

annual report 2008

ABN 22 079 598 235

ANNUAL REPORT

For the year ended 30th June 2008

To be presented to the Members at the

Annual General Meeting to be held at

Eagle Farm Racecourse, Ascot, Queensland

in "The Strawberry Road Room"

on Wednesday 24 September at 9.30am

REGISTERED OFFICE

Eagle Farm Racecourse

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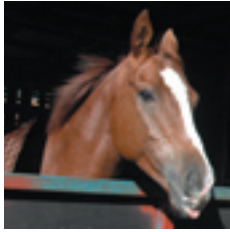
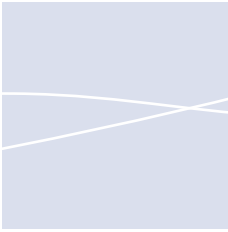
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chairman's report 2008

Members,

I have pleasure, on behalf of your Board of Directors, in presenting the 145th Annual Report on the activities of Queensland Turf Club Ltd ("QTC") together with the Balance Sheet as at 30 June 2008 and the Income Statement for the year ended on that date.

FINANCIAL

An operating profit of \$34,456 was achieved after providing for Depreciation of \$1,163,631. Significant financial harm was caused in the financial year due to the outbreak of Equine Influenza and the closure of racing in South East Queensland for several months.

In addition, the cost of maintaining a large heritage asset such as Eagle Farm Racecourse is forever increasing. Also, the legislative and regulatory requirements for major venues and events in today's environment require significant increases to operational costs, principally in areas such as maintenance, security, policing and cleaning. To overcome this, your board continually searches for new revenue streams.

For a few years now a key focus has been on generating revenue from non-racing areas. The club has seen good growth in its catering sales principally as a result of increased use of the venue outside race meetings. The scope and diversity of the venue is remarkable. Besides race meetings, Eagle Farm has hosted all types of events this year including, for example, forklift driving championships, weddings, trade shows and even a breakfast for two people.

The Board has invested heavily in the Eagle Farm facility. The Board has shifted focus towards generating revenue from the venue itself rather than a reliance on interest from conservative cash investments. The benefits of such a strategy are three-fold.

First, much of the work was overdue and maintenance and improvements had been previously deferred from when the Club was returning 115% in returns to owners (RTO). That RTO was much, much more than any other Club in Queensland, at the expense of the facility but to the benefit of owners. Second, Members and

stakeholders reap the benefits of improved facilities. Third, the returns are higher from the new business generated on course when compared to cash interest rates. For example, the \$2M investment in oncourse stables is generating approx \$600,000 p.a. in rental, a 30% return. Buildings and spaces such as the Tote, St. Leger and Laboratory are contributing to the \$1,000,000 increase in gross catering revenue. A wedding business plan is in place to deliver \$400,000 p.a. additional revenue by 2012.

EQUINE INFLUENZA OUTBREAK

In late August 2007, an outbreak of the highly contagious disease Equine Influenza occurred in NSW and Queensland. The disruption to racing was immense. Horses were not permitted onto training tracks for a period of about one month and racing ceased for over three months. The financial set back to QTC is estimated at about \$1,000,000.

Eight race meetings were completely abandoned due to EI in the period August to November and three race meetings were conducted as "restricted meetings". At those meetings, horses were restricted to those trained at Eagle Farm or Doomben and the movement of people around the course was constrained to restricted areas. In the period December 2007 to March 2008, the race meeting schedule was reorganised to deal with the effects of EI.





Wednesday 29 August 2007	Abandoned due to EI
Saturday 8 September 2007	Restricted meeting due to EI
Saturday 15 September 2007	Restricted meeting due to EI
Wednesday 19 September 2007	Abandoned due to EI
Saturday 22 September 2007	Restricted meeting due to EI
Monday 1 October 2007	Abandoned due to EI
Saturday 13 October 2007	Abandoned due to EI
Wednesday 24 October 2007	Abandoned due to EI
Tuesday 6 November 2007 - Melbourne Cup Day	Abandoned due to EI
Saturday 17 November 2007	Abandoned due to EI
Saturday 24 November 2007	Abandoned due to EI
Saturday 1 December 2007 (Tattersall's)	Relocated due to EI
Thursday 6 December 2007	Relocated due to EI

QTC took a leading role in assisting QRL manage the information process by hosting a stakeholders' information meeting at Eagle Farm on Friday 28 September. The information meeting was attended by Centrelink, Queensland Racing Ltd, Department of Primary Industry, and the Australian Tax Office. The meeting addressed issues such as Commercial Horse Assistance Payment Scheme (CHAPS), Equine Influenza Hardship grant, Equine Influenza Business Grant, Equine Influenza Wage Supplement.

The efforts of QRL in managing the EI outbreak were exemplary. Reid Sanders and his stewards worked tirelessly to get racing back on track. It is of huge credit to the QRL staff that racing came back so quickly and in such a healthy condition.

COURSE PROPER

After the race meeting held at Eagle Farm on 1 March, several stakeholders complained to QRL that the going was better away from the inside running rail and that the track was not holding together as well as anticipated. As a result, QRL made the decision to rest the track by transferring four race meetings to other venues. It is important to note that the Executive had already acted upon the complaints on the Saturday night of the race meeting. It had consulted with the Chief Steward and

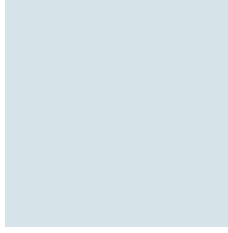
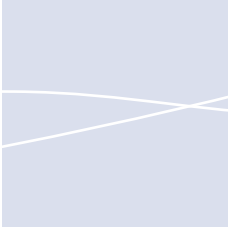
had decided to seek a second opinion. Subsequently, the racecourse manager worked with QRL on a program to revitalise the course proper.

MERGER WITH BRISBANE TURF CLUB LTD

A General Meeting of Members of QTC was held 28 August 2007. That meeting approved overwhelmingly (92%) a motion to merge with Brisbane Turf Club Ltd (BTC). The BTC held a Special General Meeting on 28 November 2007 which, whilst achieving 72% support from those of its Members that voted, did not achieve the 75% required under the Corporations Act.

However, a new Board at BTC then held another General Meeting on 8 August 2008. The vote at that meeting was 81% in favour. Consequently the amalgamation of both Clubs was approved to form the new Brisbane Racing Club Ltd. A number of conditions precedent still need to be met for the merger to be completely formalised. Those steps include:

- Approval from Australian Consumer and Competition Commission
- Tax exempt private ruling from the Australian Taxation Office
- Exemption from stamp duty
- Licence and agreement from Queensland Racing Ltd



The Board sees no impediment to the merger being completed. It is hoped that the new Brisbane Racing Club will be operational by 1 July 2009.

MASTER PLANNING

Brisbane Turf Club has joined QTC in a Memorandum of Understanding which QTC had already entered into with major developer Watpac to prepare a Master Plan for Eagle Farm and now also Doomben Racecourses. By working together, the Clubs will achieve a much better outcome for the whole Brisbane Racing Precinct. The key objectives of the Master Plan are:

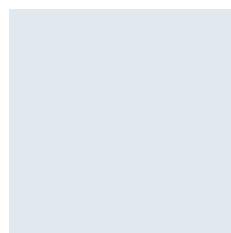
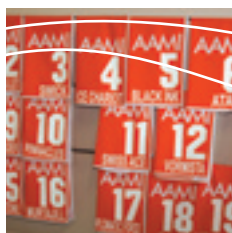
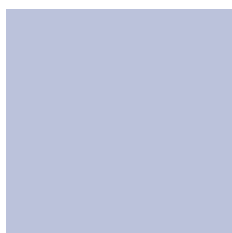
- Utilise the whole of the QTC and BTC land;
- Recognise the core function of QTC and BTC land as racecourses;
- Retain the intrinsic heritage value of the existing racecourses;
- Create a multi-purpose precinct (e.g. racing, commercial, residential etc);
- Maximise the value and benefit of the land;
- Comply with the QTC and BTC Strategic Plans;
- Reduce the reliance of QTC and BTC on cash based investments;
- Identify parcels of land to be sold and/or redeveloped by QTC and BTC to provide capital to facilitate the development of the racecourses;
- Develop the racecourses into state-of-the-art multifunctional entertainment facilities comprising race day venues, non race-day venues and community facilities;
- Provide income streams sufficient to support the ongoing management maintenance and development of the assets of QTC and BTC.

MAJOR PROJECTS

This season has been one of the busiest years for development around the course. During the year, the Club completed the following major projects:

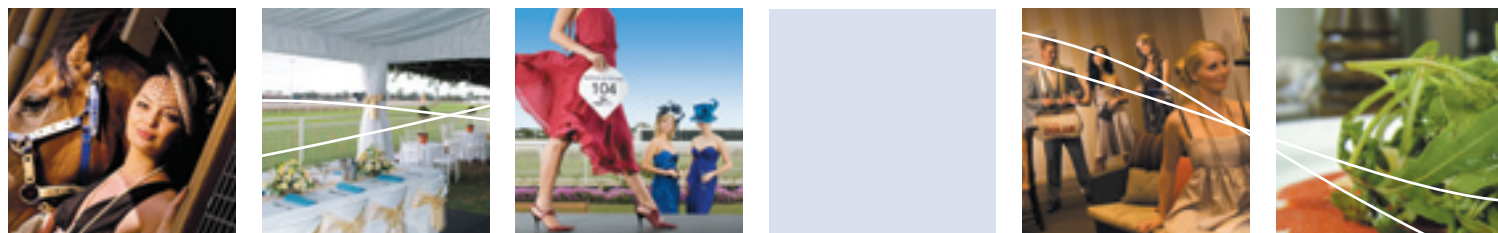
- Eliminated the crossing at the 600m
- Constructed 208 temporary on-course Stables
- Constructed a new horse walkway between the Stables and Mounting Yard
- Relocated and rebuilt the Mounting Yard
- Expanded the raceday exercise ring
- Built 3 new higher Stewards Towers
- Constructed a new dam with a capacity of about 100 mega litres
- Refurbished the Betting Ring and built a new Champagne Bar
- Completed interior renovation of the Tote Building and construction of 245m² decks on the east and west sides of the building
- Asphalted much of the roadways around the course
- Painting of the grandstands





Queensland Racing Ltd provided the Club with significant assistance towards capital expenditure during the year:

Issues	Action	Cost	QRL % contribution	QRL \$ contribution
Planning	Design plans of the course proper and training tracks to facilitate the installation of a synthetic surface	\$200,000	100%	\$200,000
Horse & rider safety	Elimination of 600 metre crossing & construction of 1800 metre crossing	\$83,000	100%	\$83,000
Loss of access to training tracks from elimination of 600m crossing	Creation of horse walkway from St. Leger to mounting yard and realignment and extension of mounting yard	\$553,000	50%	\$276,500
Horse and rider safety	Re-fence and expand small exercise ring; increase turning circle for horse movement vehicles; fencing to create secure horse precinct for trackwork and race days	\$16,000	100%	\$16,000
Integrity, WHS	Three new stewards camera towers	\$138,800	100%	\$138,800
Water crisis	Expansion of existing dam; excavation for new dam; upgrading of external toilets; underground water tank; fencing of dams	\$562,800	50%	\$281,400
TOTAL				\$995,700

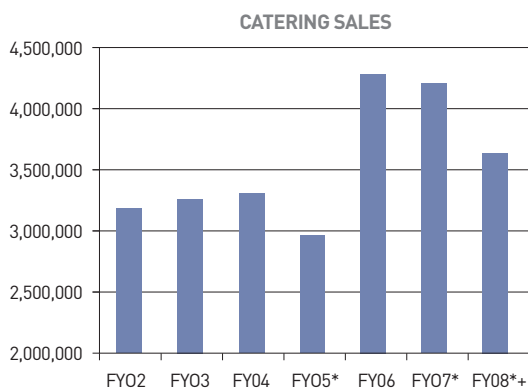
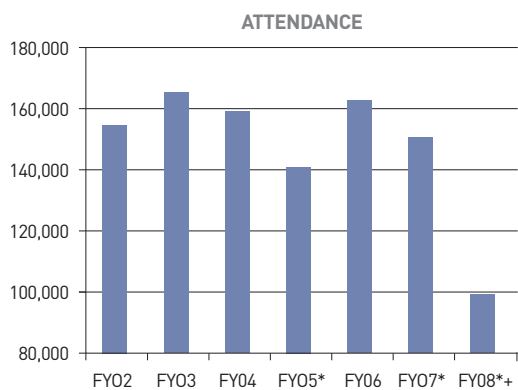


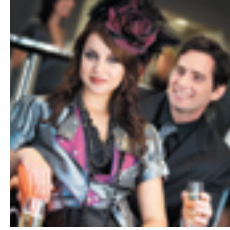
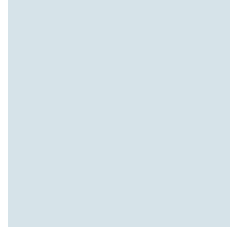
SEVEN YEAR STATISTICS

All key indicators were affected this year by the loss of three months of racing due to the closure caused by Equine Influenza.

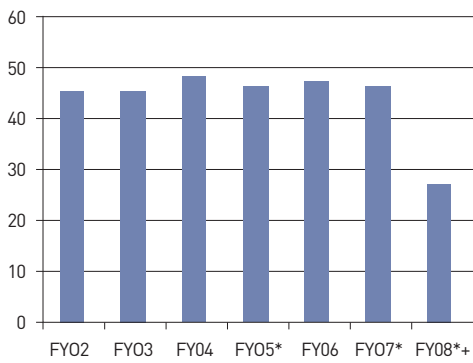
	FY02	FY03	FY04	FY05*	FY06	FY07*	FY08*+
Melbourne Cup Day	Yes	Yes	Yes	No	Yes	No	EI
Attendance	153,599	164,097	158,559	140,072	161,581	149,794	98,933
Catering sales	3,159,918	3,241,892	3,283,691	2,950,574	4,238,687	4,158,567	3,609,019
Catering net profit	634,160	585,170	483,886	179,866	816,241	868,567	409,917
Members	2,425	2,395	2,374	2,339	2,388	2,472	2,449
Race meetings	45	45	48	46	47	46	27
Starters	3,979	4,221	4,350	4,109	4,407	4,169	2,665
Races	359	361	385	365	376	365	220
Average Field Size	11.1	11.7	11.3	11.3	11.7	11.4	12.1
Trained Starters	3,812	3,786	3,705	3,825	3,851	3,934	2,985
Total Prizemoney / Bonuses	12,050,034	11,828,621	13,531,420	14,150,723	16,077,000	15,991,000	11,861,900
TAB sales	74,671,900	76,159,589	84,711,213	86,200,821	91,195,327	91,702,875	62,545,858
On-Course Totalisator sales	15,768,950	16,528,011	16,508,686	15,412,066	16,419,967	15,318,937	11,018,931
Bookmaker turnover	49,318,584	62,411,728	64,856,239	52,785,152	52,227,540	47,787,855	38,231,337

N.B: *denotes Melbourne Cup Day not conducted at Eagle Farm
+ Equine Influenza closure

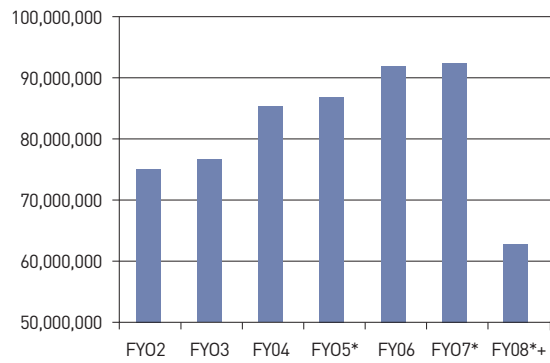




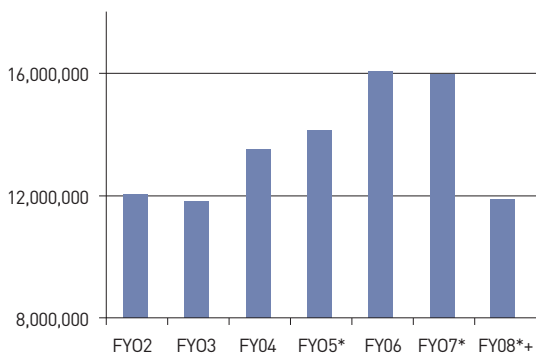
RACE MEETINGS



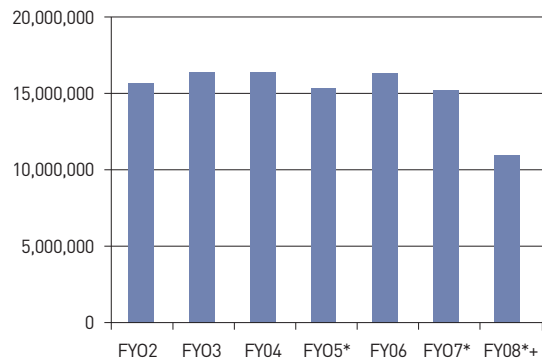
TAB SALES



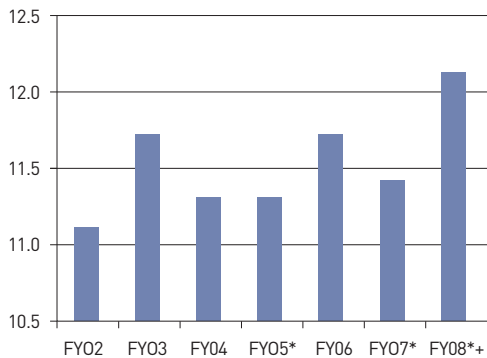
TOTAL PRIZEMONEY/BONUSES



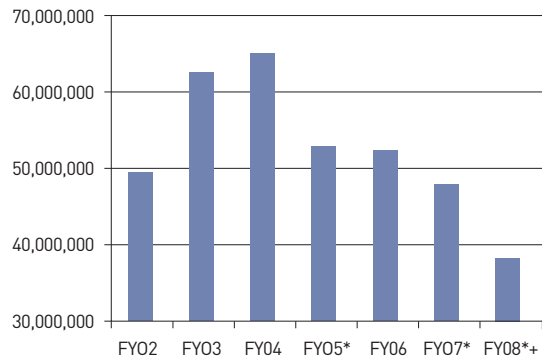
ON-COURSE TOTALISATOR SALES

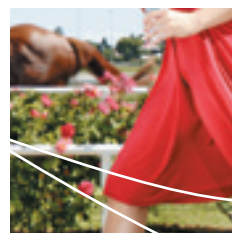
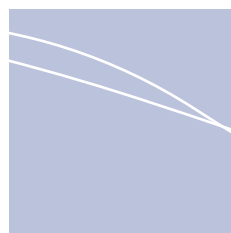
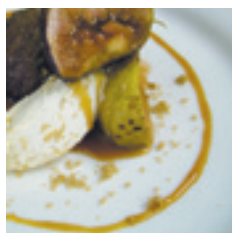
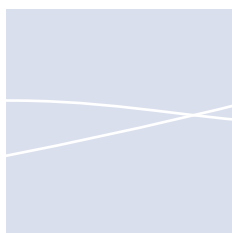
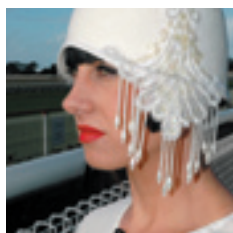


AVERAGE FIELD SIZE



BOOKMAKER TURNOVER





WINTER CARNIVAL

Despite the inclement weather, the Winter Carnival was again a success. Conrad Treasury Queensland Oaks Day was run on a heavy track with AAMI Stradbroke Day and Australia Post Brisbane Cup Day being run on slow tracks. The Carnival was also affected by a downturn in New Zealand participation due to the after effects of the EI crisis.

For the first time, a joint marketing campaign and brochure was conducted between QTC and Brisbane Turf Club Ltd. These joint activities are hoped to be the first of many before the merger of the Clubs is completed by 30 June, 2009.

Group One Winners

AAMI Stradbroke	Mr. Baritone (NZ)
BMW Queensland Derby	Riva San
Conrad Treasury Queensland Oaks	Riva San
The Racetree T.J. Smith	Rockdale (NZ)

Group Two Winners

Australia Post Brisbane Cup	Viewed
Schweppes Sires' Produce Stakes	Fravashi
Mitty's Queensland Guineas	Turffontein
Greenslopes Private Hospital Sir Byrne Hart Stakes	Swiss Ace
Seppelt Wines P.J. O'Shea Stakes	Scenic Shot
TCL Electronics QTC Cup	Chinchilla Rose

Sincere thanks must go to our principal partner AAMI and major sponsors Conrad Treasury Brisbane and Australia Post. This year the "Classic Stradbroke" was supported by Queensland Events Corporation and Brisbane Marketing. Different markets were able to be strategically targeted as a result of their very considerable assistance.

I would also like to thank the many other sponsors and partners for their generous support during the 2007 Winter Racing Carnival. The success of the Carnival can be largely attributed to their very significant contributions and joint promotional activities.

Winter Carnival 2009

In 2009, Stradbroke Day and Brisbane Cup Day will be consolidated to the first Saturday in June to form a "Super Saturday". Each race on that day will carry black type. The Board is confident that the new Stradbroke Day will be enhanced as one of the best days of racing on the Australasian calendar.

Queensland Oaks Day 2009	AAMI Stradbroke Day 2009
Queensland Oaks (G1)	AAMI Stradbroke (G1)
Sires' Produce Stakes (G2)	Queensland Derby (G1)
PJ O'Shea Stakes (G2)	TJ Smith (G1)
QTC Cup (G2)	Brisbane Cup (G2)
Dane Ripper Stakes (G3)	Queensland Guineas (G2)
Sir Edward Williams (Listed)	Lightning Handicap (Listed)
The Grand Prix Stakes (G3)	Phil Sullivan (Listed)
The Daybreak Lover (Listed)	Sir Douglas Wadley (Listed)

STABLING

When the EI crisis struck, it became apparent that there was an immediate need for horses to be offered stabling on course at Eagle Farm. There was a great fear at that time that some trainers would not be able to meet their commitments on their leased premises and the Board believed it should assist to relieve the financial harm upon trainers. Therefore, it made the decision to transform the existing track-work tie up stalls into 208 on-course stables.

The trainers who took up the option of moving on-course were given three months free rent to help get them through the crisis. Tim Nicholls MP (Member for Clayfield) and Councillor David McLachlan (Hamilton Ward) are to be thanked for their advice and assistance in getting this project up and going in such a time of need. The first winner from the new stables was "She's in the Guide" trained by Barry Baldwin at Eagle Farm on 2 January 2008. The following trainers are now stabled at Eagle Farm:

- Barry Baldwin
- Robert Heathcote
- Liam Birchley
- Barry Miller
- Brian Smith
- Desleigh Forster
- Kelly Schweida



The new on-course stables certainly paid dividends for Eagle Farm Trainers. Eagle Farm trainers filled three of the four top positions on the Brisbane Metropolitan Trainers premiership. We offer congratulations to each of them.

- Barry Baldwin – 41 wins (1st)
- Robert Heathcote – 32 wins (2nd)
- Liam Birchley – 22 wins (4th)

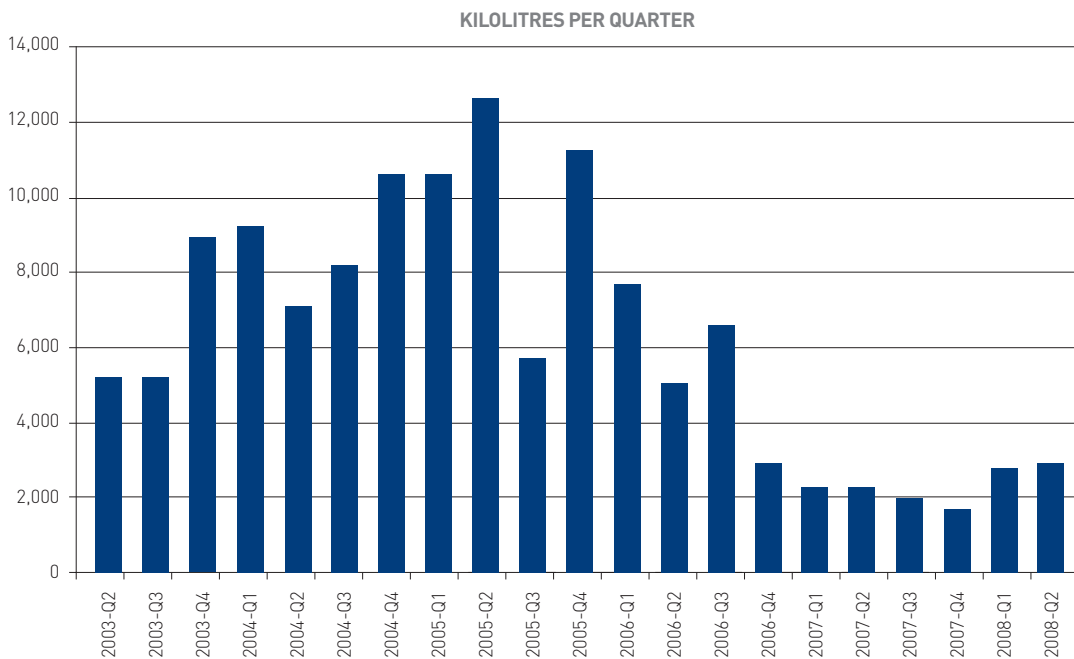
The future of stabling and training

Queensland Racing Ltd has advised that, "QRL is currently not in favour of the construction of stabling at either Eagle Farm or Doomben, but has agreed to reconsider the decision if there appears to be a compelling case for this activity". The QTC Board believes the training and stabling of racehorses in the Brisbane Racing Precinct is an essential strategic need for the industry in South East Queensland.

Excellent and well maintained training facilities are now in place at both racecourses. This Club believes those facilities must be made use of into the future. The performance of Eagle Farm trainers and the demand for more stables on course is evidence of the worth of training and stabling in the metropolitan area.

WATER

Last year the Board built a new 8 megalitre dam near the 600m. That dam has now been expanded to about 100 megalitres at no cost to the club. The estimate of the works was \$500,000. The earth was removed as fill by contractors for the new Gateway Bridge. The new dam will go a long way to drought proofing both Eagle Farm and Doomben racecourses. Despite the dam having cost virtually nothing to expand, the value of the works must be brought into the financial accounts and depreciated. The Club has significantly reduced it's usage of town water over the last three years.





Members

As at 30 June 2008, QTC had the following number of Members as outlined in the categories below:

	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Absentee	4	8	5	3	6	9	10
Life	9	9	10	10	10	10	8
Ordinary	2,054	2,031	2,008	1,969	1,990	2,014	1,957
Senior	255	238	251	266	279	269	289
Widow	46	45	39	32	31	31	30
Junior/Rest. (18-24)	57	64	61	59	72	94	102
Restricted (25-39)	0	0	N/A	N/A	N/A	45	53
Total	2,425	2,395	2,374	2,339	2,388	2,472	2,449

On 17 May 2006, a resolution had been passed in General Meeting of the Members approving a new category of Membership being "Restricted Member". Restricted Membership was a category open to Members aged 25 years to 39 years. On 19 September 2007, it was found by the Board of Directors that the resolution had been invalidly passed. Whilst the motion achieved 62% approval from those voting, it did not reach 75% as required by the Corporations Act. Consequently, the Restricted Member could no longer be offered and the Club had to return to the previous Membership categories.

Many Young Member events were held during the year. Perhaps the most popular was the Young Members Marquee Event that was held on Girls' Day Out. The Young Member events give the opportunity for young Members to introduce their friends to racing and possible Membership of the Club.

For the 2008/2009 racing season, the Member's badges will be of the credit card style in use by the major southern Clubs. The Member and guest cards are bar coded which will give the opportunity to provide greater security on the use of badges.

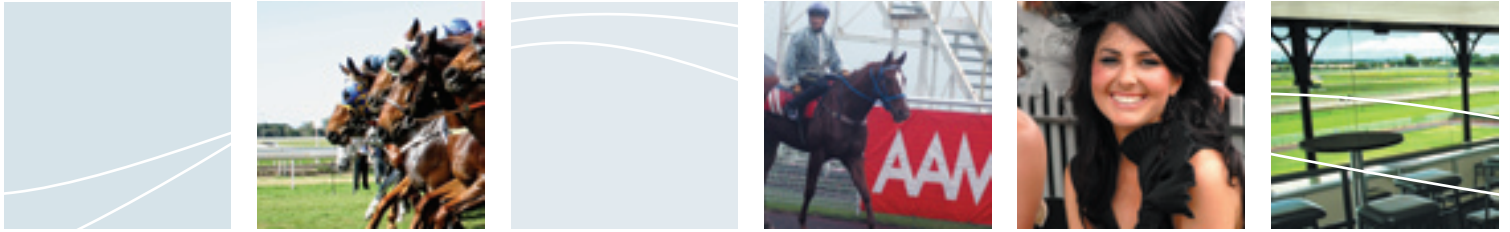
TATTERSALL'S RACING CLUB

Tattersall's Racing Club again scheduled four race meetings at Eagle Farm this year, but lost the December meeting due to EI. Tattersall's produced a wonderful Queensland Breeders' Winter Stakes Day, with the Winter Stakes being won by Absolut Glam. The QTC and Tattersall's have one of the longest associations in Australian sport and both Clubs look forward to the continuing relationship.

COMMUNITY

The Club supports the following community groups in different ways:

- Assumption College Warwick
- Ascot Centenary Kindergarten
- Bernborough Club
- Blue Care
- Clayfield Kindergarten
- Hamilton Bowls Club
- Hamilton Scout Group
- Hendra State School
- Kitchener Road Childcare Centre
- Mayne Tigers Junior Australian Football Club
- Mt. Olivet Hospital
- Our Lady Help of Christians School Hendra
- Our Lady of the Angels School Wavell Heights



- Royal Children's Hospital Foundation
- South East Queensland Race Clubs Association
- St. Agatha's School Clayfield
- St. Margaret's Anglican Girls' School
- Terrace Timor Network
- Wagner Road Kindergarten

The Club also has very good relationships with the Council and Parliamentary officials elected to represent the community in which Eagle Farm Racecourse is situated:

- Cr. David McLachlan (Councillor for Hamilton Ward)
- Tim Nicholls MP (State Member for Clayfield)
- The Hon Wayne Swan, MP (Federal Member for Lilley)

We thank them for their support of the Club and their interest in its activities.

SPONSORS

The Club is extremely fortunate to have a group of committed and generous sponsors and partners. The contributions made to the Club are sincerely appreciated.

Principal Partner - AAMI

AAMI has been the leading partner of QTC for some time. The strong support given by Anthony Durakovic (AAMI Executive General Manager), Don Casboul (Executive General Manager Marketing and Communications), and John Bennetts (Executive Manager Sponsorships) to the Winter Racing Carnival is very evident and greatly appreciated. QTC looks forward to a mutually beneficial association with AAMI in the future.

Major Partners

- Australia Post
- BMW
- Brisbane Marketing
- Cadbury Schweppes
- Castlemaine Perkins
- Conrad Treasury Brisbane
- Fosters' Group

- Greenslopes Private Hospital
- Lyndhurst Stud
- Mercedes-Benz
- Mitty's
- Myer
- Patinack Farm
- Queensland Events Corporation
- Racetree
- Sky Channel
- Tattersall's Racing Club

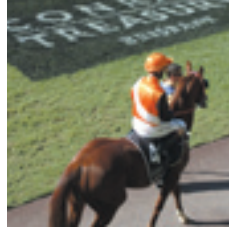
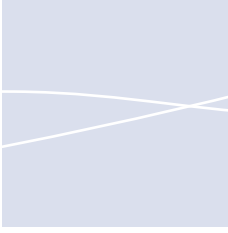
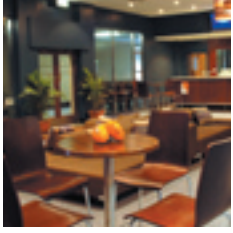
Supporting Partners

- Ambassador Travel
- Australian Special Metals
- All Hallows' School
- Cleanevent
- Indooroopilly Shopping Centre
- Ormiston College
- The Laminex Group
- Marist Brothers Ashgrove
- Moreton Hire
- Mt. Olivet Hospital
- The Prop House
- Queensland Rail
- Red Bull
- SITA
- Sporting Wheelies and Disabled Association
- St Margaret's AGS
- TCL Electronics
- TransLink
- Villanova College
- Winning Edge Presentations

Promotional Partners

- The Courier-Mail
- Fitness First
- Nivea Sun
- Monastery Nightclub
- Subiaco Hair





OBITUARY

The following valued QTC Members passed away during the year:

D G Best (Article 3.8), A J Connell, G I Dawson, P I Durkin (Article 5.5), Sir G Fisher (Article 3.8), W Fraser, H C Fox (Article 3.8), W J Harrison (Article 3.8), R A Jolliffe (Article 3.8), R B Lloyd, M Lucas, Sir J Killen, J R Martin, K J Newsham, W C Moloney (Article 3.8), J F O'Duffy (Article 3.8), Dr G Osbaldiston, W T Parkinson, F Pascual, Dr J Power (Life), D Purcell (Article 5.5), C F Regan, W G Stanley (Life), A B Stinson, J G Tucker, C Tully (Article 3.8), W J Wilkinson (Article 3.8), B Williams (Article 3.8), S J Wippell, J R Young (Article 3.8).

APPRECIATION

Despite the set back of the EI crisis, the staff has performed well in many areas. CEO Stephen Ferguson has driven the major projects this year including the successful merger vote; repainting of the grandstands; refurbishment of the betting ring and Champagne Bar; construction of on-course stables; elimination of the 600m crossing and construction of the new mounting yard and horse walkway.

Racecourse Manager Bill Shuck was responsible for the many improvements to the course. Tania McIntosh and Pru Harris have executed the marketing plans and sales strategies that have achieved major growth from non-racing functions. Tracy Levinsohn has lifted the event operations and venue management to new levels. Andrew Walker provided the financial information and advice that helped manage the business. Non-racing revenue is increasing each year and the expenditure on improvements to many areas is being justified by the new revenue streams created.

The Hon Andrew Fraser MP, supported by the Department of Primary Industry, led the industry during the EI crisis. The Minister is always approachable and the Board thanks him for his support during the year.

Bob Bentley and the Board of Queensland Racing Ltd have been very supportive of Eagle Farm this year. QRL has made significant contributions towards many capital works during the year. The QRL staff led by Mal Tuttle, Reid Sanders and Paul Brennan did an excellent job for the industry during the EI crisis. The industry would not have come out the other side of the crisis if they had not worked so hard to minimise any harm. The efforts of the QRL staff were most commendable in the industry's time of need.

The Board is very appreciative of the support from the Members, racing public, owners, and licensees during the year. We look forward to an entertaining 2009 racing season.

WJ SEXTON
Chairman



directors' report

Your directors submit the financial report of the company for the financial year 1 July 2007 to 30 June 2008.

DIRECTORS

The names of Directors in office at the date of this report are:

Name	Date of Birth
W J Sexton	09 December 1943
E A Kann	20 October 1943
D J Dawson	01 March 1947
A J Williams	26 April 1957
L I Heinemann	20 September 1941
N D Bell	11 October 1947
J P O'Sullivan AC	14 September 1939
M L Trivett	05 December 1951

All Directors have experience in the operation of thoroughbred horse racing.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated above.

COMPANY SECRETARY

The Company Secretary at year end was Mr Stephen Ferguson whose qualifications include a Bachelor of Social Science and Master of Business Administration. He has twenty-two years experience in racing administration.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year 1 July 2007 to 30 June 2008 were:

- Operating thoroughbred horse racing activities for Club Members and the general public within Australia.

There were no significant changes in the nature of the principal activities during the year.

OPERATING RESULTS

The net profit from ordinary activities of the company for the year amounted to \$ 34,456 (2007: \$583,565).

DIVIDENDS PAID OR RECOMMENDED

By virtue of the Memorandum of Association, the income and property of the company whencesoever derived, shall be applied solely towards the promotion of the objectives of the company and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise, to the Members of the company.

REVIEW OF OPERATIONS

Details of the activities of the company for the year have been outlined in the previous pages of the Annual Report. Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years except that the Membership of Brisbane Turf Club Ltd voted at General Meeting held on Friday 8 August 2008 in favour of amalgamating with the Queensland Turf Club in accordance with the Merger Implementation Deed. The Membership of the Queensland Turf Club previously voted in favour of amalgamating the two Clubs at a General Meeting held on Tuesday 28 August 2007.

directors' report (cont)

MEETINGS OF DIRECTORS

Directors	Directors' Meetings			Committee Meetings Audit & Finance Committee	
	No. eligible to attend	No. attended	Leave of absence	No. eligible to attend	No. attended
W J Sexton	16	16	–	3	1
E A Kann	16	15	1	3	3
D J Dawson	16	15	1	3	3
A J Williams	16	14	2	3	3
L I Heinemann	16	15	1		
N D Bell	16	15	1		
J P O'Sullivan, A.C.	16	13	3		
M L Trivett	16	15	1		

OFFICERS' AND AUDITORS' INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is, or has been, an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings;

with the exception of the following:

During or since the financial year the company has paid premiums to insure each of the Directors and the Company Secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Company Secretary of the company, other than conduct involving a wilful breach of duty in relation to the company. Further details are prohibited by a confidentiality clause.

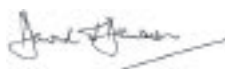
Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the Corporations Act 2001 on behalf of the Directors.



W. J. SEXTON
Director



S. A. FERGUSON
Secretary



D.J. DAWSON
Director

Dated this 28th day of August, 2008.

auditor's independence declaration

Under section 307c of the Corporations Act 2001 to the Directors of Queensland Turf Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

- (i) no contraventions of the auditor independence declaration requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys

Brisbane Partnership
Chartered Accountants

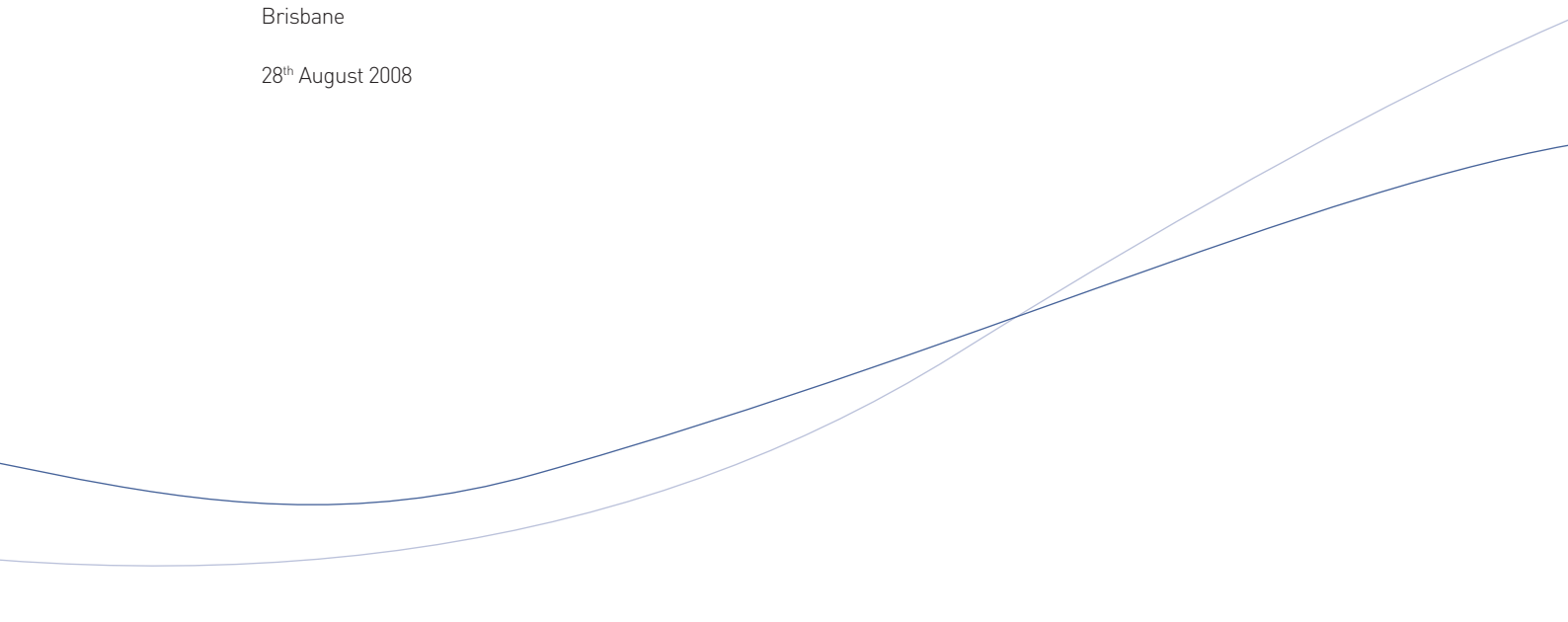


by Robert Forbes

Partner

Brisbane

28th August 2008



income statement

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
Revenue from ordinary activities	2	13,679,580	13,067,126
Expenses from ordinary activities	3	<u>(13,645,124)</u>	<u>(12,483,561)</u>
Profit from ordinary activities		<u>\$34,456</u>	<u>\$583,565</u>

balance sheet

AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	7,692,845	11,094,911
Trade and other receivables	6	685,325	678,124
Inventories	7	234,997	222,889
Other current assets	8	90,947	53,543
TOTAL CURRENT ASSETS		<u>8,704,114</u>	<u>12,049,467</u>
NON-CURRENT ASSETS			
Property, plant & equipment	9	36,865,669	33,556,144
Investment properties	10	3,027,007	2,421,349
TOTAL NON-CURRENT ASSETS		<u>39,892,676</u>	<u>35,977,493</u>
TOTAL ASSETS		<u>48,596,790</u>	<u>48,026,960</u>
CURRENT LIABILITIES			
Trade and other payables	11	1,997,845	1,621,040
Provisions	12(a)	405,754	363,217
Other current liabilities	13	373,084	268,960
TOTAL CURRENT LIABILITIES		<u>2,776,683</u>	<u>2,253,217</u>
NON-CURRENT LIABILITIES			
Provisions	12(b)	25,304	13,396
TOTAL NON-CURRENT LIABILITIES		<u>25,304</u>	<u>13,396</u>
TOTAL LIABILITIES		<u>2,801,987</u>	<u>2,266,613</u>
NET ASSETS		<u>\$45,794,803</u>	<u>\$45,760,347</u>
EQUITY			
Members' funds		38,216,420	38,181,964
Asset revaluation reserve		7,578,383	7,578,383
TOTAL EQUITY		<u>\$45,794,803</u>	<u>\$45,760,347</u>

The accompanying notes to the financial statements form part of this financial report

statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2008

	Members' Funds	Asset Revaluation Reserve	Total
Balance at 30 June 2006	\$37,598,399	\$7,424,794	\$45,023,193
Profit for the year	583,565	-	583,565
Revaluation increments/ (decrements)	-	153,589	153,589
Transfers to and (from) reserves	-	-	-
Balance at 30 June 2007	\$38,181,964	\$7,578,383	\$45,760,347
Profit for the year	34,456	-	34,456
Revaluation increments/ (decrements)	-	-	-
Transfers to and (from) reserves	-	-	-
Balance at 30 June 2008	\$38,216,420	\$7,578,383	\$45,794,803

Members' Funds

Members' Funds represents the accumulation of profit and Members' equity since the incorporation of the company.

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

cash flow statement

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from racing activities		13,481,277	12,351,236
Payments to suppliers and employees		(12,349,826)	(11,669,740)
Interest received		584,156	612,186
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16	<u>1,715,607</u>	<u>1,293,682</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(5,126,763)	(2,133,832)
Proceeds from the sale of property, plant and equipment		9,090	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(5,117,673)</u>	<u>(2,133,832)</u>
NET INCREASE/(DECREASE) IN CASH HELD			
Cash at beginning of financial year		<u>11,094,911</u>	<u>11,935,061</u>
CASH AT END OF FINANCIAL YEAR		<u>7,692,845</u>	<u>11,094,911</u>
CASH AT END OF FINANCIAL YEAR			
Cash at bank and on hand		93,672	98,340
Deposits at call		<u>7,599,173</u>	<u>10,996,571</u>
Cash held at end of financial year	5	<u>\$7,692,845</u>	<u>\$11,094,911</u>

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and the Racing Act 2002. Queensland Turf Club Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

No provision is made for income tax, as Queensland Turf Club Ltd is exempt from income tax.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs for beverages and last cost for food.

(c) Property, Plant and Equipment

Each class of Property, Plant and Equipment are brought to account at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold Land is revalued to the current Valuer-General's values at 30 June each year.

Racetracks and Buildings

Revaluation of racecourse buildings and improvements (excluding racetracks) are based on the Director's assessment of their depreciated value as at 30 June 2007. In order to arrive at their assessment, the Directors utilised an independent

valuation received in 2007. This independent valuation was prepared as at 30 June 2007 by determining the depreciated replacement cost of the assets with the value of the assets being derived by depreciating their replacement cost taking into account their age, construction, condition and estimated residual life.

Revaluations of the main racetrack, training tracks and surrounds was based on the cost to construct or overhaul racetracks similar to those at the Eagle Farm Racecourse. The revaluation was reviewed and adopted by the Directors in August 2007 effective 30 June 2007. During the 2006/07 year, the company commenced the depreciation of certain racetrack assets, due to the finite life of those assets, resulting in a depreciation charge for this year of \$153,594 (2007 - \$153,589).

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

During the year, the excavation and extension of an existing dam was undertaken by a contractor. The Directors in August 2008 determined the value of the dam at \$500,000 based on independent advice effective 30 June 2008. As the work had not been completed at the balance date, the amount is recorded in Capital Works in Progress.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed by the company includes the cost of materials, direct labour, borrowing costs and an appropriate portion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Revaluations

Increases in the carrying amount arising on revaluation of land and buildings are credited to the revaluation reserve in Members' equity. Decreases that offset previous increases of the same class of asset are charged against the revaluation reserve in member's equity; all other decreases are charged to the income statement.

Depreciation

Buildings and assets purchased after 1 July, 1998 are depreciated on a straight line basis. The depreciable amount of all other fixed assets, excluding land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	1%
Plant & Equipment	9%-33%
Furniture & Fittings	10%-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to Members' funds.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(d) Investment Property

Investment property, comprising rental properties, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Changes to fair value are recorded in the income statement. The fair values are determined annually based on the Valuer - General's values.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Defined Benefit Plan

In respect of defined benefit plans, the cost of providing the benefits is determined using generally accepted actuarial practices and methods. Actuarial valuations are conducted every three years, with interim valuations performed on an annual basis. Consideration is given to any event that could impact the funds up to balance sheet date where the interim valuation is performed at an earlier date.

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

(f) Cash And Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents includes:

- (i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.
- (ii) investments in money market instruments.

(g) Provisions

Provisions are recognised when the company has a legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

(i) Goods Services Tax ('GST')

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(ii) Grants

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

(i) Prizemoney

From July 2005, Queensland Racing Limited introduced a new funding scheme re the funding of prizemoney and the payment of an administration subsidy. Queensland Racing Limited has instructed the Club that funding and payment of prizemoney paid on races conducted by the Club be excluded from revenue and expenditure.

Prizemoney paid on races conducted by the Club totalled \$11,528,600 (2007:\$15,219,000) whilst QTIS amounted to \$333,300 (2007: \$772,000).

(j) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Critical Accounting Estimates and Judgements

There were no critical accounting estimates and judgements in respect of the 2008 Financial Report.

The financial report was authorised for issue on 28 August 2008 by the Board of Directors.

	2008 \$	2007 \$
2. REVENUE		
Operating Activities		
distributions – Queensland Racing	1,050,000	1,050,000
broadcast, television rights & sponsorship	2,850,587	2,796,782
catering and functions revenue	4,242,394	5,043,781
totalisator revenue commission (Note 14)	539,927	750,725
public admissions	662,407	896,668
fielding fees and turnover tax	219,345	302,252
barrier trial nominations	16,222	21,960
other revenue	474,257	209,634
TOTAL OPERATING REVENUE	<u>\$10,055,139</u>	<u>\$11,071,802</u>
Non-Operating activities		
interest and distributions received from deposits and managed investments including redemption costs	607,439	507,435
Capital grants from Queensland Racing	995,700	250,000
El assistance grant from Queensland Racing	200,000	-
Members' subscriptions	490,891	522,361
Members' entrance fees	36,800	48,000
fair value gains – investment properties	210,000	45,000
dam construction revenue valuation (Note 1(c))	500,000	-
other revenue	583,611	622,528
TOTAL NON-OPERATING REVENUE	<u>\$3,624,441</u>	<u>\$1,995,324</u>
TOTAL REVENUE	<u>\$13,679,580</u>	<u>\$13,067,126</u>

3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities has been determined after:

Expenses

Race Meetings' Expenses

board and executive staff expenses (Note 23)	2,154	3,099
on-course television and stewards films	162,137	251,249
totalisator expenses (Note 14)	473,355	630,052
catering and function wages and expenses	3,774,115	4,133,007
race day wages and allowances	543,580	676,377

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
3. PROFIT FROM ORDINARY ACTIVITIES (cont)		
trophies	49,459	53,220
stewards' and veterinary fees	124,500	128,131
other racing expenses	1,574,402	1,445,362
TOTAL RACE MEETING EXPENSES	<u>\$6,703,702</u>	<u>\$7,320,497</u>
Racecourse Maintenance		
materials and services	1,491,901	994,391
wages & contractors	1,489,019	1,510,163
other maintenance expenses	569,852	569,556
TOTAL RACECOURSE MAINTENANCE EXPENSES	<u>\$3,550,772</u>	<u>\$3,074,110</u>
Administration Expenses		
board and executive staff expenses (Note 23)	18,351	19,152
merger expenses	277,893	-
salaries, allowances and superannuation	757,021	753,251
other administration expenses	754,609	655,829
TOTAL ADMINISTRATION EXPENSES	<u>\$1,807,874</u>	<u>\$1,428,232</u>
Donations		
RNA	2,750	3,750
TOTAL DONATIONS	<u>\$2,750</u>	<u>\$3,750</u>
Net loss on disposal of non-current assets:		
property, plant and equipment	23,874	21,872
buildings & improvements	224,985	-
	<u>\$248,859</u>	<u>\$21,872</u>
Depreciation		
depreciation of property, plant & equipment	1,163,631	738,484
TOTAL DEPRECIATION	<u>\$ 1,163,631</u>	<u>\$738,484</u>
Movement in provisions		
employee entitlements	167,536	176,616
prize money – Winter Carnival	-	(280,000)
Net expense resulting from the movements in the provisions	<u>\$167,536</u>	<u>\$(103,384)</u>
TOTAL EXPENSES	<u>\$13,645,124</u>	<u>\$12,483,561</u>

	2008 \$	2007 \$
4. AUDITORS' REMUNERATION		
Remuneration of the auditors for the company for:		
auditing or reviewing the financial report	44,000	40,000
other professional accounting and consulting services	49,894	11,850
	<u>\$ 93,894</u>	<u>\$ 51,850</u>
5. CASH AND CASH EQUIVALENTS		
Cash on hand	500	500
Cash at bank	93,172	97,840
Deposits at call	7,599,173	10,996,571
	<u>\$ 7,692,845</u>	<u>\$ 11,094,911</u>
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	580,979	618,824
Other receivables	104,346	59,300
	<u>\$ 685,325</u>	<u>\$ 678,124</u>
7. INVENTORIES		
Catering food & liquor - at cost	<u>\$ 234,997</u>	<u>\$ 222,889</u>
8. OTHER CURRENT ASSETS		
Prepayments	<u>\$ 90,947</u>	<u>\$ 53,543</u>
9. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land		
Racecourse Land – Valuer General's Values 30.06.08	<u>8,557,000</u>	<u>8,557,000</u>
Total Land	<u>\$8,557,000</u>	<u>\$8,557,000</u>
Racetracks		
At Directors' Valuation 30.06.07	8,762,674	8,762,674
Less: Accumulated Depreciation	(153,594)	-
	<u>\$8,609,080</u>	<u>\$8,762,674</u>

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
Racecourse Buildings and Improvements		
At Directors' Valuation 30.06.07	13,710,833	13,710,833
Additions at Cost	3,372,337	-
Less: Disposals	-	-
Less: Accumulated Depreciation	(429,015)	-
	<u>\$16,654,155</u>	<u>\$13,710,833</u>
TOTAL RACETRACKS, BUILDINGS AND IMPROVEMENTS	<u>\$25,263,235</u>	<u>\$22,473,507</u>
Plant		
At Cost	7,926,211	7,244,334
Less: Accumulated Depreciation	(5,899,310)	(5,574,273)
	<u>\$ 2,026,901</u>	<u>\$1,670,061</u>
Furniture and Fittings		
At Cost	1,485,976	1,325,627
Less: Accumulated Depreciation	(1,007,607)	(894,358)
	<u>\$ 478,369</u>	<u>\$431,269</u>
TOTAL PLANT, FURNITURE AND FITTINGS	<u>\$2,505,270</u>	<u>\$2,101,330</u>
Capital Works In Progress		
At Cost	40,164	424,307
At Directors' Valuation 30.06.08	500,000	-
	<u>\$540,164</u>	<u>\$424,307</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>\$36,865,669</u></u>	<u><u>\$33,556,144</u></u>

9. PROPERTY, PLANT AND EQUIPMENT (cont)

(a) Movements in Carrying Amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold Land	Racetracks	Racecourse Buildings & Improvements	Plant	Furniture & Fittings	Capital Works in Progress	Total
Balance at beginning of year	8,557,000	8,762,674	13,710,833	1,670,061	431,269	424,307	33,556,144
Additions	-	-	2,981,446	819,674	189,714	731,733	4,722,567
Transfers	-	-	390,891	-	-	(390,891)	-
Disposals	-	-	-	(29,822)	(3,142)	(224,985)	(257,949)
Revaluation increments/(decrements)	-	-	-	-	-	-	-
Depreciation expense	-	(153,594)	(429,015)	(433,012)	(139,472)	-	(1,155,093)
Carrying amount at the end of the year	8,557,000	8,609,080	16,654,155	2,026,901	478,369	540,164	36,865,669

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
10. INVESTMENT PROPERTIES		
Balance at beginning of year	2,421,349	2,383,799
Additions	404,195	-
Revaluation increments/ (decrements) – fair value gains	210,000	45,000
Depreciation expense	(8,537)	(7,450)
BALANCE AT YEAR END	<u>\$ 3,027,007</u>	<u>\$2,421,349</u>
11. TRADE AND OTHER PAYABLES		
Trade creditors	1,442,454	1,221,061
Sundry creditors	555,391	399,979
	<u>\$1,997,845</u>	<u>\$1,621,040</u>
12. PROVISIONS		
(a) Current		
Long service leave and holiday pay	405,754	363,217
	<u>405,754</u>	<u>363,217</u>
(b) Non Current		
Long service leave	25,304	13,396
	<u>25,304</u>	<u>13,396</u>
(c) Aggregate employee entitlement liability	<u>\$ 431,058</u>	<u>\$376,613</u>
13. OTHER CURRENT LIABILITIES		
Income received in advance	373,084	268,960
	<u>\$373,084</u>	<u>\$268,960</u>
14. TOTALISATOR COMMISSION		
Gross commission (Note 2)	539,927	750,725
Expenses:		
Tabcorp commission	187,322	260,456
Casual wages & oncosts	240,377	323,940
Unitab direct link costs	45,656	45,656
Total expenses (Note 3)	<u>473,355</u>	<u>630,052</u>
NET PROFIT	<u>\$66,572</u>	<u>\$120,673</u>

15. EQUITY

The company is limited by guarantee by members of the company. If the company is wound up, the articles of association state that each member of the company is required to contribute a maximum of \$10 each towards meeting any outstanding obligations. At 30 June 2008 the number of members of the company was 2,449 (2007 – 2,472 members).

2008	2007
\$	\$

16. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit from ordinary activities:

Profit from ordinary activities	34,456	583,565
Non-cash flows in operating profit:		
Depreciation and amortisation	1,163,631	738,484
Net loss/(gain) on sale of assets	248,859	21,872
Net loss/(gain) on investments	(210,000)	(45,000)
Movement in debtors and other receivables	(7,201)	398,763
Movement in prepayments	(37,404)	32,868
Movement in inventory	(12,108)	42,419
Movement in trade and other creditors	376,805	(337,716)
Movement in provisions and other liabilities	158,569	(141,573)
CASH FLOWS FROM OPERATIONS	\$ 1,715,607	\$ 1,293,682

The company has no credit stand-by or financing facilities in place.

17. FINANCIAL RISK MANAGEMENT

The financial instruments of the company consist mainly of cash and cash equivalents and sundry debtors and creditors. There are no complex financial instruments nor derivatives. All assets and liabilities are denominated in Australian dollars and there is no foreign currency risk either in terms of the income statement and balance sheet.

The company manages liquidity risk by monitoring cash flow and ensures that sufficient cash is available to meet all liabilities on a timely basis. This management includes the timing and quantum of capital expenditure.

Credit risk relates largely to the debtors and prepayments included in note 6 to the financial report and is the risk that a loss would be recognised if counter-parties failed to perform as contracted. The credit risk on financial assets of the company, which have been recognised in the balance sheet, is the carrying value net of any provision for doubtful debts. The entity is not materially exposed to any individual third party except for cash and cash equivalents with bank and financial institutions. These institutions all have an investment grade credit rating from a recognised rating agency.

No assets or liabilities of the company bear interest except for cash and cash equivalents. The interest rate (market) risk regarding these assets is monitored by the directors to ensure the best possible financial returns. At 30 June 2008 the weighted average effective interest rate in relation to cash and cash equivalents was 7.65% (2007 – 6.25%) with the interest rate being entirely represented by fixed rates. In terms of interest rate sensitivity analysis, a 2% increase/decrease in interest rates would cause the net profit before tax and equity of the company to increase/decrease by \$151,980 annually assuming all other variables remain constant.

The Directors consider that the carrying amount of financial assets and liabilities approximate their respective net fair values.

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

17. FINANCIAL RISK MANAGEMENT (cont)

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted average effective interest rate		Floating Interest Rate		Within 1 year		1 to 5 years		Over 5 years		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Financial Assets												
Cash and cash equivalents	7.65%	6.25%	-	-	7,599,173	10,996,571	-	-	-	-	7,599,173	10,996,571
Total Financial Assets			-	-	7,599,173	10,996,571	-	-	-	-	7,599,173	10,996,571

18. RELATED PARTY TRANSACTIONS

Key Management Personnel	Short Term Employee Benefits			Post Employment Benefits		Other Long-Term Benefits	Termination benefits	Total
	Cash Salary and Fees (\$)	Non Monetary Benefits (\$)	Other (\$)	Pension and Superannuation (\$)	Other (\$)	Long Service Leave (\$)	(\$)	(\$)
2008	628,205	48,232	-	59,582	-	3,914	-	739,933
2007	555,420	47,877	-	52,705	-	3,193	-	659,195

Principles of Compensation

Director

Directors do not receive cash remuneration as a result of their position on the Board. The company has agreed to pay during the financial year, premiums for insurance for the personal legal liability of the Directors and officers of the company to pay compensation arising out of a breach of statutory and other obligations. Further details are prohibited by a confidentiality clause.

Chief Executive Officer

An Investment property owned by the Club is rented to the Chief Executive Officer on an arm's length basis.

19. DIRECTORS AND EXECUTIVE DISCLOSURES

The following persons were Directors of the Company during the financial year:-

Non-Executive Directors

W J Sexton
E A Kann
D J Dawson
A J Williams
L I Heinemann
N D Bell
J P O'Sullivan AC
M L Trivett

Executives (*Other than Directors*)

Chief Executive Officer
S A Ferguson

20. SEGMENT REPORTING

The company operates in the racing sector providing facilities to its Members and the general public within Australia.

21. ECONOMIC DEPENDENCY

The company is economically dependent on Queensland Racing Limited for the funding of prizemoney and other distributions.

22. RETIREMENT BENEFIT OBLIGATIONS

Defined Benefit Plan

For some employees, the company participated in an employer sponsored defined benefit superannuation plan during the period.

The benefits provided by this plan are based on the length of service of the member at retirement. Employees contribute various percentages of their gross income to the plan. Under the current Benefit Certificate issued on 21 July 2008, effective as at 30 June 2008 by the current Actuary, Ms Saffron Sweeney, the employer is contributing at varying rates of the employee's gross income.

Were a deficiency to exist in the plan, there is a legally enforceable obligation on the company to make up that deficiency.

The conclusion of the actuarial assessment noted that the funds were considered adequate to satisfy all benefits payable in the event of termination of the plan and voluntary or compulsory termination of employment of each employee.

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

22. RETIREMENT BENEFIT OBLIGATIONS (cont)

The most recent financial report of the superannuation plan available to the company as at 30 June 2008 can be summarised as follows:

	2008 \$	2007 \$
Unrecognised balanced sheet asset for:		
Superannuation benefits	234,424	207,207
	<u>234,424</u>	<u>207,207</u>
Income statement charge:		
Superannuation benefits	59,854	80,955
	<u>59,854</u>	<u>80,955</u>
The amounts recognised are as follows:		
Present value of funded obligations	1,231,549	1,186,098
Fair value of plan assets	(1,317,157)	(1,442,844)
	<u>(85,608)</u>	<u>(256,746)</u>
Unrecognised actuarial gains (losses)	(148,816)	49,539
Net asset not recognised in balance sheet	<u>(234,424)</u>	<u>(207,207)</u>
Reconciliation of movements in the funded obligations are as follows:		
Beginning of the year	1,186,098	1,844,364
Current service cost	83,372	154,227
Interest cost	64,574	88,429
Contributions by plan participants	40,294	65,170
Actuarial (gains)/losses	(19,236)	(36,688)
Benefits paid	(78,560)	(880,910)
Other	(44,993)	(48,494)
END OF YEAR	<u>1,231,549</u>	<u>1,186,098</u>
Reconciliation of movement in the fair value of plan assets is as follows:		
Beginning of the year	1,442,844	1,954,958
Expected return on plan assets	(108,509)	254,917
Employer contributions	66,081	97,203
Contributions by plan participants	40,294	65,170
Benefits paid	(78,560)	(880,910)
Other	(44,993)	(48,494)
END OF YEAR	<u>1,317,157</u>	<u>1,442,844</u>

	2008 \$	2007 \$
Discount rate	6.3	5.6
Anticipated return on plan assets	7.4	7.4
Expected future salary increases	4.25	4.25

The percentage contribution of each major category of total plan assets comprises:

Australian shares	30	30
International shares	30	30
Property	6	6
Alternative Investments (Growth)	4	4
Alternative Investments (Defensive)	5	5
Fixed Interest	20	20
Cash	5	5
	100%	100%

Historical Analysis of

Defined Benefit Obligation

	2008	2007	2006	2005
Present value of the defined benefit obligation	1,231,549	1,186,098	1,844,364	3,499,150
Fair value of plan assets	1,317,517	1,442,844	1,954,958	3,726,444
Surplus/(deficit) of the plan	85,608	256,746	110,594	227,294

The company expects to contribute \$59,004 to the plan for the year ending 30 June 2009. No reductions in contributions will be effected notwithstanding the surplus of the plan as at 30 June 2008.

Defined Contribution Plan

For those employees who are not Members of the Defined Benefit Plan, the company participated in an employer sponsored defined contribution plan during the period.

Employees contribute various percentages of their gross income and the company contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2008

23. RACING ACT

- (a) No payments of principal, interest, rent or lease payments were made to Members during the year.
- (b) All amounts expended by the Club in providing entertainment whether for its Members or for other persons, are considered reasonable and were incurred solely for the purposes of encouraging racing in Queensland. All expenditure for attendances by Members at conferences or Members is subject to the prior approval of the Board, and for the purposes specified in Section 112(3).

Specific disclosures required by Queensland Racing in relation to the Club's Board and Executive Staff are as follows:-

	Board \$	Executive Staff \$	Total \$
Entertainment	1,611	543	2,154
Accommodation	3,841	700	4,541
Travel	5,514	1,795	7,309
Telephone	-	6,501	6,501
	10,966	9,539	20,505

Board and Executive Staff expense as per:-
Race Meetings' Expenses' section (Note 3: \$ 2,154)
Administration Expenses' section (Note 3: \$18,351)

24. EVENTS AFTER THE BALANCE SHEET DATE

The Membership of Brisbane Turf Club Ltd voted at General Meeting held on Friday 8 August 2008 in favour of amalgamating with the Queensland Turf Club to form one Brisbane metropolitan racing club, to be known as the Brisbane Racing Club Ltd. Subject to some formalities and procedural issues to be finalised, it is proposed the new Brisbane Racing Club will begin operations from 1 July 2009.

25. CAPITAL COMMITMENTS

Capital commitments as at 30 June 2008 amounted to \$135,000 (2007 - \$200,000). All capital commitments are expected to be expended in the 12 months to 30 June 2009.

26. CONTINGENT LIABILITIES

There were no contingent liabilities in existence as at 30 June 2008.

directors' declaration

The Directors of the company declare that:

1. The financial statements and notes thereto are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards in Australia and the Corporations Regulations 2001;
 - (b) give a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



W.J. SEXTON

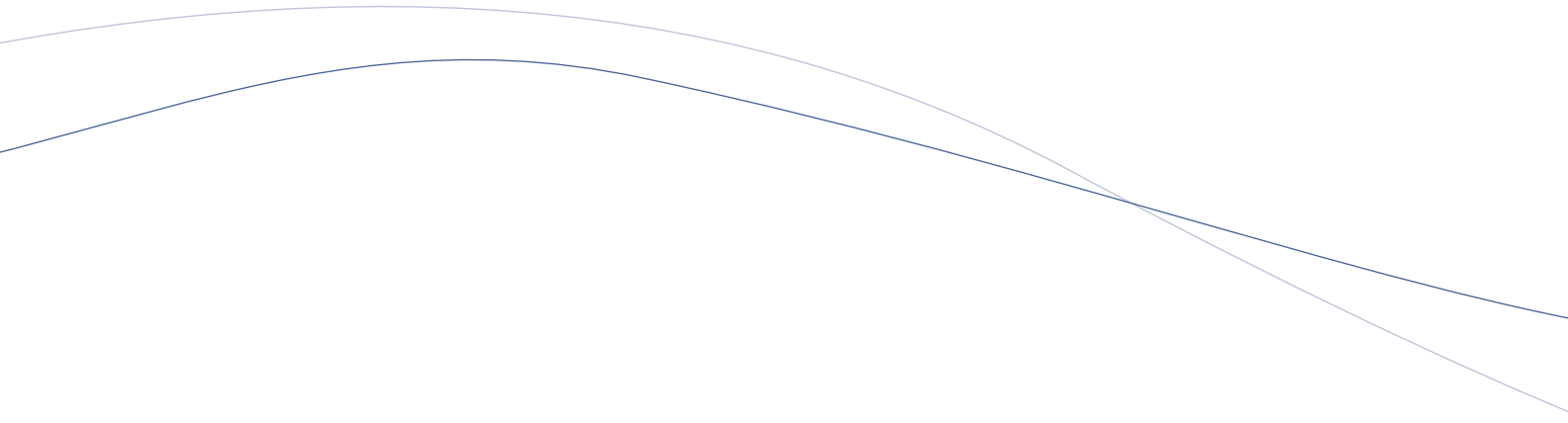
Director



D.J. DAWSON

Director

Dated this 28th day of August 2008



independent auditor's report

To the Members of the Queensland Turf Club Ltd

We have audited the accompanying financial report of the Queensland Turf Club Ltd ("the Club"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion, the financial report of the Queensland Turf Club Ltd is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Club's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Bentley's

Brisbane Partnership
Chartered Accountants



by Robert Forbes

Partner
28th August 2008
Brisbane

