



AUCKLAND TROTTING CLUB
ANNUAL REPORT
2024



CONTENTS

NOTICE OF ANNUAL GENERAL MEETING	2
PRESIDENT'S REPORT	4
BOARD OF DIRECTORS	6
GOVERNING STATEMENT	8
RACING REPORT	10
2023-24 WINNERS GROUP 1, 2, 3 & LISTED	12
2023-24 TRACK RECORDS	14
FRANKLIN PARK	16
BUSINESS OVERVIEW	17
SPONSORSHIP	18
OUR SPONSORS	19
PROPERTY REPORT	20
PROPERTY DEVELOPMENT	22
FINANCE REPORT	24
STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 31 JULY 2024	27
DIRECTORY	30
FINANCIAL STATEMENTS	31
INDEPENDENT AUDITORS REPORT	60
MEMBERS 2023-24	62

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF MEMBERS OF THE AUCKLAND TROTTING CLUB INC. WILL BE HELD:

DATE: Tuesday 3 December 2024

TIME: 6:00pm

VENUE: Tasman Room, Alexandra Park Raceway, Epsom

BUSINESS:

1. To receive the report of the Board, consider and adopt the Financial Statements and receive the Auditor's Report for the year ended 31 July 2024.
2. To elect Directors. This year, there is one director to be elected.

The following nominations have been received for elected Director positions:

Bruce Hadley

Courtney Ann MacKinnon

Stephen William Waters

Jeremy Matthew Young

As the number of nominated candidates exceeds the number of vacant elected Director positions (one), an election will be conducted by ballot.

The President shall declare the successful candidate at the AGM.

3. To consider and set the annual remuneration for the Board pursuant to clause 11.13(a) of the Constitution.
4. General Business



Jamie MacKinnon

PRESIDENT

8 November 2024



PRESIDENT'S REPORT



JAMIE MACKINNON

With another year behind us that had its challenges, it's pleasing to report that the club has measured up well and as the accounts will confirm we ended the financial year with an EBITDA of \$1.7 million before extraordinary items and one-off costs.

The Board and Management have focused on fixing and resolving many of the issues which have dogged the club for some years and with most of these now settled and in the rear window we can look forward to focusing on growth and developing some of the projects that we have had in the pipeline for some time.

Key to our planning will be the settlement of the sale of the Franklin Park training centre and as of writing this report we are still a month away from this date. Recent communication with the purchasers suggests that there is potential for a delay to this settlement due to geopolitical events out of China. Members will be updated at the AGM.

The past year has seen the biggest shake up to the administration and funding of harness racing in the history of our sport. A new governance model has been introduced that provides for a new Board of Directors at Harness Racing NZ from 19 October 2024 and it is hoped that this will lead to the rebuilding of the harness racing industry.

The influence of Entain needs to be recognised. When they arrived on the scene early last year and eventually inking a deal with the TAB in June 2023, much was promised. Harness racing was in the doldrums, directionless and losing ground against the other two racing codes, then along comes Entain. Many were sceptical, it seemed too good to be true, however, they have delivered. They have invested heavily in all racing codes and for harness not only have we benefited from financial support but also

their strategic guidance to assist us with building a positive future.

There can be no doubt that the optimum time for harness racing to be held at Alexandra Park is Friday night. We have traditionally been a Friday night club yet certain people in HRNZ management saw it differently and last year we were allotted just 19 Fridays. Entain has supported the ATC Board's view that if you can't connect with the largest population base in New Zealand then you will forever remain a cottage industry. Auckland now has 43 Friday race dates this season.

Entain are also responsible for the current "Look North" promotion which is designed to encourage horses from outside of our region to race here with the lure of \$16,000 heats and \$35,000 finals every couple of weeks for the lower to mid-grade horses. Whilst this is taking it's time to gain traction there are some green shoots appearing with horses from both the South Island and Australia filling local stables.

Another initiative designed to attract more horses to race more often at Alexandra Park is the ATC created and funded Golden Gait. Essentially this is a loyalty programme which rewards regular participation and performance with points. Horses who earn the most points will qualify to line up in 10 x \$100,000 races on 20 December 2024. Currently 312 horses have registered in the programme which has exceeded our expectations, and we look forward to our million-dollar Golden Gait race night.



It is pleasing to report the reinstatement of the Auckland Christmas Carnival culminating with running of the Trillian Trust Auckland Cup and the Peter Breckon National Trot on New Year's Eve. There is also the addition of a newly created Group 1 trotting mares race to be known as the TAB Queen of Diamonds. This is the only Group 1 trotting mares race held in New Zealand and will be run on 12 December 2024, partnering our Group 1 pacing mares race the Woodlands Queen of Hearts on the same night.

To operate any business successfully quality management is paramount to achieving the best results. Good management is a combination of competent people who are empowered to make good decisions. On behalf of the Board, I would like to thank the Management of our club and the staff who work under them for the way they have diligently performed their tasks. We are no longer just a racing club but a club that has many revenue streams across multiple assets and it is our team of people who pull together to manage these assets that make the difference. Well done team, another good year.

I would like to acknowledge the support from our loyal sponsors who stand by the club through good and the not so good times. Getting our race dates back was not just a boost for our owners, trainers and drivers but it helps us to deliver the exposure required for our sponsors who stuck by the club and never complained when the race dates were down. Thank you all and I encourage members to please give support to our sponsors whenever an opportunity arises.

So, what does the future look like? What can members look forward to in the next 12 months? Much will be dictated by the numbers. Not that I'm going to take you on a pathway in numerology but the growth in numbers will underpin the performance of the club.

We need to build the interest in harness racing, the knock-on effect being that it will build participation across all parts of the business including membership of our club. The Board has a plan for the ATC to play an important role in this and a plan will be presented to members at the AGM.

The number of mares being bred across New Zealand has hit critical levels and we may not be at the lowest yet. The number of foals registered last year was 1317, compare this with 2149 ten years ago and 3199, 20 years ago. Not that this is something the ATC can control but the knock-on effect is less racehorses in the years to come at a time when there is already a battle to fill the fields at Alexandra Park.

This is a real issue for all of harness racing and for reasons already mentioned we are working closely with HRNZ and Entain to attract more participants to the Auckland region.

Our business model has performed well in an economy not conducive to positive results. All our tenancies are leased, the Alex, TAB and Gaming are all contributing positively to the bottom line and with most of the historical issues that the club has been caught up in resolved, the future looks bright.

In closing I would like to thank our Board for having the courage and business nous to support the decisions that we have needed to make this year. Well done team, I can't promise that it will be any easier this coming year, but we are well equipped to handle whatever challenges come our way.

Jamie



BOARD OF DIRECTORS



JAMIE MACKINNON
PRESIDENT

Jamie is Managing Director of Olympic Swiss Watches.

Jamie represents the Auckland Trotting Club on the Sires Stakes Board and of various HRNZ sub committees. He has been attending race meetings at Alexandra Park for more than 50 years and has been a member for 36 years.

Actively involved in breeding and racing a number of horses, Jamie has been fortunate to own or part own a number of well performed horses including Blazing Spirit, Kliklite, Maheer Lord, Cyclone Prince, Elios, Party On, Mataderos, Kiss And Run.

Jamie is determined to lead the club to a better future, retiring debt, increasing stake money and driving positive outcomes for members and all stake holders.



LEN OUGHTON
VICE PRESIDENT

Len was appointed to the Board in January 2020 following being a Race Night Steward for the previous four years and retired as a Financial Adviser in 2023. Len is a longtime member of the Auckland Trotting Club and is very passionate about Harness Racing and the future of our Club.

Through his association with Barry Purdon, Len has raced some very good horses Sky Major, Maxim, Jack's Legend and currently races Halberg, Always B Elite and Meant To Be.

Len has completed a Company Directors Course at the Institute of Directors New Zealand.



SCOTT PLANT

DIRECTOR

Scott has been a director of ATC over two periods of time. One of 4 years and now the current period has been for 5 years. Scott has bred and raced standardbreds in partnership with Steve Stockman of Stonewall Stud for many years. It has been a turbulent time for Directors, Management, Staff and club members since the property development began. Everything is going as planned, the club's debts will be cleared before the coming AGM and the energy and money spent following this will be focused on running and growing the club.

As the current Chairperson of the ATC Racing Committee, it's fantastic to have Entain's logistical and financial assistance to help us in achieving our objectives.



ROBERT DUNN

DIRECTOR

Robert Dunn is the trainer for Diamond Racing which operates stables from Pukekohe in Auckland and Woodend Beach in Canterbury.

Robert's successful career spans over 30 years and he is a two-time premierships winner. He has trained over 1,500 winners, including the New Zealand Cup, Dominion Handicap and Rowe Cup.

Serving as a Director of both The Auckland Trotting Club and Harness Racing NZ, Robert was recently inducted into The Addington Harness Hall of Fame and is also a member of the Caduceus Club Hall of Fame. Over the years, Robert has served on the Standardbred Breeders Association and the Trainers and Drivers Association.

Robert is totally committed to the Auckland Trotting Club and having continuity with its racing dates is essential along with racing on as many Friday's as possible.



SHAUN BROOKS

INDEPENDENT DIRECTOR

Shaun is an experienced professional director and senior financial executive who has worked in CFO and general management positions across New Zealand, Australia and Asia.

Shaun was previously the CFO of the Racing Industry Transition Authority (previously NZRB), a position he held for five years encompassing strategic, operational and financial leadership for the business. He is currently an independent consultant and advisor with clients across multiple industries and has held the position of Non-Executive Director on the Board of Harness Racing New Zealand.



GOVERNING STATEMENT

ROLE OF THE BOARD

The Board is the governing body of the club and is responsible for overseeing the club's operations, ensuring that its business is carried out in the best interests of the Members and stakeholders.

ETHICAL STANDARDS

All Board members, Management and staff are required to adopt standards of conduct which are ethical and comply with all legislative requirements. The national Racing Integrity Unit has set compliance standards with which the club's activities need to comply.

MANAGEMENT LIMITS OF AUTHORITY

The Board has delegated the day-to-day management of the club to the Senior Leadership Team. There are in place specific limits on the ability of the Management to incur expenditure, enter contracts, or acquire or dispose of assets without Board approval.

The Club's Constitution also impose restrictions on the Management and Board which preclude the sale of freehold land and limit borrowings which are secured by mortgage over land owned by the Club without the prior approval of Members.

In addition, Harness Racing NZ Inc has the authority to impose certain national standards with which the club needs to comply.

STRATEGY

The Board's specific responsibility is to approve strategic plans for the club and its business units and approve and review the:

ANNUAL BUDGETS

THE CLUB'S ACCOUNTS

CODES OF CONDUCT

OVERSEE RISK MANAGEMENT

ACQUISITIONS, DIVESTMENTS AND FUNDING

COMPLIANCE – HEALTH AND SAFETY, INTERNAL & LEGAL COMPLIANCE

REMUNERATION OF THE MANAGEMENT TEAM & STAFF

MAJOR CAPITAL EXPENDITURE



STRATEGIC REVIEW

Each year the Board and Management develop and approve a Business Plan/Budget which identifies opportunities and challenges for development, risks associated with the club's operations, funding requirements and resources.

MANAGEMENT REPORTING

Management is required to report to each monthly Board meeting in sufficient detail to enable the Board to assess progress against annual budgets, strategic goals and major projects.

In addition, Management reports detail of compliance with legislative requirements such as health and safety.

COMMITTEES

Members of the Board are allocated positions on the following committees:

RACING COMMITTEE

AUDIT AND FINANCE COMMITTEE

REMUNERATION COMMITTEE

ATTENDANCE AT BOARD MEETINGS

J MacKinnon	12/12	L Oughton	12/12
R Dunn	9/12	S Plant	12/12
R Croon	5/6	S Brooks	10/12

RACING REPORT

KAREN BLANCHARD
RACING DIRECTOR



As the Racing Director it is my pleasure to share the Auckland Trotting Club's racing performance for the year 1 August 2023 to 31 July 2024.

How different the Northern harness racing landscape looks from this time last year when writing this report which is looking backwards and there is so much to look forward to moving forward.

Auckland Trotting Club last racing season had a mixture of both Thursday and Friday night meetings for its 32 allocated race dates.

On Friday 22 September we held the Spring Cup race night which also sees the first Group 1 race of the season the Caduceus Club 2YO Fillies Classic which was won by Coastal Babe who is trained at Pukekohe by Steven Reid and driven by Matthew White.

Then at the Alexandra Park Christmas carnival, in mid-December we saw the Group 1 Woodlands Stud Queen of Hearts taken out by Steve and Amanda Telfer trained Aardies Express. This training combination making it back-to-back wins in this feature race for the fillies and mares.

The Twilight New Years Eve race meeting saw Don't Stop Dreaming trained by Mark and Nathan Purdon win the Lincoln Farms Franklin Cup and then Majestic Horse Floats Greenlane Cup for the trotters taken out by Resolve trained by John Dickie.

Racing at Alexandra Park on New Years Eve is a great way to end the year and as usual was supported by locals and visitors alike.

With the National Yearling Sales being held at Karaka on

Sunday 18 February the NZBS Harness Millions races for the 3YO Pacing Fillies & 3YO Pacing Colts & Geldings were held at Alexandra Park on the Friday night prior.

Coastal Babe showing her dominance winning the 3YO fillies race trained by Steven Reid and driven by regular pilot Matthew White. Chase A Dream was the winner of the 3YO colts and geldings race. Chase A Dream is trained by Mark and Nathan Purdon and on this occasion was driven by Natalie Rasmussen.

Friday 22 March, we held the club's second Premier race night of the season featuring the first Young Guns heats and 3YO Group 1 glory with the running of the Pascoes The Jewellers Northern Oaks and Woodlands Stud Northern Derby.

The first Group 1 to be run was the Pascoes the Jewellers Northern Oaks was won by All You Need Is Me trained by Cran & Chrissy Dalgey and driven by their son Carter Dalgety. All You Need Is Me is owned by Charles Joseph Limited which is the racing entity name for Paul and Mary Kenny and family who are great supporters of the ATC.

Straight after the Oaks we ran the Woodlands Stud Northern Derby who was won by Cold Chisel for the powerful combination of Barry Purdon and Scott Phelan trained and driven by Zachary Butcher giving them back-to-back success in this race.

Racing took a break at Alexandra Park and the



attention turned to the Night of Champions at Cambridge Raceway. We were back at the "Park" on Friday 26 April with the Dawson Harford Taylor Mile which was won by Mach Shard being an upset winner paying \$155.00 for the win and driven by Junior Reinswoman Crystal Hackett for the Purdon / Phelan Racing Stables. Mach Shard obviously was right in the zone as he went on to win the Dawson Harford NZ Messenger the following Friday.

In the trotting ranks after winning the TAB Trot Slot race we were fortunate to have Australian Champion Just Believe starting in and winning the Lone Star Lyell Creek Stakes, Peter Breckon Memorial National Trot and the Reharvest Rowe Cup.

It was a privilege to witness such an awesome display of trotting by this super horse who is trained by Jess Tubbs and driven by Greg Sugars. His travel mate on this trip Better Eclipse wasn't to be out done as he went on to win the Trillian Trust Auckland Cup.

As well as the above mentioned also through this April and May period Auckland Trotting Club hosted several other Group, Listed and Age Group races.

For the 2YO's firstly we had the Gallagher Insurance Delightful Lady Classic Young Guns Fillies final which was won by Youretheonethatiwant driven by Scott Phelan and trained by Scott and Barry Purdon.

In the 2YO Boys Young Gun final we saw Cyclone Jordy victorious in the Breckon Farms Cardigan Bay Stakes. Cyclone Jordy was trained by Tate Hopkins giving him his first Group 1 winner and was driven by David Butcher in this race.

In late April the 3YO trotter Paramount Kiwi won the

Harness Millions 3YO Trot. He was trained and driven by Mathew White.

Then mid-May we saw the running of the NZSS 3YO Trot Championship which was won by Empire City for her local owners however she is trained by Phil Williamson in Oamaru and was driven by Ricky May.

For the 2YO trotting division we ran the IRT Young Gun Trotters which was taken out by Higher Power trained by Barry Purdon and Scott Phelan and driven by Scott.

Also run on this night was the Magness Benrow NZSS 3YO Pacing Fillies race which was won by Duchess Megxit trained in the Purdon / Phelan barn and driven by Zachary Butcher.

The Open Feature Races on this evening were the HR Fisken and Sons ANZAC Cup which was won by Muscle Mountain and the Roy Purdon Memorial who was won by American Me. Both horses trained in Canterbury although they both have ownership shares in the Northern region.

Then Friday 24 May was Auckland Cup night where we saw Insinglemoment win the Breckon Farms Northern Trotting Derby for driver Tony Cameron. His boss Tony Herlihy trains this lovely trotting filly for owners Suzanne Herlihy and Chanelle Lawson.

That wraps up the Premier and Feature Meetings for the season at Alexandra Park where in total there were 31 meetings held and 282 races run and won.

We would like to offer our congratulations to all those winning connections of the 282 races held at Alexandra Park and thank you to all the other connections whose horses didn't win a race at our course but did support the club to get these races off the ground.



2023-24 WINNERS GROUP 1, 2,3 & LISTED OVERALL PERFORMANCE

The Club returned over \$6.6 million in prize money to the industry participants and had a wagering turnover of \$21,587,162.00 at the ATC race meetings throughout the year.

From 1 August 2023 to 31 July 2024 there were a total of 282 races run at Alexandra Park's 31 race nights which was down by 9 races from previous season. We were blessed not to have any major disruptions during the year and with 2409 starters going to the post gave the ATC an average field size of 8.5 runners. The Club's average turnover per starter sat at \$8.9k and we finished the season with a GBR of 18.0%.

The Club returned over \$6.6 million in prizemoney to the industry participants and had a wagering turnover of \$21,587,162.00 at the ATC race meetings through the year.

2023 ATC TRAINERS & DRIVERS PREMIERSHIP WINNERS Finished 31 December 2023

ROY PURDON ALEXANDRA PARK TRAINER OF THE YEAR

MICHELLE WALLIS & BERNIE HACKETT

29 wins

30 seconds

35 thirds

PETER WOLFENDEN ALEXANDRA PARK DRIVER OF THE YEAR

ZACHARY BUTCHER

29 wins

23 seconds

23 thirds

ALEXANDRA PARK JUNIOR DRIVER OF THE YEAR

CRYSTAL HACKETT

19 wins

18 seconds

20 thirds

PRIZEMONEY	RACE NAME	HORSE NAME
2023-24 GROUP 1 WINNERS		
\$250,000	Trillian Trust Auckland Cup	Better Eclipse
\$200,000	Woodlands Stud Northern Derby	Cold Chisel
\$200,000	Reharvest Rowe Cup	Just Believe
\$150,000	Magness Benrow NZ Sires Stakes 3YO Filly Championship	Duchess Megxit
\$110,000	Caduceus Club 2YO Fillies Classic	Coastal Babe
\$110,000	Woodlands Stud Queen of Hearts	Lady Of The Light
\$110,000	Pascoes The Jewellers Northern Oaks	All You Need Is Me
\$110,000	Dawson Harford Taylor Mile	Mach Shard
\$110,000	Peter Breckon Memorial National Trot	Just Believe
\$110,000	Dawson Harford NZ Messenger Championship	Mach Shard
\$110,000	Breckon Farms Northern Trotting Derby	Inasinglemoment

2023-24 GROUP 2 WINNERS

\$110,000	Breckon Farms Young Gun Cardigan Bay Stakes	Cyclone Jordy
\$95,000	Caduceus Club Ladyship Stakes	All You Need Is Me
\$70,000	Gallagher Insurance Delightful Lady Classic	Youretheonethatiwant
\$70,000	IRT Sires Stakes Trotters Championship	Empire City
\$60,000	Lincoln Farms Franklin Cup	Don't Stop Dreaming
\$60,000	Alabar Classic	Cold Chisel
\$60,000	Auckland Co-op Taxis 300-3000 City of Auckland FFA	Don't Stop Dreaming
\$60,000	Lone Star Lyell Creek Stakes	Just Believe
\$60,000	HR Fisken & Sons Anzac Cup	Muscle Mountain

2023-24 GROUP 3 WINNERS

\$40,000	Caduceus Club Northern Breeders Stakes	Aardie's Express
\$30,000	Thames Goldfields Summer Cup	Miki Shan
\$40,000	Majestic Horse Floats Greenlane Cup	Resolve
\$40,000	HR Fisken & Sons Northern Trotting Breeders Stakes	Jasinova
\$40,000	Lincoln Farms The Founders Cup	Kango
\$40,000	What The Hill at Woodlands Northern Trotting Oaks	Empire City

2023-24 LISTED WINNERS

\$200,000	NZB Standardbred Harness Million 3YO C&G	Chase A Dream
\$150,000	NZB Standardbred Harness Million 3YO Filly	Coastal Babe
\$75,000	NZB Standardbred Harness Million 3YO TROT	Paramount Kiwi
\$50,000	Roy Purdon Memorial	American Me



2023-24 TRACK RECORDS

**At Alexandra Park we had 6 track records
from 1 August to 31 December 2023.**

For the seven months from 1 January to 31 July 2024 there were 3 more track records giving the season a tally of 9 records with 2 of these from the pacers and the other 7 being trotting records. There were 3 National records amongst these.

A big thank you to our ATC Track Manager Moroni who does a splendid job of preparing the track for the Club's race nights.

TRACK RECORDS

PACERS



COASTAL BABE
TRACK & NATIONAL
20092023 – 2YO Filly
Mobile – 2200m - 2.39.5



BETTER KNUCKLE UP
TRACK – 10/11/2023 – 2YO C&G
Mobile – 1 Mile - 1.53.3



TROTTERS



REGAL GIRL

TRACK – 10/11/2023 – 3YO Filly
Mobile - 1 Mile – 1.57.9



PARAMOUNT KIWI

TRACK – 14/09/2023 – 2YO C&G
Mobile - 1700m – 2.07.0



PARAMOUNT KIWI

TRACK – 19/04/2024 – 3YO C&G
Mobile - 1700m – 2.07.4



AARDIE'S PEAK

TRACK & NATIONAL
22/09/2023 – 3YO Filly
Stand - 2200m – 2.47.7



ALL CASHED UP

TRACK & NATIONAL
22/03/2024 – Open
Stand – 2700m – 3.22.6



IN A SINGLE MOMENT

TRACK – 24/05/2024 – 3YO Filly
Mobile 2700m – 3.23.7



LEVI

TRACK – 10/11/2023 – 2YO C&G
Mobile - 2200m – 2.48.6



FRANKLIN PARK

Franklin Park Training Centre is a 96-acre harness racing training complex in Pukekohe.

There are three training tracks and various barns around the site with between 160-200 horses trained on these tracks each day. These numbers fluctuate depending on the time of the year and the visiting trainers that are stabled in Pukekohe for the carnival racing in the North.

Franklin Park also offers weekly trials and workouts for all the horses trained in the Northern region.

This training complex is a vital part of the Auckland Trotting Club's daily operation to support Alexandra Park in its position of the Premier Harness track in the North Island.

Acknowledgement:

Thank you to Track Manager Graham Bayley and his team Greg Shirley, Tim Brosnan and Alan Nicolson who are dedicated in their preparation of the three tracks to ensure the best possible surfaces for the horses to work on each day as well as for those attending the weekly trials and workouts. The team also take care of all the grounds as well as the repairs and maintenance of the site.

There have been numerous challenges this past year for the team at Franklin Park due to various ageing infrastructure not performing up to the requirements needed to operate the facility. The team has undertaken the necessary projects to keep the affected infrastructure operational.

The next project lined up is doing the main track re-surface which was scheduled for early September however due to the weather patterns this has pushed back until early October.

With the weekly workouts and trials now being held on a Thursday due to a change in the Northern Region racing pattern the horse numbers are averaging between 30-40. We thank Ngaire Gordon, all the volunteers and ATC staff that contributed to the running of these so efficiently.

\$6.6
MILLION
PRIZE
MONEY

\$21.5
MILLION
WAGERING
TURNOVER

31
MEETINGS

282
RACES

4
LISTED
RACES

\$8.9K
TURNOVER
PER STARTER
AT ALEXANDRA
PARK

11
GROUP
ONE
RACES

2023-24
**BUSINESS
OVERVIEW**

9
GROUP
TWO
RACES

6
GROUP
THREE
RACES

\$8.3
MILLION
EXPORT
TURNOVER

AVERAGE
FIELD SIZE
8.5

2409
STARTERS

GBR/TO%
18.0%



SPONSORSHIP

Auckland Trotting Club would like to extend our sincere gratitude to all our Corporate Partners and Sponsors for your commitment right across the 2023-24 season as collectively you have contributed to the success of our harness racing and annual events programme.



Special acknowledgement goes to our major Corporate Partners who are the backbone of Alexandra Park's sponsorship. These organisations are Woodlands Stud, IRT, Breckon Farms, Alabar, Lincoln Farms, Dawson Harford and TAB / Entain.

In what has been a tough economic climate, we thank each Corporate Partner, Sponsor, and supporter for being an essential part of our journey. We trust that you have enjoyed, and benefitted from your business relationships with our club and we look forward to you continuing to be involved with us no matter how big or small your involvement.

Auckland Trotting Club is proud of the ongoing support that it receives from all these groups year-on-year with a special mention to those that have been on board for the last two to three decades.

From the Auckland Trotting Club a big thank you to those who contributed to the 2023-24 season at Alexandra Park.



OUR SPONSORS

Alabar (NZ) Ltd
 Anchor Wire
 Auckland Co-op Taxis 300-3000
 Balle Bros
 Beijer Ref
 Bettabuilt
 Blackmore Virtue & Owens
 Blue Light
 Border Fencing Services
 Breckon Farms
 Caduceus Club
 Classique Landscapers
 Coca-Cola
 Commercial Realty Property
 Management
 Construction Software
 Daily Freight
 Dawson Harford Limited
 Davies International
 Dayaveg
 Dunstan Horse Feeds
 Franklin Vets
 Gallagher Insurance
 Garrards Horse and Hound
 Gourmet Transport
 Grand Park Restaurant
 Grove Mega Mitre 10
 Harnesslink

H.R. Fiskens & Sons Ltd
 HRNZ
 Hydroflow Distributors
 IRT
 Jacobsen Headstones
 Jarvis Trading
 Lala Patel & Associates
 Lewins Electrical
 Lincoln Farms
 Lion Nathan
 Lone Star Alexandra Park
 Kitchen Things
 Mangere Lawn Cemetary
 Magness Benrow
 Magness Sound
 Magness Video
 Majestic Horse Floats
 Metalcraft Roofing
 Narva
 Nevele R Stud
 New Zealand Bloodstock
 Standardbred
 NZ Standardbred Breeders
 Association
 NI Trainers & Drivers Association
 NI Standardbred Breeders
 Association
 NZ Onion Co.

NZIOB
 NZ Staff
 Obex Medial
 Olympic Swiss Watches
 Pascoes The Jewellers
 Pipe and Infrastructure
 Powell Transport Ltd
 Primor Produce
 Projecta
 Pukekohe Travel
 Ray White Real Estate Papatoetoe
 Reharvest
 Rodewald Consulting
 Southern Cross Partners
 Superior Cabins
 TAB / Entain
 Thames Harness Racing Club
 The Alex Bar & Eatery
 The Box Seat
 The Gem Journey
 The Green Family
 The Rising Foundation
 The Rising Hawaii – Wahine Toa
 Trillian Trust
 Woodlands Stud
 Vero Wero
 100% Appliances



PROPERTY REPORT

JOHN FARRIER
PROPERTY MANAGER

Alexandra Park offers an extraordinary opportunity to create a comprehensive racing, sporting and entertainment precinct.

Racing activities will continue to dominate character with the track as the central focus however complementary activities add to a compelling mix of uses. The Blues, Auckland Rugby and Sport Auckland provide sporting emphasis alongside the Alex, Gaming Room and TAB. Grand Park restaurant is supplementary fit with patrons supporting and adding character to gaming activities. This mix provides energy and vibrancy. Introduce Entain and the future is ATCs to shape. Development of residential apartments and retail uses adds to the dynamic even though the market is currently flat. Substance and desirability of the location is unchallenged.

The Property team is committed to maintaining the physical environment at the same time as providing revenue contribution, building relationships and responding to development challenges. Revenue is achieved through tenancy rentals & parking, both annual lease parking & show receipts. Property generated \$3.1m in revenue, the same as last year. ASB event parking added welcome return along with Park 'n' Ride concerts and TeWhatu Ora Campbell Crescent lease where transfer to the Showgrounds end is proposed for improved Clinical Centre access through 223 Green Lane West.

Property provides broad range of functions in relation to buildings, grounds and services with maintenance of buildings and hard-standing areas an ongoing challenge. Delayed commencement of the Parkview development is useful from parking perspective but the long-term position needs to be

addressed where shortfall is evident. Trackside member parking has been restored in the interim prior to full demolition of the Epsom Stand which eventually reinstates access around the end of the Centennial Stand. A prospective Parkview display suite portacom can become the catalyst to rationalisation from Gate B entry to the portecochere. Once development commences Gate D could be lost with contractor access, plant and material deliveries.

Relocation of the Swab Box within the Stables was precursor to horse containment improvements resulting in fenced area for transporters and floats with horse lead-in laneway separated from pedestrian and car lanes. Uneven access has been remediated whilst recovered track material is spread over the containment area for welfare purpose. Automatic gates ensure closure should a horse become loose. Gates are also positioned between the Manukau Road boundary and Stables to contain Kidz Kartz. Involvement by Jay Abernethy following public complaint about sediment discharge at Campbell Crescent was exceptional.

Brian Quinn selflessly returned from an unfortunate injury to steer event parking. Unflappable composure under pressure of roading congestion requires a special character which Brian has in spades. Parking contribution confirms demand will ultimately be forced to infield location as signalled by Rod Croon. It is essential to future-proof patron and commercial parking requirements.



Roll-up crossings can cushion vehicular and pedestrian movements without capital expense of tunnels. Long-term objective must be replacement of metal halide track lighting with LED fittings. Peak load usage and efficiency confirm logical direction subject to infrastructure grant or sponsorship.

NZ Racing Safety Development Fund grant application for resurfacing track at Franklin Park was supported by John Denton but initially declined due to national funding shortage. This has been re-submitted in the following round along with a towable grader application, we did not proceed with the replacement track lamp application. Retrospective application for recovery of flood damage reinstatement costs at Alexandra Park was accepted. Supply of shell by McCallum Bros on hold pending appeal to the Environment Court for consent to dredge material. Currently HRNZ recommend use of masonry sand blended with prior mix although this is subject to constant inward drift. Alternatives are under review.

Welcome benefit from the increased racing programme although restructure of track and grounds team was necessary to ensure skilled staff continually available for preparation and grooming. Moroni Akaiti has maintained the track to a consistent and high standard with overview by John Denton, HRNZ Tracks Manager, in association with assistance from Scott Phelan and Jay Abernethy. Klodjan Dundo has been introduced to cover leave, sickness and other potential circumstances. Individual responsibility and adherence to protocols without interference are key ingredients to performance.

Nine track records were set over the past twelve months with three being national records.

Fernz Catering has relocated operations to Top of the Park whilst continuing to provide race-night services. Partial demolition of the Epsom Stand created water-tightness issues in Tasman Room back-of-house areas where agreed reconfiguration is the responsibility of Parkview. Alterations to suit uses will be accommodated as necessary. Potters Church has outgrown the Rutherford Room although finding new premises with parking is their current mission. Auckland Rugby seeks to consolidate at Alexandra Park with transfer of staff from Eden Park; this may lead to a second playing field.

Character of the Property Team is manifest in long-serving contribution by Ane Tatafu, House-keeping Supervisor, who works tirelessly and passionately with wry humour supporting others. Paul Giaccon has responsibility for driving deferred building maintenance. In-house Security has been extended to provide 24/7 cover due to ongoing increased anti-social behaviour following Covid lockdown and neighbourhood accommodation. Kevlar vests are now standard security issue throughout Auckland. Gaming Room occupation and TAB activity is closely monitored although neighbouring commercial tenants have encountered similar unwelcome activity. Isolated incidents are dealt with and should not detract from social opportunity or undermine potential.



PROPERTY DEVELOPMENT

MARK ALLAN
PROPERTY DEVELOPMENT DIRECTOR

The 2023-24 reporting period could be described as a **STOP=GO** environment or alternatively as a “Game of two Halves” for property investment and hospitality/retail activities at Alexandra Park Living (APL).

During the first half, the combination of multiple interest rate increase impacts, arbitrary government policy changes, along with unprecedented challenges to safe operating environments for Retailers helped to create a ‘hesitancy mindset’ and low morale for many communities. Investors, consumers and owners alike hedged their bets on the outcome of the October elections.

The prevailing hostile economic environment impacted on confidence levels as well as the timing of planned tenant fitout programmes already in the pipeline at APL. Meanwhile, established customers generally experienced very soft trading condition combined with challenging cost-push inflationary pressures on most of their costs.

In keeping with the earlier post Covid period, ATC continued to focus on open communication and collaboration with our existing customers to proactively work together to mitigate many challenges at the trading level. Every effort was made to keep existing fitouts on track

whilst supporting those about to enter the fitout development pipeline.

The election resulted in a new coalition government who immediately set about creating more favourable conditions for investment in property, as well as taking urgent steps to reduce Government spending, reduce bureaucracy, cancel property market distorting regulations/legislation and declare NZ “Open for business”.

The positive impacts of these changes were immediately felt. Property investor sentiment and consumer confidence started to turn notwithstanding high interest rates and increasing unemployment levels along with difficult trading conditions.

ATC customers in turn picked up on the changing sentiment and adopted a more optimistic approach which a sense of urgency to **now** complete the remaining fitouts that were experiencing delays.



ATC ACHIEVED TWO SIGNIFICANT MILESTONES DURING THE YEAR IN REVIEW

AT THE PARKVIEW ON CORNWALL DEVELOPMENT SITE

Gleneagles Parkview activated a key stage of the long-term development pathway (Master Plan) during April 2024. Over a three-month period, the iconic Epsom Stand (1923) was progressively deconstructed/demolished. Clearing the area adjacent to and connected to the Centennial Stand as well as preserving access to the trackside parking area is a critical element in establishing the large scale and longer-term Residential Towers (5) bordering Green Lane West and the Epsom Balconies (1) at trackside. ATC continues to closely monitor and review all aspects of these developments to ensure they are compatible with agreements and what has been delivered at Alexandra Park Living.

AT ALEXANDRA PARK LIVING RETAIL LEASING

All (100%) of the leasable properties at the development are now let.

At Building A this includes Fresh Choice, Oxygen Gym and Limitless Recovery.

At Building B this include Lone Star, Joe's Garage, 5 Star Nails, Physio Correct, Property Ventures, Vivo, Doruma Ramen, Games Lab, One Tree Buffet, Harcourts and Nan Hot Pot. Harcourts Real Estate and Nan Hot Pot are in the final stages of completing their fitout and expect to be open for last quarter 2024.





FINANCE REPORT

BRENT WARREN

GM FINANCE AND COMMERCIAL OPERATIONS

The 2023-24 financial year has seen the Club take some big steps forward to resolving a number of historical issues and set the Club on the path to a stable and sustainable future.

Whilst the Club is reporting a \$13.3 million net deficit this year, this includes \$6.8 million in interest costs, \$5.4 million in investment property revaluations, \$1.2 million in depreciation expense and \$1.4 million in accrued expenses. At an operational level, after removing these non-cash or one-off items, the Club has produced an EBITDA surplus of \$1.7 million (2023: \$1.0 million).

As at July 2024 the Club had net assets of \$93.4 million. This includes \$76.6 million of borrowings from our funder Westpac New Zealand Ltd. These borrowings are due to be repaid in full once the Franklin Park, Pukekohe land sale settles. This land sale has become unconditional and is due to settle in the coming months. As the debt is due to be repaid within 12 months, it is classified as a current liability whereas the book value of assets being sold are significantly less than this debt which will result in a significant gain on sale in next year's financial statements. However, this means the Club technically has a \$54.5 million negative working capital position as at July 2024. This situation does not impact the Club's ability to finance its immediate operational needs, and the negative working capital position will be eliminated once the Pukekohe sale is completed.

PROPERTY

A major milestone was achieved in November 2023 when the Club signed an agreement for the final

remaining tenancy at 223 Greenlane West Road. All fourteen tenancies have now been leased with the latest tenants undertaking fit outs at their respective tenancies and are due to open for business prior to Christmas 2024. The Club's investment properties are now beginning to deliver a solid, stable, long-term source of income for the Club.

The sale of the Franklin Park facility has gone unconditional with a full \$10 million deposit received. The remaining \$90 million of the sale price is expected to be settled in late 2024. Both the deposit and much of the remaining sale proceeds will be used to extinguish the Club's outstanding debt leaving approximately \$9 million for reinvestment. The Club will then enter a leaseback agreement with the purchaser to enable training and operations to continue for up to a further two years at this facility.

Regulars to Alexandra Park will have noticed the partial demolition of the Epsom Stand this winter which has made way for the commencement of further development works by Gleneagle Parkview on their land. The Club is working closely with Gleneagle Parkview on their development plans to ensure we both achieve a mutually beneficial outcome from the development. Full demolition of the remaining part of the Epsom stand along with Tasman Room services reinstatement will occur later next year.



The Club has also established a secure fenced area for horses loading and unloading at Alexandra Park adjacent to the Blues area. Whilst this area has been used for the same purpose for many years now, the possibility of a horse becoming loose and potentially exiting onto Greenlane West or Manukau Roads was a significant risk for the Club. This risk has been minimised as best possible now and brings the Club into line with horse containment at other facilities around the country.

The Club is required to revalue its land and investment properties every financial year for financial reporting purposes. The Alexandra Park land has been revalued downwards by \$1.3 million (to \$103.2 million) and the investment properties of the Club downwards by \$5.4 million. The main drivers of this revaluation are the tough economic conditions prevailing, market interest rates at heightened levels and the Auckland property market seeing reduced sale activity. It should be noted that these annual valuations do not represent any cash outflows or inflows for the Club and are valued at a point in time.

COMMERCIAL OPERATIONS

The Alex Bar and Eatery has performed well this year in spite of the hospitality industry at large coming under severe pressure as a result of the cost-of-living crisis and tough economic conditions which have seen many establishments, including iconic brands, close. The team have worked hard to offer a great customer experience to both our regulars, members and those new to Alexandra Park.

The gaming room continues to be one of the strongest and most resilient sources of income for the Club.

A major review of our gaming offering was undertaken through the year to ensure we are maximising and delivering the best outcomes for our patrons and the Club. Six new machines were introduced to refresh the offering, and these have proven very popular. The Club remains committed to providing a safe and secure form of entertainment for our patrons in keeping with our social responsibility to identify and approach people who display problem gambling attributes and assist in a proactive but sensitive manner in line with new gaming legislation introduced in late 2023.

Full year TAB revenues have far exceeded budget which is a great credit to the team running the branch. Our branch is by far the largest TAB in the country (by turnover) and continues to offer a quality service.

LOOKING AHEAD

The key financial focus for the Club in the near future is the settlement of the Pukekohe sale and clearing away the remaining debt. This will allow the Club to move forward without the shackles of funding costs and close this chapter. There are a number of exciting projects in the wings which may now be possible once the debt is extinguished.

We are also excited to be delivering the first Golden Gait finals event in December where horses will be racing for \$1 million in stakes on 20 December 2024.

I would like to recognise and thank all of the staff within the business who provide an integral service to both members and the public. The teams at The Alex, Gaming and the TAB have made this year a successful one and we look forward to a stable and successful future.

**CONSOLIDATED
GENERAL PURPOSE
FINANCIAL REPORT**
FOR THE YEAR ENDED
31 JULY 2024

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 JULY 2024

AUCKLAND TROTTING CLUB INCORPORATED

PURPOSE

Auckland Trotting Club Inc. ("The Club") is a Harness Racing club that also operates in the Gaming, Wagering, Hospitality and Property sectors. The aim of the Club is to reinvest the profits from its commercial operations to promote, support and grow harness racing in the wider Auckland Region.

STRUCTURE

The Club is governed by a Board of Directors who are responsible for overseeing the club's operations and ensuring that its business is carried out in the best interests of its members and stakeholders. The board has five elected Directors and one (but no more than three) appointed Directors. Election of Directors takes place at the annual general meeting of the Club (the terms of which are detailed in the Club's constitution). All elected Directors must be members of the Club. The appointed Director(s) must not be a member of the Club but is appointed by the elected Board members, having due regard to the necessary professional skills and experience required by the Board.

The Board sets the strategic direction of the Club and ensures strategic programs are developed and then implemented. The Board has delegated the day-to-day management of the Club to a Management team who carry out all operational aspects of the Club. There is a delegated authority framework in place for the Management team to follow dictating expenditure, new contracts and asset acquisition / disposal levels without Board approval. The Club's rules also impose restrictions on both the Management and the Board which preclude the sale of freehold land and limit borrowings which are secured by mortgage over land owned by the Club without the prior approval of members. In addition, Harness Racing New Zealand Inc. ("HRNZ") has the authority to impose certain national standards with which the club needs to comply.

Each year the Board and Management develop and approve a business plan and annual budget which identifies opportunities and risks associated with the Club's operations, funding requirements and resources. Management is required to report to the Board each month in sufficient detail to enable to Board to assess progress against annual budgets, strategic goals and major projects.

MAIN SOURCES OF CLUB'S CASH AND RESOURCES

The Club's major sources of income come from five main areas being Racing, Gaming, Wagering, Hospitality and Property.

RACING

The main source of income is derived from HRNZ for operating racing meetings. The Club holds between 30 - 35 race meetings each year with HRNZ funding the majority of stakes and also providing funds for venue and track maintenance. In addition, the Club generates further revenue from sponsorship and members' fees. The Club is also actively involved in sourcing grants from government and charitable bodies for various specific projects that require investment in the furtherance of the Club's stated purpose (primarily racing infrastructure and stakes).

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 31 JULY 2024

AUCKLAND TROTTING CLUB INCORPORATED

GAMING

The club holds a Class 4 Gaming license which allows it to operate 18 gaming machines in The Alex premises. All profits from the gaming machines are reinvested to support the daily operations of Club and for race stakes top-ups.

WAGERING

The Club provides race night Totes and has an on-site TAB outlet for which the Club receives a commission from the TAB.

HOSPITALITY

The Club owns and operates The Alex which is a café/restaurant and bar facility open to the public 7 days a week. Race night dining and various functions and events are held on the Club's premises that also provide a source of income.

PROPERTY

The Club owns a series of ground floor retail spaces at 223 A&B Green Lane West that have been leased to third party commercial tenants. The Club also leases various spaces to third party tenants within its main premises. Rental revenue is derived from these tenants. The Club also receives car parking revenues at various times during the year when large events are held at the Greenlane Convention Center / ASB Showgrounds.

MAIN METHODS USED TO RAISE FUNDS

Racing stakes and venue payments are dependent on the calendar of race meetings determined by HRNZ. The Club is a "premier harness racing venue" located in New Zealand's largest city but in recent years has seen stakes reduce, the volume of race nights drop and many race nights moved from the preferred Friday night to a less desirable Thursday slot. Thursday race nights attract lower stakes, draw lower attendances and therefore impact wagering and hospitality revenues.

Much of the remaining revenue is sourced from the Clubs commercial operations, identified above, with all funds generated being reinvested into the Club's operations. In addition to the commercial revenue the Club will also apply for ad-hoc grant funding which is sourced by application to various government and charitable bodies in the furtherance of specific targeted projects.

RELIANCE ON VOLUNTEERS AND DONATED SERVICES

The Club relies on a number of volunteer roles namely those that assist with weekly workouts at Franklin Park and the race night stewards assisting each race meeting.

PHYSICAL ADDRESS	Corner Green Lane West & Manukau Roads, Epsom, Auckland 1051
POSTAL ADDRESS	P.O. Box 26021, Epsom, Auckland 1344
PHONE	(09) 630 5660
EMAIL	administration@alexandrapark.nz
WEBSITE	www.alexandrapark.co.nz

DESCRIPTION OF CLUBS OUTCOMES

The Club's primary objective is to conduct and promote harness racing in Auckland and the wider northern region in a sustainable manner. Maintaining the current level of race meetings allocated from HRNZ and more specifically, Friday night racing, is vital to ensure these outcomes.

The 2023-24 year saw the Club drop 1 race meeting compared to the prior period which also saw the number of races decrease year on year. The Club has decreased funded stakes contribution to \$280k (from \$387k in 2023) with a total stakes contribution of \$1million earmarked for 2024-25, primarily for the Golden Gait series, to help support the industry and make it a viable, sustainable, and attractive industry for owners, trainers and all those associated with the sport.

Funding for increased stakes and the general operation of the Club requires a strong financial return from its commercial operations including Gaming, TAB, sponsorships, functions and events and The Alex bar/café. The Club is focused on maximising its commercial returns where possible and in the 2024 year delivered a trading profit of \$1.7 million (2023: \$1.0 million).

The Club now has a cashflow positive, property portfolio with multiple retail tenants providing solid rental returns. In addition to providing a sustainable source of income for the Club, the property portfolio also contributes to a vibrant living precinct on the Greenlane premises.

DESCRIPTION AND QUANTIFICATION OF CLUB OUTPUTS

	Actual this year	Budget this year	Actual last year
Number of race meetings held	31	31	32
Number of races	282	294	291
Runners per race	8.5	8.5	8.8
Races per meeting	9.1	9.5	9.1
Starters	2409	2499	2561
Total stakes (\$000's)	6664	6734	6209
Club funded stakes (\$000's)	280	0	387
Retail tenanted investment properties (15 available)	15	15	12

Each racing year the Club is licensed to run a set number of race meetings which places a cap on the maximum number of race meetings available. The number of races and starters within each meeting is an output that the Club is trying to increase. This year the number of races and starters was slightly down on that budgeted for with corresponding total stakes slightly less.

The Club has 15 retail tenancies within its investment property portfolio and the goal at the beginning of the financial year was for all tenancies to be leased. It is pleasing to report that all the tenancies have now been leased and are either trading or going through their initial fit out.

2023-24

DIRECTORY

AUCKLAND TROTTING CLUB INCORPORATED

REGISTERED OFFICE

Alexandra Park Raceway
233 Green Lane West Road
Epsom
Auckland 1023

DIRECTORS

Jamie MacKinnon
Len Oughton
Robert Dunn
Scott Plant
Shaun Brooks
Rod Croon (Resigned 31 January 2024)

BANKERS

Westpac New Zealand Limited

AUDITORS

BDO Auckland

LAWYERS

Dawson Harford Limited

2023-24

FINANCIAL STATEMENTS

AUCKLAND TROTTING CLUB INCORPORATED

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 31 JULY 2024

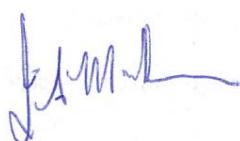
	Note	2024 \$	2023 \$
Revenue			
<i>Revenue - exchange</i>			
Racing revenue	5	8,377,364	7,177,195
Trading revenue	6	6,348,879	6,756,530
Rental revenue and property gain on sale	7	3,207,190	13,775,250
Other revenue	8	2,171,644	1,147,954
Interest received	9	97,878	32,304
		20,202,955	28,889,233
Less: Expenses			
Racing expenditure	5	(8,549,846)	(7,469,591)
Trading expenditure	6	(3,962,055)	(3,648,078)
Rental expenditure and property fair value movements	7	(6,832,147)	(4,747,346)
Operations and administration expenses	9	(7,306,715)	(6,188,377)
Finance costs	9	(6,913,743)	(6,538,887)
		(33,564,506)	(28,592,279)
Operating (deficit)/surplus	28	(13,361,551)	296,954
Other comprehensive revenue and expense			
<i>Items that will not be reclassified subsequently to surplus or deficit</i>			
Loss on revaluation of property, plant and equipment	13	(1,300,000)	(7,077,004)
Other comprehensive revenue and expense		(1,300,000)	(7,077,004)
Total comprehensive revenue and expense		(14,661,551)	(6,780,050)

AUCKLAND TROTTING CLUB INCORPORATED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	11	1,629,415	1,057,353
Receivables from exchange transactions	12	1,227,969	1,392,226
Inventories		87,960	54,295
		<u>2,945,344</u>	<u>2,503,874</u>
Non-current assets classified as held for sale	16	30,572,437	30,683,037
Total current assets		<u>33,517,781</u>	<u>33,186,911</u>
Non-current assets			
Property, plant and equipment	13	111,300,050	113,297,367
Intangible assets	14	7,575	8,671
Investment properties	15	36,635,000	42,054,573
Total non-current assets		<u>147,942,625</u>	<u>155,360,611</u>
Total assets		<u>181,460,406</u>	<u>188,547,522</u>
Current liabilities			
Payables from exchange transactions	17	11,167,265	1,790,015
Borrowings	18	76,576,956	78,354,070
Employee entitlements	19	279,368	305,069
Total current liabilities		<u>88,023,589</u>	<u>80,449,154</u>
Total liabilities		<u>88,023,589</u>	<u>80,449,154</u>
Net assets		<u>93,436,817</u>	<u>108,098,368</u>
Equity			
Revaluation reserve	20	144,366,111	145,666,111
Accumulated losses		(50,929,294)	(37,567,743)
Total equity		<u>93,436,817</u>	<u>108,098,368</u>

Signed on behalf of the members of the committee, dated 29 October 2024



Jamie MacKinnon
President



Shaun Brooks
Director

**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 JULY 2024**

	Note	Revaluation reserve \$	Accumulated losses \$	Total net assets/equity \$
Balance as at 1 August 2022		152,743,115	(37,864,697)	114,878,418
Net surplus for the year		-	296,954	296,954
Loss on revaluation of land	20	(7,077,004)	-	(7,077,004)
Total comprehensive revenue and expense		(7,077,004)	296,954	(6,780,050)
Balance as at 31 July 2023		145,666,111	(37,567,743)	108,098,368
Balance as at 1 August 2023		145,666,111	(37,567,743)	108,098,368
Net deficit for the year		-	(13,361,551)	(13,361,551)
Loss on revaluation of land	20	(1,300,000)	-	(1,300,000)
Total comprehensive revenue and expense		(1,300,000)	(13,361,551)	(14,661,551)
Balance as at 31 July 2024		144,366,111	(50,929,294)	93,436,817

AUCKLAND TROTTING CLUB INCORPORATED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 \$	2023 \$
Cash flow from operating activities			
Receipts from members and customers		19,962,380	18,375,305
Payments to suppliers and employees		(20,130,852)	(17,633,974)
Interest paid		(265,068)	(6,538,887)
Interest received		47,088	32,304
Net cash provided by operating activities	21(b)	(386,452)	(5,765,252)
Cash flow from investing activities			
Payment for property, plant and equipment		(666,486)	(362,709)
Deposit receipts from the sale of property		10,000,000	-
Receipts from disposal of assets held for sale		-	50,339,298
Net cash provided by investing activities		9,333,514	49,976,589
Cash flow from financing activities			
Repayment of borrowings		(8,375,000)	(44,032,863)
Net cash used in financing activities	29	(8,375,000)	(44,032,863)
Reconciliation of cash			
Cash at beginning of the financial year		1,057,353	878,879
Net increase in cash held		572,062	178,474
Cash at end of the financial year	21(a)	1,629,415	1,057,353

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Auckland Trotting Club Incorporated (“the Club”) is an incorporated society registered under the Incorporated Societies Act 1908. The Group consists of Auckland Trotting Club Incorporated (the parent), Epsom Functions GP Limited and Hospitality GP Limited (together referred to as “the Group”). The limited companies are registered under the Companies Act 1993, in which the Club has ownership of all of the shares. All entities are incorporated and domiciled in New Zealand and have their principal place of business situated at Alexandra Park, Epsom, Auckland.

The Group is a public benefit entity for the purposes of preparing the financial statements.

The principal activity of the Club is to hold and promote harness racing meetings on the Club’s course at Alexandra Park. The principal activity is supported by revenue derived from property development and investment, TAB and gaming operations. The subsidiary entities provide catering to the Club and operate a function centre and sports bar/café utilising the Club facilities at Alexandra Park.

The following are significant accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE Standards) as appropriate for Tier 1 public benefit entities.

Historical Cost Convention

The financial report has been prepared under the historical cost convention with the exception of land and investment properties held at fair value.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the Group’s accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 3 to the financial statements.

(b) Going Concern

The Club has generated an operating surplus before non-cash and property (“EBITDA”) trading surplus this financial year of \$1.7m (refer note 28) from its ongoing operations compared to \$1.0m the prior year. The Club maintains an outstanding loan balance of \$76.6m at year end associated with the property development.

Despite the legacy debt position, the Club retains a positive net asset position of \$93.4m with a positive cash flow having been reimbursed for some professional services costs associated with the property sale and plan change at Pukekohe.

AUCKLAND TROTTING CLUB INCORPORATED

The Club would like to acknowledge that there was an overall net deficit of \$14.7m in the year. This included non-cash land and investment property revaluations of -\$6.7m as well as debt servicing costs of -\$6.8m offsetting the EBITDA trading result of \$1.7m.

At year end the club finds itself in a negative working capital position with current liabilities exceeding current assets by \$54.5m. This is due to the fact that the Club's \$76.6m borrowings are current liabilities (with facilities expiring on 31st December 2024) while the assets these loans relate to are split between current and non-current. This situation does not impact the ability of the club to finance its immediate operational needs, rather it reflects the timing and duration of the club's property borrowings.

To address the Clubs residual debt balance, the Club has entered into an unconditional Sale and Purchase Agreement for the Franklin Park facility, in a sale and lease back arrangement, for which the Club has sold the property for \$100m and allows it time to find a suitable site to rehome the track and training facilities. All conditions of the Franklin Park facility sale have been met and a non-refundable deposit of \$10m has been received from the purchaser. The remaining \$90m balance of the purchase price is scheduled for settlement on 8 November 2024.

The property sale, combined with future rental income from the Club's premises and investment properties, will see the club extinguish its debt position and generate cash reserves that are important elements of the Club's plan to manage its fiscal obligations.

In the event that proceeds from the sale of Franklin Park are not received in sufficient time to extinguish the bank debt due 31 December 2024, the Club will need to negotiate an extension to banking facilities until sale proceeds are received, so that it may meet its obligations as and when they fall due. These circumstances represent a material uncertainty which may cast significant doubt on the Club's ability to continue as a going concern and the Club may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may be made to reflect the situation should the Club be unable to continue as a going concern. Such adjustments may include realising assets at other than the amounts at which they are recorded in the financial statements.

The Club remains confident in its plan to deal with the residual debt position given it has entered into an unconditional Sale and Purchase Agreement for the sale of the Franklin Park facility which is awaiting settlement. Additionally, the Club maintains a positive net asset position of \$93.4m which, in conjunction with forecast positive cash flows, allows it to sustain its operations, land and property despite the legacy development deficit.

(c) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity ("the Group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls and entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-group balances and transactions, including any unrealised surplus or deficit have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is obtained by the Group and are de-recognised from the date that control ceases.

(d) Revenue from contracts with customers

Revenue is measured at the fair value of consideration received or receivable. Revenue is disclosed separately as either exchange or non-exchange revenue to comply with the PBE reporting standards. For the Group, non-exchange revenue has been identified at government business support (as listed in note 9), grants received and wage subsidies with all other revenue classed as exchange.

Revenue from exchange transactions

(i) Racing revenue

Race meeting revenue comprises the amounts received or receivable for services provided and goods sold that directly relate to race meeting events conducted by the Group during the financial year. These primarily include industry distributions from the New Zealand Racing Board (NZRB) and other receipts that directly relate to the Group's race meeting activities from members of the Group. Revenue is recognised at the date on which a meeting is held.

(ii) Revenue from trading

The Group generates revenue from hospitality services incorporating a large sports bar/café, gaming lounge and TAB outlet. Revenue from hospitality services is recorded on the date the products and services are delivered to customers over the counter.

(iii) Revenue from rental property

The Group generates revenue from the rental of investment properties and the lease of its own premises to tenants and third parties. Rental revenue is recorded in the month that the properties are being leased.

Revenue from non-exchange transactions

(i) Grants

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions are not met. If there are such obligations, grants are initially recorded as received in advance and recognised as revenue when conditions of the grant are satisfied.

(e) Other revenue and other income

Interest income

Interest revenue is measured in accordance with the effective interest method using the effective interest rate.

Income from leases

Lease revenue from operating leases is recognised on a straight-line basis. Lease incentives under operating leases are recognised as an asset and amortised on a straight-line basis over the life of the term of the lease.

AUCKLAND TROTTING CLUB INCORPORATED

(f) Income tax

The Group is exempt from income tax in accordance with section CW48 of the Income Tax Act 2007.

(g) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from Inland Revenue. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a first-in-first-out basis and includes expenditure incurred in bringing the inventories to their present location and condition.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises financial assets and financial liabilities when there has been significant changes to the terms and/or the amount of contractual payments to be received/paid.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification of financial assets

The Group's financial assets are classified as amortised cost. Financial assets classified as amortised cost comprise cash equivalents and receivables.

Trade and other receivables

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days. Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

Classification of financial liabilities

The Group's financial liabilities are classified as amortised cost. Amortised cost comprises cash and cash equivalents, payable and borrowings. Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Impairment of financial assets

The Group's financial assets are tested for impairment by applying the 'expected credit loss' impairment model.

The Group applies the simplified approach under PBE IPSAS 41 to measuring the allowance for credit losses for receivables from contracts with customers and contract assets. Under PBE IPSAS 41 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The gross carrying amount of a financial asset is written off (ie reduced directly) when the counterparty is in severe financial difficulty and the Group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Group. Recoveries, if any, are recognised in surplus or deficit.

All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, the timing of recoveries, the amount of loss incurred, forward looking conditions and adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

(k) Property, plant and equipment

Each class of plant and equipment is either measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment asset classes consist of land, land improvements, buildings and grandstands, plant machinery and vehicles, flood and security lighting and furniture and fittings. Property, plant and equipment does not include land and buildings recognised as investment property nor any non-current assets classified as held for sale.

Land

Land assets are revalued to fair value periodically, based on a valuation by an independent valuer, holding a recognised and relevant professional qualification, and with relevant experience. New

AUCKLAND TROTTING CLUB INCORPORATED

valuations are obtained every year, which is considered adequate to maintain the fair value of land in service use.

Plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Land improvements at cost	5-20 years	Straight line
Buildings and grandstands at cost	20-40 years	Straight line
Plant, machinery and vehicles at cost	5-10 years	Straight line
Furniture, fixtures and fittings at cost	2-20 years	Straight line
Flood and security lighting at cost	20 years	Straight line

When the use of a property changes such as a change from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property.

Any gain arising on remeasurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on specific property, with any remaining gain recognised in other comprehensive revenue and expense and presented in the revaluation reserve in net assets/equity. Any loss is recognised immediately in surplus or deficit.

(I) Investment properties

Investment property is land and or buildings for which the present use is solely or predominantly to derive rental income or the property has the potential to realise capital appreciation. Property will be recognised as investment property only when it is probable that future economic benefits associated with the property will flow to the Group, the cost of the investment property can be reliably measured and the investment property, in its current condition, is able to be sold separately or leased out under a lease.

Investment property is initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labour and any other costs directly attributable to bringing the investment property to a working condition for their intended use.

Investment properties are subsequently measured at fair value based on a valuation by an independent valuer.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Reclassifications arise when there is a change in use of a property that was previously classified as property, plant and equipment, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of an investment property changes to owner occupied, such that it results in a reclassification to property, plant and equipment, the property's fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in surplus or deficit in the year of retirement or disposal.

(m) Intangible assets

IT software and development costs

Costs incurred in developing IT software are initially recognised as an asset and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use as intended by management. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset on a straight line basis.

Subsequent to initial recognition, IT software and development costs recognised as an intangible asset are measured at cost less accumulated amortisation and any accumulated impairment losses.

The estimated economic lives in use for intangible asset classes are:

Computer software licences	5 years
Website development	5 years

(n) Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

(o) Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if it is highly probable their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Except in some limited circumstances items measured at fair value on a recurring basis, non-current assets and assets and liabilities comprising disposal groups classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell, except when transferred from investment property which will be at fair value.

(p) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which

AUCKLAND TROTTING CLUB INCORPORATED

are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Retirement benefit obligations

Defined contribution superannuation plan

The Group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The Group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

NOTE 2: NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New standards and amendments and interpretation to existing standards that came into effect during the current accounting period beginning on 1 August 2023.

There are no new standards or amendments that came into effect during the current accounting period.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Valuation of investment properties

The valuation of land and investment properties is obtained from independent valuation by a qualified person exercising their professional judgement to assess the fair value at the date of valuation. Refer to note 15.

(b) Going concern

As disclosed in note 1(b) the Club considers it has taken all reasonable steps to ensure the long-term financial viability of the Club, notwithstanding there remains some material uncertainty until the Pukekohe land sale is concluded. In considering this position the Club has made some significant accounting estimates and judgements in forming the view that it can continue to operate as a going concern. These are explained in detail in note 1(b).

The Group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Credit risk
- (b) Liquidity risk
- (c) Interest rate risk

The members of the committee have overall responsibility for identifying and managing operational and financial risks.

The Group holds the following financial instruments:

	2024	2023
	\$	\$
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	1,629,415	1,057,353
Receivables	1,147,995	1,326,975
	<u>2,777,410</u>	<u>2,384,328</u>
Financial liabilities		
<i>Amortised cost</i>		
Payables	11,099,676	1,718,531
Borrowings	76,576,956	78,354,070
	<u>87,676,632</u>	<u>80,072,601</u>

(a) Credit risk

Loans and receivables expose the Group to credit risk. The maximum exposure to credit risk is the total for loans and receivables disclosed above. Credit risk is managed by regular monitoring and pursuit of receivables that are past due. Loans and receivables are recognised as amortised cost less provision for any impairment where the estimated recoverable amount is less than carrying value. Credit risk also arises from cash and cash equivalents and deposits with banks.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the Group.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major New Zealand banks. Refer to note 11.

AUCKLAND TROTTING CLUB INCORPORATED

(ii) Trade receivables

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and setting credit limits for all customers commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms. Refer to note 12.

(b) Liquidity risk

Financial liabilities expose the Group to liquidity risk. Liquidity risk is managed by the regular monitoring and forecasting of cash flow on a daily, monthly and long-term basis to ensure adequate cash resources are maintained to meet obligations as they fall due.

The following table outlines the Group's remaining contractual maturities for financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Group can be required to pay.

		6-12		Total	Carrying
Year ended 31 July 2024	<6 months	months	1-5 years	contractual cashflows	amount
Payables	11,099,676	-	-	11,099,676	11,099,676
Borrowings	79,177,006	-	-	79,177,006	79,177,006
Net maturities	90,276,682	-	-	90,276,682	90,276,682
Year ended 31 July 2023					
Payables	1,718,531	-	-	1,718,531	1,718,531
Borrowings	79,015,807	-	-	79,015,807	79,015,807
Net maturities	80,734,338	-	-	80,734,338	80,734,338

The Group has refinanced its existing debt facilities into one single facility with Westpac New Zealand Limited (refer note 18) which provides the Group funding until the completion of the sale of Franklin Park, Pukekohe. Interest costs are capitalised to the loan principal balance. The loan facility has been specifically designed to cater for the principal debt plus capitalised interest to be incurred until December 2024 when the Franklin Park sale is expected to be fully executed and finalised. The remaining proceeds from the sale of Franklin Park of \$90 million will be applied to fully extinguish all borrowings of the Club.

(c) Interest rate risk

The Group is exposed to interest rate risk on bank borrowings for the funding of developments. Interest was capitalised in the current year.

Sensitivity

If interest rates were to increase/decrease by 50 basis points from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of surplus and deficit for the year and equity would be as follows:

	2024	2023
	\$	\$
+/- 50 basis points		
Impact on surplus/(deficit) for the year	382,885	397,090
Impact on net assets	<u>382,885</u>	<u>397,090</u>

NOTE 5: RACING REVENUE AND EXPENDITURE

	2024	2023
	\$	\$
Revenue - exchange		
Industry funding	7,194,141	6,066,089
Subsidies received	523,238	514,641
Sponsorship	452,248	372,988
Trials and workouts	207,737	223,477
	<u>8,377,364</u>	<u>7,177,195</u>
Expenditure		
Stakes and trophies	(7,218,505)	(6,261,514)
Salaries and wages	(566,189)	(538,307)
Kiwisaver	(9,221)	(7,130)
Sponsorship expenses	(294,897)	(170,758)
Other racing expenses	(337,349)	(366,929)
Loss on sale of assets	(110,600)	-
Depreciation expense	(13,085)	(124,953)
	<u>(8,549,846)</u>	<u>(7,469,591)</u>
Contribution from racing	<u>(172,482)</u>	<u>(292,396)</u>

NOTE 6: TRADING REVENUE AND EXPENDITURE

	2024	2023
	\$	\$
Revenue		
Food and beverage revenue	1,590,837	1,798,419
Gaming revenue	3,947,088	4,280,449
TAB revenue	810,954	677,662
	<u>6,348,879</u>	<u>6,756,530</u>
Expenditure		
Food and beverage cost of sales	(551,858)	(508,290)
Salaries and wages	(837,363)	(762,725)
Kiwisaver	(33,173)	(27,162)
Marketing expenses	(919)	(456)
Gaming and TAB expenses	(1,634,307)	(1,704,303)
Administration expenses	(748,264)	(486,965)
Depreciation expense	(156,171)	(158,177)
	<u>(3,962,055)</u>	<u>(3,648,078)</u>
Contribution from trading	<u>2,386,824</u>	<u>3,108,452</u>

AUCKLAND TROTTING CLUB INCORPORATED

NOTE 7: RENTAL REVENUE, PROPERTY GAIN ON SALE AND FAIR VALUE MOVEMENTS

	2024	2023
	\$	\$
Revenue		
Property rents	2,945,081	2,962,014
Parking revenue	262,109	251,021
Gain on sale of investment property	-	10,562,215
	<u>3,207,190</u>	<u>13,775,250</u>
Expenditure		
Rental property expenses	(1,292,114)	(898,968)
Salaries and wages	(115,531)	(115,104)
Depreciation expense	(4,929)	(4,929)
Lease fitout costs recognised	-	226,655
Fair value movement on investment property	(5,419,573)	(3,955,000)
	<u>(6,832,147)</u>	<u>(4,747,346)</u>
Contribution from rental property, gain on sale and fair value movements	<u>(3,624,957)</u>	<u>9,027,904</u>

NOTE 8: OTHER REVENUE

	2024	2023
	\$	\$
Revenue		
Members subscriptions	34,428	24,588
Other sundry revenue	2,137,216	1,123,366
	<u>2,171,644</u>	<u>1,147,954</u>
Contribution from other revenue	<u>2,171,644</u>	<u>1,147,954</u>

Other sundry revenue incorporates the reimbursement of costs incurred from the sale of the Pukekohe and Gleneagle Parkview land, bequeathed estates and the settlement of legal disputes by the Club.

NOTE 9: OPERATING DEFICIT

	2024	2023
	\$	\$
Finance costs		
<i>Financial liabilities at amortised cost</i>		
Interest expense	6,913,743	6,538,887
<i>Financial assets at amortised cost</i>		
Interest received	(97,878)	(32,304)
	<u>6,815,865</u>	<u>6,506,583</u>

Operational and administration expenditure

Administration salaries and wages	1,059,751	1,045,555
Audit and related services (note 9.1)	72,500	72,500
Board remuneration	141,588	150,000
Community donations	-	2,706
Property services salaries and wages	961,951	867,641
Marketing expenses	1,044	24,848
Membership expenses	22,166	13,787
Utilities, rates and insurance	805,603	742,231
Repairs and maintenance	821,552	679,795
Kiwisaver	40,892	43,224
Administration and other expenses	2,188,957	1,644,320
Amortisation expenses	1,096	6,540
Depreciation expenses	902,230	895,230
Loss on sale of assets	287,385	-
	<u>7,306,715</u>	<u>6,188,377</u>

9.1 Remuneration of auditors for:

	2024	2023
	\$	\$
Audit and assurance services		
Group financial statement audit	70,000	70,000
Club gaming account audit	2,500	2,500
	<u>72,500</u>	<u>72,500</u>

NOTE 10: GAMING DISTRIBUTION TO AUTHORISED PURPOSES

The Group's licence to operate gaming machines provides that the proceeds of gaming be applied to provide for the conduct of race meetings for the benefit of the public and to promote and control those meeting, including the provision and maintenance of facilities and the payment of stake money.

	2024	2023
	\$	\$
Grant to authorised purposes have been applied as follows:		
Racing expenses	<u>2,530,654</u>	<u>2,785,395</u>

NOTE 11: CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash on hand	112,896	109,453
Cash at bank – operating accounts	1,187,061	733,570
Cash at bank – gaming accounts	329,458	214,330
	<u>1,629,415</u>	<u>1,057,353</u>

AUCKLAND TROTTING CLUB INCORPORATED

The gaming account is subject to restriction on use whereby the application of funds is limited to approved items of gaming expenditure and appropriation to the authorised purposes contained in the Group's current licence to operate gaming machines.

NOTE 12: RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
	\$	\$
Current		
Trade receivables	1,147,995	1,326,975
Prepayments	79,974	65,251
	1,227,969	1,392,226

The carrying value of receivables approximates their fair value after making allowance for impairment losses based on an assessment of the credit risk attached to the receivables. Credit risk is determined based on an analysis of the Group's losses in previous periods and review of specific debtors having regard to past payment performance and knowledge of their current circumstances. All receivables past 90 days or more are subject to an impairment assessment. A receivable will be considered to be impaired if there is an unresolved dispute, no effort is being made to reduce the debt, the debtor is the subject of receivership, liquidation or bankruptcy, or other known circumstances that indicate full recovery may be doubtful.

The Group does not have any non-exchange receivables.

The analysis of those receivables that are past due but not impaired at the end of the reporting period is as follows:

	<30 days	30-60	61-90	>90	Total
2024					
Receivables past due but not impaired	209,431	230,940	79,365	199,664	719,400
2023					
Receivables past due but not impaired	173,103	37,349	20,242	68,501	299,195

There is no provision for impairment of receivables (2023: nil) and there has been no movement in the provision during the past year (2023: nil).

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	\$	\$
Land and Buildings		
Land – Alexandra Park at valuation	103,150,000	104,450,000
Land Improvements		
At cost	1,719,327	1,322,377
Accumulated depreciation	(900,369)	(862,238)
	<u>818,958</u>	<u>460,139</u>
Buildings and grandstands		
At cost	29,390,589	31,561,749
Accumulated depreciation	(22,768,842)	(23,857,264)
	<u>6,621,747</u>	<u>7,704,485</u>
Total land and buildings	<u>110,590,705</u>	<u>112,614,624</u>
Plant and Equipment		
Flood & security lighting at cost	1,427,527	1,427,527
Accumulated depreciation	(1,403,280)	(1,392,861)
	<u>24,247</u>	<u>34,666</u>
Plant, machinery & vehicles at cost	5,995,792	5,999,356
Accumulated depreciation	(5,398,632)	(5,467,255)
	<u>597,160</u>	<u>532,101</u>
Furniture & fittings at cost	1,142,818	1,142,818
Accumulated depreciation	(1,054,880)	(1,026,842)
	<u>87,938</u>	<u>115,976</u>
Total plant and equipment	<u>709,345</u>	<u>682,743</u>
Total property, plant and equipment	<u>111,300,050</u>	<u>113,297,367</u>

(a) Valuations

Land at Alexandra Park is carried at independent valuation prepared by K Beckett (ANZIV, SPINZ) – Director, CBRE Limited.

The sales comparison method was used to arrive at the fair value of land at Alexandra Park, taking into consideration the general market perception of this type of asset. The valuation of Alexandra Park includes the potential opportunity to rezone the entire property to mixed use/terrace housing and apartment building, allowing for planning risks, costs and timings associated with rezoning land of this scale.

Land carried as part of property, plant and equipment does not include those areas of land recognised as investment property and reported at fair value in accordance with the requirements of PBE IPSAS 16 (note 15).

AUCKLAND TROTTING CLUB INCORPORATED

The original cost of land carried at valuation is \$6,130,920. The surplus due to revaluation is \$144,366,111 (2023: \$145,666,111) (note 20) and is carried as a separate line item in equity.

(b) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year:

	Note	2024 \$	2023 \$
<i>Land – Alexandra Park</i>			
Opening carrying amount		104,450,000	111,527,004
Revaluation	20	(1,300,000)	(7,077,004)
Closing carrying amount		103,150,000	104,450,000
<i>Land Improvements</i>			
Opening carrying amount		460,139	328,338
Additions		396,950	306,673
Depreciation expense		(38,131)	(174,872)
Closing carrying amount		818,958	460,139
<i>Buildings and grandstands</i>			
Opening carrying amount		7,704,485	8,405,249
Additions		26,829	1,216
Depreciation expense		(822,182)	(701,980)
Disposals		(287,385)	-
Closing carrying amount		6,621,747	7,704,485
<i>Flood and security lighting</i>			
Opening carrying amount		34,666	46,404
Depreciation expense		(10,419)	(11,738)
Closing carrying amount		24,247	34,666
<i>Plant machinery and vehicles</i>			
Opening carrying amount		532,101	628,297
Additions		242,706	54,939
Depreciation expense		(177,647)	(151,135)
Closing carrying amount		597,160	532,101
<i>Furniture and fittings</i>			
Opening carrying amount		115,976	149,060
Depreciation expense		(28,038)	(33,084)
Closing carrying amount		87,938	115,976
<i>Total property, plant and equipment</i>			
Carrying amount at 1 August		113,297,367	121,084,352
Additions		666,485	362,828
Revaluation		(1,300,000)	(7,077,005)
Depreciation expense		(1,076,417)	(1,072,808)
Disposals		(287,385)	-
Carrying amount 31 July		111,300,050	113,297,367

NOTE 14: INTANGIBLE ASSETS

	2024	2023
	\$	\$
Computer software licences at cost	161,281	161,281
Accumulated amortisation and impairment	<u>(161,281)</u>	<u>(160,659)</u>
	-	622
Website development at cost	122,755	122,755
Accumulated depreciation	<u>(115,180)</u>	<u>(114,706)</u>
	7,575	8,049
Total intangible assets	<u>7,575</u>	<u>8,671</u>

There are no contractual commitments for the acquisition of intangible assets.

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year:

	2024	2023
	\$	\$
<i>Computer software licences</i>		
Opening carrying amount	622	4,922
Amortisation expense	<u>(622)</u>	<u>(4,370)</u>
Closing carrying amount	-	622
<i>Website development</i>		
Opening carrying amount	8,049	10,219
Amortisation expense	<u>(474)</u>	<u>(2,170)</u>
Closing carrying amount	7,575	8,049
<i>Total intangible assets</i>		
Opening carrying amount at 1 August	8,671	15,211
Amortisation expense	<u>(1,096)</u>	<u>(6,540)</u>
Closing carrying amount at 31 July	<u>7,575</u>	<u>8,671</u>

NOTE 15: INVESTMENT PROPERTIES

Investment property comprises a number of commercial properties leased to third parties. Each of the leases contains an initial non-cancellable period of between 2 – 10 year, with annual rents subject to either an agreed fixed rate increase or indexed to consumer prices. Subsequent renewals are renegotiated with the lessee at agreed periods with the average renewal period being 4 years. Rents are charged on the basis of the lease agreement or as modified by agreement between the parties from time to time.

AUCKLAND TROTTING CLUB INCORPORATED

	2024	2023
	\$	\$
<i>Investment properties at fair value</i>		
Opening carrying amount	42,054,573	46,009,573
Net gain or loss from fair value adjustment	(5,419,573)	(3,955,000)
Closing carrying amount	<u>36,635,000</u>	<u>42,054,573</u>
223 A/B Greenlane West Road, Epsom	29,085,000	34,154,573
32 Campbell Crescent, Epsom	7,550,000	7,900,000
	<u>36,635,000</u>	<u>42,054,573</u>

Investment properties are subject to remeasurement on an annual basis.

The Group engaged CBRE Limited (2023: CBRE Limited), Registered Valuers, to provide an independent assessment of the fair value of 223 A/B Greenlane West, Epsom.

The 3 Retail Strata Units at property 223A Greenlane West Road have been remeasured to fair value, which has been determined using both the direct capitalisation approach and discounted cash flow approach. Applying the direct capitalisation approach, having considered the estimated net effective market rental, adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis, the direct capitalisation adopts a capitalisation rate for each retail unit ranging between 5.75% - 7.00% (2023: 5.50% - 6.00%). The discounted cash flow approach used a target internal rate of return ranging between 7.50% - 8.50% (2023: direct capitalisation methodology was used) and a terminal yield ranging between 6.50% - 7.00% (2023: direct capitalisation methodology was used).

The 11 Retail Strata Units at property 223B Greenlane West Road have been revalued to fair value, which has been determined using both the direct capitalisation approach and discounted cash flow approach. Applying the direct capitalisation approach, having considered the estimated net effective market rental, adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis, the direct capitalisation adopts a capitalisation rate for each retail unit ranging between 5.50% - 6.50% (2023: 5.00% - 6.00%). The discounted cash flow approach used a target internal rate of return ranging between 7.00% - 7.50% (2023: direct capitalisation methodology was used) and a terminal yield ranging between 6.00% - 6.50% (2023: direct capitalisation methodology was used).

The Group engaged CBRE Limited (2023: CBRE Limited), Registered Valuers, to provide an independent assessment of the fair value of 32 Campbell Crescent, Epsom.

32 Campbell Crescent, Epsom has been revalued to fair value, which has been determined using both direct capitalisation and discounted cashflow approaches, having regard to the existing lease with a good quality tenant. The rent is considered to lie at or around market levels with a further 1.5 years (2023: 2.5 years) to run on the lease. The direct capitalisation method adopts a capitalisation rate of 7.00% (2023: 6.75%), while the discounted cashflow calculation adopts an internal rate of return of 8.25% (2023: 7.80%) and a cash flow period of 10 years (2023: 10 years).

Investment properties are subject to mortgages in favour of Westpac New Zealand Limited (see note 18).

The Group has no contractual obligations to purchase, construct or develop the existing investment properties or for repairs, maintenance or enhancements.

The prior year comparative has been restated to incorporate capitalised lease incentives within the opening carrying amount as the valuations incorporate all capitalised lease incentives within the carrying value.

NOTE 16: PROPERTY HELD FOR SALE

	2024	2023
	\$	\$
(a) Property details		
242 Station Road, Pukekohe (portion held for sale)	4,100,000	4,100,000
240 Station Road, Pukekohe (portion held for sale)	3,600,000	3,600,000
27 Yates Road, Pukekohe (portion held for sale)	21,300,000	21,300,000
Franklin Park, Pukekohe (buildings)	1,572,437	1,683,037
	<u>30,572,437</u>	<u>30,683,037</u>
(b) Movements in the carrying value of properties held for sale		
Opening balance	30,683,037	70,570,720
Disposals	(110,600)	(39,777,083)
Depreciation	-	(110,600)
Closing balance	<u>30,572,437</u>	<u>30,683,037</u>

On 16 August 2022 the Group entered into a conditional agreement for the sale of 35.2 hectares of the Group's Franklin Park property to Mount Hope Limited for a sale price of \$100m. The sale was conditional on the following items:

- Member approval
- HRNZ approval
- Resource consent from Auckland Council
- Environment Court approval

All conditions have been met in October 2023 and a full deposit of \$10m has been received by the Group for the unconditional sale of the property. The settlement of the remaining \$90m purchase price is due to be received on 8 November 2024.

The property is measured at the lower of the carrying amount and fair value less costs to sell. The Group expects to recognise a gain on disposal of \$67.0m following the final settlement of the purchase price. These properties generated \$0.1m in revenue during the year (2023: \$0.1m). The agreement with Mount Hope Limited provides for a sale and leaseback of the property for up to two years from the settlement date. This lease will be an operating lease.

All properties are subject to mortgages in favour of Westpac New Zealand Limited (note 18).

AUCKLAND TROTTING CLUB INCORPORATED

On 13 August 2021 the Group entered into a conditional agreement for the sale of 1.6 hectares of the Group's Greenlane West Road land to Gleneagles Securities for \$50.1m. The conditions were met and the deal was settled in October 2022. The Group recognised a gain on sale of \$10.6m.

NOTE 17: PAYABLES FROM EXCHANGE TRANSACTIONS

	2024	2023
	\$	\$
Current		
<i>Unsecured liabilities</i>		
Trade payables	1,142,791	1,657,659
Deposits and receipts in advance	8,550,373	52,292
GST credits	67,589	71,484
Deferred rates	-	4,184
Accruals	1,400,000	-
Other payables	6,512	4,396
	11,167,265	1,790,015

Deposits and receipts in advance includes \$8.4m received as a deposit from Mt Hope Limited (as disclosed in note 16) net of legal fees and costs incurred in meeting sale conditions.

During the year, the Club settled a long standing dispute with Eden Foods Limited regarding claims that Eden Foods Limited suffered losses due to delays in construction of the various property development of the Group. A full and final confidential settlement has been accrued for during the current financial year.

The Club is also in a legal dispute with a former employee over historical bonus payments. The dispute was heard by the Employment Court in June 2024 with a judgement yet to be delivered as at balance date of the Club. The Club has accrued for a potential liability based on the Board's best estimate of that potential liability, having taken appropriate legal advice.

NOTE 18: BORROWINGS

	2024	2023
	\$	\$
Current		
<i>Secured liabilities</i>		
Bank loans	76,576,956	78,354,070

On 24 May 2024 the Group entered into a new loan facility with Westpac New Zealand Limited ("Westpac") for \$80,000,000 with a current value drawn of \$76,576,956 with a maturity date of 31 December 2024 on an interest only basis capitalised to the principal of the loan with repayment due on settlement of the Pukekohe property deal (refer note 16). The interest rate applicable is floating based on Westpac's 90 day bank bill rate plus margin of 2.50%.

The loan from Westpac is secured by first and exclusive mortgages over the properties at 354-378 Manukau Road, 32 Campbell Crescent, 223A and 223B Greenlane West Road, 239 Greenlane West Road and 240 Station Road.

Prior to the new loan facility being established, the Group held three separate loan facilities, two with Westpac and one with ANZ Bank New Zealand Limited (“ANZ”). The new loan facility with Westpac replaced all existing facilities at 24 May 2024.

At balance date of the prior year the Group had one loan facility with Westpac for \$44,000,000 with a drawn balance of \$42,792,699 on an interest only basis capitalised to the principal of the loan with repayment due on the settlement of the Pukekohe property deal (see note 16). The interest rate applicable was floating based on Westpac’s 30 day bank bill rate plus margin of 2.50%.

At balance date of the prior year the Group had a second loan facility with Westpac for \$4,321,897 with a current value drawn of \$4,321,897 with interest payable monthly and repayment due on the settlement of the Pukekohe property deal (see note 16). The interest rate applicable was floating based on Westpac’s 90 day bank bill rate plus margin of 2.00%.

At balance date of the prior year the Group had a loan facility with ANZ for \$32,200,000 with a drawn balance of \$31,239,474 on an interest only basis capitalised to the principal of the loan with repayment due on the settlement of the Pukekohe property deal (see note 16). The interest rate applicable was floating based on ANZ’s 30 day bank bill rate plus margin of 2.55%.

NOTE 19: EMPLOYEE ENTITLEMENTS

The liability for employee entitlements recorded in the balance sheet is made up as follows:

	2024	2023
	\$	\$
Current		
Accrued salaries and wages	70,686	83,216
Liability for annual leave	206,531	214,907
Kiwisaver contributions on hand	2,151	6,946
	<u>279,368</u>	<u>305,069</u>

NOTE 20: REVALUATION SURPLUS RESERVE

The revaluation surplus reserve is that portion of equity that has been recognised by the periodic revaluation of land holdings, being an asset class within property, plant and equipment (note 13). Gains and losses in fair value are measured by independent valuation and are disclosed within other comprehensive revenue and expense. No income tax effect is incurred. Land holdings have been revalued at 31 July 2024, refer to note 13.

Fair value movements on investment property are not part of the revaluation surplus reserve. Gains or losses arising on the measurement of fair value of investment property are recognised in the surplus for the year and form part of the accumulated revenue and expense, refer to note 15.

AUCKLAND TROTTING CLUB INCORPORATED

	2024	2023
	\$	\$
Revaluation surplus reserve	<u>144,366,111</u>	<u>145,666,111</u>

The revaluation surplus reserve comprises Alexandra Park, Epsom \$141,143,111 (2023: 142,443,111) and Franklin Park, Pukekohe \$3,223,000 (2023: \$3,223,000). Franklin Park, Pukekohe was classified as non-current assets held for sale but has not yet been sold.

(a) Revaluation surplus reserve

	Note	2024	2023
		\$	\$
<i>Movements in reserve</i>			
Opening balance		145,666,111	152,743,115
Revaluation of Alexandra Park, Epsom	13	<u>(1,300,000)</u>	<u>(7,077,004)</u>
Closing balance		<u>144,366,111</u>	<u>145,666,111</u>

NOTE 21: CASH FLOW INFORMATION

	Note	2024	2023
		\$	\$
(a) Reconciliation of cash			
Cash on hand		112,896	109,453
Cash at bank – operating accounts		1,187,061	733,570
Cash at bank – gaming accounts		329,458	214,330
	11	<u>1,629,415</u>	<u>1,057,353</u>

(b) Reconciliation of net cash flows from operations

Net (deficit)/surplus for the year	(13,361,551)	296,954
<i>Adjustments and non-cash items</i>		
Amortisation	1,096	6,540
Depreciation	1,187,017	1,183,290
Fair value adjustment to investment property	5,419,573	3,955,000
Gain on sale of investment property	-	(10,562,215)
Finance cost	6,597,887	-
Loss on sale of property, plant and equipment	287,385	-
Capitalised lease incentive	-	(154,560)
<i>Net changes in working capital</i>		
Decrease/(increase) in receivables	164,257	(102,103)
(Increase) in inventories	(33,665)	(7,335)
Decrease in payables	(622,750)	(436,339)
(Decrease)/increase in employee entitlements	(25,701)	55,516
Cash flows from operating activities	<u>(386,452)</u>	<u>(5,765,252)</u>

NOTE 22: KEY MANAGEMENT PERSONNEL COMPENSATION

	2024	2023
	\$	\$
Compensation received by key management personnel of the Group – short term benefits	795,000	950,000
	<u>795,000</u>	<u>950,000</u>

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Compensation paid to key management personnel is comprised of short-term employee benefits only. Total key management personnel compensation paid for the year is \$795,000 for 4 full time equivalent employees, including changes in personnel (2023: \$950,000, 5 full time equivalent employees).

NOTE 23: RELATED PARTY TRANSACTIONS

The parent entity of the Group is Auckland Trotting Club Incorporated. The Group has two subsidiary companies, Hospitality GP Limited and Epsom Functions GP Limited, both of which are 100% owned by the parent entity.

Related Party	Relationship
J MacKinnon	President
L Oughton	Vice President
R Dunn	Elected Director
S Plant	Elected Director
R Croon	Elected Director (resigned 31 January 2024)
S Brooks	Appointed Director

(a) Remuneration paid to members of the Board

	2024	2023
	\$	\$
J MacKinnon	46,000	46,000
L Oughton	25,000	19,000
R Dunn	22,000	28,000
S Plant	19,000	19,000
R Croon	11,083	19,000
S Brooks	19,000	19,000
	<u>142,083</u>	<u>150,000</u>

Board members are actively engaged in the sport of harness racing and may transact with the Group on normal terms in pursuing their interests and involvement therein.

Rod Croon was engaged as a consultant to the Group and received fees of \$41,667 during the year (2023: 100,000).

AUCKLAND TROTTING CLUB INCORPORATED

Jamie MacKinnon was engaged as a consultant to the Group and received fees of \$10,000 during the year (2023: \$Nil).

Shaun Brooks was appointed the Club's representative on the Board of Harness Racing New Zealand and received fees of \$27,333 in this capacity.

NOTE 24: LEASES AS LESSOR

The Group has future non-cancellable minimum operating lease receipts as a lessor as detailed in the table below:

	2024	2023
	\$	\$
Less than 1 year	3,246,955	2,758,111
2 – 5 years	8,672,148	7,776,404
Greater than 5 years	3,032,651	5,276,994
	14,951,754	15,811,509

NOTE 25: CAPITAL AND OPERATING LEASE COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2024	2023
	\$	\$
Payable		
- Not later than one year	6,936	4,333
- Later than one year and not later than five years	32,946	8,305
	39,882	12,638

The operating lease commitments relate to rentals of photocopier and screen equipment.

(b) Capital expenditure commitments contracted for:

There are no capital commitments as at 31 July 2024.

NOTE 26: CONTINGENT LIABILITIES

The Group has indemnified Westpac New Zealand Limited in respect of a \$30,000 (2023: \$30,000) bank guarantee in favour of the New Zealand Racing Board. The guarantee was required as a condition of the Group being able to operate a social TAB agency at Alexandra Park.

The Club is in a legal dispute with a former employee over historical bonus payments. The dispute was heard by the Employment Court in June 2024 with a judgement yet to be delivered. The Club has provided for a potential liability based on the Board's best estimate of that potential liability, having taken appropriate legal advice. The final liability will be determined once the judgement has been delivered.

There are no other material contingent liabilities as at 31 July 2024.

NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE

There are no subsequent events at reporting date.

NOTE 28: RECONCILIATION OF SURPLUS FROM OPERATIONS

	2024	2023
	\$	\$
Operating (deficit)/surplus from continuing operations	(13,361,551)	296,954
Finance costs	6,815,865	6,506,583
Amortisation expense	1,096	6,540
Depreciation expense	1,187,017	1,183,289
Fair value loss /(gain) on investment property	5,419,573	(6,833,870)
Loss on sale of assets	287,385	-
Development costs expensed	-	(115,232)
Accrual of settlement costs	1,400,000	-
Operating surplus before non-cash and property items	<u>1,749,385</u>	<u>1,044,264</u>

This note is a non-GAAP measure to provide readers of these financial statements with a reconciliation between the operating deficit from continuing operations and the surplus from operations.

NOTE 29: RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

Balance as at 1 August 2022	\$ 122,386,933
Repayment of borrowings	(44,032,863)
Balance as at 31 July 2023	<u>78,354,070</u>
Balance as at 1 August 2023	78,354,070
Repayment of borrowings	(8,375,000)
Interest capitalised	6,597,886
Balance as at 31 July 2024	<u>76,576,956</u>

2023-24 INDEPENDENT AUDITORS REPORT



OPINION

We have audited the general purpose financial report of Auckland Trotting Club Incorporated ("the Club") and its subsidiaries (together, "the Group"), which comprise the consolidated financial statements on pages 6 to 35, and the consolidated statement of service performance on pages 3 to 5. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 July 2024, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

The consolidated financial position of the Group as at 31 July 2024 and its consolidated financial performance, and its consolidated cash flows for the year then ended; and

The consolidated service performance for the year ended 31 July 2024, in accordance with the Group's service performance criteria, in accordance with Public Benefit Entity 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 (New Zealand) ("ISAs (NZ)") and the audit of the consolidated statement of service performance in accordance with the ISAs and New Zealand Auditing Standard (NZ AS) 1 The Audit of Service Performance Information (NZ). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the General Purpose 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.

Our firm carries out other assignments for the Group in the area of Agreed Upon Procedures in relation to the Club's Class 4 Gaming Licence. The firm has no other relationship with, or interests in, the Group or its subsidiary/any of its subsidiaries.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 1(b) to the financial statements, which reports that the Group incurred a net deficit from continuing operations of \$14.76m for the year ended 31 July 2024 and, as of that date, the Group's current liabilities exceeded its current assets by \$54.5m. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

OTHER INFORMATION

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information contained in the general purpose financial report, but does not include the consolidated statement of service performance and the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated statement of service performance and consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated statement of service performance and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated statement of service performance and the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

DIRECTORS' RESPONSIBILITIES FOR THE GENERAL PURPOSE FINANCIAL REPORT

The directors are responsible on behalf of the Group for:

- (a) The preparation and fair presentation of the consolidated financial statements and consolidated statement of service performance in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board;
- (b) Service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards; and
- (c) Such internal control as those charged with governance determine is necessary to enable the preparation of the consolidated financial statements and consolidated statement of service performance that are free from material misstatement, whether due to fraud or error.

In preparing the general purpose financial report the directors are responsible 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 those charged with governance either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE GENERAL PURPOSE 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 or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this general purpose financial report.

A further description of the auditor's responsibilities for the audit of the general purpose financial report is located at the XRB'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.

WHO WE REPORT TO

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

BDO Auckland



BDO Auckland
Auckland, New Zealand
31 October 2024

MEMBERS 2023-2024

LIFE MEMBER'S IN BOLD

LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR
ABERNETHY	J	2013	CAMPBELL	D	2017	DELL	G	1956
ABERNETHY	P	2007	CAMPBELL	S	1964	DELL'ISOLA	A	1979
ALEXANDER	J	2004	CAMPION	R	2012	DEMPSEY	R	2002
ALLEN	L	2016	CARR	R	1984	DIAS	J	2017
ANDREW	G M	1976	CARTER	M	2014	DICKIE	R	2009
ARCHER	D	1972	CARTER	R	1984	DIVICH	A	1969
ARGUS	P	2015	CARTER	B	1995	DONALDSON	D	2018
ARNET	S	2006	CHARLTON	P	2008	DONALDSON	L	2018
ASHBY	G	1973	CHIA	S	2000	DORMER	A	2011
AUSTIN	R	2022	CLARKE	C	2023	DORMER	G	1989
BAILLIE	P	1987	CLEMENT	P J	2022	DOUGHTY	W	1995
BAKER	N	1981	COLE	J	2014	DOUGHTY	G	1995
BALLE	D	1997	COLE	M	2013	DRIVER	L	1988
BALLE	C	2017	COLE	G	1992	DUNELL	T	2006
BALLE	M	1982	COLLINS	J	2008	DUNFORD	M	2010
BALLE	K	1984	COLSON	D	2004	DUNFORD	D	2007
BARNES	D	2023	COLSON	S	2022	DUNN	R	2017
BARNES	K	1980	COMMONS	F	1962	DUNN	I	1987
BARNES	R	1981	CONROY	D	1953	EAGLES	P	1963
BARRADALE	C	1980	COOK	O M	2019	EDMONDS	C	2018
BARRY	P	1967	COOK	P	1986	EDMUNDS	P	1979
BAX	E	1984	COOPER	A J	2013	ELFLEET	E	2013
BENNETT	M	2020	CORBOY	M	2014	EMERSON	B	2020
BILLINGTON	N	2009	CORNER	P	1992	EUSTACE	A	2012
BLANCHARD	P	2022	CORNWALL	S	1998	EVANS	J	1979
BOLAND	J	1982	CORNWALL	S	2022	EWINGTON	R	2015
BOSCH	F B	1997	CRADDOCK	N	2021	FAMULARO	R	1999
BRADLEY	K	2019	CRONIN	P	2017	FARRELL	B	2009
BRADY	T	2012	CROOKE	K	1977	FEEK	M	1987
BRECKON	A	2012	CROON	R	2002	FENSOM	P N	2022
BRECKON	G	2012	CULPAN	N	1972	FENSOM	R E	2022
BRECKON	K	2014	CUMMINGS	W D	2021	FERGUSON	K	1970
BRECKON	G	1969	CURACH	G	1981	FOLEY	W	1986
BRECKON	K	1995	CURSON	P	1999	FORBES	J	1993
BRENAN	J	2017	CURTIN	J	1988	FRAZER	P	2023
BRIERLEY	A	2011	DATSON	G	2008	GALBRAITH	A	1964
BROWN	K M	2022	DAVIDSON	K	1984	GARELJA	T	1979
BROWNEE	I	1989	DAVIES	J	2015	GEORGAS	O	2023
BULT	P	1985	DAVIES	E	2018	GERARD	P J	2023
BURLEY	P	1973	DAVIS	T	2004	GIANOTTI	B	1985
BURTON DEW	B	2013	DAVISON	S	2017	GIBBONS	P	1972
BUTCHER	P	2017	DE JONGH	C	2018	GIBBONS	N	1970
CALLAGHER	H	2019	DE SILVA	D	2018	GLENN	M	1965

LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR
GOLDSWORTHY	D	1998	HOYLE	M	1982	LEE	B	2013
GOLDSWORTHY	M	1991	HOYTE	W	1969	LEE	M	2004
GOLDSWORTHY	M	1991	HUGHES	G	2022	LESLIE	M	1968
GOODE	M N	2023	HUGHES	B	2006	LEWIS	P	2019
GORDON	N	1998	HULST	G	2009	LIGHTBOURNE	W	2014
GRAHAM	D	2022	HUNTER	M	1995	LINDSAY	J W	2019
GRAY	R	1976	IRONMONGER	B	1992	LIPA	S	1977
GRAYLING	A	2006	IRWIN-PARSONS	L	2005	LITTLE	M	2018
GREEN	B	1983	JAMES	B	2010	LLOYD	N	2017
GREEN	M	1984	JOHNSON	G	2014	LLOYD	M	1978
GREEN	T	1967	JOHNSON	C	2013	LOGAN	P M	2019
GRIERSON	A	1996	JOHNSON	R	1987	LOGAN	G	2010
GRIFFITHS	S	1969	JOHNSON	T	2013	LONG	J	1991
GRIMMOND-REICHEL	L	1977	JONES	G	2019	LOOMB	J	1968
GUBB	W	2004	JONES	J	1989	LOVETT	R	2005
HABRAKEN	H	1983	JONES	P	1967	LOWTHER	P	1980
HACKETT	B	2008	JURY	L	1989	LUM	L	1969
HADDOCK	G	1962	KEEGAN	G	1975	LYNCH	B	1989
HADLEY	B	2018	KEENE	G	2016	MABEY	B	1992
HADLOW	S	1996	KELLY	P	2017	MACDONALD	G	2023
HAILES	P	2012	KENNEDY	R	1988	MACDONALD	D	1983
HALL	J	1989	KENNEDY	J	1964	MACKINNON	C	2012
HANNA	V	2010	KENNY	P	2018	MACKINNON	O	2012
HARDING	G	1991	KERR	A	2012	MACKINNON	J	1989
HARRIS	C	2007	KERR	G	1967	MAGNESS	J	1968
HARRIS	H	1969	KETTLE	T	2015	MAKAN	D	2003
HARRISON	B	1954	KIRK	P	2016	MANN	D	1969
HART	J	1989	KIRK	P J	2021	MARINOVICH	C	2023
HASLAM	P	1981	KIRKBRIDE	D	1975	MARR	K	1990
HEALEY	B	1975	KLAASSEN	D	2017	MARTINOVICH		1990
HECK	M P	2005	KNOX	D	2015	MASON	T	2023
HEDGER	B	1989	KNOX	S	2015	MASON	G	2009
HENLEY	G	1994	KNOX	A	1994	MASON	A	2011
HERLIHY	S	1995	KOEFOD	R	1983	MATHEWS	J	2009
HERLIHY	T	1995	KRIECHBAUMER	J	2024	MATTHEWS	D I S	2021
HEWES	B	1990	KUSABS	S	2012	MATTHEWS	S	1983
HICKEY	J	1979	LAHOOD	P	1989	MAY	P	2013
HODGKINS	M	1994	LAMBERT	S	2022	MCAULEY	B	1993
HOGGARD	M	2013	LANDON	C	1974	MCCASLIN	D	2013
HOLLIS	L	2022	LASCELLES	P	1985	MCCLINTOCK	G	1985
HOLLOWAY	S	1985	LATIMER	D	2013	MCDONALD	B	2000
HOOPER	R	1968	LAWRENCE	R C	2021	MCFADZEAN	R	2021
HORNBLow	B	1964	LEAN	S	2017	MCGEACHIE	B	2016

MEMBERS 2023-2024 CONTINUED

LIFE MEMBER'S IN BOLD

LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR
MCILRAITH	D	1986	O'CONNOR	S G	2019	ROUSE	G	1965
MCINTOSH	J	1969	OLIVER	W	1968	RUPP	C	2005
MCISAAC	V	1969	O'SULLIVAN	A	2020	SADLER	R	1983
MCKAY	K	2011	OUGHTON	F	2014	SADLER	J	1997
MCKEARNEY	J	2000	OUGHTON	S	2017	SAMPSON	M	1993
MCKENDRY	M	2001	OUGHTON	L	1975	SCHNEIDER	C	2017
MCKERROW	K	1985	OUTTRIM	W	1984	SCOLTOCK	W	1966
MCKINNON	M	2022	OUTTRIM	S	1988	SCOTT	J	1986
MCLEOD	M	2013	PARKER	A	2014	SCOTT	B	1965
MCLEOD	K	2013	PARKINSON	A	1998	SCREEN	J	2015
MCMATH	B	1987	PARRIS	L	2004	SCREEN	T	2015
MCRAE	J	1972	PATON	R	1999	SCREEN	P	2003
MCRAE	J	1972	PAUL	M	1960	SELWYN	M	1964
MEADOWS	A	1978	PEART	G	2017	SHAND	B I	2008
MEALE	B	1980	PENGELLY	W	1966	SHAND	G	2005
MEDCALFE	D	1981	PETTIFER	L	1975	SHAW	C	2013
MENDE	F	1998	PHELAN	S	2019	SHAW	I	1988
MEYERS	A	2023	PHILLIPS	S	1972	SHEARING	G	1992
MIDDLETON	I	2015	PHILPOTT	J	1985	SHEEHAN	D	2017
MILLIER	G	1999	PILKINGTON	R	2018	SHEW	S H	1965
MILWARD	B	2015	PLANT	B	2005	SHIU	H	1997
MOFFIT	J	1962	PLANT	S	2005	SHORTER	D	2004
MOHANAKRISHNAN	J	2011	POLLOCK	K	2017	SHORTT	L	2015
MONTAGNA	C	2019	POWELL	I	1980	SIXTON	C	1994
MOORE	D	2003	PRATT	A	2007	SIXTON	D	1990
MOORE	J	2007	PRESTON	H	1969	SKINNER	K	1977
MOORE	T	1988	PRICE	D	2023	SKINNER	M	1977
MORRIS	K	2005	PURDON	B	2001	SMITH	P	1996
MRKUSICH	G	1990	PURDON	K	2014	SMITH	C	2012
MULLINS	P	2018	PYE	L	1976	SMITH	D	1989
MUNRO	I	2017	PYKE	R	2023	SMITH	D	1999
MURRAY	R P	2022	QUINN	T	1977	SOUTHEY	R	1983
MURRAY	C	1988	RACK	G	2001	STEWART	R	1975
MUSSON	H	1965	REYNOLDS	J	2001	STOCKMAN	G	1994
MYLES	G	1984	RINGROSE	M	2002	STOCKMAN	S	1981
NADEN	T	1968	ROBERTSON	G	1976	STORCK	E	1992
NEAL	D	2011	ROBERTSON	M	1964	STRAWBRIDGE	C	2006
NEEDHAM	B	2006	ROBERTSON	G	1967	STREET	L	2017
NEVILLE	K	1997	ROBINSON	W	1997	STREET	J	1984
NICOLSON	A	1981	ROBINSON	G	1967	STUART	C	2005
NIEPER	M	1972	ROGERSON	G	2009	SUMICH	M	1984
NIGRO	J	1984	ROIGARD	P	2021	SWEENEY	G	2020
NOTMAN	M	1984	ROOSE	D M	2024	SYKES		1973

LAST NAME	INITIAL	YEAR	LAST NAME	INITIAL	YEAR
TAPPER	S	1984	YEE	R	1965
TAYLOR	A	2016	YEE	V	1965
TAYLOR	J	2016	YONG	K	1997
TAYLOR	J	2005	ZALOUM	R	1969
TAYLOR	B	2005			
TAYLOR	D	2013			
THOMPSON	S	2013			
TILSLEY	N	2017			
TONG	F	1982			
TRAPSKI	F	2011			
TREVENEN	R	1995			
TRILLO	V	1976			
TURNER	P	2017			
TURNER	D	1995			
TWOMEY	B J	2022			
UPTON	J	2022			
VALENTINE	L	2015			
VALENTINE	W	2015			
VINCE	T	2017			
WAIDE	R	1979			
WALKER	W A	2021			
WALLNUTT	A W	2022			
WAPP	A	2007			
WAPP	D	2007			
WARNOCK	P	1960			
WATERS	S	1975			
WATT	R	1969			
WAYMOUTH	J	2018			
WEBSTER	J	2010			
WELLS	P	2011			
WETHERILL	R	1990			
WETHERILL	M	1975			
WHARFE	G	1998			
WHITING	B	1985			
WHYTE	W	2003			
WILLIAMS	G	2013			
WILLY	A	1967			
WILSON	W	2013			
WOOLLAMS	K	1968			
WOOLSTON	G	1991			
WRIGLEY	M	1977			
YARDLEY	J	1994			
YEE	L	1986			



 **ALEXANDRA**
PARK

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