31 July 2024 \$	31 July 2023 \$
Trade and sundry payables		
Trade creditors from exchange transactions	4,590,523	4,983,552
	4,590,523	4,983,552
Other provisions		
International Apprentice Jockey fee refunds	12,500	22,500
Total other financial liabilities	4,603,023	5,006,052

No interest is incurred on trade creditors unless the amounts payable fall overdue. Interest is charged at the discretion of the creditor. NZTR has financial risk management policies in place to ensure all payables are paid within the credit time frame.

2.5 – Financial instrument risks

NZTR's activities expose it to a variety of financial instrument risks, including interest rate risk, credit risk and liquidity risk. NZTR seeks to minimise exposure from financial instruments by not allowing any transactions that are speculative in nature.

2.5.1 Capital risk management

NZTR's capital is its accumulated funds represented by net assets. NZTR manages its equity as a by-product of prudent financial dealings, to ensure that NZTR effectively achieves its objectives and purpose while remaining a going concern.

2.5.2 Interest rate management

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. NZTR's exposure to interest rate risk is limited to bank deposits and term deposits that are held at fixed rates of interest. NZTR manages its exposure to interest rate risk using registered AA rated banks.

2.5.3 Liquidity risk management

Liquidity risk is the risk that NZTR will encounter difficulties in meeting its payment obligations associated with financial liabilities as they fall due. In 2023/24, NZTR's revenue was primarily received from Racing NZ. The draw on this distribution is managed by monitoring forecast racing events and actual cash flow requirements. Adequate cash reserves of liquid short-term deposits are maintained to satisfy anticipated capital expenditure and committed infrastructure projects.

All trade and sundry payables are due within one month.

2.5.4 Credit risk management

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to NZTR. NZTR invests surplus funds with registered AA rated banks.

In the normal course of business NZTR is exposed to credit risk from cash and term deposits with banks, receivables, and financial instrument assets. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

There is an inherent credit risk for loans and advances made to Thoroughbred racing Clubs. NZTR holds sufficient mortgage or guarantee security over all loans and advances, which are reviewed on a regular basis.

	31 July 2024 \$	31 July 2023 \$
Cash and cash equivalents	6,256,656	15,886,735
Term Deposits	27,896,096	5,516,372
Receivables	3,098,552	7,767,939
Loans	1,085,426	766,848
Total financial instruments	38,336,729	29,937,894

2.6 – Financial guarantee contracts

2.6.1 New Zealand Bloodstock Insurance Pearl Series (The "Scheme")

The NZB Insurance Pearl Series is a bonus scheme for NZ-bred fillies and mares. The Scheme paid out \$1,388,000 in bonuses in the 2023/24 Season and more than \$6.0 million over the last 11 seasons. Each horse nominated for the Scheme has been eligible to run in around 240 races over their two, three, four and five-year-old racing careers. From the 2023/24 season, Entain and TAB NZ have contributed \$2,000,000 to the Scheme for four seasons. The Scheme has been designed to benefit Owners, Trainers and Breeders of fillies and mares running in New Zealand and is available in all regions of the country. All bonuses are cumulative, which means a horse can win multiple bonuses throughout her racing career.

549 fillies and mares are registered as at 31 July 2024 (2023: 304). NZTR has a contingent liability of \$1,388,000 (2023: \$1,376,900) should the entrance fees from fillies and mares registering for the Scheme be below the value of the bonus scheme.

3 — Revenue

NZTR is primarily funded through distributions from the Racing NZ, raceday fees, registration and licencing fees.

Under the current suite of accounting standards, PBE IPSAS 9 and IPSAS 23, revenue is required to be classified as either revenue from exchange transactions or revenue from non-exchange transactions in the statement of comprehensive revenue and expenses. All major classes of revenue are separately disclosed in the statement of comprehensive revenue and expenses and are further detailed in the notes below.

Revenue is measured at fair value of consideration received.

3.1 — Revenue from exchange transactions

NZTR's sales of goods or services are classified as exchange transactions. The specific accounting policies applicable to NZTR's exchange transactions are as follows:

3.1.1 Registrations, stud book, licensing, nominations, acceptance and scratching fees, racing programmes and other publications

Revenue is recognised once the service has been provided which is either at the time of invoicing or when a payment is made for goods/services. One-off receipts are recorded under sundry revenue in the statement of comprehensive revenue and expenses. Registrations, Stud Book, raceday fees, licensing fees, racing programme subscriptions and other publications are disclosed separately.

3.1.2 Interest

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

3.1.3 Sundry revenue

Sundry revenue is recognised once the service has been provided or liability of the goods has passed. Sundry revenue is made up of the following receipts.

	31 July 2024 \$	31 July 2023 \$
FastTrack Insurance - Sponsorship	25,347	40,989
Late payment fees	26,524	30,000
IT - Database Sales	31,128	38,288
PITO Apprentices revenue and service fees	88,900	86,510
International Student revenue	4,477	7,804
Fines	120,252	81,061
Welfare levy	968,601	845,158
Gain on sale of assets	3,739	-
Bad debts recovered	6,008	1,333
Pearl series	360,025	247,325
Other	764,616	446,923
Total sundry revenue	2,399,617	1,825,393
Sundry revenue from exchange transactions	1,310,764	899,173
Revenue from non-exchange transactions	1,088,853	926,220
	2,399,617	1,825,393

3.1.4 Racing NZ code distribution and other revenue

Revenue is recognised pursuant to section 71(2)(b) of the Racing Industry Act 2020. The total distribution is a combination of domestic profit, export and import earnings as per the code funding distribution agreement. This revenue is recognised as an exchange transaction, as NZTR supplies its racing product to TAB NZ in exchange for its share of the code distribution.

The breakdown is as follows:

	31 July 2024 \$	31 July 2023 \$
Tabcorp Export	8,361,987	8,040,412
Corporate bookmaker	11,876,626	11,961,804
Imported & Sport Profit	49,380,038	32,192,449
Imported Duty	3,761,630	3,940,970
Imported and sport profit and duty	53,141,668	36,133,418
Domestic Profit	50,660,933	31,806,139
Domestic Duty	2,678,630	2,704,658
Domestic profit and duty	53,339,563	34,510,797
Total Funding Recognised from RNZ	126,719,844	90,646,432

Pursuant to Section 19 of the Racing Act 2020, each racing code is responsible for the distribution of funding to the Clubs in line with its funding policy. Expenditure is recognised when payments are made to Clubs (funding) and stakeholders (prize money). At balance date payments that have not been made are accrued for.

3.1.5 Fees and subscriptions in advance

Fees and subscriptions in advance are funds that are received for services or goods that have not yet been delivered. If revenue is received before the services or goods are rendered, then it is recorded as a liability and recognised as revenue over the period for which the services or goods are delivered.

3.1.6 Funds held in Trust

Trust Revenue earned by the Apprentice Jockey Fund and General Trust Fund is not available for NZTR operational expenditure.

3.1.7 Funds held on behalf of Clubs

Funds held on behalf of Clubs is not available for NZTR operational expenditure.

4 — Expenditure

NZTR reports its comprehensive revenue and expenses and financial position by function. The following tables outline the expense by nature within each function. Depreciation is charged on the basis of asset utilisation. Employment costs are charged on the basis of actual time incurred.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

4.1 — Club payments (subsidies and prizemoney)

	31 July 2024 \$	31 July 2023 \$
Prize money	93,528,343	69,590,228
Club funding	17,253,508	16,617,151
Total club payments (subsidies and prize money)	110,781,851	86,207,379

4.2 — Other club and industry support payments

	31 July 2024 \$	31 July 2023 \$
St John Ambulance	550,806	548,116
Track and surface maintenance programme	546,263	785,750
Industry grants	176,615	264,479
Thoroughbred welfare	1,040,563	606,602
Participant welfare	73,753	176,733
Rider concussion testing and helmets	87,440	80,832
Club liability insurance	134,400	134,572
Compensation for abandoned meeting costs	281,832	389,740
Club HR support	47,282	-
Club health and safety support	52,500	-
Other support	721	16,411
Total other club and industry support payments	2,992,175	3,003,235

4.3 — Ownership, media and communications

	31 July 2024 \$	31 July 2023 \$
Advertising	199,074	491,388
Travel and accommodation	30,871	50,122
NZME	44,646	59,158
Ownership Strategy	18,737	26,269
Preview Comments	296,417	56,465
Public Relations	66,311	628
Thoroughbred Horse of the Year Awards	9,741	93,457
Events services	-	29,037
The Grand Tour Racing Festival	1,669,420	914,899
NZB Kiwi Slot Race	180,153	-
Other	4,100	24,103
	2,519,470	1,745,526
Digital Media Content	1,285,370	1,119,129
Total ownership, media and communications	3,804,840	2,864,655

The expenditure on Ownership, Media and Communications was \$3.8m (2023: \$2.9m). The increase was primarily due to a larger spend for The Grand Tour Racing Festival due to its growing success. Additionally, marketing and promotional costs for the new NZB Kiwi Slot Race initiative have been incurred in 2024. The preview comments were brought inhouse, offset by the decrease in general advertising spend.

4.4 — Depreciation and amortisation

	31 July 2024 \$	31 July 2023 \$
Furniture, Office Equipment and Motor Vehicles	6,972	12,976
IT Hardware	22,809	28,913
Infrastructure Equipment	38,269	15,057
Leasehold Improvements	8,066	-
Total depreciation and amortisation	76,116	56,946

4.5 – Special projects

	31 July 2024 \$	31 July 2023 \$
The net cost included in special projects are:		
Central Districts Club Hub Project	-	109,811
Awapuni Reconstruction	-	145,550
Venue Rationalisation	418,997	128,855
Website development	93,484	-
IT strategy & roadmap	57,960	-
IT system development and support	633,612	817,065
International marketing agreements	30,036	-
Other	260,332	-
Total special projects	1,494,421	1,201,280

Additional funding received from Racing NZ and other sources to support the costs of the majority of special projects are reported under 3.1.3 sundry revenue, 3.1.4 Racing NZ code distribution, and funding from other sources for infrastructure projects.

Single National System is the project which began in 2019/20 to upgrade NZTR's racing system using Racing Australia's administration system.

4.6 – Infrastructure expenditure

	31 July 2024 \$	31 July 2023 \$
Track management	187,500	103,729
Awapuni construction	4,407,486	16,221
Track improvements	79,475	-
Hawke's Bay Feasibility	-	61,657
Track equipment depreciation	38,272	-
Total infrastructure costs	4,712,733	181,607

These totals differ from the Track Infrastructure spend in the Statement of Service Performance, due to some expenditure being classified elsewhere in the financial report, such as Property, Plant and Equipment, and Special Projects.

4.7 – Sundry costs

	31 July 2024 \$	31 July 2023 \$
Board and Member's Council expenses	29,429	44,556
Board fees	223,713	255,102
Diligent board books	3,000	5,337
Legal fees	167,029	182,194
Audit fees	62,547	60,293
Bad and doubtful debts	(36,630)	63,818
Professional services	40,950	200,992
Annual general meeting and club conference	49,869	-
General expenses (including GTF and AJF)	171,659	156,365
Total sundry costs	711,566	968,657

Audit fees of \$62,547 have been recognised for the audit by Deloitte Limited of NZTR's annual financial report (2023: \$60,293). Other services of \$22,680 have been provided by Deloitte in relation to taxation services and scrutineering of the New Zealand Thoroughbred Horse of the Year Awards (2023: \$18,025).

4.8 – Investments in Associate

NZ Thoroughbred Racing has adopted PBE IPSAS 35 and 36 in preparing these financial statements.

NZ Thoroughbred Racing has acquired a one-third share of OnTrack Racing Limited (40 of 120 total shares) during the 2024 financial year. NZ Thoroughbred Racing will measure the investment using the net equity method.

An associate is an entity over which the investor has significant influence. Investment in OnTrack Racing Limited is accounted for in the NZ Thoroughbred Racing financial statements using the net equity method of accounting. Under the net equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group share of the change in net assets of the entity after the date of acquisition. The group share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

If the share of deficits in the entity equals or exceeds the interest in the entity, the group discontinues to recognise its share of further deficits. After the group interest is reduced to zero, additional deficits are provided for and a liability recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of the deficits not recognised.

a) General information

Name of entity	Principal activities	Interest held at 31 July 2024	Balance date
OnTrack Racing Limited	Mental health and wellbeing	33.33%	31 July

b) Carrying amount of investment

	31 July 2024 \$	31 July 2023 \$
Opening balance	-	-
Share of joint venture surplus/(deficit)	145,614	-
Closing balance	145,614	-

c) Summary of NZ Thoroughbred Racing's interests in OnTrack Racing Limited (33.33%)

	31 July 2024 \$	31 July 2023 \$
Current assets	170,584	-
Non-current assets	3,381	-
Current liabilities	(28,352)	-
Non-current liabilities	-	-
Net assets	145,614	-
Revenue	335,238	-
Expenses	189,625	-
Share of surplus/(deficit) of joint venture	145,614	-

4.9 — Related parties

Ownership

NZ Thoroughbred Racing (NZTR) is the governing body for Thoroughbred horse racing in New Zealand. NZTR is an incorporated society in terms of the Incorporated Societies Act 2022. The Constitution of NZTR determines the composition, selection and duties of its Board of directors. This is supported by a Board Charter and a Board Code of Conduct.

Identity of related parties

NZTR has a related party relationship with OnTrack Racing Limited.

Transactions with the OnTrack Racing Limited are priced on an arm's length basis.

OnTrack Racing Limited

OnTrack Racing Limited is a company, established in January 2024 and owned equally by the three Racing codes being NZ Thoroughbred Racing Inc, NZ Greyhound Racing Association Inc, and Harness Racing NZ Inc. OnTrack Racing Limited is a charitable organisation committed to advancing mental health and suicide prevention in New Zealand's racing industry.

As at 31 July 2024, OnTrack Racing Limited had total assets of \$521,897 and total liabilities of \$85,055.

During the year NZTR received \$22,290 from OnTrack Racing Limited for reimbursement of expenses. NZTR incurred expenses from OnTrack Racing Limited of \$4,812 for services provided.

As at 31 July 2024 NZTR owed OnTrack Racing Limited \$3,757 and OnTrack Racing Limited owed NZTR \$13,540.

No dividends have been received from OnTrack Racing Limited.

The Group's investment in OnTrack Racing Limited has been accounted for as an Investment in Associate using the net equity method.

5 — Operating leases

An operating Lease is a lease that does not substantially transfer all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

The lease of 18 Dick Street, Cambridge commenced on 23 August 2023 with 2 x 5 years rights of renewal and a final expiry date of 23 August 2038. The lease of Level 3 of 106-110 Jackson Street, Petone expires on 31 October 2024.

The following commitments are based on the current lease terms.

	31 July 2024 \$	31 July 2023 \$
Lease on premises		
Up to 1 year	128,047	161,806
1 to 5 years	337,233	13,892
Total minimum lease payments	465,280	175,698

There are no leases held by either the Apprentice Jockey Fund or the General Trust Fund.

6 — Property, plant, equipment and intangible assets

6.1 — Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight-line basis. This allows the cost of each asset to be allocated over its expected useful life, and to its estimated residual value. Depreciation is recognised within the applicable function in the statement of comprehensive revenue and expense. The estimated useful life, residual values and depreciation methods are reviewed at the end of each period.

— Office equipment	8.33% - 20.00%
— Motor vehicles	33.33%
— Computer hardware	33.33%
— Racecourse equipment	10.00%
— Leasehold improvements	6.67% - 8.33%

Any gain or loss on disposal, which is calculated as the difference between the net proceeds from disposal and the carrying amount of the item, is recognised in the statement of comprehensive revenue and expense within the function holding the disposed asset.

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent, if any, of the impairment loss recognised in the statement of comprehensive revenue and expense.

6.2 — Intangible assets

NZTR develops specialised software for its own use in the business. The cost of internally generated software comprises all directly attributable costs necessary to create and prepare the asset to be capable of operating in the manner intended by management.

Computer software and website development is a finite life intangible asset and is recorded at cost, less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life of three or five years and is recognised within the statement of comprehensive revenue and expense.

Any gains or losses on disposal, which is calculated as the difference between the net proceeds from disposal and the carrying amount of the item, is recognised in the statement of comprehensive revenue and expense within IT infrastructure and network costs.

The carrying amounts of intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication of impairment exists, then the asset's recoverable amount is estimated to determine the extent of recognition in the statement of comprehensive revenue and expense.

**Property, plant, equipment and intangibles
As at 31 July 2024**

Cost	Office equipment \$	Motor vehicles \$	Computer hardware \$	Racecourse equipment \$	Leasehold improvements \$	Intangibles \$	Total \$
Balance at 1 August 2023	26,622	188,660	166,529	454,831	-	2,310,547	3,147,189
Additions	55,262	-	41,722	247,892	418,191	-	763,068
Adjustments (WIP)	-	-	-	-	-	-	-
Disposals	-	(31,814)	(1,921)	-	-	-	(33,735)
Balance at 31 July 2024	81,884	156,846	206,331	702,723	418,191	2,310,547	3,876,522
Accumulated depreciation							
Balance at 1 August 2023	21,029	185,229	139,282	183,317	-	2,310,547	2,839,404
Depreciation expense for the year	4,805	2,167	22,809	38,269	8,066	-	76,116
Asset reclassification	-	-	-	-	-	-	-
Disposals	-	(31,620)	(1,921)	-	-	-	(33,541)
Balance at 31 July 2024	25,834	155,775	160,171	221,586	8,066	2,310,547	2,881,979
Net book value							
Balance at 31 July 2024	56,050	1,071	46,160	481,137	410,125	(0)	994,543

**Property, plant, equipment and intangibles
As at 31 July 2023**

Cost	Office equipment \$	Motor vehicles \$	Computer hardware \$	Racecourse equipment \$	Leasehold improvements \$	Intangibles \$	Total \$
Balance at 1 August 2022	643,357	188,660	280,059	197,431	-	4,473,514	5,783,021
Additions	2,524	-	5,597	284,700	-	-	292,821
Adjustments (WIP)	-	-	-	-	-	-	-
Disposals	(619,259)	-	(119,127)	(27,300)	-	(2,162,967)	(2,928,653)
Balance at 31 July 2023	26,622	188,660	166,529	454,831	-	2,310,547	3,147,189
Accumulated depreciation							
Balance at 1 August 2022	634,128	124,314	229,496	195,560	-	4,473,514	5,657,012
Depreciation expense for the year	6,160	6,816	28,913	15,057	-	-	56,946
Asset reclassification	-	-	-	-	-	-	-
Disposals	(619,259)	54,099	(119,127)	(27,300)	-	(2,162,967)	(2,874,554)
Balance at 31 July 2023	21,029	185,229	139,282	183,317	-	2,310,547	2,839,404
Net book value							
Balance at 31 July 2023	5,593	3,431	27,246	271,514	-	(0)	307,785

7 – Related party transactions

As part of its normal operations, NZTR transacts with Thoroughbred racing Clubs and Thoroughbred kindred bodies across New Zealand. These transactions include receipt of levies, prizemoney, and other fees and the administration of the NZTR code distribution from Racing NZ.

7.1 – Board

All members of NZTR's Board (or their immediate families) may have interests in Thoroughbred racing in New Zealand through ownership, breeding or training. All members of the Board may race horses and be eligible for prize money from Thoroughbred racing Clubs.

In accordance with NZTR's Constitution a person is not eligible for appointment to the NZTR's Board if they are a licensee as per the NZTR Rules of Racing, or a member of the Members' Council, or a Trustee of a gaming trust, or a member of a Committee or an employee of a Club, racing association or any of the racing codes.

In the financial year, no services were purchased by NZTR from businesses owned or operated by NZTR Board members.

7.2 – Board members and key management personnel

Key management personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of NZTR. In addition to the members of the NZTR Board, the following employed positions are considered key management personnel and form the executive team:

- Chief Executive Officer
- Chief Operating Officer
- Head of Funding and Analytics
- Head of People and Culture
- Head of Marketing, Communications and Wagering Partnerships
- Head of Finance
- Head of IT
- Head of Legal and Compliance

As at 31 July 2024, the NZTR Board comprised seven members (2023: seven members).

The remuneration of Board members and other key management personnel during the financial year were as follows:

	31 July 2024 \$	31 July 2023 \$
Board members' fees	223,713	255,102
Remuneration and other short-term employee benefits	1,704,480	1,472,739
Total Board members and key management personnel	1,928,193	1,727,841

7.3 – Other related parties

NZTR entered into transactions during the period with the following related parties:

7.3.1 Apprentice Jockeys' Fund

The Apprentice Jockeys' Fund (AJF) was established under Rule 1310 of the Rules of Racing and is managed by the NZTR Chairman and Chief Executive as part of NZTR's broader operations. The purpose of the fund is to hold income earned from an Apprentice Jockey until such time as they finish their apprenticeship. The aim is for an Apprentice to finish their apprenticeship with financial backing to ensure they are suitably funded when they become a self-employed Jockey. Payments to Apprentice Jockeys are made during the term of their apprenticeship for living costs and additional riding costs not covered by their employer.

Revenue and expenditure recognised through the statement of comprehensive revenue and expenditure consists of interest received and bank fees.

7.3.2 General Trust Fund

The General Trust Fund (GTF) was established under Rule 1301 of the Rules of Racing to financially support licencees when they become injured as a result of an accident while carrying out duties in their capacity as a licencee or, in some instances, where serious illness prevents their ability to carry out duties in their capacity as a licencee. Funding for the GTF is provided from NZTR's broader operations, including an allocation to the GTF of fines paid to NZTR.

Revenue and expenditure recognised through the statement of comprehensive revenue and expenditure mainly consists of interest received, bank fees, and grants disbursed to licenced persons.

7.3.3 New Zealand Thoroughbred Racing Clubs

While Thoroughbred racing Clubs are not related parties by interpretation of accounting standards, it is acknowledged that NZTR has provided loans and advances to Thoroughbred racing Clubs during the year. Details relating to the terms and outstanding balances of Club loans are disclosed in note 2.3.

7.3.4 TAB New Zealand

TAB NZ began on 1 August 2020. Its primary purpose is to promote the racing industry and maximise the proceeds of wagering for the benefit of the racing industry, comprising the Thoroughbred, Harness and Greyhound racing codes. TAB NZ charges NZTR with associated industry operating costs such as IT, shared property costs, broadcast services and venue services. TAB NZ has outsourced the majority of its operations to Entain Australia and New Zealand under a Strategic Partnering Arrangement that was signed in June 2023.

8 — Insurance and indemnities

NZTR provides Board member and officers' liability, statutory liability and professional indemnity insurance cover in respect of liability for losses or costs being incurred by a member of the Board or an employee of NZTR in the course of their duties to NZTR. NZTR indemnifies employees in respect of liability for loss or costs they incur in the course of their duties to NZTR provided that they have acted in good faith and in accordance with internal processes and practices.

NZTR holds a suite of liability insurance products on behalf of racing Clubs. These include professional indemnity, internet liability, crime liability, employment disputes, legal prosecution defence, general liability, statutory liability, employers' liability and associations' liability insurances. Clubs are advised to maintain their own insurance over property, plant and equipment.

9 — Employee remuneration and entitlements

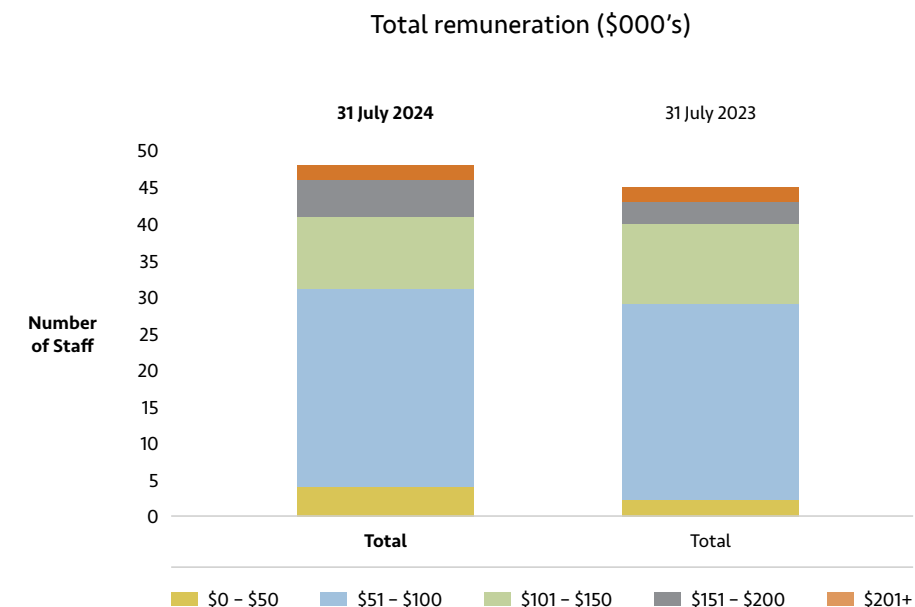
Provision is made for entitlements accruing to employees in respect of wages and salaries, annual leave and retirement entitlements when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee entitlements expected to be settled within twelve months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

	31 July 2024 \$	31 July 2023 \$
Annual leave	268,032	240,791
Accrued remuneration and entitlements	270,200	250,575
Total employee entitlements	538,232	491,367

As at balance date there were 48 permanent or fixed term staff members employed by NZTR (2023: 45).

	31 July 2024			31 July 2023		
	Total	Male	Female	Total	Male	Female
Petone office	12	6	6	24	12	12
Cambridge office	33	12	21	16	7	9
In field	3	2	1	5	3	2
	48	20	28	45	22	23



10 — Contingent liabilities

A contingent liability is a potential liability that may occur, depending on the outcome of an uncertain future event. A contingent liability is recorded if the contingency is likely, and the amount of the liability can be reasonably estimated.

There is a contingent liability of \$1,388,000 (2023: \$1,376,900) should the entrance fees from fillies and mares registering for the Pearl Series fall below the value of the bonus.

10.1 — Infrastructure reserve contractual agreements

There are no outstanding contractual agreements (2023: \$Nil).

11 — Infrastructure Reserve

The Infrastructure Reserve represents funds set aside for establishment of upgraded facilities to improve the operation of Thoroughbred racing in New Zealand.

12 — Sustainable Reserve

The Sustainable Reserve was set up in 2021/22 so that funds can be set aside for future investment in the racing industry.

13 — Welfare Reserve

The Welfare Reserve was set up in 2021/22 to record any collected but unspent Welfare Levy.

14 — Capital commitments

There are no capital commitments that will materially affect the financial report (2023: Nil).

15 — Subsequent events

There were no significant events subsequent to balance date.

Acknowledgements

The Rt Hon Winston Peters,
Minister for Racing

The Office of the Minister for Racing
Racing New Zealand

Entain Australia and New Zealand

TAB New Zealand

TAB Trackside

Harness Racing New Zealand

Greyhound Racing New Zealand

Department of Internal Affairs

The Racing Integrity Board

Accident Compensation Corporation

Ministry of Primary Industries

Equine Branch, New Zealand Veterinary
Association Massey Foundation

Massey University

The New Zealand Equine Health
Association

New Zealand Equine Research
Foundation

New Zealand Jockeys' Association

New Zealand Police

Hato Hone St John

New Zealand Pattern Committee

New Zealand Qualifications Authority

New Zealand Racing Laboratory
Services Ltd

New Zealand Horse Ambulance Trust

New Zealand Salvation Army

New Zealand Thoroughbred Breeders'
Association

New Zealand Thoroughbred Marketing Ltd

New Zealand Thoroughbred Racehorse
Owners' Federation

New Zealand Trainers' Association

New Zealand Equine Education Trust

Racing Club Presidents, Committees,
Managers, Administration, and Track staff

New Zealand Bloodstock

Staff of TAB and Trackside

Asian Racing Federation

International Federation of Horseracing
Authorities

Tertiary Education Commission Muka
Tangata – People, Food and Fibre
Workforce Development Council

Te Pukenga & Primary ITO

WorkSafe New Zealand

The International Forum for the
Aftercare of Racehorses

International Stud Book Committee

Racing journalists, photographers,
and broadcasters

Members' Council

Royal New Zealand Society for the
Prevention of Cruelty to Animals
Incorporated





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