

HARNESS RACING NEW ZEALAND

ANNUAL REPORT
FOR THE YEAR ENDED
31 JULY 2025





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CHAIR AND CHIEF EXECUTIVE'S REPORT

Kia Ora Koutou Katoa,

We are pleased to present the 2025 Annual Report for Harness Racing New Zealand (HRNZ).

This year marks two important milestones: the first full year of our refreshed Board, and the first year of leadership under our Chief Executive, Brad Steele. Together, the Board and HRNZ team have worked hard to deliver on our commitments and set a clear path for the future of our sport.

Strong Progress, Clear Purpose

Over the past 12 months, HRNZ has advanced several key strategic initiatives and strengthened critical industry relationships.

Our purpose remains to *"ignite the dream and harness the thrill."* Guided by our refreshed 2026–2028 strategy, we are focused on three pillars:

Targeting Growth, Being Innovative, and Building to Last.

Partnerships are central to achieving this vision. Our collaboration with TAB and Entain continues to deliver positive momentum, with increased wagering growth providing a vital revenue base to reinvest into the industry.

On the racing front, we have made important steps forward with breeding initiatives, improved stakes models, and expanded opportunities across all racing levels from grassroots to elite. These efforts are designed to ensure competitiveness, vibrancy, and a stronger pipeline of horses for the future.

At the same time, we recognise that racing is ultimately an entertainment business. Our clubs play a critical role in delivering compelling experiences on-course, while our broadcast and digital channels, Trackside, TAB, and Betcha extend our reach to fans and punters nationwide. Technology and marketing continue to drive this growth, and we remain committed to ongoing investment in this space.



Building on the Foundations of 2024

In last year's report, *The Future Starts Now*, we outlined an ambitious programme to revitalise harness racing. Twelve months on, we are proud to report meaningful progress:

- **Next Gen Initiative:** Launched to attract, engage, and retain younger participants, fans, and owners, this programme has already injected new energy into our sport. It provides essential pathways to ensure harness racing remains relevant for future generations.

Recognising Industry Contribution

We also wish to acknowledge the dedicated volunteers who are the backbone of harness racing in New Zealand. The tireless work of those on club committees and kindred bodies ensures racing thrives at every level. Their governance, event delivery, and community leadership are essential to the sport's sustainability, and we extend our deepest gratitude to all who give their time and passion.

Acknowledging Owners, Trainers, Drivers and Stable Hands

Harness racing is powered by the passion and commitment of our participants. Owners, in particular, are the single largest funders of our sport, and it is pleasing to see an increasing number of them attending race meetings in person, actively supporting their horses and enjoying the thrill of being trackside. Their investment and loyalty are the bedrock of harness racing in New Zealand.

Equally, the professionalism of our trainers, drivers, and stable hands continues to lift the standard of our sport. From the way they present themselves and their horses to the growing emphasis on communication, performance, care, and professionalism, they reflect the pride and dedication that underpins harness racing. Their daily commitment, often behind the scenes, ensures our horses are well prepared, well cared for, and competitive on race day.

We wish to formally recognise and thank these groups for their invaluable contribution. Together, they represent the heart of harness racing and are critical to our sport's ongoing success.

Managing Risks and Future Challenges

While we are encouraged by progress, we must remain clear-eyed about the risks that lie ahead, both known and unknown.

- **Funding Sustainability:** Long-term revenue certainty is essential. We continue to work closely with TAB NZ, Entain, and government partners to ensure stable and sustainable financial pathways.
- **Breeding Decline:** Reversing two decades of reduced foal crops remains one of our greatest challenges. Without a robust breeding base, our racing product is at risk. We are committed to incentive programmes and partnerships to help turn this trend around.



WOODLANDS

N.Z. Sires' Stakes 2YO Colts
Final 2024

- **Broader Industry Risks:** As with all sports, we must prepare for unforeseen risks whether economic, social, or regulatory that could impact our progress. A culture of resilience, adaptability, and forward planning is essential for HRNZ to withstand future shocks.

We take confidence in the foundations we are building but remain vigilant and realistic about the challenges that could affect our industry's long-term success.

Collaboration with Australia

Harness racing thrives when we collaborate across borders. Stronger coordination with Australia – particularly around feature race calendars, prize money structures, and international promotion – will ensure our sport is more competitive and attractive to owners, participants, and fans in both jurisdictions.

Progress Towards Our Vision

Our vision is bold: to be the **fastest-growing, most innovative New Zealand racing code – built to last.**

We are pleased to report tangible progress in 2025:

- **Horse Utilisation:** The average number of starts per horse has risen from 9.5 to 10.4, reflecting stronger programming and improved engagement.
- **Partnerships:** Rebuilt relationships with Entain, TAB NZ, and government partners now provide a strong platform for industry investment.
- **Government Support:** We also acknowledge the important support and deepening relationship we have with government. Their recognition of harness racing's cultural and economic contribution, combined with their willingness to engage with our code, has been instrumental in strengthening the foundation for our future.
- **Industry Stability:** Exports have eased, helping to strengthen the domestic racing product.

Animal Welfare and Rehoming

The welfare of our horses remains paramount. HRNZ continues to strengthen horse welfare policies and work closely with rehoming to ensure safe, rewarding post-racing lives for retired horses. This is a cornerstone of our social licence and our responsibility to the horses at the heart of our sport.

Governance and Leadership

The renewal of our Board and governance structures ensures HRNZ is fit for the future. New perspectives, combined with the deep expertise of long-standing contributors, provide a strong foundation for decision-making and accountability.

Looking Ahead

As we look to 2026 and beyond, our priorities are clear:

- Continue building sustainable growth through innovation and collaboration.
- Address the structural challenges in breeding and participation.
- Manage both the risks we know and those we cannot yet see.

We are confident that with collective commitment, harness racing in New Zealand can thrive as both a sport and an entertainment offering for Kiwis.

We thank our Board, National and Regional Forum members, clubs, kindred bodies, volunteers, participants, government partners, and the HRNZ team for their dedication. On behalf of the Board, we also extend our gratitude to Brad for his leadership in advancing our strategy and strengthening industry relationships.

Harness racing has a bright future. Together, our job is to create the opportunities for all of us to thrive.



Grant Jarrold
CHAIR



Brad Steele
CHIEF EXECUTIVE OFFICER



GOVERNANCE STATEMENT

The racing industry is governed by the Racing Industry Act 2020 (Act). HRNZ is one of the three racing code governing bodies recognised under the Act. The Act defines the functions of each racing code to govern racing clubs, racing venues and participants alongside other administrative functions and the development of rules, regulations, and policies in respect of racing conducted by the code.

HRNZ is the governing body that sets and administers the rules of racing for harness and maintains a comprehensive database of all registered harness horses in New Zealand, including their racing history. HRNZ fulfils its objectives and functions of a racing code as set out in Sections 14 and 15 of the Act.

HRNZ's constitution recognises our racing clubs and three kindred bodies as follows:

- NZ Standardbred Breeders' Association
- NZ Harness Racing Trainers and Drivers Association
- NZ Trotting Owners Association

Board Appointment Process

The Board comprised eight persons, reduced to seven persons (to be known as "directors") at the end of the 2024 annual general meeting on 19 October 2024. Four of the seven directors are nominated by a panel and elected by the clubs and kindred bodies and three are appointed by the panel. The panel may appoint an additional director if the Board and panel determine there is a significant skill gap.

The Board recognises the importance of diversity and skills balance within its structure.

Role of The Board

The Board's major responsibility is to set the strategic direction of HRNZ in accordance with the Vision and Purpose, and to ensure that the milestones supporting the strategy are delivered. In addition, the Board reviews the status of clubs' financial performance and the clubs' approach to managing their risks to health and safety. The Board is responsible for the appointment of the Chief Executive.

The Board supports the principles of Corporate Governance and is committed to maintaining the highest standards within HRNZ.

The Board has specific responsibility for approval of the Statement of Intent & Business Plan (SOI), HRNZ budget and the funding budget, approval of capital expenditure, acquisitions and divestments.

There are ten or eleven formal board meetings per year, with other meetings as required to consider any urgent requirements. There are two Board Sub-Committees covering Audit and Risk and Rules and Regulations. Board members are appointed to these Sub-Committees with selected industry participants and administrators included to provide specific expertise. The Sub-Committees consider issues and make specific recommendations to the Board for decision. From time to time, the Board may convene working groups to cover specific harness-related projects, e.g. Horse Care and Welfare, Racing Calendar structure, Horse Utilisation and Breeders Focus Group.

Controlled Entities and Associates

The Board appoints two directors to a non-trading 100% controlled entity Cardigan Bay Holdings Limited.

HRNZ owns one-third of OnTrack Racing Limited, a charitable entity set up to focus on supporting good mental health within the racing industry. Shareholders of the company may vote on a resolution to appoint a director of the company, and consequently HRNZ has appointed a Board member to sit on the board of OnTrack Racing Limited.

HRNZ appoints two representatives, being the Chair and CEO, to Racing New Zealand.

Strategy and Risk

The Board approves the annual SOI and annual budget prepared by management. The Board sets the strategic direction reflected in the SOI.

The Purpose of HRNZ is: To ignite the dream and harness the thrill – industry and fans.

The Vision of HRNZ: To be the fastest growing and most innovative racing code in New Zealand – built to last.

The Board considers its significant business risks during the Board meetings and through the Audit and Risk Sub-Committee. The Board is in the process of updating its Strategic risk register and this will direct the operational risk register which is being updated by management. These registers are formally reviewed every six months by the Audit and Risk Sub-Committee and the Board.

Management Delegated Authority

The Board has delegated the day-to-day management of the organisation to the Chief Executive. There are specific limits in place for the Chief Executive to incur expenditure, enter contracts or leases, or acquire or dispose of assets without Board approval.

Management Reporting

Management is required to report to each Board meeting in sufficient detail to enable the Board to assess progress against the SOI, budget, funding budget, strategic goals and major projects. In addition, management reports on compliance with legislative requirements.

Ethics

The Board is committed to ensuring high ethical standards are observed by the Board and staff of HRNZ and that all industry participants comply with the rules of Harness Racing.

Conflicts of Interest

Members of the Board may have potential conflicts of interest by virtue of their participation in the industry as breeders, owners, trainers or drivers. These interests are disclosed at the time of election to the Board. When a conflict of interest exists, the conflicted Board member will declare their interest to the Board and will abstain from voting on relevant matters.

The Board acts in the overall best interests of harness racing. The Board has a Board Charter and a Code of Conduct which is reviewed and agreed annually.

HRNZ BOARD



GRANT JARROLD
(Chair – appointed October 2024)



HANNAH DONEY
(Vice-Chair – appointed October 2024)



SHAUN BROOKS
(Finance Chair)

“THE BOARD
RECOGNISES THE
IMPORTANCE OF
DIVERSITY AND
SKILLS BALANCE
WITHIN ITS
STRUCTURE”



GEORGINA HUNTER
(appointed October 2024)



JANE DAVIS
(appointed October 2024)



STEPHEN O'CONNOR
(appointed October 2024)



TIM SISSONS
(appointed October 2024)

RETIRED HRNZ BOARD MEMBERS (2024)

ANNA GALLIEN (October 2024)

BILL MCDONALD (October 2024)

CAMERON BRAY (September 2024)

JOHN COULAM (October 2024)

JOHN GRAINGER (October 2024)

PHIL HOLDEN (October 2024)

TODD ANDERSON (October 2024)

COMMITTEES

Audit and Risk Sub-Committee:
Shaun Brooks (Chair)

Rules and Regulations Sub-Committee:
Tim Sissons (Chair)

HRNZ LEADERSHIP

Chief Executive:
Brad Steele

General Manager Corporate Services:
Liz Bishop

Board Secretary:
Leanne Holdem



THE PURPOSE OF HRNZ IS: TO IGNITE
THE DREAM AND HARNESS THE THRILL-
INDUSTRY AND FANS.

2024-25 RACING REPORT

A Trans-Tasman Renaissance

Harness racing in New Zealand experienced a true trans-Tasman renaissance in 2024/25. HRNZ has long emphasised the value of closer ties with Australia, and this season showed just how much both codes benefit. Kiwi stars crossed the Tasman with success, while Australian champions thrilled local crowds and lifted the sport to new heights.

Kiwi Champions Shine

Few pacers had a bigger season than Republican Party, who stamped himself as one of the greats with four Group 1 victories – the Invercargill Cup, the Auckland Cup, the Messenger, and the Roy Purdon Memorial – as well as a gallant third in the New Zealand Cup.

Alongside him, Merlin and Don't Stop Dreaming continued to show their class in major features. Rising star Marketplace was crowned 2024 2YO Pacing Colt or Gelding of the Year, before storming into 2025 with a string of wins that have made him one of the most exciting prospects in the sport, boasting 10 victories from just 16 starts.

The Southland pacer, Tact McLeod emerged as a new crowd favourite, running third in the \$1m Miracle Mile behind Don Hugo and Leap To Fame, ahead of the fourth-placed Swayzee. Meanwhile, the young Kiwi raiders excelled in Australia: Captains Mistress was outstanding in the Queensland Oaks, and Rubira proved too sharp in the Derby on the same night.

The Inter-Dominions also delivered drama, with trotting sensation Bet N Win unbeaten going into the final before finishing runner-up to Arcee Phoenix, with Oscar Bonavena a close third.

Australian Stars Take Centre Stage

Australian harness racing is going through a golden patch, and Kiwi fans relished watching Swayzee, Leap To Fame, Just Believe, Keayang Zahara, and Arcee Phoenix strut their stuff on our tracks.

At Cambridge's Night of Champions, the Aussies dominated: Arcee Phoenix took out the \$600,000 TAB Trot, while Leap To Fame lived up to the hype with a record-breaking 50th career win in the \$1m Race by Betcha.

Swayzee outstayed Don't Stop Dreaming in the 2024 IRT New Zealand Trotting Cup to secure his second consecutive title, and he is now targeting a record-equalling third in 2025.

Meanwhile, Just Believe, trained by Jess Tubbs and driven by Greg Sugars, thrilled Kiwi crowds with an unbeaten first campaign here before returning to double up in the Dominion Trot. Though his unbeaten run was ended by Oscar Bonavena in the NZ Trotting Free-For-All, he retired soon after with a superb record of 38 wins from 83 starts and \$1.7m in earnings.

The season was overshadowed in April by the sudden death of champion driver Greg Sugars at just 40 years old – a tragedy that deeply affected the harness racing world on both sides of the Tasman.

Breakthrough Stars and Fierce Rivalries

No horse created more excitement than Keayang Zahara, who strung together 15 straight wins, including the NZ Trotting Oaks, the Derby, and the inaugural The Ascent slot race at Addington Raceway on Show Day.

Show Day itself unveiled new features and plenty of theatre:

- Better Knuckle Up scored for northern trainers, Barry Purdon and Scott Phelan in The Velocity.
- Rakero Rocket made history by winning the first Christian Cullen for four-year-old pacers, delivering maiden Group 1 glory for trainer Tom Bamford and prolific owner Ronnie Dawe.
- Merlin capped the day with a victory in the Free-For-All.

Among trotters, Muscle Mountain, Mighty Logan, and Bet N Win all took Group 1 honours, joining Oscar Bonavena and Just Believe. Bet N Win was the standout with wins in the NZ Trotting Championship and the Rowe Cup – the latter a poignant victory for David and Stacey White, coming just a week after the loss of their good friend Greg Sugars.

Another to mark himself as a star-in-the-making was Meant To Be, a 3YO trotter who now boasts nine wins, including four at Group 1 level.

The pacing fillies kept fans entertained with fiercely contested battles, as Arafura, Winelight, All You Need Is Me, Captains Mistress, and Stella Rouge each took turns in the spotlight.

Premiership Winners

The season's premierships highlighted both dominance and emerging talent:

- **Trainers:** Robert and Jenna Dunn were back on top, posting a personal-best 137 wins.
- **Drivers:** Blair Orange secured his seventh drivers' premiership with 196 wins, 59 clear of closest challenger, John Dunn.
- **Junior Drivers:** A thrilling three-way contest ended with Carter Dalgety narrowly ahead of Sam Thornley and Wilson House on 67 wins.
- **Amateur Drivers:** John Kriechbaumer took the honours on countback from Frank Phelan and Cheree Wigg.

Looking Ahead

The 2024/25 season showcased the best of both New Zealand and Australian harness racing – fierce competition, emerging champions, and unforgettable stories. With the tantalising prospect of Leap To Fame and Swayzee clashing in the 2025 New Zealand Cup, and a new generation of Kiwi stars rising, fans can look forward to another season of world-class racing.

November will see New Zealand exclusively host the World Driving Championship for the first time. The series, featuring 10 of the globe's best drivers, starts at Kaikoura, one of the world's most scenic courses, on November 2 and finishes with a champion being crowned on IRT New Zealand Trotting Cup day at Addington nine days later. The eyes of the harness racing world will be on us as Blair Orange tries to bring the world title back to New Zealand.





PERFORMANCE AGAINST STRATEGIC PILLARS

OUR PURPOSE IS:

To ignite the dream
and harness the thrill –
industry and fans

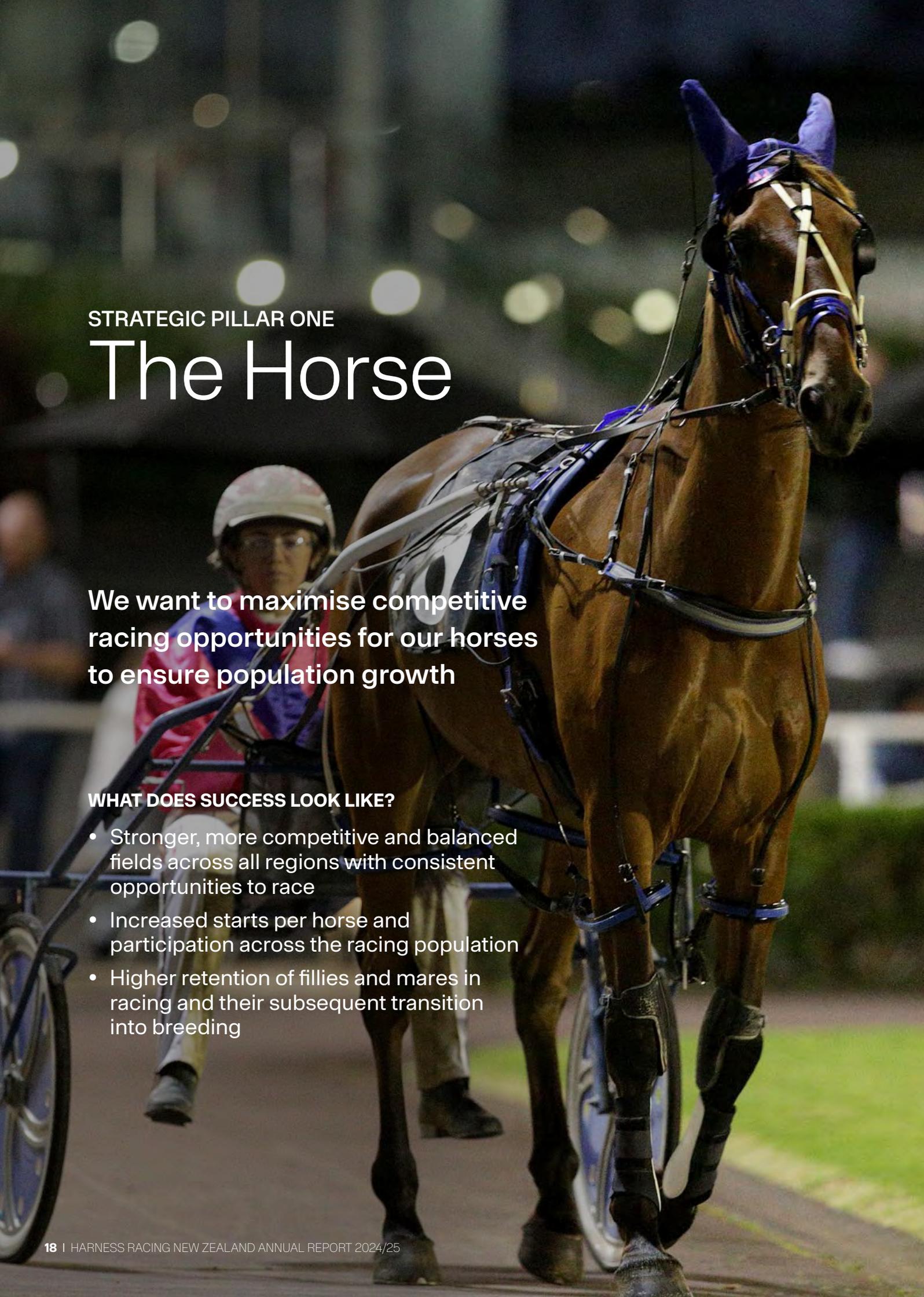
OUR VISION IS:

To be the fastest
growing and most
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in New Zealand – built
to last



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A photograph of a harness racing scene at night. A jockey wearing a white helmet and a red and blue jacket is driving a brown horse. The horse is wearing a blue blinker and has a harness with a white saddle cloth. The background is dark with blurred lights, suggesting a racetrack at night.

STRATEGIC PILLAR ONE

The Horse

We want to maximise competitive racing opportunities for our horses to ensure population growth

WHAT DOES SUCCESS LOOK LIKE?

- Stronger, more competitive and balanced fields across all regions with consistent opportunities to race
- Increased starts per horse and participation across the racing population
- Higher retention of fillies and mares in racing and their subsequent transition into breeding

WHAT WE DID

In 2025, HRNZ elevated the racing experience by launching a nationally aligned Bureau, delivering clearer programming, and introducing a fairer handicapping system. New initiatives created more opportunities for fillies and mares to race, stay competitive, and transition into breeding – laying stronger foundations for a sustainable horse population.

Race Programming and Field Management

► Launch of the National Racing Bureau

The National Racing Bureau was launched in April 2025, introducing a unified national approach to race programming. The Bureau has improved collaboration between clubs and regional administrators, reducing silos and enabling more efficient scheduling. Programming is now nationally aligned, with feature and group-level races strategically placed to avoid clashes and enhance race quality. There is greater visibility of the national calendar and race field setting processes are more streamlined with increased services available online. In-office appearances by Bureau members have further strengthened stakeholder engagement.

► Implement the New Handicapping System

Our new handicapping system supports keeping horses competitive for longer – giving owners more reasons to race, improve fairness and competitiveness, and increase horse utilisation. Introduced in June 2025, the system replaces a flawed model that previously penalised maiden winners too heavily and forced horses up the grades too quickly, shortening horses' racing careers. Early feedback has been encouraging, with most participants giving the changes a fair trial. Initial teething issues were quickly resolved, and an independent review panel is now in place to monitor the system and recommend refinements.

► Faster Race Field Confirmations

HRNZ now publishes tentative programmes two months in advance to improve visibility. Final fields are confirmed earlier, with Friday fields released on the preceding Monday and weekend fields published on Tuesday. The shortened timeframes reduce uncertainty and discourage late withdrawals. Timely delivery is now a Bureau KPI. These changes have been positively received by trainers and clubs, who value the added clarity and certainty for planning.

► Increase Annual Starts per Horse

To boost horse utilisation, HRNZ is focused on increasing the average number of starts per horse each season and ensuring more qualified horses race. To help achieve this, HRNZ made several changes to the racing calendar, including increasing races for fillies and mares, scheduling more lower-tier meetings, and creating a new entry point for horses at rating 40. The upgraded handicapping system also aims to offer greater opportunities and fairer race placement, providing owners with more confidence to race more frequently. These efforts have already shown positive results, with the average number of starts per horse rising from 9.5 to 10.4 this season.

► Expand Fillies and Mares Races

Recognising the need to broaden racing opportunities for fillies and mares, HRNZ introduced a range of initiatives to support retention, performance, and long-term value. The Silk Road Series, launched during winter, offered consistent and geographically balanced racing opportunities, giving fillies and mares more meaningful chances to race and succeed. The series was a clear success, with strong participation and performance.

Building on this momentum, the newly introduced Mares Spring Schedule provides a six-race pathway for higher-assessed mares, featuring two Group 2 races and a Listed event. A further redesign of the northern mares' programme is also underway to deliver 12-15 meaningful race opportunities annually. These initiatives have been endorsed by leading trainers for creating a viable, competitive alternative to open-class racing – helping retain elite mares within the New Zealand harness racing scene.

Breeding Incentives

► Fillies & Mares Credit Scheme

The Fillies & Mares Credit Scheme was introduced to help stabilise and eventually increase the number of mares being bred. Specifically targeting fillies and mares still racing, the scheme offers a maximum credit of \$6k to be redeemed when they retire to the breeding paddock. Annual claims remain low, as many eligible mares are still racing, but interest continues to grow. On average, 49.3% of mares transition from racing to breeding.



A woman with blonde hair, wearing a blue t-shirt with the IRTA logo and the text "Your horse. Our passion." and "Trotting Cup 2024", is standing next to a brown horse. The horse is wearing a harness and has a white bandage on its forehead. The background is dark, suggesting an indoor arena or stable.

STRATEGIC PILLAR TWO

Social Acceptance

We want to ensure that the health and welfare of our horses and participants are at the core of our culture

WHAT DOES SUCCESS LOOK LIKE?

- Greater public trust in the welfare and integrity of harness racing
- A professional, safety-conscious industry guided by strong governance and leadership
- Transparent communication that builds awareness and responds to stakeholder insights

WHAT WE DID

In 2025, HRNZ reinforced its commitment to horse welfare, professionalism, and public trust. Key changes, from improving horse traceability to strengthening governance and integrity frameworks, reflected a maturing industry culture.

Horse Welfare

► Promote the Care and Welfare of Standardbreds

Horse welfare remains a cornerstone commitment of HRNZ, and improving horse traceability is key to ensuring every standardbred is accounted for while racing. This year, we continued to embed the “accountable person” requirement into everyday practice, with participants now being prompted to update horse records every six months, and licence holders being required to update their horses at licencing time.

The Racing Integrity Board (RIB) has implemented stable inspections, replacing the previous stable audit process.

More horses are finding second careers after racing, with 258 rehomed this year through the HRNZ HERO programme and our supported life after racing rehomers, up from 196 last year. Visibility of standardbreds in equestrian sport is growing, thanks to HRNZ’s support through NZ Standardbred Breeders, of the standardbred showing programme at A&P shows and our sponsorship of other equestrian events and standardbred-only competitions.

Integrity and Regulation

► Governance Renewal

Our governance restructure has brought broader expertise to the Board, sharpened our commercial focus, and improved strategic oversight. Adopted in October 2024, the new model transitioned HRNZ to a skills-based board, comprising four elected and three appointed directors, with flexibility to add another if any skills gaps emerge.

The transparent appointment process has helped to build confidence in HRNZ’s governance, with informal feedback from both industry participants and external partners reflecting strong support for the change.

► Driver No Talking Policy

In line with global standards, a new policy was introduced prohibiting drivers from speaking to each other on the racecourse until after crossing the finish line, except in emergencies or for safety reasons.

The policy has strengthened confidence in the sport’s integrity, reinforced welfare as a priority, and provided officials with a clear and consistent enforcement framework.

► Ongoing Engagement with RIB to Ensure Consistent Rule Enforcement

Strong alignment has been achieved between HRNZ and the RIB on maintaining high welfare standards, exploring potential rule changes, and consistently enforcing HRNZ’s rules of racing.

Regular meetings between HRNZ’s Head of Racing and Wagering and the RIB’s Chief Stipendiary Steward have supported a proactive, solutions-focused approach to rule interpretation, ensuring potential issues are addressed early and constructively.

► Education for Licence Holders

Ongoing education is provided to industry participants to support professional standards and promote health, safety, and horse welfare. HRNZ engaged a Health & Safety consultant to develop tailored document templates for use by our trainers. Regular education emails are distributed, covering key welfare topics such as horse traceability and responsibilities of the accountable person.

Communication and Stakeholder Engagement

► Stakeholder Survey and Insights

HRNZ developed and distributed a stakeholder survey to better understand how industry participants access information, what content resonates most, and how can improve engagement. The survey received over 500 responses from across the harness racing community.

Findings confirmed that the HRNZ website is the primary content hub, with 94% of respondents using it and 67% using the website daily. Mobile use dominated at 80% above other devices. Audience preferences included industry news, interviews, race previews, practical updates and personal stories. Under-45s showed a strong preference for short-form video, while over one-third of participants aged 45+ are not active on social media.

Life After Racing content was also noted as a niche but vital part of our social licence.

In response, HRNZ will place stronger focus on short-form video to engage younger audiences, maintain a mixed-channel strategy to meet generational needs, and continue evolving our digital platforms to prioritise mobile-first access.

► Campaigns to Promote Harness Racing

Our communications team ran several campaigns this year to promote harness racing and celebrate the sport's successes. Key campaigns included building anticipation for major events such as the Road to the Cup, Road to the Dominion, the new slot races (The Ascent and The Velocity), the Auckland Cup, and Night of Champions. HRNZ also profiled the NZ Junior Drivers Championship, highlighting rising talent – including a clean sweep by female drivers, who claimed first, second, and third.

Ambassador-led campaigns supported community causes, including Team Teal in support of ovarian cancer research, featuring events such as “Frocks at the Trots,” and Blue September in collaboration with the Prostate Cancer Foundation, launched with a high-profile skydive and the “Blue Bolt” drivers’ race.

We partnered with the NZ Warriors for an ANZAC Day tribute to engaged new audiences and broadening public interest in harness racing.

Ongoing storytelling across HRNZ’s channels also remained a key part of our strategy, with popular content including the Christian Cullen 30th birthday celebration, a tribute to Greg Sugars, Group Race wins, and junior driver achievements. Our social media audience grew by 9%, with engagement up 33%.

STRATEGIC PILLAR THREE

Our Participants

We want to ensure that our participants are professional, engaged and earn a good financial return from our sport

WHAT DOES SUCCESS LOOK LIKE?

- Clubs meet their operational and compliance responsibilities with confidence
- Participants access meaningful development and wellbeing support

WHAT WE DID

In 2025, HRNZ put greater emphasis on the people who power the sport – supporting clubs to meet their responsibilities, expanding wellbeing access across the industry, and investing in the development of the next generation of trainers and drivers.

Club and Volunteer Support

► Improving Club Engagement

HRNZ increased its presence at race meetings this season, with the leadership team making a more concerted effort to connect directly with clubs. The National Racing Bureau has supported this shift by fostering more open and consistent communication, leading to better alignment between HRNZ and local delivery teams.

► Supporting Clubs' Compliance

To assist clubs with their Health & Safety compliance obligations, HRNZ engaged an external consultant to deliver training and brought in Simply Safety to provide templates and quarterly compliance reviews with feedback. Clubs are becoming more familiar with expectations and are starting to update their systems more regularly.

On the financial side, HRNZ sends compliance updates, including reminders on the approved accounting framework. Clubs are required to submit their annual reports, which HRNZ reviews and follows up on if issues are identified.

To help clubs adapt to legislative changes, HRNZ provided a constitution template aligned with the new Incorporated Societies Act 2022. At the 2024 AGM, it was agreed that full audits are no longer required. Clubs may now opt for independent reviews – if permitted by their constitution and if the club meets the legal requirements to opt for a review. This offers a more cost-effective approach to financial oversight.

► Developing Race Day Officials

Work to standardise job descriptions, training, and succession planning for race day officials remains in early stages.

Development Support for Trainers and Drivers

► Youth Gear Support Program

HRNZ introduced the Youth Gear Package for participants aged 30 and under who are actively participating in or have completed our cadet programme. At each licence progression, young participants receive a voucher for new essential gear:

- **Trials Licence:** Approved driving helmet and safety vest
- **Junior Driver Licence:** Race-day approved driving boots, pants, and skivvy
- **Trainer Licence:** Full harness set or US-style driving suit

This initiative ensures that participants always have gear that meets safety standards and supports them as they advance through their licence stages.

► Development Support for Junior Drivers in the North Island

HRNZ's Development Coordinator role continues to play a valuable part in supporting Junior Drivers, their employers, and the RIB. This year, the role was extended to include a dedicated person in the North Island, ensuring more accessible mentoring and guidance for young participants nationwide.

► World Drivers Championship 2025: Local Impact

HRNZ is preparing to host the 2025 World Drivers Championship, which will provide an invaluable opportunity for New Zealand harness racing to showcase itself on the global stage. Having our representative compete on home soil allows fans and participants to engage more closely with the event, building pride and excitement for the sport.

The Championship also creates networking opportunities for local drivers, which can lead to future international invitations and career growth. Trainers and owners benefit from the unique experience of having world-class drivers compete with their horses, bringing fresh insights and exposure to different driving styles. Overall, hosting the event strengthens industry connections, raises the profile of harness racing nationally, and leaves a lasting legacy for participants at every level.



Education and Wellbeing

► Link Education to Licence Renewal

Internal discussions and research are underway on how professional development could be integrated into the licence renewal process. No formal development has commenced.

► Expanding Access to Wellbeing Support

The OnTrack wellbeing programme expanded its reach across the racing community this season and now offers a growing variety of wellbeing touchpoints across the industry.

A range of trainings were delivered, with 473 participants attending awareness sessions (OnTrack to Action and OnTrack Yacks), 128 completing peer support training (Champions), and 18 taking part in ASIST suicide prevention training. OnTrack also conducted a number of workplace visits.

Let's take action together.

The racing industry's true strength is its people. Let's work to improve mental health and make the wellbeing of our people at the centre of what we do.

Together we can drive real change.

Want to know more about our programmes and how you can get involved? Register on our website for news and updates.

OnTrack to ACTION
OnTrack CHAMPION
OnTrack to ASIST

Need to talk?

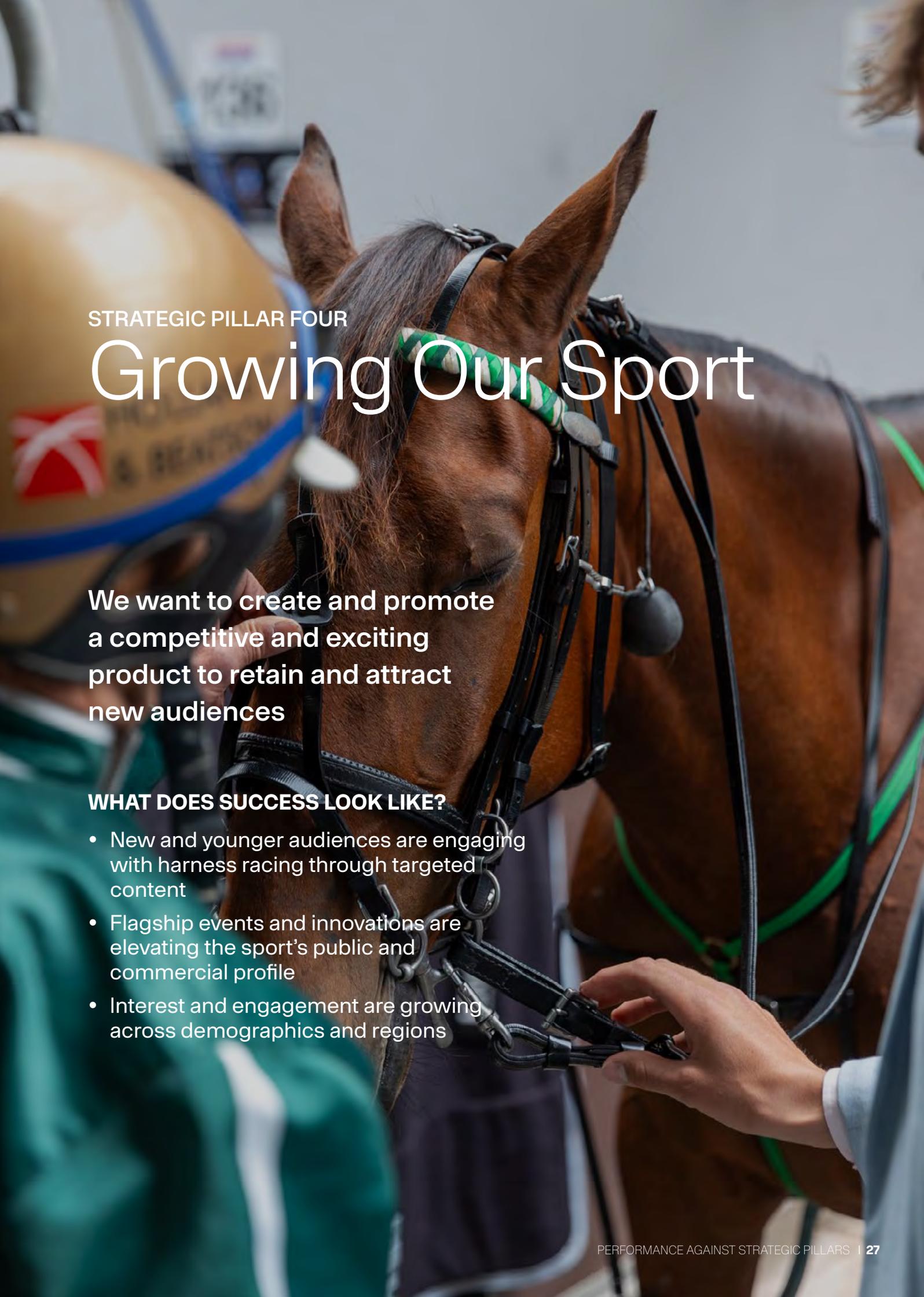
- Feeling anxious or just need to talk?
- Feeling down or overwhelmed?
- Worried about a friend or workmate?

No matter what, OnTrack is here to support you.

For free and confidential support call our **support line** or email us at support@ontrack.org.nz

0800 667 224 support line

OnTrack
Strength in racing
ontrack.org.nz



STRATEGIC PILLAR FOUR

Growing Our Sport

We want to create and promote a competitive and exciting product to retain and attract new audiences

WHAT DOES SUCCESS LOOK LIKE?

- New and younger audiences are engaging with harness racing through targeted content
- Flagship events and innovations are elevating the sport's public and commercial profile
- Interest and engagement are growing across demographics and regions

WHAT WE DID

In 2025, we brought fresh energy to the sport – attracting younger owners, expanding trans-Tasman competition, and reimagining the race night experience with innovations like Friday Night Lights and two new slot races. Targeted investment in the North Island also strengthened participation, wagering, and club confidence across the region.

Expanding the Participant Base

► Next Gen Initiative

The Next Gen initiative is helping reshape the future of harness racing by bringing younger people into ownership, supporting emerging trainers, and encouraging investment in promising New Zealand Sires. With only 12% of current owners under the age of 40, attracting a new generation is critical to revitalising the sport. When young people get involved, they bring friends, energy, and fresh interest – broadening our reach and modernising the face of the industry.

Launched in late 2024, the initiative was positioned around accessibility, excitement, and community. The “Win a Share in a Racehorse” competition drew over 400 entries, creating a valuable database of interested prospects. A dedicated Trainer’s Toolkit and simplified eligibility criteria made it easier for new owners and trainers to get involved and stay engaged.

Promotions included social media storytelling, interviews, video content, on-course activations, and digital marketing. Ambassadors Crystal Hackett and Carter Dalgety, wearing branded driver suits, helped drive visibility in the lead-up to the yearling sales.

A strong visual identity is now established, and early engagement from trainers has been positive. Campaign performance is now under review as we continue refining how to best connect with younger participants and build long-term renewal from within.

► Attracting Australian Horses

HRNZ successfully attracted elite Australian competitors this season, bringing variety, depth, and excitement to our fields while increasing trans-Tasman wagering and fan engagement. Leveraging higher stakes and race opportunities, standout performers like Don Hugo and Leap To Fame featured in the 2025 Night of Champions, and Swayzee and Keayang Zahara in Cup Week. To build on this success, HRNZ is developing a formal ‘opportunities’ document and exploring financial incentives to encourage further Australian participation.

Major Events and Strategic Growth

► Friday Night Lights

Friday Night Lights has redefined how fans engage with harness racing at week’s end. In collaboration with Entain and the two host clubs in Auckland and Addington, the new dual-region Friday night format delivers consistent, high-quality, back-to-back racing that punters can count on. With enhanced coverage and curated content, the series offers a more exciting, immersive viewing experience. Engagement has grown significantly, particularly in the North Island, with more active punters, stronger wagering, and a clear uplift in fan connection. This new format brings rhythm, visibility, and momentum to our racing calendar.

► Slot Race Expansion

The introduction of The Ascent and The Velocity represented an exciting expansion in New Zealand's slot race offering, taking an already successful format to new heights. These \$500k races brought fresh energy to the calendar, reigniting trans-Tasman rivalry by attracting elite Australian talent, and driving fan engagement through aspirational, high-stakes competition.

Developed in partnership with Entain and the New Zealand Metropolitan Trotting Club (NZMTC), the slot model boosts stakes while keeping HRNZ and club contributions low, offering a commercially smart and inclusive approach. These new additions delivered strong fields, intense racing, and significant media attention. Keayang Zahara's win in The Ascent was a standout moment in what is fast becoming a premier platform for showcasing the best in harness racing.

► Look North Strategy

Auckland's harness racing scene is being re-energised. With targeted investment, better stakes, the introduction of Friday Night Lights, and more racing opportunities, HRNZ's Look North Strategy is revitalising the region – and participants are responding. One of the most notable shifts this season was the relocation of elite training partnership Mark & Nathan Purdon from Canterbury to Pukekohe, bringing a high-calibre team of horses and reinforcing momentum in the North.

With Auckland home to 33% of the population and North Island punters accounting for almost half of total harness turnover, strategic investment in the region was essential. This year, 14 additional meetings were added to Auckland Trotting Club (ATC) and 12 to Waikato Bay of Plenty (WBOP). ATC's base funding was aligned with NZMTC, and \$8k lower-grade stakes were introduced at Cambridge. The Northern Metro Series, featuring heats and finals, was also launched.

Starters increased by 35.5% at ATC and 11.8% at WBOP. Turnover at ATC rose by 41%, while WBOP saw an average uplift of \$100k per meeting after meetings shifted from Tuesdays to Thursdays.

The strategy has been well received across the region. Looking ahead, new venues at Taupo and Ruakaka will be introduced next season to expand reach into the Central District and boost grass track opportunities.

► Expand Cambridge Midweek Racing

Cambridge's expanded midweek racing schedule has delivered more racing product, greater betting opportunities, and improved consistency for punters and participants alike. With 12 additional meetings this season, the program now provides a more reliable pathway for middle-tier horses and helps ensure better racing coverage and engagement throughout the week.

Following feedback from Entain and consultation with WBOP, meetings shifted from Tuesdays to Thursdays. Turnover has increased through the transition, with strong punter engagement and positive on-course attendance. Constraints in the horse pool may impact future frequency and will be factored into next season's calendar.

► Launch of the Silk Road Series

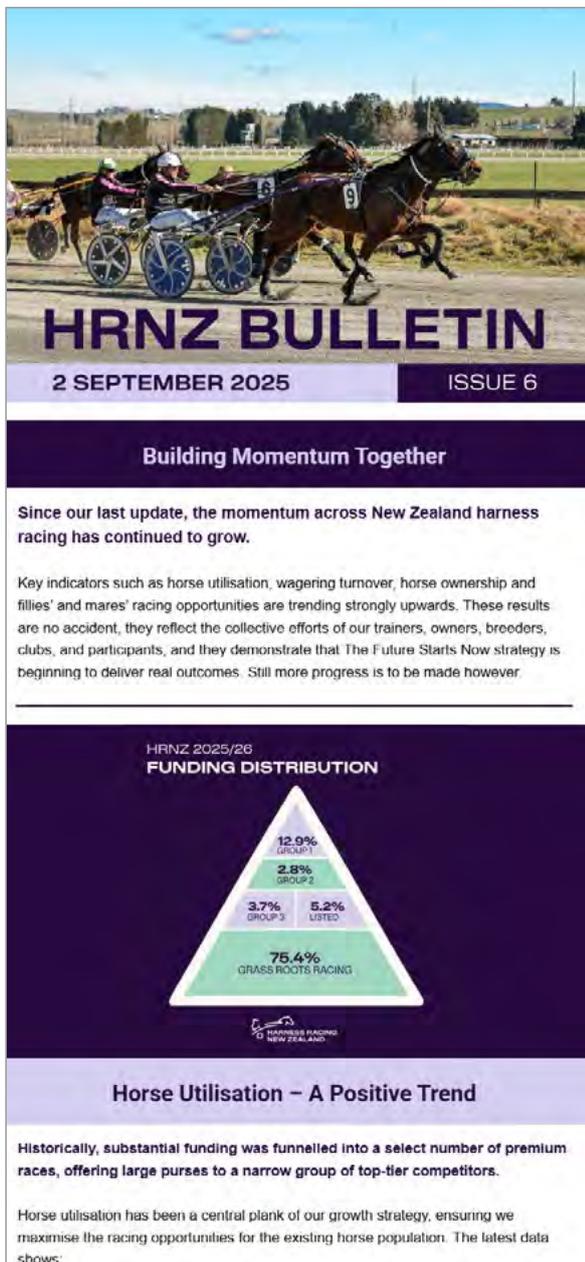
The Silk Road Series was launched to create meaningful race opportunities for fillies and mares – helping them improve their best times, enhance breeding records, and compete for strong stakes. With a \$250k investment, the 44 races (16 trotting, 28 pacing) attracted 423 starters and averaged field sizes of 9.6.

Turnover performance exceeded expectations, averaging \$80k per race and totalling \$3.5 million. Ten races topped \$100k, with a peak turnover of \$146k, and 50% ranking first or second at the respective meetings. The series delivered strong return on investment and will return in 2026.

Digital Engagement and Communications

► Launch of HRNZ Bulletin

Launched in early 2025, the bi-monthly CEO Bulletin now reaches 6,700+ stakeholders. It focuses on transparency, key updates, and celebrating industry individuals and initiatives. Reader feedback has been positive, with the June edition achieving a 60.5% open rate.

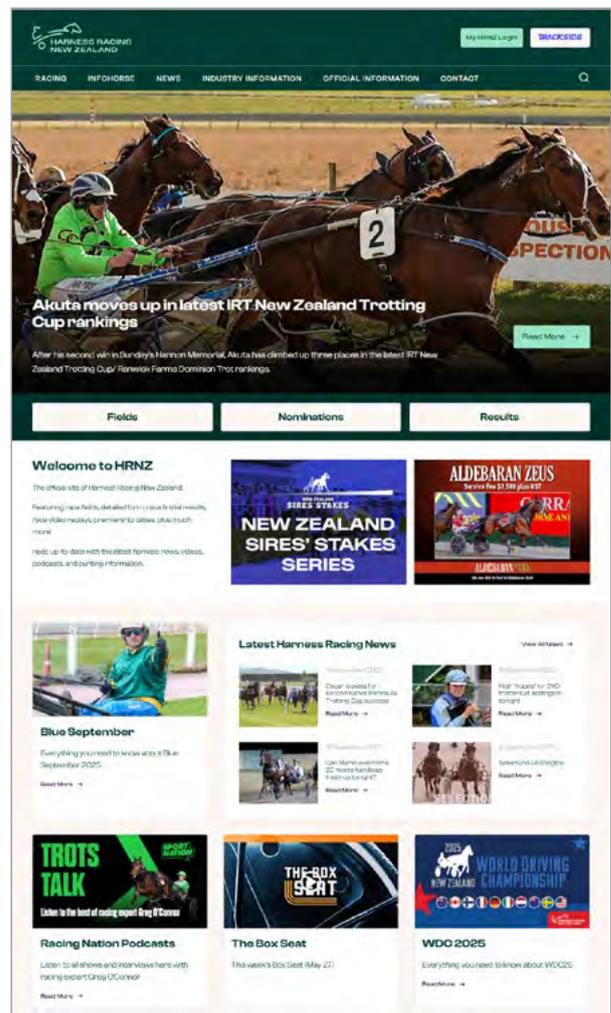


► Publishing HRNZ KPIs

To enhance transparency, HRNZ launched a bi-monthly KPI Snapshot infographic. It highlights economic impact, participation (owners, trainers, drivers), horse population, racing activity, and efficiency metrics in a clear and shareable format.

► Website Upgrade

The HRNZ website's visual refresh, launched in January 2025, aligned with HRNZ brand guidelines. The update was well received, with positive feedback from users on the improved look and feel.





STRATEGIC PILLAR FIVE

Asset Utilisation

We want to ensure we have the right infrastructure to support a high-quality and consistent race day experience

WHAT DOES SUCCESS LOOK LIKE?

- Infrastructure investment is guided by clear priorities and long-term planning
- Health and safety are embedded in everyday practices

WHAT WE DID

In 2025, HRNZ introduced quarterly H&S reviews and launched a new infrastructure grant – laying the groundwork for safer, more future-ready race day venues.

Health and Safety Systems

► Quarterly H&S Reviews

HRNZ engaged Simply Safety to assess clubs on health and safety compliance, with scores benchmarked at 75%. The first quarterly report was released in June 2025, and HRNZ is now supporting clubs below the threshold to improve.

► Track Inspections

Annual inspections were conducted nationwide to assess surface quality and venue safety. HRNZ worked closely with clubs to proactively address concerns and relocate meetings as needed to avoid cancellations. Three major resurfacing projects were completed during the year at Manawatu, Alexandra Park, and Cambridge Raceway.

Infrastructure Investment and Strategy

► Infrastructure Grant for Clubs

Developed in line with HRNZ's Property Investment Strategy, the new Infrastructure Grant aims to support clubs with facility upgrades and track improvements. Applications have been received and are currently under review by the Grants Committee.

► Strategic Venue Plan

Following feedback and a change in leadership, the previous strategic venue plan was paused. Work will shortly commence on Project Stamina, a joint initiative between HRNZ and NZTR to develop an industry-wide strategic venue plan aimed at ensuring sustainable and future-focused racing infrastructure. The initiative is in its early stages, and further details will be developed and communicated in due course.



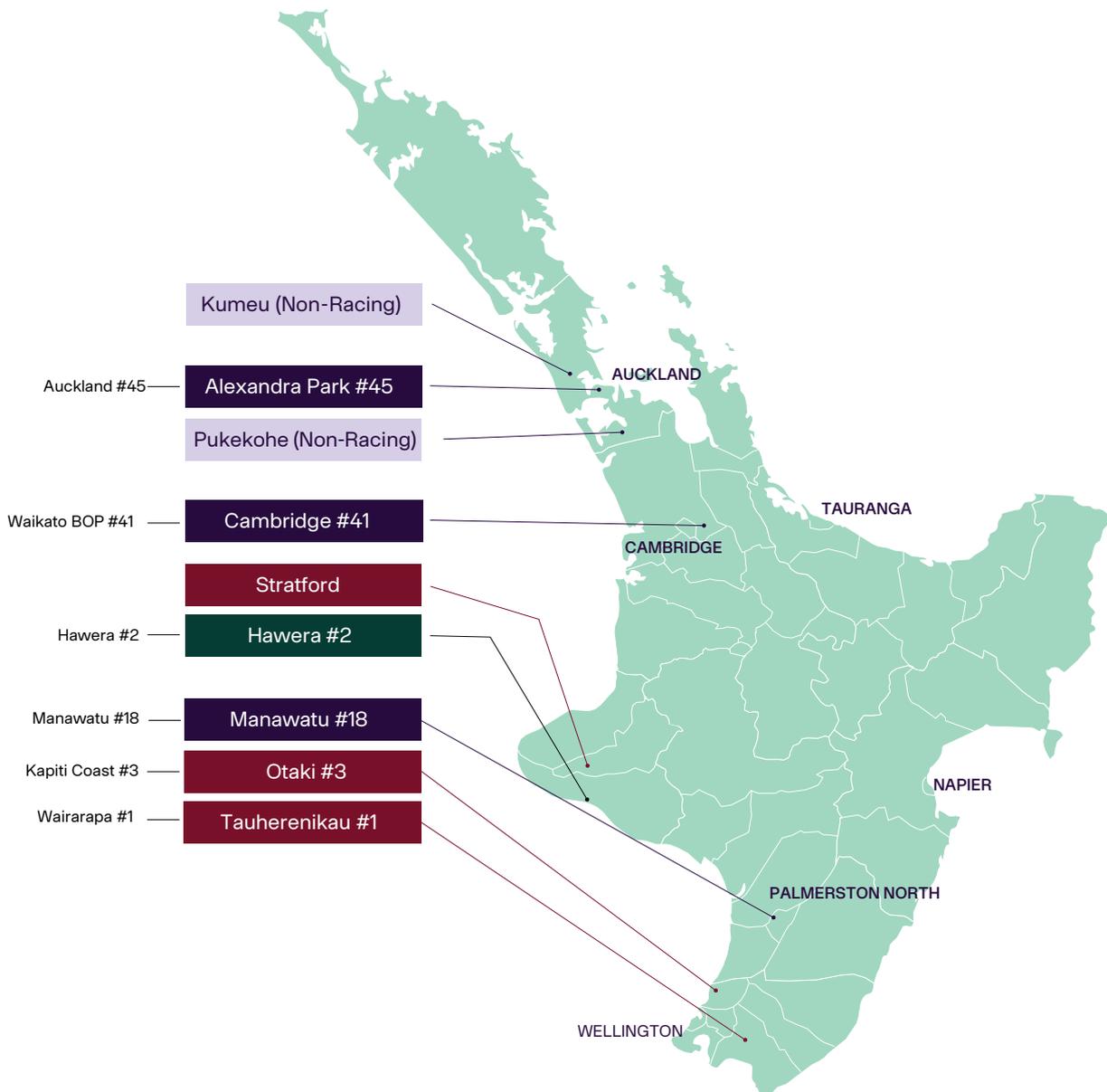
VENUE OWNERSHIP, CLUBS AND NUMBER OF MEETINGS

2024 / 25 NORTH ISLAND



OWNERSHIP KEY

- Harness Owned
- Tenant Club
- Jointly Owned
- Reserve
- Harness Owned (Non-Racing)



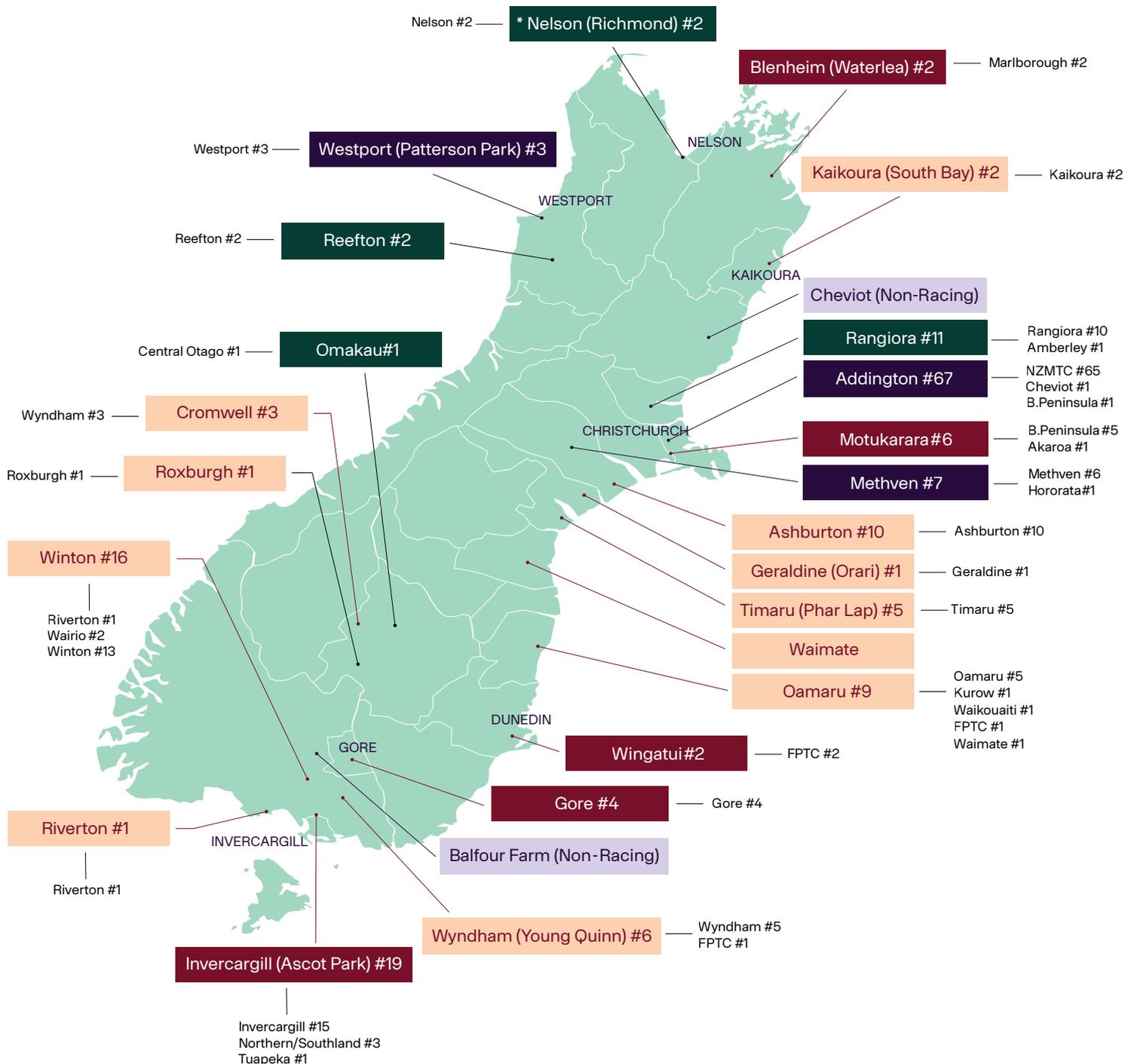
VENUE OWNERSHIP, CLUBS AND NUMBER OF MEETINGS

2024 / 25 SOUTH ISLAND

OWNERSHIP KEY

- Harness Owned
- Tenant Club
- Jointly Owned
- Reserve
- Harness Owned (Non-Racing)

* Nelson (Part Owned by A&P Society)







SERVICE PERFORMANCE REPORT

PRESENTATION

This Service Performance Report (SPR) has been prepared in accordance with PBE FRS 48 Service Performance Reporting. The Board of HRNZ believes that the statements contained in this report accurately reflect the overall performance of HRNZ for the year ended 31 July 2025.

SIGNIFICANT JUDGEMENTS

In preparing this report, the Board and management have made a number of significant judgements:

Selection of performance measures: The selection of the performance measures has been determined to be a significant judgement due to the number of ways in which HRNZ operates to fulfill its mission. The performance measures selected have been determined as the most appropriate for reporting our impacts.

Aggregation and presentation of measures: The level of aggregation and presentation of the measures in the Service Performance Report are considered to be significant judgements. These judgements have an impact on the users' ability to understand and interpret HRNZ's reported performance and assess how effectively we are achieving our mission. The Board believes the level of aggregation and presentation to be appropriate for enabling useful interpretation of the reported measures.

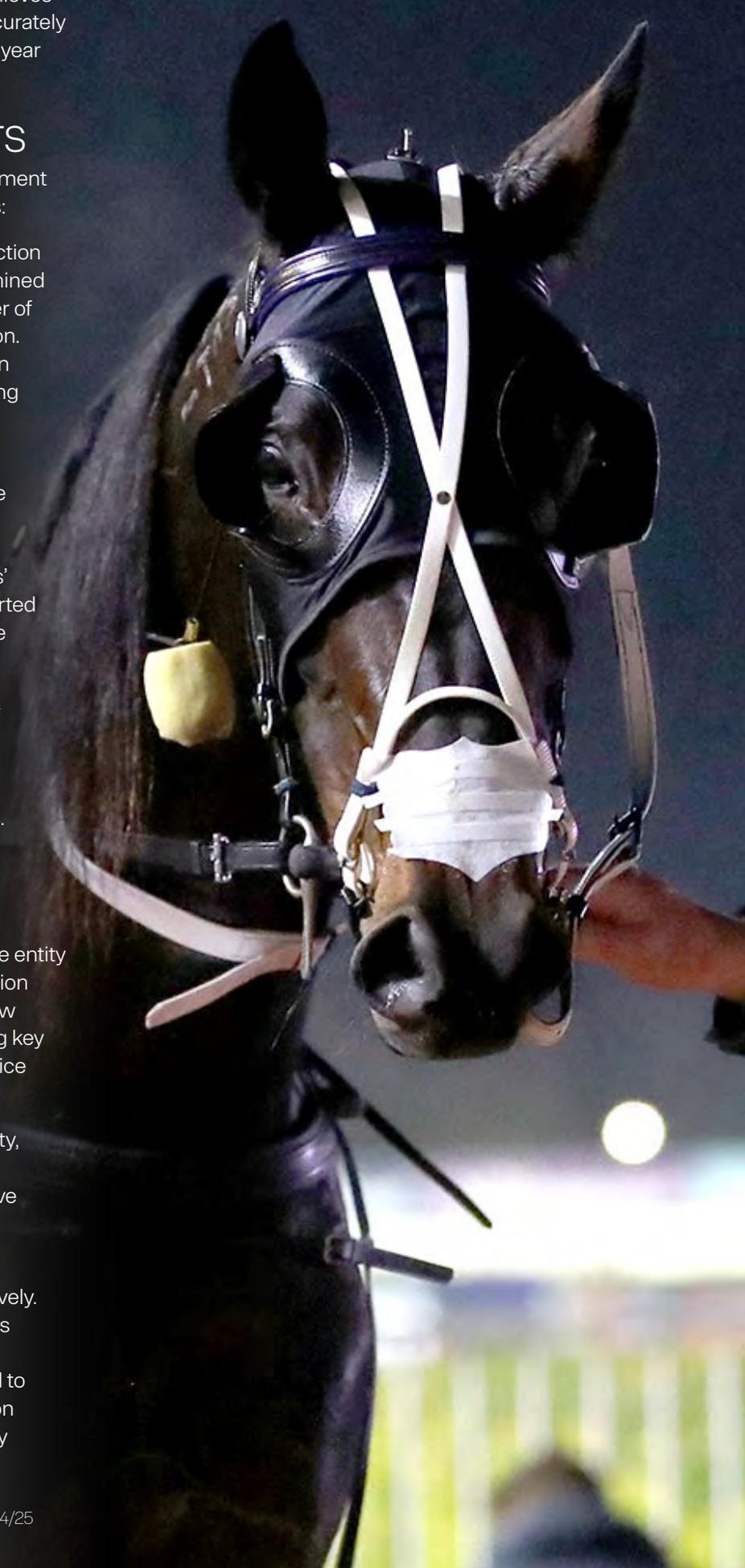
No other significant judgements were made in relation to the reported performance measures.

CHANGE IN ACCOUNTING POLICY

During the financial year ended 31 July 2025, the entity changed its accounting policy for the presentation of the SPR. Effective 31 July 2025, the SPR is now prepared in a more summarised format aligning key performance reporting measures with the service impact measures.

This change was made to enhance the useability, relevance, and faithful representation of the service performance information, and to improve comparability across reporting periods.

In accordance with PBE IPSAS 3, the change in accounting policy has been applied retrospectively. Comparative information for the prior period has been restated to reflect the new presentation framework. The impact of this change is limited to presentation and disclosure; there is no effect on the SSP's recognition or measurement of its key performance measures.



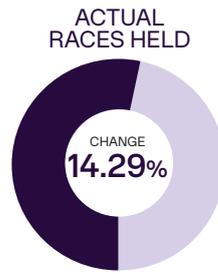
Strategic Pillar 1: THE HORSE

These metrics track the health of our racing and breeding populations, helping us measure utilisation, participation, and long-term sustainability.

RACING



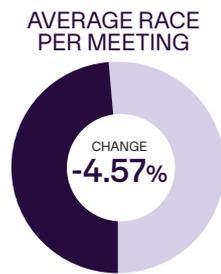
2024/25 2023/24
290 242



2024/25 2023/24
2,664 2,331



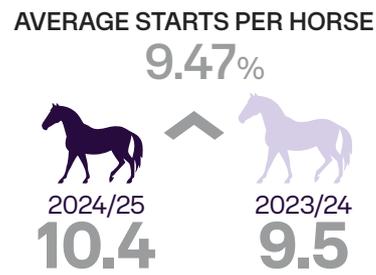
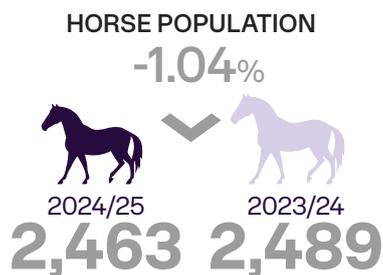
2024/25 2023/24
25,623 23,560



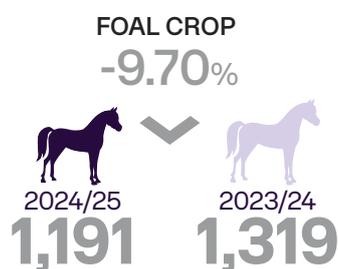
2024/25 2023/24
9.19 9.63



2024/25 2023/24
9.62 10.11



BREEDING



Strategic Pillar 2: SOCIAL ACCEPTANCE

These metrics provide insight into our race day incidents and support for life after racing, reflecting our commitment to responsible horse care and public trust.

HORSE WELFARE

METRIC	2024/25	2023/24	CHANGE
NUMBER OF STARTS	25,623	23,560	
RACE DAY INCIDENTS*	71	45	+26
INJURIES AS A % OF STARTS	0.28%	0.19%	
FATALITIES	3	5	-2
FATALITIES AS A % OF STARTS	0.01%	0.02%	

*Any occurrence before, during, or after a race requiring veterinary examination of the horse.

MEETINGS ATTENDED BY A HORSE AMBULANCE

2024/25 **290** 2023/24 **242**

INCIDENTS PER MEETING

2024/25 **6%** 2023/24 **5%**

AMBULANCE REQUIRED FOR INCIDENTS

2024/25 **16** 2023/24 **11**



LIFE AFTER RACING ROUTINE CARE GRANTS



2024/25 **258** 2023/24 **196**

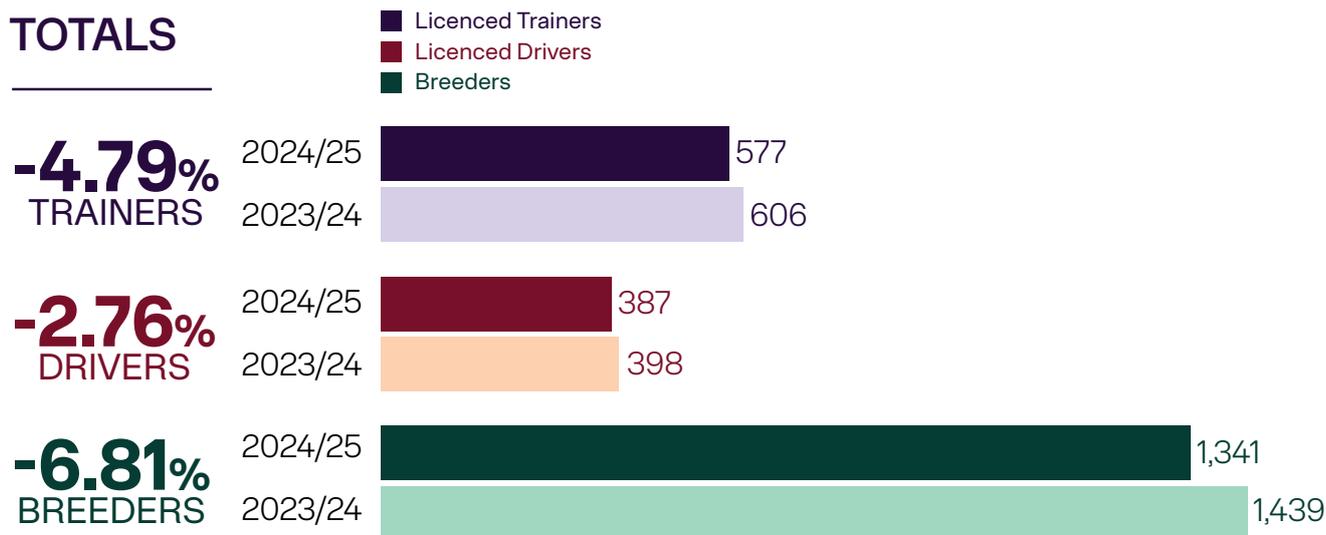


Strategic Pillar 3: OUR PARTICIPANTS

These metrics reflect the number of active trainers, drivers, breeders, and volunteers – providing insight into the stability and future viability of the people who make harness racing possible.

TRAINERS, DRIVERS, AND BREEDERS

TOTALS



TRAINERS BY REGION			
	2024/25	2023/24	CHANGE
North	143	147	-2.72%
Central	309	329	-6.08%
South	125	130	-3.85%
Overseas	-	-	-
Total	577	606	-4.79%

BREEDERS BY REGION			
	2024/25	2023/24	CHANGE
North	292	324	-9.88%
Central	641	707	-9.34%
South	345	351	-1.71%
Overseas	60	54	11.11%
Unknown	3	3	-
Total	1,341	1,439	-6.81%

DRIVERS BY REGION			
	2024/25	2023/24	CHANGE
North	100	101	-0.99%
Central	215	227	-5.29%
South	72	70	2.86%
Overseas	-	-	-
Total	387	398	-2.76%

VOLUNTEERS

Our harness racing industry is supported by 2,357 volunteers, according to the “Size & Scope Study of the New Zealand Racing Industry,” prepared by IER in January 2024. This report is performed approximately every five years.

Strategic Pillar 4: GROWING OUR SPORT

These metrics track ownership, wagering, and marketing performance – providing insight into how well we are attracting interest, driving participation, and building the sport’s public profile.

OWNERSHIP

	2024/25	2023/24	CHANGE
Number of owners and syndicates*	7,687	7,603	1.10%

*Figures are based on individual owners and syndicate members. The 2023/24 SPR quoted a lower figure of 4,774, which reflected ownership entities rather than individuals.

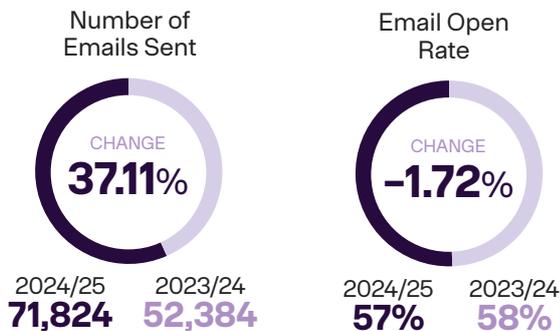
TURNOVER GROWTH**

	%
All Clubs	8.60%
North Island:	23.40%
- ATC	40.90%
- Waikato BOP	2.60%
Canterbury	4.20%
- NZMTC	10.10%
Otago/Southland	4.60%

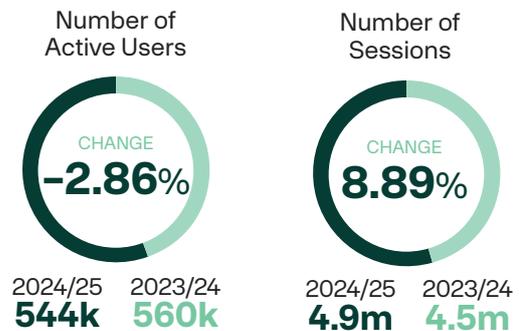
**Due to a transition in Entain’s data systems and processes, the available 2023/24 turnover figures cannot be fully reconciled to the percentage changes shown in the provided table. The current data does not yet reflect the complete turnover picture and may not provide a reliable basis for year-on-year comparison. Work is underway to align reporting processes and ensure that future figures are accurate and consistent for audit and reporting purposes.

MARKETING

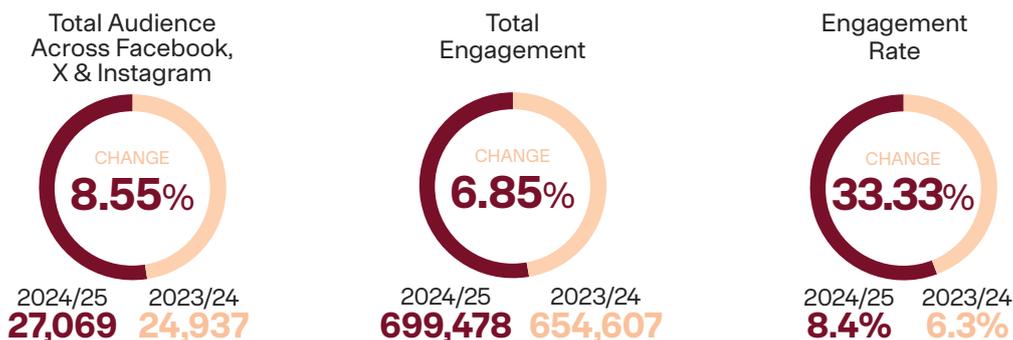
EMAIL CAMPAIGNS



WEBSITE ANALYTICS



SOCIAL MEDIA



Strategic Pillar 5: ASSET UTILISATION

These metrics reflect how our approach to ensuring that infrastructure is performing across regions – supporting a consistent, safe, and high-quality race day experience.

TRACK INSPECTIONS

TRACKS RESURFACED

2024/25	2023/24	CHANGE
5	4	25%

TRACK & VENUE INSPECTIONS

2024/25	2023/24	CHANGE
30	17	76.47%

MEETINGS PER REGION

	2024/25	2023/24	CHANGE
North Island	110	75	46.67%
Upper South Island	119	111	7.21%
Lower South Island	61	56	8.93%
Total	290	242	19.83%





FINANCIAL REPORT

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Appendix B: Statement of Uncommitted Funds	79

FINANCE CHAIR'S REPORT

In the 2024/25 financial year, HRNZ reported a deficit of \$1.3 million, \$1.4 million favourable to budget and in line with our strategy to invest in the future of our sport in conjunction with TAB NZ and Entain. As expected, total cash and investments reduced, although investment returns remain positive and reserves remain robust.

HRNZ has continued to build on strong foundations, delivering positive results since the launch of our new strategy The Future Starts Now in August 2024. Year on year wagering turnover grew by 9.7% overall, with 11% growth from NZ-based off course customers, and the number of unique customers betting on harness racing increased by 24.6%.

2024/25 is the second year of the TAB NZ / Entain partnership, which provides guaranteed minimum funding for five years. This security enables HRNZ to grow the sport nationally and invest confidently in its future.

Financial Performance and Key Variances

- **Revenue:** Total revenue was \$62.7 million, marginally behind budget due to lower than expected TAB Profit and Duty funding. This is a positive result, especially in the context of code funding negotiations that could have potentially led to a shortfall in income for 2025.
- **Stakes:** Payments increased from \$38.8 million to \$45.3 million, reflecting the planned reinvestment in our new racing programme. Payments were marginally below budget due to smaller average field sizes.
- **Industry Initiatives:** Spend of \$2.3 million was \$1.1 million under budget. An outline of the key items is summarised below:
 - Fillies & Mares Breeding Credit Scheme and Two-Year-Old Bonus Scheme are tracking well. New breeding initiatives are also in the pipeline.
 - Horse Welfare programmes remain a key priority for HRNZ.
 - Infrastructure projects were delayed, with grants deferred until after year-end, although the new HRNZ Infrastructure Fund has been established to support investments at a Club level in the 2025/26 financial year.
 - Horse utilisation initiatives are partly implemented, including support for the Silk Road Series and winter racing programme.
- **Operating Expenses:** At \$6.6 million, HRNZ's operating expenses were \$400k below budget due to delayed recruitment and the timing of internal projects and initiatives.

Strategic Outlook

The Board and management continue to take a disciplined approach to financial stewardship. Reserves and future funding are fully committed to strengthening the industry's long-term sustainability, with priority given to:

- maintaining stakes levels in line with our strategic investment in racing;
- supporting infrastructure projects; and
- advancing key industry initiatives, including breeding.

The strategic partnership with Entain and TAB NZ provides greater certainty on future funding, reinforcing our confidence in delivering on current investment plans and enabling HRNZ to maintain its focus on delivering long-term value to our participants and clubs.

Balance Sheet and Reserves

As at 31 July 2025, HRNZ's equity comprises:

- Accumulated Revenue & Expenses – \$623k
- General Reserves – \$3.0 million
- Code Distribution Reserve – \$10.5 million
- Capital & Other Projects Reserve – \$1.6 million
- Surplus Venues Reserve – \$12.8 million

Most operating reserves (excluding ring-fenced venue funds) are committed to the new racing programme. To provide transparency, HRNZ has prepared a Statement of Uncommitted Funds (unaudited), included in the Appendix on page 79, showing funds available after allocations.

The Board's objective is to maintain General Reserves sufficient to support HRNZ and Club operations for at least six months.

In summary, HRNZ remains in a robust financial position, delivering positive results in 2024/25 with reserves committed to long-term growth and sustainability. We remain on track to deliver on our strategic commitments that strengthens the harness racing industry for the long term.



Shaun Brooks
FINANCE CHAIR

CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
FOR THE YEAR ENDING 31 JULY 2025

	NOTES	2025	2024
		\$'000	\$'000
REVENUE			
Revenue from Exchange Transactions			
Funding Revenue from TABNZ, Entain and Others	1	60,266	59,034
Licences, Registrations, and Other Income	2	1,067	1,072
Interest Income	3	549	542
Sale of Goods and Services	4	221	246
		62,103	60,894
<i>Other Income</i>			
Gain on Sale of Non-Current Asset Held for Sale	5	-	11,965
Total Revenue from Exchange Transactions		62,103	72,859
Revenue from Non-Exchange Transactions			
Fines and Penalties		51	67
Total Revenue from Non-Exchange Transactions		51	67
Fair Value Gain on Investments	12	563	496
Share of Equity Accounted Investee Surplus/(Deficit) for the Year	16	(23)	146
TOTAL REVENUE		62,694	73,568
EXPENSES			
Funding Expenses: Stakes, Club and Kindred Body Support	6	(55,021)	(47,088)
Industry Initiatives	7	(2,295)	(1,837)
Administration and Operations Expenses	8	(6,554)	(7,548)
Grants Distributed to Clubs	9	(87)	(226)
TOTAL EXPENSES		(63,957)	(56,699)
SURPLUS/(DEFICIT) BEFORE TAX		(1,263)	16,869
Income Tax Expense	10	-	-
SURPLUS/(DEFICIT) AFTER TAX		(1,263)	16,869

These financial statements are to be read in conjunction with the notes on pages 52-70

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31 JULY 2025

	NOTES	ACCUMULATED REVENUE & EXPENSES	GENERAL RESERVE	CODE DISTRIBUTION RESERVE	CAPITAL & OTHER PROJECTS RESERVE	SURPLUS VENUES RESERVE	TOTAL EQUITY
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 August 2023		3,204	5,000	3,584	1,170	-	12,958
Surplus/(Deficit) for the Year		16,869	-	-	-	-	16,869
Surplus/(Deficit) Transfer to Reserves		(16,681)	524	4,237	-	11,920	-
Transfer to/(from) Reserves		(1,761)	(2,524)	3,809	-	476	-
Balance as at 31 July 2024		1,631	3,000	11,630	1,170	12,396	29,827
Surplus/(Deficit) for the Year		(1,263)	-	-	-	-	(1,263)
Surplus/(Deficit) Transfer to Reserves		1,240	1,454	(3,124)	-	430	-
Funds Allocated from Reserves:							
Contribution to Club Lights Upgrade		100	-	-	(100)	-	-
Transfer to/(from) Reserves		(1,085)	(1,454)	2,039	500	-	-
Balance as at 31 July 2025	20	623	3,000	10,545	1,570	12,826	28,564

These financial statements are to be read in conjunction with the notes on pages 52-70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025

	NOTES	2025	2024
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	11	7,031	9,051
Investments	12	22,446	23,102
Other Financial Assets	13	1,513	1,070
Trade and Other Receivables	14	775	700
GST Receivable	14	53	91
Total Current Assets		31,818	34,014
Non-Current Assets			
Property, Plant and Equipment	15	554	661
Other Non-Current Financial Assets	13	-	382
Investment in Associates	16	123	146
Total Non-Current Assets		677	1,189
TOTAL ASSETS		32,495	35,203
LIABILITIES AND EQUITY			
Current Liabilities			
Cash and Cash Equivalents	11	9	7
Trade and Other Payables	17	2,362	2,349
Cash Held in Trust	18	355	2,377
Employee Entitlements	19	302	257
Total Current Liabilities		3,028	4,990
Non-Current Liabilities			
Non-Current Trade and Other Payables	17	730	224
Non-Current Employee Entitlements	19	173	162
Total Non-Current Liabilities		903	386
Equity			
Accumulated Revenue and Expenses		623	1,631
General Reserve	20	3,000	3,000
Code Distribution Reserve	20	10,545	11,630
Capital and Other Projects Reserve	20	1,570	1,170
Surplus Venues Reserve	20	12,826	12,396
Total Equity		28,564	29,827
TOTAL LIABILITIES AND EQUITY		32,495	35,203

For and on behalf of the Board who authorise the issue of these financial statements on 25 September 2025.



GRANT JARROLD
Chair



HANNAH DONEY
Vice-chair

These financial statements are to be read in conjunction with the notes on pages 52-70

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 JULY 2025

	NOTES	2025	2024
		\$'000	\$'000
OPERATING ACTIVITIES			
Proceeds from			
Interest Received		174	542
Receipts from Funding Revenue		60,213	62,061
Receipts from Customers		1,372	1,191
GST		110	398
		61,869	64,192
Payments to			
Payments of Stakes and Club Support		(55,038)	(47,121)
Payments to Employees and Suppliers		(8,441)	(8,691)
		(63,479)	(55,812)
NET CASH FLOW FROM OPERATING ACTIVITIES	22	(1,610)	8,380
INVESTING ACTIVITIES			
Proceeds from			
Drawdowns from Investments	12	1,622	-
Sale of Assets Held for Sale	5	-	13,200
		1,622	13,200
Payments to			
Purchase of Investments		-	(14,807)
Purchase of Property, Plant and Equipment		(63)	(1,382)
Cash Advances and Loans to Clubs		(28)	(515)
		(91)	(16,704)
NET CASH FLOW FROM INVESTING ACTIVITIES		1,531	(3,504)
FINANCING ACTIVITIES			
Proceeds from			
Funds Received on Behalf of Others		12	4,271
		12	4,271
Payments to			
Funds Paid on Behalf of Others		(1,868)	(2,052)
Grants Distributed to Clubs		(87)	-
		(1,955)	(2,052)
NET CASH FLOW FROM FINANCING ACTIVITIES		(1,943)	2,219
Increase/(Decrease) in Cash and Cash Equivalents		(2,022)	7,095
Cash and Cash Equivalents at the Beginning of the Year		9,044	1,949
Cash and Cash Equivalents at the End of the Year	11	7,022	9,044

These financial statements are to be read in conjunction with the notes on pages 52-70

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

HRNZ is an incorporated society registered under the Incorporated Societies Act 2022 and domiciled in New Zealand. It is a racing code as defined in the Racing Industry Act 2020. The HRNZ group (Group) consists of the operations of HRNZ (the Parent) and the subsidiary company Cardigan Bay Holdings Ltd (CBHL) which used to operate hospitality businesses but is no longer trading. The Parent owns a one-third share in OnTrack Racing Limited.

HRNZ's statutory objectives are set out in section 14 of the Racing Industry Act 2020 and is "to develop and promote racing conducted by the Code."

HRNZ's constitutional objectives are to:

- control all harness racing conducted in New Zealand in accordance with the Constitution and the rules;
- promote and advance harness racing in all its forms in New Zealand;
- ensure that all requirements of the rules are observed, and complied with, by all persons and bodies to which they apply under rule 102(1) of the rules;
- consider and deal with all matters submitted to HRNZ in accordance with the Constitution and the rules; and
- comply with its obligations under the Racing Industry Act 2020.

The Group was established with a view that any equity should be used to support the objectives rather than making a financial return. Accordingly, HRNZ has designated itself as a public benefit entity for financial reporting purposes.

BASIS OF PREPARATION

Statement of Compliance: The consolidated financial statements have been prepared in accordance with HRNZ's Constitution and the Racing Industry Act 2020. They comply with Public Benefit Entity Accounting Standards (PBE Standards) and other applicable financial reporting standards as appropriate for Tier 1 Not-For-Profit Public Benefit Entities. These financial statements have been prepared in accordance with generally accepted accounting practice (NZ GAAP).

Basis of Measurement: The financial statements have been prepared on the basis of historical cost except for property, plant and equipment, and financial assets, for which specific accounting policies have been identified. Cost is based on the fair value of the consideration given in exchange for assets.

Basis of Consolidation:

- **Investments in Subsidiaries:** Controlled entities are those entities over which HRNZ (the controlling entity) has the power to govern the financial and operating policies so as to obtain benefits from their activities. Potential exercisable or convertible voting rights are considered when assessing whether HRNZ controls another entity.

Controlled entities are fully consolidated from the date on which control is obtained and cease to be consolidated from the date on which control is lost. Assets, liabilities, income, and expenses of a controlled entity acquired or disposed of during the year are included in the financial statements from the date HRNZ gains control until the date it ceases to control the entity.

Investments in controlled entities held by HRNZ are accounted for at cost less any impairment charges in the separate financial statements of HRNZ.

- **Investments in Associates:** An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies. Investments in Associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the group share of the change in net assets of the entity after the date of acquisition. The group share of the surplus or deficit is recognised in the group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the group financial statements.

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

- **Functional Currency:** The financial statements are presented in New Zealand dollars which is the functional currency of HRNZ and presentation currency of the group, rounded to the nearest thousand dollars (\$'000).

CHANGES IN ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

HRNZ has consistently applied the accounting policies to all periods presented in these consolidated financial statements. There have been no changes in accounting policies.

STANDARDS ISSUED AND NOT YET EFFECTIVE OR NOT EARLY ADOPTED

There are no new standards or amendments issued that are relevant to the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant account policies adopted and used in the preparation of the financial statements to the extent applicable to the financial year are summarised below:

REVENUE

HRNZ is primarily funded by TAB NZ through RNZ, following the Code Distribution allocation model, and revenue from horse and ownership transactions, licencing fees and other activities associated with HRNZ. On 1 June 2023 Entain and TAB NZ formed a partnership, such that Entain is now responsible for wagering. Funds from Entain are distributed to TAB NZ. Entain has guaranteed a minimum distribution to TABNZ for five years.

Under Accounting Standards PBE IPSAS 9 and PBE IPSAS 23, revenue is required to be classified as either revenue from exchange transactions or revenue from non-exchange transactions in the statement of comprehensive revenue and expense.

An exchange transaction is one in which HRNZ receives consideration of approximately equal value in exchange for the sale of goods or rendering of services. Exchange revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to HRNZ, and it can be reliably measured; it is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no corresponding present obligation is recognised with respect to the asset received/receivable.

Licences, Registrations, and Other Income:

This revenue consists of services rendered and is classified as exchange revenue. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage-of-completion of the transaction at the reporting date. The stage of completion is assessed by reference to work performed at reporting date.

Funding Revenue from TAB NZ/RNZ: This revenue is recognised as an exchange transaction as the Harness Racing Code supplies a racing product to TAB NZ in exchange for a distribution from TAB NZ surpluses. Funds are paid to TAB NZ from Entain for wagering and betting activities. TAB NZ conducts gaming activities. TAB NZ distributes the guaranteed minimum amount from Entain to RNZ. RNZ distributes these funds to the three racing codes based on an agreed share. Income from Exported racing is distributed by RNZ to the racing code that earned the income.

Interest Revenue: This revenue is derived from short-term investments with Booster for general HRNZ funds, stakes payments awaiting release, loans receivable, and the investment for Staff Retirement. Interest income is recognised on a time basis by reference to the effective interest rate.

Sale of Goods and Services: Sales of goods or services are classified as exchange transactions. Revenue from the sale of goods is recognised when HRNZ has transferred to the buyer the significant risks and rewards of ownership of the goods.

Fines and Penalties: Is classified as non-exchange revenue and recognised when the fine or penalty is invoiced.

CASH AND CASH EQUIVALENTS:

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, and with original maturities of three months or less, in which HRNZ invests as part of day-to-day cash management.

The cash flow statement categorises movements in cash and cash equivalents into the following activity types:

Operating Activities: Include cash received from all income sources and record the cash payments made for the supply of goods and services.

Investing Activities: Those activities relating to the acquisition and disposal of non-current assets and other investments not included in cash equivalents.

Financing Activities: Comprises activities that change the equity and debt capital structure.

TAXATION

HRNZ is exempt from paying Income Tax under Section CW47 (1) (c) of the Income Tax Act 2007. CBHL as a trading entity was subject to Income Tax. The Income Tax expense in relation to CBHL's surplus or deficit for prior years comprised of current tax and deferred tax.

The following taxes, levies and similar charges are paid by HRNZ:

- Goods and Services Tax (GST)
- Fringe Benefit Tax (FBT)
- Employer compulsory Kiwi Saver Contributions
- Accident Compensation Commission (ACC) levies

The financial statements are prepared exclusive of GST, except for trade receivables and some payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

CBHL – Income Tax: Current tax relates to the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. This is calculated using the effective tax rates that have been enacted or substantively enacted by balance date.

Deferred tax relates to the amount of income tax payable or recoverable in future periods in respect of temporary differences and unutilised tax losses. A deferred tax asset is only recognised to the extent that there is reasonable certainty that a sufficient taxable surplus will be generated against which the tax losses may be utilised.

Current tax and deferred tax are charged or credited to the statement of comprehensive revenue and expense, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

FINANCIAL ASSETS

Recognition and Measurement: HRNZ recognises financial assets when it becomes a party to a contractual provision of the instrument. Financial assets are initially measured at fair value, plus transaction costs, unless they have been designated at FVTSD, in which case they are recognised in surplus or deficit.

Financial assets are classified, and measured based on HRNZ's business model for managing the assets and the asset's contractual cash flow characteristics under the following categories:

- **Amortised Cost:** Financial assets at amortised cost include cash and cash equivalents, short-term deposits, trade and other receivables and other loans receivable. These assets are subsequently measured using the effective interest method, less any impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified, reclassified or impaired.
- **Fair Value through Other Comprehensive Revenue and Expense (FVTOCRE):** Financial assets are measured at FVTOCRE if they are held within a business model whose objective is both to collect contractual cash flows and to sell financial assets, and the contractual terms give rise to SPPI cash flows. This category applies to qualifying debt instruments and to certain equity instruments designated at FVTOCRE. The Group has no assets in this category.
- **Fair Value through Surplus or Deficit (FVTSD):** HRNZ's managed fund investments are measured at FVTSD. Financial assets are measured at FVTSD if they do not meet the criteria for amortised cost or FVTOCRE, that is held for trading, fail the SPPI test or assets held within a business model not consistent with "hold to collect" or "hold to collect and sell". Gains and losses are recognised in surplus or deficit.

HRNZ categorises its investments at fair value through surplus and deficit into three levels based on the inputs available to measure fair value:

- **Level 1:** Fair value is calculated using quoted prices in active markets. HRNZ currently has no Level 1 investments.
- **Level 2:** The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Managed investments are categorised into Level 2 of the fair value hierarchy (valuation technique using observable inputs). The fair value of units held in underlying funds is determined by reference to published exit prices, being the redemption price established by the underlying fund manager.
- **Level 3:** Investment valuation is based on unobservable market data. HRNZ currently has no Level 3 investments.

There were no transfers between categories of the fair value hierarchy during the year.

Derecognition: A financial asset is derecognised primarily when: (a) the contractual rights to receive cash flows from the asset have expired, or (b) HRNZ has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Expected Credit Loss Allowance (ECL): HRNZ recognises loss allowances for all financial assets not measured at fair value through surplus or deficit. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments. ECLs are calculated as the probability-weighted estimate of credit losses, measured as the present value of the difference between contractual cashflows and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset. For deposits held with New Zealand-registered banks rated “A” or greater by Standard & Poor’s, HRNZ has assessed credit risk as low hence no ECL is required.

PROPERTY PLANT AND EQUIPMENT

Recognition and Measurement: Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. It is measured initially at cost which includes expenditure that is directly attributable to the acquisition of the asset; an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to HRNZ and if the cost or fair value can be measured reliably. Subsequent costs that meet the recognition criteria are recognised in the carrying value of the item of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset on disposal date and reported in the statement of comprehensive revenue and expense.

Depreciation: Depreciation is charged over the useful life of the asset at rates determined to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life as follows:

Computer Equipment	10% – 67% Straight Line
Furniture, Fixtures, and Equipment	13% – 67% Diminishing Value
Office Fit-out	10 – 25% – Diminishing Value

The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Impairment: Property, plant, and equipment are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. If such an indication exists, HRNZ estimates the recoverable amount, being the higher of the asset’s fair value less costs to sell and its value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach,

a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Any impairment losses are included in surplus or deficit.

FINANCIAL LIABILITIES

HRNZ recognises financial liabilities when it becomes a party to a contract.

Financial liabilities are recognised initially at fair value and, in the case of payables and loans and borrowings, net of directly attributable transaction costs. Subsequent to initial recognition, HRNZ classifies all existing liabilities as ‘Financial liabilities at amortised cost’ and carries them at amortised cost using the effective interest method. Gains and losses associated with these items are reported in the statement of comprehensive revenue and expense.

Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled, or expires.

Financial liabilities are classified into the following specified categories: “fair value through surplus and deficit” and “financial liabilities at amortised cost”. Policies in respect of individual categories of financial liabilities are outlined as follows:

Trade and Other Payables: Trade and Other Payables fall under the category of “financial liabilities at amortised cost”. Trade and Other Payables are recognised when HRNZ becomes obliged to make future payments resulting from the purchase of goods and services. Trade and Other Payables at initial recognition are measured at fair value, and subsequently measured at amortised cost using the effective interest method.

LEASES

Operating Leases: The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and whether the arrangement conveys a right to use the asset.

Operating lease payments where HRNZ are the lessee are recognised as an expense in the statement of comprehensive revenue and expense on a straight-line basis over the lease term. Operating lease incentives, if applicable, are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

EMPLOYEE BENEFIT LIABILITIES

Liabilities are recognised when it is probable that settlement will be required and that the amount can be measured reliably.

Salaries, Wages and Annual Leave provisions expected to be wholly settled within 12 months of reporting date are measured at nominal values based on accrued entitlements at current rates of pay, which are expected to approximate the remuneration rate applying at the time of settlement.

Retirement Entitlements payable beyond 12 months have been calculated based on the following:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements; and
- the present value of the estimated future cash flows. These amounts are discounted to their present value.

Defined Contribution Benefits: HRNZ's contributions to defined contribution superannuation schemes (Kiwisaver) are recognised as an expense when incurred and reported in the statement of comprehensive revenue and expense.

ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements HRNZ has made estimates and assumptions concerning the future, based on experience and other factors. These estimates and assumptions may differ from the actual results which may have an impact on HRNZ.

Judgements made in applying accounting policies that have had the most significant effects on the amounts recognised in the consolidated financial statements include the following:

Deferred Tax Asset on Accumulated Losses: It is uncertain whether accumulated tax losses for CBHL will be utilised in future, therefore HRNZ has not recognised the potential deferred tax asset arising from these losses. Refer to note 10 for further details.

Fillies and Mares Credit Scheme Liability: A portion of credits earned and accumulated under this scheme is expected to remain unused. The liability is discounted based on historical data regarding the average number of mares transitioning to broodmares after racing. Refer to note 17 for further details.

COMPARATIVES

To reflect better the nature of HRNZ's activities, certain prior year amounts have been reclassified for consistency with the current year's presentation. The key changes are outlined below:

- The Initiatives section has been tidied up to improve transparency around programmes with industry-wide benefit.
- Under Administration and Operations Expenses, costs related to Finance and Office & Administration, have been reallocated from Corporate Services.
- Racing-related costs that were previously spread across multiple categories have been consolidated under Racing.
- Marketing now includes Promotion of Racing, which was previously reported under Initiatives.
- Club Support now includes some expenses that were previously reported under Initiatives. These include the Group Liability Insurance, payments to St John and the New Zealand Horse Ambulance Trust (NZHAT) for their attendance at race meetings, and other club-related costs.

These reclassifications had no effect on the reported results of operations.

DEFINITIONS

Throughout this report, specific language is used for various activities related to the racing industry. To assist the reader of this report some definitions are detailed below:

Codes: Refers to the three racing bodies usually referred to as the Codes; namely New Zealand Thoroughbred Racing Incorporated (NZTR), Greyhound Racing New Zealand Incorporated (GRNZ) and HRNZ.

Code Funding Distribution: Refers to the prescribed agreement between the TAB NZ and RNZ. It represents the methodology by which TAB NZ will make distributions to the three racing codes (i.e., HRNZ, NZTR, and GRNZ) through RNZ.

Code Funding Policy: Represents the methodology by which HRNZ will distribute funding to its operations and Harness Clubs for prize money (stakes) and other racing activities.

Kindred Bodies: These are three of the active associations relative to harness racing which are recognised in HRNZ's constitution: NZ Standardbred Breeders' Association, NZ Harness Racing Trainers and Drivers Association, and the NZ Trotting Owners Association.

FINANCIAL PERFORMANCE

1. FUNDING REVENUE FROM TAB NZ, ENTAIN AND OTHERS

	2025	2024
	\$'000	\$'000
Corporate Bookmaker Racefields	2,945	2,511
Domestic Duty	1,174	1,218
Domestic Profit	22,127	22,311
Imported & Sport Profit	24,775	27,911
Imported Racing Duty	1,855	2,202
Point of Consumption	93	155
Tabcorp Export	2,275	1,976
TAB Class 4	3,500	-
Carnival Funding Income (TYOBS)	1,250	750
Sire Stakes Funding Contribution	232	-
Next Gen Sponsorship	40	-
	60,266	59,034

The majority of funding revenue is derived from distributions received from TAB NZ. The 2024/25 year is the second of a five-year guaranteed funding arrangement established through the TAB NZ-Entain partnership. Under this agreement, guaranteed funding to the three racing codes (HRNZ, NZTR, and GNRZ) comprises Domestic Profit, Imported & Sport, and Tabcorp, and is allocated in line with the code funding agreement.

Other funding from TAB NZ includes Corporate Bookmaker Racefields, and Domestic and Imported Duty which are distributed to each code based on actual earnings. HRNZ received additional funding from Class 4.

HRNZ received Racefields income, paid to Racing New Zealand (RNZ), and Point of Consumption Charges, paid to RNZ by the Department of Internal Affairs.

Carnival Funding Income was provided by Entain to support the Two-Year-Old Bonus Scheme and selected Two-Year-Old races.

The Funding Contribution from the NZ Sires Stakes Board (NZSSB) represents NZSSB's share of the joint venture funding to elevate Sires Stakes race stakes.

HRNZ received Next Gen Sponsorship from NZ Bloodstock to support the Next Gen scheme.

2. LICENCES, REGISTRATIONS, AND OTHER INCOME

Licences, registration and other income are classified as exchange transactions. Revenue is recognised at the time of invoicing or when payment is received.

Other income also includes TAB NZ funding received for the Auckland Trotting Club for filming costs, with a corresponding expense recorded under Club Support.

3. INTEREST INCOME

Interest income consists of interest earned on bank, investment accounts, and loans receivable. Interest earned on funds held on behalf of Forbury Park Trotting Club (FPTC) is paid to the club, with a corresponding amount included in grants distributed to clubs (refer to Note 9).

4. SALE OF GOODS AND SERVICES

	2025	2024
	\$'000	\$'000
Education Revenue	69	61
IT Revenue	51	58
Marketing Revenue	76	102
Sale of HERO Horses	25	25
	221	246

5. GAIN ON SALE OF NON-CURRENT ASSET HELD FOR SALE

The gain relates to the sale of Forbury Park, which was acquired by HRNZ for \$1 under Section 26 of the Racing Industry Act 2020. The property was classified as held for sale and measured in accordance with PBE IFRS 5 at \$1.

In 2023, a portion of the property was sold to the Ministry of Education for \$1.21 million, with the remainder sold in 2024 to Dunedin City Council for \$13.2 million.

After deducting selling costs of \$1.23 million and the carrying value, gains on sale of \$1.21 million were recognised in 2023 and \$11.97 million in 2024.

	2025	2024
	\$'000	\$'000
Proceeds from sale of property	-	13,200
Less: Cost	-	(1,235)
Gain on Sale of Non-Current Asset Held for Sale	-	11,965

The net proceeds are ring-fenced and invested in a managed fund.

6. FUNDING EXPENSES: STAKES, CLUB AND KINDRED BODY SUPPORT

	2025	2024
	\$'000	\$'000
Stakes	45,301	38,796
Club & Venue Support	8,421	7,247
Club Support - Other	1,249	1,015
Kindred Body Support	50	30
	55,021	47,088

Funding expenses are made in accordance with the SOI and Funding Budget approved by the Board. The majority comprise stakes payments to owners, trainers, and drivers, as well as club allowances for venue and race day costs.

Club Support Other includes Group Liability Insurance, payments to St John and the New Zealand Horse Ambulance Trust for attendance at race meetings, and other club-related costs. It also covers payments to the Auckland Trotting Club for filming-related costs, which are reimbursed by TAB NZ, with a corresponding amount recorded in Other Income. The 2024 figure additionally includes operational expenses for the Forbury Park venue while it was owned by HRNZ.

In addition, as part of the Rejuvenation Fund, TAB NZ committed \$1 million to the NZ Metropolitan Trotting Club for the lights replacement project, with HRNZ committing a further \$300,000 from the Capital and Other Projects reserve. As at reporting date, \$100,500 has been recognised for eligible claims made, with the remaining commitment disclosed as a contingent liability (refer Note 21).

Kindred Body Support represents payments to the three kindred bodies recognised in HRNZ's constitution to support mutual initiatives.

7. INDUSTRY INITIATIVES

	2025	2024
	\$'000	\$'000
Breeding Initiatives	604	695
Entain 2YO Bonus Scheme	1,025	610
Horse Care Initiatives	414	392
Racing Initiatives	111	-
RNZ and OnTrack	124	140
Utilisation Initiatives	17	-
	2,295	1,837

Industry initiatives represent programmes undertaken for the benefit of the harness racing industry in New Zealand.

Breeding Initiatives include credits earned during the year towards the Fillies and Mares Breeding Credit Scheme.

Entain 2YO Bonus Scheme relates to the \$1.5 million scheme funded by Entain over two years. Costs above the funded amount were met by HRNZ.

Horse Care Initiatives include expenditure on Life After Racing and other welfare programmes.

Racing Initiatives include costs for the promotion of the Next Gen scheme.

RNZ and OnTrack represent shared costs with the other racing codes, along with welfare costs for our participants.

Utilisation Initiatives represent a portion of horse utilisation costs, with the balance allocated to Stakes.

8. ADMINISTRATION AND OPERATIONS EXPENSES

	2025	2024
	\$'000	\$'000
Corporate Services	491	922
Education	267	280
Finance	618	620
Governance	672	454
IT	901	915
Marketing	1,178	1,730
Office & Administration	703	1,051
Racing	1,724	1,576
	6,554	7,548

Audit Fees: Included in Finance are fees paid to BDO Christchurch for the audit of the financial report of \$38,750 (2024: \$37,500). The audit firm has not provided the Group with any other assurance services, agreed-upon procedures, or taxation services during the year.

Board Remuneration: Included in Governance is the Board Remuneration for the year of \$273,516 (2024: \$224,846).

Employee Benefit Expenses: Included in the administration and operating expenses are employee benefit expenses of \$3,298,460 (2024: \$3,288,524).

Depreciation: Included in Office & Administration is an amount of \$165,753 (2024: \$148,073) for depreciation.

Lease Payments: Included in Office & Administration are operating lease payments and costs for \$214,169 (2024: \$231,179). For 2025, the total costs relate to the new HRNZ leased property at 114 Wrights Road and 2024 at 17 Birmingham Drive to January 2024 and 114 Wrights Road, Christchurch from September 2023. HRNZ was granted a four-month rent-free period at the commencement of the new lease at 114 Wrights Road. To comply with accounting standards for lease incentives, the lease payments are recognised as an expense on a straight-line basis over the entire lease term. This approach ensures that the lease expense is recorded consistently with the economic benefits received. The total lease term is 22 years, comprising an initial term of 10 years plus two renewal options of six years each. In addition to the building lease, HRNZ entered into a number of smaller leases relating to vehicles, and equipment. These leases do not transfer the risks and rewards incidental to ownership and therefore are classified as operating leases.

The future non-cancellable minimum lease payments of operating leases at reporting date are detailed in the table below:

	2025	2024
	\$'000	\$'000
Operating Leases		
0-1 year	222	207
1-5 years	823	812
5+ years	319	472
	1,364	1,491

9. GRANTS DISTRIBUTED TO CLUBS

As a Code under the Racing Industry Act 2020, section 15(1)(c), HRNZ is permitted to use its resources, including (without limitation) its financial resources for purposes that, in the code's opinion, will directly or indirectly benefit racing conducted by the code.

An amount of \$87,157 (2024: \$225,981) was distributed to the FPTC following the sale of the Forbury Park property. This includes \$87,157 (2024: \$29,017) being the interest on the funds held in Trust as agreed and \$196,964, in 2024 only, towards the repayment of the FPTC loan owing to HRNZ for costs relating to the sale of Forbury Park.

10. INCOME TAX EXPENSE

HRNZ is exempt from paying income tax under *Section CW47(1)(c) of the Income Tax Act 2007*.

CBHL is subject to income tax but has since ceased trading in 2021. Therefore, there is no income tax expense in both current and previous year.

CBHL has unutilised and unrecognised tax losses arising from prior years to the amount of \$3,702,182 (2024: \$3,702,182). There are no other tax planning opportunities or other evidence of recoverability in the near future. These unrecognised tax losses do not expire and may not be used to offset taxable income elsewhere. On this basis, HRNZ has determined that it cannot recognise deferred tax assets on CBHL's tax losses carried forward.

	2025	2024
	\$'000	\$'000
Tax Losses Brought Forward	3,702	3,702
Less: Tax Losses Utilised	-	-
Tax Losses Carried Forward	3,702	3,702

11. CASH AND CASH EQUIVALENTS

	2025	2024
	\$'000	\$'000
Current Assets		
Cash in Bank	7,031	9,051
	7,031	9,051
Current Liabilities		
Credit Cards	(9)	(7)
	(9)	(7)
Cash on Hand and at Bank	7,022	9,044

Cash in banks earn interest at floating rates based on daily bank deposit rates.

HRNZ administers the Centralised Stakes Payment System on behalf of clubs, drivers, owners, and trainers. The stakes funds investment is \$1,225,055 (2024: \$1,030,424), which relates to race meetings that have not been cleared for payment as at 31 July 2025. Included in trade and other liabilities are corresponding liabilities with respect to the Stakes payable of equal value as to that disclosed above.

HRNZ currently has a bank overdraft facility for a maximum of \$100,000 secured by a General Security Agreement. The overdraft is payable on demand and interest is calculated at a rate of 10.30% (2024: 12.65%). HRNZ has a credit card facility for a maximum of \$45,000 (2024: \$45,000).

12. INVESTMENTS

	2025	2024
	\$'000	\$'000
Financial Assets at Fair Value Through Surplus or Deficit		
<i>Investment in Managed Funds</i>		
HRNZ Portion	9,613	10,697
Surplus Assets Funds	12,833	12,405
	22,446	23,102

Investments consist of a Balanced Portfolio managed by Consilium NZ Limited and an Income Securities Portfolio managed by Booster Investment Management Limited. The latter are invested for varying periods of between one and twelve months, depending on the immediate cash requirements of the Group. The investment mix is predominantly New Zealand fixed interest investments.

A fair value adjustment of \$563,257 (2024: \$495,751) was made, based on the unit price at year-end.

A withdrawal of \$1.622 million (2024: \$nil) from the HRNZ's investment portfolio was made during the year to support strategic racing investments.

Restricted Funds: The Surplus Assets funds are the funds remaining from the sale of the Forbury Park property after the deduction of expenses. \$1.5 million of these funds are held on behalf of the FPTC with the balance being HRNZ's share. Interest earned on the FPTC portion is distributed to the club annually. Income earned on the remainder of the funds is reinvested and/or used for infrastructure support for clubs in accordance with our Property Investment Strategy. Refer to note 5 - Gain on Sale of Non-Current Assets Held for Sale, and note 20 - Surplus Venues Reserve, for more details.

13. OTHER FINANCIAL ASSETS

	2025	2024
	\$'000	\$'000
Cruickshank Fund	2	3
Provident Fund	55	57
Retirement Fund	150	150
Sulky Fund	59	84
Funds Held in Trust	266	294
Loans and Advances to Clubs	1,247	1,158
Total Financial Assets	1,513	1,452
Current Financial Assets	1,513	1,070
Non-Current Financial Assets	-	382
	1,513	1,452

Funds Held in Trust: These funds relate to the investment of cash held by HRNZ for the Cruickshank, Provident, Retirement and Sulky Funds, which are not available for use by HRNZ. Income earned, including interest and fair value movements, is credited to the respective Fund balances. Funds are invested in short-term deposits and other investments with maturities of between one and twelve months, earning interest at market deposit rates or subject to changes in fair value.

- The **Cruickshank Fund** was established by George Cruickshank, a former board member. Each year the leading UDR junior driver is awarded an amount of \$500, paid for by the fund.
- The **Provident Fund** provides grants to licenced industry participants pursuant to *Rules 1501-1511* which are made at the discretion of the Fund Trustees.
- The **Retirement Fund** was established for employees who have worked for HRNZ for more than 10 years. This fund has been cancelled in 1992. There are two employees who are entitled to a payment from the scheme on retirement. Refer to Note 19 Employee Entitlements for detail about the total liability and calculation.
- The **Sulky Fund** provides a limited form of damage type cover for registered sulkies to licenced industry participants pursuant to *Rule 1512* and the *Sulky Fund Regulations*.

Included in trade and other liabilities and employee entitlements are corresponding liabilities with respect to the above of equal value as to that disclosed above.

Loans and Advances to Clubs: Under the Racing Act 2020, section 15(1)(c), HRNZ is permitted to use its financial resources for the purposes that, in the Code's opinion, will directly benefit racing conducted by that code. HRNZ has extended loans to Clubs with the following terms:

- **WBOP:** Interest on the loan is charged at 5.7% per annum. From 19 July 2025, both parties agreed to a six-month interest-free period and a potential extension of the loan term by a further 12 months. At the end of the six-month period, interest will resume at the agreed rate of 5.7% per annum.

The change in loan terms resulted in a modification loss under PBE IPSAS 41. However, this is immaterial to the Group and therefore has not been recognised.

The loans remain secured against the club's property by way of a mortgage.

14. TRADE AND OTHER RECEIVABLES

	2025	2024
	\$'000	\$'000
Receivables from Exchange Transactions		
Code Funding Receivables	638	585
Trade Receivables	137	115
	775	700
Receivables from Non-Exchange Transactions		
GST Receivable	53	91
	53	91

As at 31 July 2025, all overdue receivables have been assessed for impairment, based on expected losses, determined on analysis of historical information as well as a review of individual receivables.

Trade receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Group applies the simplified ECL model of recognising lifetime

ECL for short-term receivables. The model of expected credit loss is based on the age of individual trade receivable past due date of receipt, drawing on credit loss history, consideration of forward-looking factors, relationship with HRNZ, and communications with the individual. The majority of receivables are not past due. There is no impairment provision on outstanding receivables (2024: nil).

The ageing of HRNZ's receivables is as follows:

	2025	2024
	\$'000	\$'000
Neither Past Due Nor Impaired		
Not past due	691	654
30-60 days	52	4
Past Due But Not Impaired		
60-90 days	7	1
Over 90 days	25	41
	775	700

15. PROPERTY, PLANT AND EQUIPMENT

2025	OPENING BALANCES			CURRENT YEAR MOVEMENTS			CLOSING BALANCES		
	Cost	Accumulated Depreciation	Book Value	Additions	Disposals	Depreciation	Cost	Accumulated Depreciation	Book Value
		\$'000			\$'000			\$'000	
Computer Equipment	634	(507)	127	56	(3)	(87)	541	(449)	92
Furniture & Equipment	137	(74)	63	7	-	(18)	144	(92)	52
Office Fit-Out	534	(63)	471	-	-	(61)	534	(124)	410
	1,305	(644)	661	63	(3)	(166)	1,219	(665)	554

2024	OPENING BALANCES			CURRENT YEAR MOVEMENTS			CLOSING BALANCES		
	Cost	Accumulated Depreciation	Book Value	Additions	Disposals	Depreciation	Cost	Accumulated Depreciation	Book Value
		\$'000			\$'000			\$'000	
Computer Equipment	647	(542)	105	87	(1)	(64)	634	(507)	127
Furniture & Equipment	719	(408)	311	38	(265)	(21)	137	(74)	63
Office Fit-out	511	-	511	23	-	(63)	534	(63)	471
	1,877	(950)	927	148	(266)	(148)	1,305	(644)	661

There are no restrictions or contractual commitments over the title or for the acquisition of any property, plant and equipment.

16. INVESTMENTS IN ASSOCIATES

On 30 July 2024, HRNZ acquired 33.3% shareholding and voting interest in OnTrack Racing Limited (OnTrack). The company's primary purpose is to provide a mental health and wellbeing programme to the racing industry in New Zealand. The Company is a registered charitable organisation. HRNZ has significant influence over the company as a shareholder, but does not have control, therefore HRNZ applies the equity method to account for this investment. There was no consideration paid for the purchase of shares in the company.

HRNZ has committed, along with the other racing codes, to cover any shortfalls on the approved budget.

The associate has the same reporting date as the Group, being 31 July and is domiciled in New Zealand. There were no contingent liabilities in relation to the Group's associate as at reporting date.

	2025	2024
	\$'000	\$'000
Carrying amount of investment		
Opening Balance	146	-
Share Of Associate Surplus/ (Deficit)	57	146
Adjustment to Prior Year Surplus/ (Deficit)*	(80)	-
Closing Balance	123	146
Summary of interest in OnTrack Racing Limited (33.33%)		
Current Assets	254	171
Non-Current Assets	3	3
Current Liabilities	(134)	(28)
Non-Current Liabilities	-	-
OnTrack Ltd Interest	123	146
Revenue	411	335
Expenses	(354)	(189)
Adjustment To Prior Year Surplus/ (Deficit)*	(80)	-
Share of Associate Surplus / (Deficit) - OnTrack Ltd	(23)	146

* The investment reported as at 31 July 2024 were based on the draft financial statements of OnTrack, pending audit finalisation. The audited financial statements reported an \$80,095 decrease in HRNZ's share of profit. This adjustment has been adjusted in the investment's carrying amount as it is immaterial to warrant restatement of prior year's Group financial statements.

17. TRADE AND OTHER PAYABLES

	2025	2024
	\$'000	\$'000
Trade and Other Payables	963	873
Stakes Payable	1,218	1,030
Fillies and Mares Breeding Credit Scheme (FMBCS) Liability	871	284
Two Year-Old Bonus Scheme (TYOBS)	36	-
NZ Bred Breeding Bonus Scheme (NZBBBS) Liability	1	310
Breeding Incentive Scheme (BIS) Liability	3	76
	3,092	2,573
Current Portion	2,362	2,349
Non-Current Portion	730	224
	3,092	2,573

Accruals and trade liabilities represent payables for goods and services provided to HRNZ prior to the end of the financial year that are unpaid and normally payable on a 30-day term.

Stakes payables represent amounts due to participants at the end of the financial year and are normally payable on a fortnightly basis.

The FMBCS liability consists of credits accrued. A portion of credits earned is expected to remain unused as not all mares would transition to becoming broodmares after their racing career concluded, or may be exported and thereby losing their credit. It is estimated that 25% of credits will not be claimed in future years. An estimated 21% of credits will be claimed in the next 12 months.

The TYOBS liability relates to claims that were processed prior to year-end, but payable on a 30-day term.

Retired Schemes:

- The BIS liability relates to a provision for breeders that meet the eligibility criteria, but who have not yet submitted a claim by year-end.
- The NZBBBS liability relates to one claim that remains unpaid pending receipt of the claimant's bank details.

18. CASH HELD IN TRUST

	2025	2024
	\$'000	\$'000
GST Input Claim Funds Received on Behalf of Owners	329	535
C4 Rejuvenation Grant Funds Received on Behalf of Clubs	26	1,676
Carnival TYOBS Grant Received in Advance	-	166
	355	2,377

GST Input Claims Funds Received on Behalf of Owners:

HRNZ received an amount of \$1.86 million from IRD for historic GST input refunds to owners. The refund relates to GST on stakes paid between 1 June 2013 to 31 October 2018 to GST-registered trainers and drivers, where the owners were not registered for GST. Due to the historic nature of these refunds, HRNZ does not hold up-to-date bank account details for all owners. At balance date, we are holding \$328,911 (2024: \$535,213) for individuals whose bank details are outstanding. HRNZ will continue to contact these individuals to obtain their details and process the payments as they are updated.

Class 4 Rejuvenation Grant Funds Received on Behalf of Clubs:

In 2024 TAB NZ established a Rejuvenation Fund that HRNZ accessed for Authorised Racing Purposes. Funds were paid to HRNZ and, where applicable, disbursed to clubs upon project completion. As at 31 July, \$25,836 (2024: \$1,676 million) remained unutilised pending completion of the club projects.

Carnival TYOBS Grant Received in Advance: The ENTAIN funding commitment of \$2 million under the two-year-old bonus scheme, relating to the 2024 and 2025 financial years, has been received and fully utilised.

19. EMPLOYEE ENTITLEMENTS

	2025	2024
	\$'000	\$'000
Accrued Salaries and Wages	25	-
Annual Leave	277	257
Retirement Entitlement	173	162
	475	419
Current Employee Entitlements	302	257
Non-Current Employee Entitlements	173	162
	475	419

Salaries, wages and annual leave provisions are measured at nominal values based on accrued entitlements at current rates of pay, which are expected to approximate the remuneration rate applying at the time of payment.

HRNZ's liabilities relate to employee entitlements and benefits accruing to employees in respect of salaries and wages, annual leave, sick leave and retirement entitlements; the portion due and payable within the next 12 months from reporting date is included under current employee benefits liability.

Retirement Entitlement: This liability relates to a provision for HRNZ employees who are entitled to a retirement benefit payment under their contract, provided they meet certain criteria: They commenced employment before 1 April 1992, have completed at least ten years' service, and are entitled to a retirement benefit payment when they retire from HRNZ according to their contract. The provision is recognised and calculated based on individual contract provisions at the end of each year.

As of 31 July 2025, there are 2 staff (2024: 2 staff) entitled to the retirement benefit. Any early payment of retirement entitlements is made at the discretion of the HRNZ Board.

The amount recognised has been calculated based upon the dates when eligible employees are expected to retire, which are between 1 and 10 years from 31 July 2025. It has been assumed that these employees will remain in the employment of HRNZ until retirement. A discount rate of 4.30% (2024: 4.66%) has been applied, as well as an estimated 5.34% (2024: 5.01%) increase in pay rates, in the calculation of the estimated retirement fund liability.

Retirement entitlements payable beyond 12 months have been calculated based on the following:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements; and
- the present value of the estimated future cash flows. These amounts are discounted to their present value.

20. RESERVES

HRNZ maintains several reserve funds to ensure financial stability, support long-term investment, and meet specific strategic objectives. The purpose and current commitments of each reserve are outlined below:

General Reserve: The purpose of the General Reserve fund is to build and maintain an adequate level of cash reserves in the event that funding income is suspended. Funds may be used to cover HRNZ's day-to-day operating expenses, provide support to clubs, particularly those operating Strategic Racing Venues, replacement of HRNZ assets, and fund special initiatives aligned with HRNZ's SOI.

Code Distribution Reserve: The purpose of this reserve is to facilitate the payment of funds to clubs for their funding allowances and to participants for their stakes via the centralised payments system.

An amount of \$8.05 million from the Code Distribution Reserve has been committed to supporting breeding and racing programmes, including increased stakes and additional races, over a period of three years, of which 2025 is the first year. This forms part of HRNZ's long-term investment strategy in partnership with Entain/TABNZ.

Capital and Other Projects Reserve: This reserve is maintained to fund HRNZ-led projects or to provide financial support to clubs for capital-related initiatives.

Surplus Venues Reserve: This reserve ring-fences proceeds received from the sale of surplus venues, managed in line with HRNZ's Property Investment Strategy. The net proceeds from the sale of Forbury Park have been recorded under this reserve. Movements in the reserve reflect interest and fair value gains, less distributions made to FPTC and other approved projects. These funds are restricted.

21. CONTINGENCIES, COMMITMENTS, GUARANTEES AND INDEMNITIES

	2025	2024
	\$'000	\$'000
Operating Leases		
0-1 year	221	207
1-5 years	817	812
5+ years	319	472
	1,357	1,491

HRNZ's office lease at Wrights Road commenced on 1 September 2023 for an initial term of ten years with two rights of renewal of six years each and a final expiry in 2045. The first rent payment was paid on 1 February 2024 and the first Opex payment was on 1 September 2023.

Insurance: HRNZ has committed to funding the Group Club Liability Insurance scheme at a cost of \$99,000 for the period of 31 July 2025 to 31 July 2026 (2024: \$102,000) on behalf of Harness Racing clubs and entities running trials who do not run totalisator races. HRNZ holds cover for Directors and Officers Liability, General and Statutory Liability and Professional Indemnity insurance cover in respect of liability for losses incurred by a member of the Board or an employee of HRNZ in the course of their duties to HRNZ.

Funding Commitment: As at 31 July 2025, \$200,000 of the \$300,000 (refer note 6) funding commitment to the NZ Metropolitan Trotting Club for the lights upgrade project remained unspent. This amount represents a contingent liability, as it is dependent on eligible claims being made.

Conditional Land Acquisition Agreement: The Group has entered into a conditional agreement to purchase land from a third party. As at reporting date, the agreement remained subject to due diligence and member approval at a general meeting. Accordingly, no land asset or related liability has been recognised.

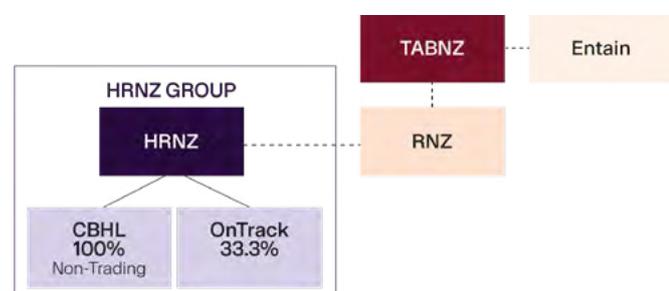
Indemnity: HRNZ in 2023, as part of the acquisition of Forbury Park agreed to indemnify FPTC against any loss, claim, damage, expense, liability, or proceedings that may be brought by any party to a maximum sum equivalent to the value of \$3 million. There has been no claims received or anticipated under this indemnity in current year (2024: \$nil).

22. RECONCILIATION OF NET SURPLUS/(DEFICIT) WITH OPERATING CASH FLOWS

	2025	2024
	\$'000	\$'000
Net Surplus/(Deficit) for the Period	(1,263)	16,869
Depreciation	166	148
Loss on Disposal of Assets	4	265
Net Changes in Non-Cash Items	170	413
Gain on Sale of Asset	-	(11,965)
Fair Value Gain on Investments	(563)	(496)
Grants Distributed to Clubs	87	226
Share of Surplus/(Deficit) in Associate	23	(146)
Other Financial Assets	(600)	(72)
Net Changes in Investing & Financing Activities	(1,053)	(12,453)
Trade and Other Receivables	(38)	3,118
Trade and Other Liabilities	518	570
Employee Benefit Liabilities	56	(137)
Net Changes in Working Capital	536	3,551
Net Cash Flow from Operating Activities	(1,610)	8,380

23. RELATED PARTIES

HRNZ STRUCTURE AND INTEREST IN OTHER ENTITIES



TAB NZ and Entain: A new partnership was concluded between TAB NZ and Entain, which commenced on 1 June 2023. The main purpose of Entain is to promote the racing industry, maximise the proceeds of wagering for the benefit of the racing industry, and distribute funds obtained from betting to TAB NZ for onwards distribution to the racing Codes. TAB NZ issues the betting licences to totalisator clubs and sets the racing calendar in conjunction with Entain and the three racing Codes.

Although these entities are not related parties of HRNZ for financial reporting purposes, it is beneficial to understand how funding is distributed to the codes.

RNZ: Funding from Entain is passed through TAB NZ to RNZ, who then distributes the funding to the three codes in accordance with an agreed funding model. The CEO and Chair of HRNZ sit on the Board of RNZ. Funding from Exported racing is paid direct to RNZ and distributed to the racing code that earned the income.

HRNZ Board: Transactions took place in the ordinary course of HRNZ's business where a member of the Board is also a member of the governing body of a Club or Kindred Body.

Key Management Personnel: HRNZ's key management personnel include members of the Board, the Executive Management Team and their immediate families.

Harness Racing Clubs and Kindred Bodies: As part of its normal operations, HRNZ transacts with Harness Racing clubs and Harness Racing kindred bodies across New Zealand; these transactions include receipt of stakes, other fees, and the administration of funding to our Harness Clubs. However, these entities are not related parties of HRNZ for financial reporting purposes and it does not exercise control, joint control or significant influence over these entities.

CBHL: CBHL is a 100% owned subsidiary of HRNZ. The entity is currently non-trading and there were no transactions between the entities during the year.

OnTrack: OnTrack is a company, established in January 2024 and owned equally by the three Racing codes being NZTR, GRNZ, and HRNZ. OnTrack is a charitable organisation committed to advancing mental health and suicide prevention in New Zealand's racing industry. Transactions with OnTrack are priced on an arm's length basis.

KEY MANAGEMENT PERSONNEL

Remuneration to key management personnel comprises of the total remuneration paid to board members and senior executive officers:

	2025		2024	
	Remuneration \$'000	Number of Individuals	Remuneration \$'000	Number of Individuals
Members of the Governing Body	273	7 People	222	8 People
Senior Executive Officers	516	2 FTE's	935	3 FTE's
	789		1,157	

HRNZ's Rules do not exclude members of the Executive Management Team of HRNZ and Board Members or their immediate families, to participate in racing horses, and they are eligible to receive stake money from Harness Racing Clubs. They may own harness horses, pay license fees and otherwise transact with HRNZ. These transactions are not disclosed as they are made on an arm's length basis and in the ordinary course of business.

In the year 2023, a new Breeder Incentive Scheme was implemented to promote breeding. Several board members who voted for the new scheme also benefited from the scheme. Transactions and balances relating to these payments are as follows:

	TRANSACTIONS		BALANCES OUTSTANDING	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Breeder Incentive Scheme Payments				
Taffy Limited	-	2	-	-
Bill McDonald	-	3	-	-

OTHER RELATED PARTY TRANSACTIONS

Transactions and balances relating to other related parties are as follows:

	TRANSACTIONS		BALANCES OUTSTANDING	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
RNZ				
<i>Income</i>				
Funding Revenue received on behalf of TABNZ/Entain	(54,919)	(57,944)	575	555
Funding Revenue from RNZ	(326)	(340)	62	62
<i>Expenses</i>				
Administration Fees Paid	12	10	(14)	(10)
Genie Industries Limited				
Consultancy Fees Paid*	18	-	-	-
Standardbred Stables to Stirrup Charitable Trust				
Life after Racing Grant**	68	-	-	-

* HRNZ engaged Genie Industries Limited, an entity whose owner is associated with a director of HRNZ, to provide consulting services. The director recused themselves from the decision of engaging the entity.

** During the year, HRNZ paid \$67,500 to Standardbred Stables to Stirrup Charitable Trust through its life after racing initiatives. One of HRNZ's directors is a trustee of the trust. The grants to the trust were approved prior to the director's appointment to the board. No comparative amounts are presented as the director's appointment was in the current year and the trust did not constitute a related party.

24. FINANCIAL INSTRUMENT RISK MANAGEMENT

CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

HRNZ have the following non-derivative financial assets:

- Cash and cash equivalents
- Loans and advances
- Trade and other receivables
- Other financial assets

Financial assets at amortised cost include cash and term deposits, which are classified as cash and cash equivalents if maturing in three months, current financial assets if maturing between three and twelve months, or non-current where the remaining duration is more than 12 months.

HRNZ has the following non-derivative financial liabilities:

- Credit cards
- Trade and other liabilities

HRNZ classifies its other financial liabilities as financial liabilities at amortised cost.

		MEASUREMENT BASIS	2025	2024
			\$'000	\$'000
Financial Assets				
Cash and Cash Equivalents	Amortised cost		7,031	9,051
Investments	Fair value through surplus or deficit		22,446	23,102
Loans and Advances	Amortised cost		1,513	1,452
Trade and Other receivables	Amortised cost		775	700
Total Financial Assets			31,765	34,305
Financial Liabilities				
Credit cards	Amortised cost		9	7
Trade and Other Liabilities	Amortised cost		3,092	2,573
Total Financial Liabilities			3,101	2,580

After initial recognition at fair value, financial assets and financial liabilities are measured at amortised cost, using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income and expense, foreign exchange gains and losses, and impairment, are recognised in surplus or deficit. Any gain or loss on derecognition is recognised in surplus or deficit.

The Board considers that the carrying amount of financial instruments recorded in the financial statements represents their fair value.

Financial Risks are those associated with the financial assets and liabilities of HRNZ which include market risk (capital risk and interest rate risk), liquidity risk and credit risk. These are discussed as follows:

24.1. CAPITAL RISK: The Board manages its capital resources to ensure that HRNZ will be able to continue as a going concern whilst promoting the advancement of the Harness Racing Code. This strategy remains unchanged from the previous year. The capital structure consists of accumulated surplus, code distribution and other reserves, cash and cash equivalents and investments.

HRNZ prepares a SOI for the Harness Code as a whole for each racing season. This plan details how the Code funding will be allocated during the season. The Board regularly review performance during the racing season. HRNZ does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. HRNZ does not have externally imposed capital requirements.

HRNZ's exposure to liquidity risk based on undiscounted contractual cash flows is as follows:

2025	Carrying Amount	CONTRACTUAL CASHFLOWS		
		Total	< 1 year	1-2 years
		\$'000	\$'000	\$'000
Cash and Cash Equivalents	7,031	7,031	7,031	-
Investments	22,446	22,446	22,446	-
Other Financial Assets	1,513	1,513	1,513	-
Trade and Other Receivables	775	775	775	-
Credit cards	(9)	(9)	(9)	-
Trade and Other Liabilities	(3,092)	(3,092)	(3,092)	-
	28,664	28,664	28,664	-

2024	Carrying Amount	CONTRACTUAL CASHFLOWS		
		Total	< 1 year	1-2 years
		\$'000	\$'000	\$'000
Cash and Cash Equivalents	9,051	9,051	9,051	-
Investments	23,102	23,102	23,102	-
Other Financial Assets	1,452	1,452	1,070	382
Trade and Other Receivables	700	700	700	-
Credit cards	(7)	(7)	(7)	-
Trade and Other Liabilities	(2,573)	(2,573)	(2,349)	(224)
	31,725	31,725	31,567	158

24.4. CREDIT RISK: Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to HRNZ.

In order to manage this risk, HRNZ places its available cash and short-term investments with high credit quality financial institutions and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective entities. HRNZ does not hold any collateral as security or other credit enhancements with respect to its exposures.

Investments consist of a Balanced Portfolio managed by Consilium NZ Limited and an Income Securities Portfolio managed by Booster Investment Management Limited. The latter are invested for varying periods of between one and twelve months, depending on the immediate cash requirements of the Group.

2025	Carrying Amount	CREDIT RATING		
		AA-	Mix*	Unrated
		\$'000	\$'000	\$'000
Cash and Cash Equivalents	7,031	7,031	-	-
Investments	22,446	-	22,446	-
Trade Receivables	775	-	-	775
Loans and Advances	1,513	-	-	1,513
	31,765	7,031	22,446	2,288

2024	Carrying Amount	CREDIT RATING		
		AA-	Mix*	Unrated
	\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	9,051	9,051	-	-
Investments	23,102	-	23,102	-
Trade Receivables	700	-	-	700
Loans and Advances	1,452	-	-	1,452
	34,305	9,051	23,102	2,152

*The fund's investment mix is predominantly New Zealand fixed interest investments. The credit rating for the Income Securities Portfolios has a mix of Credit Rating's ranging from BBB- to AAA.

25. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at the reporting date. (2024: \$nil).

25. EVENTS AFTER BALANCE DATE

There are no significant events after balance date. (2024: nil).

AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HARNESS RACING NEW ZEALAND INCORPORATED

Report on the Audit of the General Purpose Financial Report

Opinion

We have audited the general purpose financial report of Harness Racing New Zealand Incorporated ("the society") and its controlled entity (together, "the Group"), which comprises the consolidated financial statements on pages 48 to 70. and the consolidated statement of service performance on pages 37 to 43. The complete set of consolidated financial statements comprise the consolidated statement of financial position as at 31 July 2025 the consolidated statement of comprehensive revenue and expenses, consolidated statement of changes in 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 2025, and its consolidated financial performance, and its consolidated cash flows for the year then ended; and
- the consolidated statement of service performance for the year ended 31 July 2025, in that the service performance information is appropriate and meaningful and prepared in accordance with the Group's measurement bases or evaluation methods.

in accordance with Public Benefit Entity Standards ("PBE Standards") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated statement of service performance in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (NZ AS 1) (Revised) *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.

Other than in our capacity as auditor we have no relationship with, or interests in, the society or its controlled entity.

Other Information

The members 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Member's Responsibilities for the General Purpose Financial Report
Those charged with governance 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 PBE Standards;
- (b) the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present a statement of service performance that is appropriate and meaningful in accordance with PBE Standards;
- (c) the preparation and fair presentation of the statement of service performance in accordance with the Group's measurement bases or evaluation methods, in accordance with PBE Standards;
- (d) the overall presentation, structure and content of the statement of service performance in accordance with PBE Standards; and
- (e) 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 those charged with governance 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 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this 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-13-1/>

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Society'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 Society and the Society's members, as a body, for our audit work, for this report or for the opinions we have formed.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
25 September 2025



APPENDICES

APPENDX A: FINANCIAL RESULTS COMPARED TO BUDGET

The following table summarises the comparison of HRNZ's operational results against the budget.

	2025		2024	
	ACTUAL	BUDGET (UNAUDITED)	ACTUAL	BUDGET (UNAUDITED)
	\$'000	\$'000	\$'000	\$'000
REVENUE				
Funding Revenue				
Funding Revenue from TABNZ, Entain, and Others	60,266	60,669	59,034	59,000
HRNZ Revenue				
Licences, Registrations, and Other Income	1,067	1,161	1,072	1,109
Interest Income	549	609	542	209
Sale of Goods and Services	221	225	246	195
Fines and Penalties	51	70	67	70
TOTAL REVENUE	62,154	62,733	60,961	60,583
EXPENSES				
Funding Expenses				
Stakes	45,301	45,951	38,796	38,980
Club Support: Raceday Venues & Tracks	8,421	8,335	7,247	7,347
Club Support - Other	1,249	1,136	1,015	1,004
Kindred Body Support	50	-	30	50
	55,021	55,421	47,088	47,381
Industry Initiatives				
Breeding Initiatives	604	850	695	555
Entain 2YO Bonus Scheme	1,025	750	610	750
Horse Care Initiatives	414	544	392	623
Infrastructure Initiatives	-	250	-	-
Racing Initiatives	111	133	-	-
Racing NZ & OnTrack	124	200	140	167
Utilisation Initiatives	17	700	-	-
	2,295	3,427	1,837	2,095
HRNZ Expenses				
Corporate Services	491	487	922	608
Education	267	411	280	450
Finance	618	688	620	624
Governance	672	686	454	450
IT	901	1,031	915	1,167
Marketing	1,178	1,231	1,730	1,672
Office & Administration	703	726	1,051	724
Racing	1,724	1,713	1,576	1,462
	6,554	6,973	7,548	7,157
TOTAL EXPENSES	63,870	65,821	56,473	56,633
TOTAL SURPLUS/(DEFICIT) FROM NORMAL ACTIVITIES	(1,716)	(3,087)	4,488	3,950
OTHER INCOME AND EXPENSES				
Fair Value Gain on Investments	563	400	496	-
Gain on Sale of Property	-	-	11,965	-
Grants Distributed to Clubs	(87)	-	(226)	-
Share of Surplus/(Deficit) in OnTrack Racing Limited	(23)	-	146	-
TOTAL SURPLUS/(DEFICIT)	(1,263)	(2,688)	16,869	3,950





APPENDIX B: STATEMENT OF UNCOMMITTED FUNDS (UNAUDITED)
FOR THE YEAR ENDED 31 JULY 2025

	NOTES	2025	2024
		\$'000	\$'000
Current Assets		31,818	34,014
Current Liabilities		(3,028)	(4,990)
Net Current Assets		28,790	29,024
Add Non-Current Assets		677	1,189
Deduct Non-Current Liabilities		(903)	(386)
Total Available Funds		28,564	29,827
Less Minimum Reserves			
General Reserves	1	(3,000)	(3,000)
Code Distribution Reserve	1	(2,500)	(2,500)
Capital and Other Projects Reserve	1	(1,170)	(1,170)
Ring-Fenced Funds			
Surplus Venue Funds	2	(12,826)	(12,393)
Infrastructure Grants	3	(192)	-
Investment in Stakes and Breeding for 2025-2027	4	(8,045)	(9,130)
Total Uncommitted Funds	5	831	1,634

NOTES TO THE STATEMENT OF UNCOMMITTED FUNDS

1. MINIMUM RESERVES

These amounts represent the minimum reserves, not the actual balance shown in the Statement of Changes in Equity. Additional withdrawals from the reserves may reduce the balance to the minimum levels. The reserves are committed to support the objectives and strategies outlined in the Reserve Policy.

2. SURPLUS VENUE FUNDS

The Surplus Venues Funds are restricted and are managed in accordance with the HRNZ Property Investment Strategy.

3. INFRASTRUCTURE GRANTS

The Infrastructure Grants relate to grants awarded to clubs in accordance with the HRNZ Infrastructure Grant Scheme.

4. INVESTMENT IN STAKES AND BREEDING FOR 2024/27

Funds have been committed to support our breeding and racing programs, including increased stakes and additional races over the three years, of which 2024/25 was the first year. This is part of our long-term investment strategy in partnership with Entain/TAB NZ. The amount needed from reserves to fund the remaining two years of these programs is \$8.05 million (2024: \$9.13 million).

5. UNCOMMITTED FUNDS

The uncommitted funds are not subject to any constraints or restrictions and are available for investment in the industry.



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