



BRISBANE
RACING CLUB

2013-2014 Annual Report



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CONTENTS

- 3 Chairman's Report
- 7 Chief Executive Officer's Report
- 9 Racing Report
- 11 Track Managers' Report
- 12 Masterplan Report
- 13 Membership Report
- 14 Sponsorship And Events Report
- 15 Gallopers Sports Club Report
- 16 Brisbane Racing Club Remembers Wayne Wilson
- 17 150 Years Of Racing At Eagle Farm
- 18 Eagle Farm Milestones
- 21 Directors' Report
- 27 Financial Statements

Cover: River Lad surges to victory in the 2014 AAMI Stradbroke Handicap

Right: A Queensland Trifecta with Spirit of Boom narrowly edging out brother Temple of Boom and Buffering in the 2014 James Boag's Premium Doomben 10,000

Images courtesy of Trackside Photography





CHAIRMAN'S REPORT

It is my pleasure to present the sixth Annual Report of the Brisbane Racing Club.

The 2013-2014 Financial Year will be remembered as the first phase of the turnaround in the way your club conducts its business. We also began the cultural changes vital to the success of the new business model.

A new executive team, led by Chief Executive Officer Dave Whimpey, is driving the operational transformation. Dave's appointment was announced in January and he joined the club soon after while planning for the Channel Seven Brisbane Racing Carnival was in full swing. I congratulate "Team BRC" for a great overall result for a Carnival that delivered five Group 1 Saturdays, 127 events, attendance in excess of 45,000 and increased sponsorship returns. Although it was a baptism of fire for a number of the management team, the professional operation of all the events was well noted.

In last year's Annual Report, I highlighted the need to establish a diversified business model to share the financial responsibility of sustaining the BRC. I am pleased to report the outstanding performances of Gallopers Sports Club and the Eagle Farm Markets, which once again contributed \$1 million to our bottom line.

FINANCIAL PERFORMANCE

The Board is extremely pleased to declare an EBIT profit for the 2013-2014 Financial Year. After allowing for depreciation, the club realised a \$151,000 profit. This result is a \$1.16 million turnaround on last year's performance and signals early results for our restructured business model. It will be difficult to repeat this in the next 12 months due to the closure of Eagle Farm for a track reconstruction. However our executive team is planning to minimise the impact and meet the challenge the closure will have on normal operations.



BRC Chairman Neville Bell, Director Richard Morrison and a group of BRC members attended the presentation of the Brisbane Racing Club Trophy during a tour to Singapore organised by Ambassador Travel.

“THE 2013-2014 FINANCIAL YEAR WILL BE REMEMBERED AS THE FIRST PHASE OF THE TURNAROUND IN THE WAY YOUR CLUB CONDUCTS ITS BUSINESS.”

The contribution from our business diversification strategy undoubtedly played a major role in this year's financial result. Our revenue grew \$1.6 million on the previous year to \$35.3 million. The growth is on the back of good results in catering, sponsorship and broadcast fees.

The internal analysis of all facets of the BRC business has resulted in some dramatic savings in our cost base. We have seen early results from our ongoing audit of the procurement of our goods and services. We are market testing all supply contracts. This will be a long and involved process but the outcomes to date are promising.

MASTER PLAN

The club appointed Jeff Kahler as our General Manager Property and Asset Management in October 2013. Jeff's vast commercial and professional expertise has proved invaluable in expediting the Master Plan including the preparation of essential and non-essential land for racing. This process enabled the club to progress to an expression of interest (EOI) for the residential site.

A more detailed update of the Master Plan process to date and next steps can found subsequently in the Master Plan report.

EAGLE FARM TRACK CLOSURE

The 2014-2015 season not only marks the 150th anniversary of racing at Eagle Farm but also the reconstruction of the Eagle Farm course proper. The track has performed remarkably for so many years providing high-quality racing. The final day of racing on the old track was held amid heavy rain on 20 August 2014, reminding us of the importance of a new racing surface.

A contractor will soon be appointed to commence construction of a modern sand profile track that will make Eagle Farm a world-class racecourse.

The Board is convinced that the positive outcomes from the track rebuild will outweigh the short-term financial set back and ensure a sustainable metropolitan racing industry into the future.



Neville Bell presenting BRC honorary membership to jockey Ray Selkirk on AAMI Stradbroke Day.



BRC Executives Katie Churchill and Matt Rafton gained valuable insights working on the build up and running of the world's oldest Classic, the 2014 St Leger Festival in the UK.

APPRECIATION

The year under review threw up many challenges for the Board and management team. But the efforts and commitment of the management staff were simply outstanding and enabled the BRC to emerge in excellent shape. We employ approximately 100 people to keep the wheels turning each week. The next 12 months will again bring its challenges but the Board remains confident in the ability and dedication of all staff to continue to develop this fine club.

The club unfortunately farewelled our youngest Board member in Sam Adams when a career change meant he was unable to continue as a director. The Board recognises Sam's great contribution to the club during his four-year tenure.

Simon Gleeson was named as Sam's replacement. Simon, 34, is an economist with a wealth of commercial experience. He adds a relevant skill set as well as youth to your Board.

I would like to acknowledge my fellow Directors. The BRC is most fortunate to have such a professional group at the Board table. Each brings a separate set of skills and gives willingly and freely of their time. I extend my sincere thanks to each of them.

The company continues to maintain very good relationships with the Council, Parliamentary and Racing officials elected or appointed to represent the community in which the BRC operates:

- Premier Campbell Newman
- Lord Mayor Graham Quirk
- Steve Dickson MP, Minister for Racing
- Tim Nichols MP, Treasurer and Member for Clayfield
- Theresa Gambaro MP, Federal Member for Brisbane
- Councillor David McLachlan, Councillor for Hamilton Ward
- Racing Queensland Chairman, Kevin Dixon
- Racing Queensland General Manager - Stewards and Integrity Operations, Wade Birch



Neville Bell
Chairman



Ron Conquest and the late Wayne Wilson were inducted into the Stradbroke Hall of Fame in 2014.

Pictured are Ron Conquest and Sally Wilson following the presentation ceremony.

STATISTICAL INFORMATION	2014	2013	2012	2011	2010
RACING					
Race Meetings	92	91	91	91	84
Saturdays and Public Holidays	47	46	45	45	49
Mid Weeks	45	45	46	46	35
Races	744	732	689	728	687
Starters	7,666	7,622	7,579	7,665	7,609
Average Starters per race	10.30	10.41	11.00	10.53	11.08
ATTENDANCES					
Annual	177,255	195,006	195,212	219,057	226,563
Winter Carnival	44,820	47,977	47,041	66,129	56,871
MEMBERSHIP					
Members - All categories	8,084	10,204	6,928	5,417	4,866
PRIZE MONEY (\$000)					
Prize Money Paid	33,342	33,716	30,523	31,099	31,582
WAGERING (\$000)					
Oncourse Totalisator	17,608	20,548	23,011	24,100	25,819
Bookmakers	27,166	27,008	43,427	58,834	88,353
FINANCIAL (\$000)					
Surplus/(Loss)	151	(1,007)	(1,198)	271	(3,170)
Capital Expenditure	2,223	2,417	6,576	3,663	5,960

A portrait of a man with short, dark, curly hair and blue eyes, wearing a grey suit jacket, a light blue shirt, and a red tie with diagonal stripes. He is looking directly at the camera with a slight smile. The background is a soft-focus outdoor scene with greenery.

CHIEF EXECUTIVE OFFICER'S REPORT

My first five months as CEO have provided rapid learning after I joined the Brisbane Racing Club from a non-racing background.

I have thoroughly enjoyed working closely with our racing administration department, track managers and our on and off-course trainers to understand the complexities and challenges the Club faces in striving for strategic alignment, safety and operational excellence.

From walking the Eagle Farm and Doomben tracks weekly and learning how to maintain and rate them, to 'putting on' a race meeting, I thank our team members for their transfer of knowledge and commitment to ensure I become fully informed.

Thoroughbred horse racing remains part of the social fabric of Australia and has stood the test of time. However it has not been without its challenges, particularly more recently. These challenges include but are not limited to:

- declining Queensland thoroughbred wagering turnover
- a change in the way turnover is generated, in particular increased betting on corporate bookmakers at lower commission rates
- ageing facilities that are both labour and capital-intensive to maintain
- increased competition for the leisure and entertainment discretionary dollar.

The BRC has not been immune. During the past five years, we have experienced six per cent annual negative growth of visitation from 226,563 (2009-2010) to 177,255 (2013-2014). Our average Saturday visitation has been hardest hit reducing from 2,815 to 2,140 over the same period.

Against this backdrop, in 2013-2014 the BRC announced its strongest financial result since forming with an operating cash profit of \$2.7 million and an EBIT profit of \$151,000. This has resulted from:

- strong visitation, sponsorship agreements and corporate support (particularly across the Channel Seven Brisbane Racing Carnival and premium racedays)
- increases in non-racing income sources (Eagle Farm Markets, Gallopers Sports Club and special events)
- a focus on strategic cost management.

“THE FUTURE OF THE BRC IS EXTREMELY BRIGHT.”

During the next 12 months, the BRC will continue with these three main planks during the Eagle Farm course reconstruction phase. Racing, training, jump-outs and trials will be shifted to Doomben while the Eagle Farm track is rebuilt. In the next 12 months, we will host 59 race meetings – down from 92. This will result in a material decrease in our admin subsidy from Racing Queensland and our media rights income generated on a per race meeting basis.

But the future of the BRC is extremely bright.

I have completed an internal organisational review resulting in a re-alignment of our executive toward business generation. For example, the review showed that we have 42 rooms – consisting of more than 7,000 square metres of meetings and event space – that run at less than five per cent occupancy. This sparked the recruitment of a Sales Manager - Special Events who can unlock this latent demand.

In addition, I was pleased to announce the following changes to our Executive Team:

- Matt Rafton – from Marketing Manager to General Manager of Marketing
- Katie Churchill – from Sales Manager to General Manager of Sales
- Scott Steele – From General Manager Hospitality & Gaming to General Manager Operations
- Andy Walker – to Acting General Manager of Finance.

With a new Senior Leadership Team now in place we can unlock our special event and diversification of income strategy and significantly grow this part of our business.

In addition the team has been working hard to refurbish internal areas so that they are ‘fit for purpose’ in obtaining additional income streams. This includes the upgrade of our corporate boxes, a new Owners and Trainers Bar at Doomben and modernising menus and standard operating procedures. Other projects that show a significant cost benefit or are cost-neutral through supplier sponsorship are also earmarked for 2014-2015.

The new agreement with Tattsbet for our on-course Tote operations is also well underway. Early signs show a marked improvement in turnover and presentation. These are exciting initiatives that we look forward to realising the benefit of in our financial results.

With that in mind, we have developed a three-year strategic plan – *The Track Ahead* – that sets out our purpose, ambition and key actions. *The Track Ahead* focuses on future-proofing the club while ensuring that metropolitan

racing, industry participation and the customer experience are enhanced. In unlocking this strategy, we aim to solidify our position as “Queensland’s flagship thoroughbred racing club” while creating a superior membership experience.

THE KEY COMPONENTS OF *THE TRACK AHEAD* ARE:

- The Brisbane Racing Club is a club for every occasion
- **PURPOSE** - encourage, promote and develop thoroughbred horse racing and carry on other activity that furthers industry participation and to enhance membership of the club by delivering ‘best in class’ experiences, benefits and value
- **AMBITION** - to be a leading southeast Queensland entertainment, events and hospitality location
- **PRIORITIES**
 - recruiting and retaining customers
 - celebrating our industry people and creating a culture of ‘winningness’
 - maintaining our focus on strategic cost management
 - efficient use of capital and being data driven and technology led
 - increasing and diversifying our income
 - the successful integration of our Master Plan.

We need to significantly improve our Saturday raceday experience, our gardens and food and beverage service and offerings to be truly competitive in this market. I am confident we now have the building blocks to unlock this strategy.

The Board and Executive are resolute in creating a sustainable future for the Brisbane Racing Club and thank our members for their patience and loyalty as we embark on this exciting new phase. I would like to thank our Executive Leadership Team, management and team members for their unwavering support as we transform into a world-class entertainment, events and hospitality club.



Dave G. Whimpey
Chief Executive Officer

RACING REPORT

The BRC again proved its durability as a racing club when it conducted 92 meetings at Eagle Farm and Doomben in 2013-2014.

It was a testament to the dedicated track staff that not one of those meetings was lost because of the state of the ground despite the massive workload. Members and racing followers are fortunate to have such excellent track staff.

But Eagle Farm is now ready for a facelift. While the complete track reconstruction will present short-term challenges, Eagle Farm will re-emerge in 2015 as the premier racing and training venue in Australia.

With a new sand profile surface and a state-of-the-art drainage system, Eagle Farm will be magnificently equipped to cope with its usual workload and with rain should it fall during or prior to a meeting.

The key figures from the BRC's 2013-2014 racing season included:

- 47 Saturday and public holiday meetings
- 45 midweek meetings
- average of 10.30 starters per race

2014 CHANNEL SEVEN BRISBANE RACING CARNIVAL

The five days of Group 1 racing over the 2014 Channel Seven Brisbane Racing Carnival served up a host of memorable moments.

The Carnival attracted its usual group of topline visitors from stables in Sydney, Melbourne, Adelaide, Perth and New Zealand to race on surfaces presented in outstanding order by track managers Sean Bridges (Eagle Farm) and Jim Roberts (Doomben).

But the locals shone in some of the biggest races. The Queensland flagbearers were Tony Gollan's "Boom Brothers" – stablemates Spirit Of Boom and Temple Of Boom. The Booms filled the quinella in the James Boag's Premium Doomben 10,000 and were valiant contenders in other big winter features.

Temple of Boom filled another Queensland quinella – this time chasing home Natalie McCall's River Lad in the AAMI Stradbroke. Queensland horses also won the Treasury Casino & Hotel Queensland Oaks (Tinto), Queensland Guineas (Sir Moments) and Lightning (Cape Kidnappers). We look forward to seeing these horses take their talents south in the spring.

But the Channel Seven Brisbane Racing Carnival was not without sadness.

Sydney trainer Guy Walter, who has been a tremendous supporter of the Carnival over many years, delighted many when his high quality mare Streama won the Titan Energy Services Doomben Cup in May. But that joy turned to devastation less than a week later with Guy's sudden passing. He is a huge loss to the racing industry.

A few weeks later, the racing fraternity lost a great mate and incredible contributor with the death of broadcaster Wayne Wilson. Wayne passed away on Stradbroke eve after a lengthy illness. He will long be remembered.

TRAINING AND STABLING

Eagle Farm reinforced its reputation as the state's leading training facility with excellent returns during 2013-2014.

Ten of the top 12 trainers on the metropolitan premiership list in 2013-2014 were based at Eagle Farm. They were led by Tony Gollan (1st – 57 wins), Rob Heathcote (3rd – 48.5), Kelly Schweida (4th – 28), Brian Smith (5th – 27) and Liam Birchley (6th – 23).

Eagle Farm accommodated 14 trainers on course with a pool of 400 horses. A further 40 trainers brought in 150 horses to use Eagle Farm's facilities six mornings a week.

Eagle Farm's training tracks will be closed during the reconstruction phase and trackwork moved to Doomben. By the end of 2015, Eagle Farm will boast world-class training facilities with 400 new infield stables at the western end of the course. Trainers' representatives have been most positive in their response to plans for the stabling precinct.

The club acknowledges leading trainers Tony Gollan (Spirit Of Boom) and Rob Heathcote (Buffering) on their interstate Group 1 successes. Tony is also congratulated for his Doomben 10,000 quinella with Spirit Of Boom and Temple Of Boom.



Bart Sinclair
Racing Manager

2013-2014 FEATURE RACE RESULTS						
Prize Money	Race Name	Winner	Rider	Distance (M)	Weight (Kg)	Trainer
GROUP 1						
1,360,000	AAMI Stradbroke Handicap	River Lad	D Oliver	1400	55.0	N McCall
650,000	James Boag's Premium Doomben 10000	Spirit of Boom	M Rodd	1350	59.0	T Gollan
500,000	Channel Seven Queensland Derby	Sonntag	C Schofield	2400	57.0	H Dwyer
500,000	Titan Energy Services Doomben Cup	Streama	B Shinn	2000	57.0	G Walter
500,000	Tatts Group JJ Atkins	Almalad	T Berry	1600	57.0	G Waterhouse
400,000	Treasury Casino & Hotel Queensland Oaks	Tinto	T Bell	2400	56.5	R Lipp
400,000	Bundaberg Distilling Co. BTC Cup	Famous Seamus	R Wiggins	1200	58.5	N Mayfield- Smith
GROUP 2						
300,000	Croser Brisbane Cup	Floria	K McEvoy	2400	53.0	P Moody
250,000	Sky Racing Queensland Guineas	Sir Moments	T Bell	1400	57.0	S O'Dea
250,000	Mitavite BRC Sires Produce Stakes	Time For War	T Angland	1350	57.0	G Ryan
250,000	Merlo Eagle Farm Cup	Moriarty	N Rawiller	2200	59.0	C Waller
200,000	Virbac Equine Dane Ripper Stakes	Cosmic Endeavour	T Berry	1400	58.0	G Waterhouse
150,000	Bollinger Champagne Classic	Brazen Beau	N Rawiller	1200	57.0	C Waller
150,000	Greenslopes Private Victory Stakes	Temple of Boom	T Harrison	1200	58.5	T Gollan
150,000	Magic Millions QTC Cup	Sacred Star	T Bell	1300	54.5	T Pike
GROUP 3						
200,000	The Raw Group George Moore Stakes	Lucky Hussler	J Taylor	1200	54.0	K Fleming
175,000	XXXX Gold The Roses	Arabian Gold	B Shinn	2000	56.5	D Van Dyke
150,000	Brisbane Racing Club Vo Rogue Plate	Enquare	J Byrne	1350	55.0	J McLachlan
150,000	Glenlogan Park Stakes	Srikandi	G Boss	1350	57.0	C Maher
125,000	Ascend Sales Trophies Fred Best Classic	Havana	L Nolen	1350	57.0	P Messara
125,000	Mullins Lawyers Grand Prix Stakes	Vilanova	N Rawiller	2200	57.0	C Waller
125,000	Mitty's Rough Habit Plate	Amexed	M Rodd	2000	57.0	T Gollan
125,000	APHS Gunsynd Classic	Hopfgarten	D Browne	1600	57.0	R Heathcote
125,000	Darley BRC Sprint	River Lad	T Bell	1350	57.5	N McCall
125,000	Channel Seven Premier's Cup	Zephyron	G Boss	2200	54.0	M, W & J Hawkes
100,000	Landfill Logistics Chairman's Handicap	Pretty Pins	R Wiggins	2000	54.0	J Thompson
100,000	Programmed Property Services Lord Mayor's Cup	Angel of Mercy	T Bell	1600	57.0	G Ryan
100,000	McGrath Estate Agents B.J.McLachlan Stakes	Unencumbered	N Berry	1200	57.0	B Baker

TRACK MANAGERS' REPORT

Below-average rainfall made maintenance of the 60 hectares of tracks and lawn areas very challenging.

In this report we'll give you an insight into the unusual facts and figures that tell the story of the past year for our tracks.

With 92 race meetings conducted at Doomben and Eagle Farm, our dedicated staff were kept busy preparing for each raceday. We move the running rail in or out before each meeting to present the best possible surface for runners. That is an enormous task given that Doomben and Eagle Farm have circumferences of 1,709 metres and 2,027 metres respectively. Last year, 172 kilometres of running rail was shifted at Doomben and Eagle Farm. That's the distance between Brisbane and Gympie. On average it takes between five and seven hours for a gang of eight to 10 team members to move the rail.

We also look after track repairs. With each horse weighing about 500 kilograms and moving at 60 km/hour, the surface has to be repaired. Our staff hand patch every divot made by horses in the days following the race meetings. A sand/soil mix is placed in the divot holes and then flattened out with a light roller. This task can take eight workers from four to eight hours depending on the track conditions. Last year, 320 tonnes of patching soil was used to meticulously repair the racing surface.

Recovery is the key to preparing tracks for racing every week. We constantly feed and pamper the ground. The tracks get more "help" than a former Tour de France champion. Last year, 3,221 bags of fertiliser were spread on the grass tracks across both venues. That's 64 tonnes (try fitting that in your Bunnings trolley).

We're regularly asked about the amount of water used to maintain the grass and training tracks. We are very proud to say that all water used to keep the beautiful tracks fit for racing is storm water harvested at Eagle Farm and pumped to various locations around the two racecourses. The BRC is blessed to have such an excellent water catchment area in the higher ground to the west of Eagle Farm. When talking water volumes, we used 170 million litres or 68 Olympic sized swimming pools at Doomben and Eagle Farm last year.

But it's not just the racing surfaces punished beneath horse traffic. Eagle Farm and Doomben shoulder a huge load in helping horses prepare for races. Last year, 9,971 horses used the grass surfaces for barrier trials, jumpouts or track gallops. The BRC plays a significant role in ensuring horses are well prepared for all race meetings in the state's southeast.

Much work has been done to implement a safety plan for the transition to trackwork at Doomben while Eagle Farm is closed for training. It will be a challenge for all participants, particularly Eagle Farm stables, but the new track will be a world-class racing and training facility.

We look forward to seeing you at the racetrack.



Sean Bridges
Racecourse Manager -
Eagle Farm



Jim Roberts
Racecourse Manager -
Doomben

MASTERPLAN REPORT

One of the most important moments in the Brisbane Racing Club's history came in July 2013 when the Land and Environment Court approved the BRC Master Plan for Eagle Farm and Doomben.

Since that decision, the club has begun detailed planning for implementation. This includes the preparation of landscape master plans and confirmation of water, sewer and electrical capabilities of the surrounding networks.

Another significant step was taken in August 2014 when members voted overwhelmingly in support of the Master Plan. The club held a general meeting to ask members to allow the Master Plan to proceed. More than 90 per cent of members voted in favour. The Master Plan can be viewed on the BRC website at www.brc.com.au/masterplan/.

The year of planning now gives way to a year of commencement. Racing wound up on the old Eagle Farm course proper on 20 August 2014. Construction will soon commence on a new reinforced sand profile track in a project that will include 19 kilometres of new drainage, 5 kilometres of new irrigation and 15 kilometres of new running rail. Eagle Farm racecourse will be the envy of the racing world when construction is completed in mid 2015.

While track work is carried out, the club will build a new vehicle tunnel connecting the in-field to Nudgee Road and a new pedestrian tunnel linking the in-field to the grandstand precinct. The tunnels will be completed before work commences on a new state-of-the-art stabling facility for 400 horses on the Eagle Farm in-field. That work will also feature the building of 1,000 car spaces for members and patrons. This new facility is being designed and costed and is planned to be completed and open by December 2015.

On the commercial side, we are seeking expressions of interest from suitably qualified developers to assist the club in developing the Eagle Farm Residential Precinct (5B on the Master Plan). The residential project will begin once the new stables are constructed, allowing the existing stables to be demolished.

We are in the advanced planning stages of a neighbourhood shopping centre on the north-western corner of Eagle Farm (precinct 5A). We expect construction to commence during 2015.

We have a busy and exciting year ahead with the Master Plan and we look forward to keeping Members abreast of important events.



Jeff Kahler

General Manager -
Property and Asset Management

MEMBERSHIP REPORT



The 2013-14 membership year was highlighted by the introduction of a number of new initiatives to enhance the experience for BRC members.

Early in 2014, the BRC undertook a major review of all membership benefits. As part of this process a series of focus groups were held, which, coupled with ongoing feedback, helped to shape a number of exciting new changes. The changes include:

- offering a single badge membership, with the option to purchase up to three guest badges
- a promotion that enabled new and renewing members the chance to win a Lexus CT 200h
- introduction of birthday rewards
- acknowledgment of years of service on membership badges
- extension of the 2013-2014 membership season by one month to align with the racing season
- establishment of members-only bars at Eagle Farm and Doomben

The improvements are the first of many to be implemented over the coming years. The club aims to continue to develop value for members and to grow the membership base to a target of 5,000.

The Win a Lexus promotion was extremely well received by members. The car was won by long-term member Terry Lewis, who was overcome with joy at the presentation.

The members-only bars have been designated as the Derby Bar at Eagle Farm and Bernborough Bar at Doomben. These are now for the exclusive use of members, Guest badge holders and Trainers' badge holders.

Member events continue to provide an important platform for BRC members to meet and socialise. Events held throughout 2013-2014 included Members' Lunches and the Members' Cocktail Party and Doomben Cup Day Breakfast during Carnival.

Two groups also ventured overseas during 2014 in exclusive tours for BRC members and friends organised by Ambassador Travel. The first of these trips was held in March to the New Zealand Derby, while a group of BRC members joined Chairman Neville Bell and Director Richard Morrison for the annual Singapore Racing Tour in July.

The work of the Young Members' Committee should not go unrecognised. The group organised a number of successful events in 2013-2014, including the Cox Plate Twilight Party and Stradbroke Eve Calcutta. The group continues to develop new ways to grow the club's membership offering and to attract the next generation of BRC members.

I encourage all members to regularly visit the members' section of our BRC website to stay up-to-date with the latest news and offers. Keep any eye out also for our quarterly members' newsletter and fortnightly email newsletter.



Matt Rafton
General Manager –
Marketing

SPONSORSHIP AND EVENTS REPORT

The Channel Seven Brisbane Racing Carnival again provided a highlight on the BRC's annual events calendar.

The Carnival's sponsorship revenue increased in 2014, through the support of key partners including Channel Seven, AAMI, Treasury Casino and Hotel, Diageo, Titan Energy Services, Lion, Tourism and Events Queensland, Indooroopilly Shopping Centre and Brisbane Marketing.

Channel Seven carried the Group 1 magic of the AAMI Stradbroke, Channel Seven Derby and Tatts Group JJ Atkins to a national audience in a telecast led by Bruce McAvaney. Channel Seven has become an integral part of the Brisbane Racing Carnival and its first-class telecast enhances the stature of our biggest day.

AAMI has been a valuable long-term supporter of our flagship race. The BRC values its relationship with AAMI, which stretches back 15 years. We look forward to continuing our partnership with AAMI into the future.

Throughout the Carnival our special events such as the Carnival Oaks Ball, the Young Members' Calcutta and the Ladies' High Tea received great support. For the first time we also offered a premium hospitality option ranging from \$550 to \$650 per person in the James Boag's Birdcage showcasing Queensland's finest hospitality. This event and the Top Shelf Marquee sold out highlighting the demand for this experience and we aim to build on this for next year's Carnival.

Outside of the Carnival, the following monthly feature racing events drew strong crowds and increased revenue for the BRC:

- Teddy Bears Picnic (July)
- Mekka Wednesday (August)
- Food and Wine Raceday (September)
- Ultimate Raceday (October)
- Melbourne Cup Day (November)
- Twilight Raceday (December)
- Girls' Day Out (February)
- Tiki Village Raceday (March)

However it wasn't just racing that helped propel the BRC to an encouraging year in sponsorship and events. The BRC's aim to diversify its revenue base continued with non-racing revenue growth. This was made possible by key events such as the RACQ Motorfest, Miss Muddy, the Australian Open Polo, Coca Cola Amatil Roadshow and the Australian Model Railway Exhibition.



Katie Churchill
General Manager –
Sales

GALLOPERS SPORTS CLUB REPORT

Gallopers Sports Club reported an increase in both income and profit for the year.

Revenue grew from \$3.5m to \$4.1m or 17% resulting from steady gaming growth and the return of our catering operations from a third party operator. Profit was most pleasing at \$600,000 up by 41% on the previous year.

Gallopers Sports Club (Gallopers) enjoyed a great year of community engagement, continuing to thrive as a club of which its members can be proud. We strive to accommodate patrons of all ages and our membership growth reflects that aim. Those numbers have soared in recent years – from 4,643 members at the time of our December 2011 renovation to more than 7,800 members at the close of the 2013-2014 Financial Year.

During the last year, Gallopers has proudly assisted many charities and local community organisations including schools, sporting teams and aged care homes. On a special note for the racing community, \$18,000 was raised at a function at Gallopers to help a special young child in Charlie Pratt who is fighting leukaemia.

Our Gallopers staff are a wonderful asset. An example of their quality was recognised at the Clubs Queensland Awards for Excellence in April, when Operations Manager Amanda Grant was named Young Manager of the Year. Amanda beat a hot field from clubs across the state.

Our staff strive to exceed our customers' expectations at all times and feedback from members and guests is always positive. I congratulate and thank all staff.

I would like to thank our members for their loyalty and patronage. I look forward to a bright and prosperous 2014-2015 at Gallopers where, as our motto attests, "you're always on a winner"

"GALLOPERS HAS PROUDLY ASSISTED MANY CHARITIES AND LOCAL COMMUNITY ORGANISATIONS INCLUDING SCHOOLS, SPORTING TEAMS AND AGED CARE HOMES."



Scott Steele

General Manager –
Operations

BRISBANE RACING CLUB REMEMBERS WAYNE WILSON



The Brisbane Racing Club lost a wonderful supporter and dear friend with the passing of racecaller Wayne Wilson on Stradbroke eve in June. Wayne, who had fought cancer for 15 years, was 66.

Wayne was the voice of racing in Queensland. He called his first race in Gladstone aged 11 and quickly scaled the ranks. In 1969, he was appointed number two broadcaster to the legendary Vince Curry at Brisbane radio station 4BC.

When Curry was unavailable to call the 1975 winter carnival, Wayne stepped up to call his first Stradbroke, won by Queenslander Spedito.

Wayne initially concentrated on harness racing but took over gallops broadcasting with Curry's untimely passing in 1983. Wayne remained the number one caller until his retirement in August 2010. His career included calls from Banana to Charleville, Ipswich to Randwick and to Flemington, where he called the Melbourne Cup carnival for host broadcaster Channel Seven.

"I've never worked a day in my life, because I'm doing what I love," Wayne said in 2009. "And I get a kick out of going to the races".

Wayne was awarded life membership of the BRC for his services to the club both as the on-course announcer and his many contributions to club functions. Until shortly before his passing, Wayne was the host of BRC TV – the on-course live telecast of Saturday meetings at Eagle Farm and Doomben.

"WAYNE WAS THE VOICE OF RACING IN QUEENSLAND."

He could tell stories of the modern histories of his beloved Eagle Farm and Doomben racecourses. He recalled fondly the 1991 PJ O'Shea Stakes, when six horses charged across the line 40cm apart. Wayne correctly called the winner.

But the Stradbroke was always his favourite race. Wayne called some champions in the state's biggest race but not without "butterflies" in his stomach. He was always determined to deliver a top call and to not make a mistake in Queensland's biggest race.

New Zealander Rough Habit and local sprinter Chief De Beers became central heroes in some of Wayne's gripping broadcasts. He would lift the listener and bring them into the emotions of the moment.

Wayne this year was inducted into the BRC's Stradbroke Hall Of Fame. His wife Sally accepted the induction at a special function held at Eagle Farm on 16 August 2014.

BRC chairman Neville Bell presented Sally with life membership to further recognise Wayne's tireless contribution to the racing industry in Queensland. Wayne is also survived by his children Jamie and Honny and grandchildren Meg, Patrick, Paris and Wilson.

150 YEARS OF RACING AT EAGLE FARM



The BRC will celebrate a significant milestone in 2015, with 150 years of racing at Eagle Farm.

The racetrack is entwined with Queensland's history. The Queensland Turf Club was formed in 1863 – four years after the state of Queensland was proclaimed.

The Deed of Grant, signed by Queensland's first Governor Sir George Bowen on October 12, 1863, provided for “the appropriation thereof as a racecourse and for no other purpose whatsoever”.

The annual rent was set at a farthing – or less than one cent. The district was known for eagles soaring on thermal currents and was often called Eagle Farm. A convict women's prison had previously been housed on the site.

The QTC advertised a three-day meeting on August 10, 11 and 12 in 1865 to launch racing at Eagle Farm. But heavy rain forced the postponement of the inaugural meeting for four days.

By 1876 some of the original land granted to the QTC was sold off to raise funds to erect an additional grandstand.

There have been many important physical improvements at Eagle Farm over the past 150 years but few have inspired such lavish praise as delivered by a writer in the Brisbane Telegraph in 1951.

“THE DISTRICT WAS
KNOWN FOR EAGLES
SOARING ON THERMAL
CURRENTS AND WAS
OFTEN CALLED EAGLE
FARM.”

The reporter wrote of the new Stradbroke Tea Garden on the Paddock Lawn: “For a few seconds when I walked on to the course at Eagle Farm yesterday I was reminded of Longchamps Racecourse in France because of the multi coloured umbrellas and tables ... neatly dressed waitresses serving tea and light refreshments.”

The John Power stand was opened in October 1957 – a month before the champion Tulloch won the Queensland Derby. The blue riband event was moved to the winter carnival in 1973. The first midweek meetings were held at Eagle Farm in the same year.

The QTC merged with the neighbouring Brisbane Turf Club in 2009 to form the Brisbane Racing Club.

There will be many more memories and defining moments brought up when Eagle Farm is re-opened for racing next year following its reconstruction.

The current BRC board and administration will ensure members are given adequate notice to prepare for significant birthday celebrations of this historic racecourse.

EAGLE FARM MILESTONES

Compiled by Peter Howard and Bart Sinclair

1865 – 14 August. The first race meeting was conducted by the Queensland Turf Club. The new racecourse had not been completely cleared of trees and a full view of some of the races was not possible. It was the first of a three-day meeting on the new track.

1890 – 24 May. The first Stradbroke Handicap was won by Pyrrhus, described in The Brisbane Courier as the “dark horse from the Clarence”.

1912 – 30 December. Fire destroyed the main Totalisator building and threatened to spread to the St Leger Grandstand before the Hamilton, Windsor and New Farm Fire Brigades contained the blaze. A new tote was built and was ready for the 1913 Brisbane Cup meeting.

1940 – 1 January. Apprentice jockey George Moore rode his first city winner on Overdraft. It was the start of a stellar career.

1946 – 4 May. Racing resumed at Eagle Farm. The main races, the Stradbroke Handicap and Victory Cup, were won by Abbeville and Good Idea.

1969 – 11 October. Gunsynd won the Hopeful Stakes in record time at his first start. He went on to win 29 races from 54 starts, and when he won the 1972 W.S. Cox Plate he became Australia's highest stakes winning racehorse with prize money of \$280,455. He had been bought by four Queenslanders as a yearling for \$1300.

1976 – 12 June. Balmerino, a well performed New Zealand three-year-old, established his championship staying credentials when he won the Brisbane Cup (3200m) as a three-year-old. Over the following years, Balmerino campaigned successfully internationally.

2001 – 2 June. A little known New Zealand filly named Ethereal arrived for the winter carnival. She scored a stunning win against her own age and sex in the Queensland Oaks (2400m) and connections announced plans to target the spring carnival. Ethereal subsequently won both the Caulfield and Melbourne Cups.

1871 – The club's first classic, the Queensland Derby, was run at its May meeting. Earlier Derbies had been run at Gayndah from 1868 to 1870 and in Toowoomba in 1870. The 1871 Derby was won by Florence, who was owned by John Tait – then one of Australia's most successful owners.

1901 – 17 January. An estimated 40,000 spectators crowded into Eagle Farm to watch a mass review by Imperial troops and returned servicemen from the Boer War as part of the celebrations associated with the Proclamation of the Commonwealth of Australia.

1928 – 6 March. Aviator Bert Hinkler landed his Avian Cirrus plane on the racecourse before an estimated crowd of 12,000. Hinkler had flown the tiny plane from Britain to Australia in 16 days, which was a record.

1941 – 15 December. Just eight days after the Japanese attack on Pearl Harbour, the military authorities requisitioned Eagle Farm and nearby Doomben racecourses for the establishment of staging camps and training areas. The racecourses were an integral part of the Allied war effort until officially handed back to the turf clubs in 1946.

1961 – 12 June. Tulloch won the Brisbane Cup at his last start in a race. It was his 36th win, and he retired having missed a place only once in 53 starts. Tulloch was unbeaten in five starts at Eagle Farm, having also won the QTC Sires' Produce Stakes and Queensland Derby and the P.J. O'Shea Stakes twice.

1970 – 30 June. Sydney-based Divide And Rule, trained by Queenslander Dick Roden, won the Stradbroke, landing perhaps the biggest plunge on a Queensland track. Divide And Rule had won the AJC Derby at Randwick in the spring of 1969 and was weighted on 8st 11lbs (56kg), a significant weight for a three-year-old.

1992 – 6 June. Rough Habit had already been designated as an “honorary Queenslander” but his back-to-back Stradbroke Handicap victories added lustre to his record in this state. In all, Rough Habit raced 74 times for 29 wins but his second Stradbroke victory – coming from last at the home turn under 58.5kg – was regarded as his finest effort.

2009 – 4 July. The first race meeting was run by the Brisbane Racing Club, the body formed by the merger of equals of the Queensland Turf Club and the Brisbane Turf Club. The inaugural meeting featured a Maiden Handicap with prize money of \$100,000 won by Perchance.

SPONSORS & PARTNERS

PRINCIPAL PARTNERS



PARTNERS & SUPPLIERS

Act for Kids
Alliance Airlines
Ambassador Travel
Amini Concepts
Asbestos Related Disease Support
Society QLD
Ascend Sales
APHS
bmag
Bouquet Boutique
Bouquet Boutique
Brazilian Beauty
Brisbane Broncos
Brisbane International
Brisbane Marketing
Brother's Rugby Club
Champagne Bollinger
Coca Cola Amatil
Croser
Darley
Edmund Rice Foundation
Evergreen Turf
Fine Wine Partners
Game on International

Glenlogan Park Stud
GOA Billboards
Greenslopes Private Hospital
Grinders Coffee
Indooroopilly Shopping Centre
IONA College
Jeep
Kedron Wavell Services Club
Landfill Logistic QLD
LION
Lyndhurst Stud
Magic Millions
Marriot Brisbane
Mater Dei catholic Primary School
McGrath Estate Agents
Merlo
Mitavite
Mitty's
Mullins Lawyers
Nova 106.9
Novatel Brisbane Airport
Ormiston College
Padua College
Pages

Panasales
Programmed Property Services
QLD Hotels Association
Quest Breakfast Creek
Sirromet Wines
SITA Australia
Sky Racing
St Margaret's Anglican Girls School
St Vincent's Brisbane
Stanton Mienert
Style Magazines
TattsBet
The Courier-Mail
The Good Guys
The Hamilton Hotel
The Raw Group
Thoroughbred Breeders Qld Association
Ticketek
Trackside Photography
Treasury Casino & Hotel
Treasury Wine Estates
Valiant Hire
Winning Edge Presentations

CORPORATE MEMBERS

Access Insulation Sunshine Coast
Acquired Awareness Traffic
Adrenaline Thoroughbred
Aon Risk Services Australia Ltd
Ascend Sales & Sponsorship
Australia Wide Directional Drilling
Barrier Reef Pools
Best Security Pty Ltd
Budget Forklifts
Cardno (QLD) Pty Ltd
CBS Air Conditioning
City Property Services
Cox Rayner Architects
Diona Pty Ltd
FDC Construction and Fitout QLD
Followmont Transport


FP Mailing Solutions
Garrards Veterinary Practice
Greenslopes Private Hospital
Hillross Montefiore & Co
Hopgood Ganim
Lilivale Stud
Lion
McGrath Estate Agents Ascot
Mekoe Accessories
Mirvac
Mullins Lawyers
Nova 106.9
Novotel Brisbane Airport
NTI Limited
Premium Plant and Haulage
Queensland Electrical Pty Ltd

Race Zone
RCI
RML Logic
Scantech
Secutor Securities
Shape Consulting
SITA Australia
SQS Haulage
Stanbroke Beef PTY Ltd
Stanley River Thoroughbreds
TMM Group Pty Ltd
Trade Coast Legal
Walker Technical Consultants
Widewood Transport



DIRECTORS' REPORT AND FINANCIAL STATEMENTS

21	Directors' Report
26	Auditor's Independence Declaration
27	Consolidated Statement of Comprehensive Income
28	Consolidated Statement of Financial Position
29	Consolidated Statement of Changes In Equity
30	Consolidated Statement of Cash Flows
31	Notes to the Financial Statements
57	Directors' Declaration
58	Independent Auditor's Report



DIRECTORS' REPORT

Your Directors submit the financial report of the Group, being the Company and its controlled entity for the financial year ended 30 June 2014.

DIRECTORS

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

S G Adams (resigned 4 July 2014)

N D Bell

D J Dawson

S M Gagel (appointed 5 August 2013)

D B Hassall

R H Morrison

P G Tighe

P R Williams

Directors have been in office since 1 July 2013 to the date of this report unless otherwise stated above. The qualifications and experience of the Directors is outlined later in this report.

COMPANY SECRETARY

The Company Secretary at the end of the year was Mr A J Moore who is a qualified CPA, has qualifications in both Commerce and Economics and an Executive MBA. He has over 23 years experience in financial and commercial management, business development, capital raising, treasury and corporate governance in a variety of industries including racing, hospitality, mining and energy.

On 1 July 2014 Mr A G Walker become Company Secretary. Mr Walker is a qualified CPA with an accounting qualification and 30 years experience in finance and racing.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer at the end of the year was Mr D G Whimpey who joined the club on 24 February 2014. He has 20 years experience in finance and operations across blue chip companies including Jupiters Casino, KPMG, Tabcorp and Wesfarmers both domestically and internationally. Mr Whimpey holds a Masters in Business Administration with honours from Surrey (UK).

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year to 30 June 2014 were the operation of thoroughbred horse racing activities for members, guests and other clients. As part of its operations, the Company also owns and operates a licensed club.

OPERATING RESULTS

The Company recorded a profit from ordinary activities of \$151,371 (2013 \$1,006,601 loss).

DIVIDENDS PAID OR RECOMMENDED

By virtue of the Constitution, 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.

DIRECTORS' REPORT

LIMITED BY GUARANTEE

The Company is limited by guarantee by the 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 amount of \$10 each towards meeting any outstanding obligations. As at balance date there are 2,956 racing members, so the total amount that members of the Company are liable to contribute if the company is wound up is \$29,560.

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.

DIVERSITY

The Company is proud of its progress and achievements thus far in promoting gender diversity throughout all levels of its workforce and will continue to develop and implement initiatives in this area. Over the past year, there has been an increased focus on diversity in the workplace, and on the commercial benefits that may be available to companies who succeed in fostering a culture of diversity.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

AFTER BALANCE DATE EVENTS

At a General Meeting held on the 14th August 2014, a resolution was passed by the members to dispose of land that the Board has determined to be not essential for the conduct of race meetings at Eagle Farm and Doomben.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

- (a) the Company's operations and results in future financial years, or
- (b) the Company's state of affairs in future financial years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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



DIRECTORS' REPORT

INFORMATION ON DIRECTORS

NEVILLE BELL (AGE 66)

Chairman

Qualifications and Experience – Neville is the proprietor of Kilty Park Stud and Agistment Farm located at Caboolture and has over 30 years experience in banking, finance and property development. Neville has raced many horses over the last 20 years and continues to try and improve on his four Group 1 wins. Neville was a former Director of the Queensland Turf Club 1998-2009.

Special Responsibilities – Chair of Special Projects/Gallopers Sub-Committee and Master Planning Sub-Committee

DEAN HASSALL (AGE 47)

Vice-Chairman

Qualifications and Experience – Dean is a management consultant with significant expertise across the venue and events industries and in facility development. His specialist advice is sought by public and private sector clients throughout Australia. Dean is a Board member of the Venue Management Association (Asia and Pacific) and their 2011 Allied Venue Professional of the Year winner. His career includes executive management roles at iconic Queensland venues Suncorp Stadium, (former) ANZ Stadium and Sleeman Sports Complex.

Special Responsibilities – Chair of Finance and Governance Sub-Committee, Member of Nomination and Remuneration Sub-Committee

SAMUEL ADAMS (AGE 34)

Director

Qualifications and Experience – Samuel is a qualified solicitor who specialises in large scale real estate and banking and finance transactions. He is a senior associate with Clayton Utz and was previously employed in the London offices of Clifford Chance.

Special Responsibilities – Chair of Master Planning Sub-Committee, Member of Membership Sub-Committee

DAVID DAWSON (AGE 67)

Director

Qualifications and Experience – David is a medical scientist by profession. Semi-retired, he is a consultant to the World Health Organization. He has racing and breeding interests, and was a former Director of the Queensland Turf Club 2005-2009 (Treasurer 2007-2009).

Special Responsibilities – Chair of Membership Sub-Committee, Member of Special Projects/Gallopers Sub-Committee

STEVE GAGEL (AGE 43)

Director

Qualifications and Experience – Steve is a partner with accounting firm HLB Mann Judd and has extensive accounting and business experience across a broad range of industries and management operations including tourism and hospitality, hotel operations and the wider sporting industry. Steve has a genuine passion for the horse racing industry and has been a part-owner of racehorses over recent years.

Responsibilities – Member of Finance and Governance Sub-Committee

RICHARD MORRISON (AGE 40)

Director

Qualifications and Experience – Richard is a Director of Knight Frank Australia Pty Ltd (Brisbane) and specialises in the commercial property markets of Brisbane's city fringe suburbs. A racehorse owner since the mid-1990s, Richard is also a committee member of the Kingston Town Club (KTC), an association that hosts annual racing functions raising money for various charities each year.

Special Responsibilities – Member of Master Planning Sub-Committee

DIRECTORS' REPORT

PETER TIGHE (AGE 55)

Director

Qualifications and Experience – Peter is a director of a number of private companies with interests in fruit and vegetable marketing, wholesaling, importing and exporting with some 35 years experience. For over 25 years, Peter has been the Managing Director of J.H. Leavy and Co. He is currently a director on the boards of Brisbane Markets Limited and Brismark. For over 20 years, Peter and his wife Patricia have raced horses in the eastern states of Australia and in Singapore. Peter was a former Director of the Brisbane Turf Club 2008-2009.

Special Responsibilities – Member of the Finance and Governance Sub Committee

PAUL WILLIAMS (AGE 50)

Director

Qualifications and Experience – Paul has 25 years experience as a commercial lawyer and was previously a partner with Brisbane legal firm Hopgood Ganim. He is currently Managing Director of ASX-listed resources company Chinalco Yunnan Copper Resources Limited. Paul and his wife Jill have thoroughbred racing and breeding interests in Queensland, Victoria and New Zealand. Paul was a former Director of the Brisbane Turf Club 2008-2009.

Special Responsibilities – Member of Master Planning Sub Committee

MEETINGS OF DIRECTORS

During the financial year, 13 meetings of Directors were held.

Attendances at Board and Sub Committee meetings by each Director were as follows:

NAME	DIRECTORS MEETINGS ¹		FINANCE AND GOVERNANCE		SPECIAL PROJECTS AND GALLOPERS		MASTER PLANNING ²		NOMINATION AND REMUNERATION		MEMBERSHIP	
	A	B	A	B	A	B	B	B	A	B	A	B
S G Adams	13	11	-	-	-	-	8	7	-	-	3	3
N D Bell	13	13	-	-	4	4	-	-	-	-	-	-
D J Dawson	13	13	-	-	4	4	-	-	-	-	3	3
S M Gagel	12	12	5	4	-	-	-	-	-	-	-	-
D B Hassall	13	12	5	5	-	-	-	-	2	2	-	-
R H Morrison	13	13	-	-	-	-	8	8	-	-	-	-
P G Tighe	13	12	-	-	-	-	8	5	2	2	-	-
P R Williams	13	12	5	5	-	-	-	-	-	-	-	-

A = Number Meetings Eligible to Attend

B = Number Attended

1 Directors meetings were also attended by executive officers of the Company.

2 Master Planning Committee meetings were attended on occasion by representatives from Watpac Limited

DIRECTORS' REPORT

SHORT AND LONG-TERM OBJECTIVES

The Company's short and long-term objectives are to:

- Be a world class Thoroughbred Racing Club.
- Grow raceday attendance revenues and wagering turnover.
- Build a strong and active member community.
- Continue to develop complementary diversified revenue streams for the economic benefit of the club

STRATEGY AND PRINCIPAL ACTIVITIES

The Company's key strategies for achieving these objectives are:

- Continue to develop the racing precinct in line with the BRC Master Plan.
- To continue to prudently manage capital investment and cash levels.
- Enhance racing and training facilities and programs to increase field sizes and deliver a stronger racing and wagering product.
- To establish and maintain respected and productive relationships with key stakeholders.
- Ensuring a motivated and committed staff.

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;

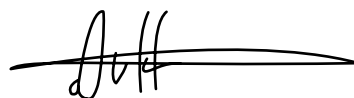
with the exception of the following:

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

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.



N D BELL
Director



D B HASSALL
Director

12 September 2014

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS
ACT 2001 TO THE DIRECTORS OF BRISBANE
RACING CLUB LIMITED AND ITS
CONTROLLED ENTITY**



I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence 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

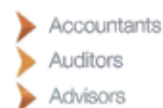
Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

S-D-S

Stewart Douglas
Director
Brisbane
12 September 2014



A member of Bentleys, an association of independent accounting firms in Australia. The member firms of the Bentleys association are affiliated only and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	NOTE	2014 \$	2013 \$
Revenue from ordinary activities	2	35,329,961	33,539,029
Expenses from ordinary activities	3	(35,178,590)	(34,545,630)
Profit/(Loss) from ordinary activities		\$151,371	(\$1,006,601)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(DEFICIT) FOR THE YEAR		\$151,371	(\$1,006,601)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,472,475	1,550,372
Trade and other receivables	7	1,668,359	1,600,170
Inventories	8	421,342	467,787
Other current assets	9	107,851	91,565
TOTAL CURRENT ASSETS		4,670,027	3,709,894
NON-CURRENT ASSETS			
Property, plant and equipment	10	86,628,347	87,235,669
Investment properties	11	1,801,250	2,102,000
Intangible assets	12	552,279	552,279
Defined Benefit Plan	13	270,145	175,912
TOTAL NON-CURRENT ASSETS		89,252,021	90,065,860
TOTAL ASSETS		93,922,048	93,775,754
CURRENT LIABILITIES			
Trade and other payables	14	4,302,915	3,092,368
Employee entitlements	15(a)	1,209,167	1,334,289
Provisions	16(a)	232,813	332,415
Other current liabilities	17	591,843	1,229,566
Borrowings	18(a)	966,382	1,185,454
TOTAL CURRENT LIABILITIES		7,303,120	7,174,092
NON-CURRENT LIABILITIES			
Employee entitlements	15(b)	63,591	97,799
Provisions	16(b)	-	75,000
Borrowings	18(b)	-	24,897
TOTAL NON-CURRENT LIABILITIES		63,591	197,696
TOTAL LIABILITIES		7,366,711	7,371,788
NET ASSETS		\$86,555,337	\$ 86,403,966
EQUITY			
MEMBERS' FUNDS		86,358,870	86,207,499
ASSET REVALUATION RESERVE		196,467	196,467
TOTAL EQUITY		\$86,555,337	\$ 86,403,966

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	MEMBERS' FUNDS	ASSET REVALUATION RESERVE	TOTAL
	\$	\$	\$
BALANCE AS AT 1 JULY 2012 *	\$87,214,100	\$196,467	\$87,410,567
Comprehensive Income			
Profit attributable to the entity *	(1,006,601)	-	(1,006,601)
Other comprehensive income for the year	-	-	-
Total Comprehensive Income	(1,006,601)	-	(1,006,601)
BALANCE AT 30 JUNE 2013 *	\$86,207,499	\$196,467	\$86,403,966
Comprehensive Income			
Profit attributable to the entity	151,371	-	151,371
Other comprehensive income for the year	-	-	-
Total Comprehensive Income	151,371	-	151,371
BALANCE AT 30 JUNE 2014	\$86,358,870	\$196,467	\$86,555,337

* These balances have been restated as result of the change in accounting policy following the introduction of the revised AASB 119 Employer Benefits, applicable to accounting for Defined Benefit Plans. Refer Note 1(q) and Note 26 for further information.

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 the revaluations of non-current assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	NOTE	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		34,158,815	34,627,882
Payments to suppliers and employees		(31,469,039)	(32,548,730)
Interest received		51,262	35,718
Interest paid		(62,850)	(87,456)
Net Cash provided by Operating Activities	20	2,678,188	2,027,414
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,222,775)	(2,458,128)
Proceeds from Disposal		710,658	-
Net Cash used in Investing Activities		(1,512,117)	(2,458,128)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		53,884	123,821
Repayments from borrowings		(200,000)	-
Proceeds from lease borrowings		-	-
Repayments of lease liabilities		(97,853)	(90,358)
Net Cash provided by/(used in) Financing Activities		(243,969)	33,463
NET INCREASE/(DECREASE) IN CASH HELD		922,103	(397,251)
Cash at beginning of financial year		1,550,372	1,947,623
CASH AT END OF FINANCIAL YEAR		\$2,472,475	\$ 1,550,372
CASH AT END OF FINANCIAL YEAR			
Cash at bank and on hand		1,451,566	1,550,372
Deposits at call		1,020,909	-
CASH AT END OF FINANCIAL YEAR		\$2,472,475	\$ 1,550,372

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This 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*. Brisbane Racing Club Limited is an unlisted public company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of this 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) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the entities controlled by Brisbane Racing Club Limited at the end of the reporting year. A controlled entity is any entity over which Brisbane Racing Club Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 25 to the financial statements.

In preparing the consolidated financial statements of the Group, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

No provision has been made for income tax, as Brisbane Racing Club Limited is exempt from income tax.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (cont'd)

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period. Available-for-sale financial assets are subsequently measured at fair value with changes in carrying value being included in other comprehensive income.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the consolidated statement of consolidated income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the consolidated statement of comprehensive income.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is brought to account at cost or fair value, less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed by the Group includes the cost of materials, direct labour, borrowings cost 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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial year which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets, excluding land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset area:

CLASS OF FIXED ASSET	DEPRECIATION RATE
Racetracks	1%
Buildings	2.5%-50%
Plant and Equipment	10%-33%
Furniture and Fittings	10%-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Asset classes 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 consolidated statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(f) Investment Property

Investment property, comprising a number of rental properties, is held to generate long term rental yields. All tenant leases are on an arm's length commercial basis. The investment properties are measured using the cost model, and are depreciated on a straight line basis at a depreciation rate of 2.5% per annum. The fair value of the investment properties is reviewed on a regular basis, based on comparable market pricing evidence, to ensure the carrying value does not materially differ from the fair value at reporting date. Changes to fair value are recorded in other comprehensive income.

(g) Intangible Assets

Intangible assets, which comprise the licenses for the operation of gaming machines, are carried at cost. Intangible assets relating to gaming machine licenses are assessed as having an indefinite life and accordingly have not been amortised. As they are not amortised, they are assessed annually for impairment.

(h) Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (cont'd)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(i) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled with 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.

(j) Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks and other short-term highly liquid investments with original maturities of three months or less.

(k) Provisions

Provisions are recognised when the Group 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 outflows can be reliably measured.

(l) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to members, guests and other clients. 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 members, guests and other clients.

(m) Goods and Service 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 consolidated statement of financial position are shown inclusive of GST.

(n) Prize Money

From July 2005, Racing Queensland Limited (RQL) introduced a scheme regarding the funding of prize money and the payment of an administration subsidy. RQL has instructed the Group that funding and payment of prize money paid on races conducted by the Group be excluded from revenue and expenditure. Total prize money paid on races conducted by the Group is disclosed in Note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Comparatives

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

(p) Critical Accounting Estimates and Judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(q) Post-employment defined benefit plans

Defined Benefit Plan

In the current year, the Group adopted AASB 119 Employee Benefits (2011). As a result, the Group has changed its accounting policy with respect to accounting for defined benefit plans as follows:

1. Under AASB 119 (2011), changes in the net defined benefit liability (asset) are recognised in other comprehensive income when they occur. The Group therefore no longer applied the 'corridor method' and now immediately recognises all remeasurements of the net defined liability (asset), including actuarial gains and losses, in other comprehensive income.
2. AASB 119 (2011) replaces the interest cost and expected return on plan assets under the previous version of AASB 119 with a net interest amount. The Group therefore determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the opening net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. This has no effect on total comprehensive income as the impact to profit or loss is offset by the impact to other comprehensive income.

The group has applied the standard retrospectively in accordance with the transitional provision of the standard. Consequently, the comparative figures and opening statement of financial position of the earliest comparative period presented (1 July 2012) have been restated.

The quantitative impact of the change is set out below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Post-employment defined benefit plans (cont'd);

Impacts to consolidated statement of financial position

1 JULY 2012	AS PREVIOUSLY REPORTED	UNRECOGNISED	IMPACT OF CHANGE IN ACCOUNTING POLICY	AS RESTATED
Defined Benefit Plan	0	(294,382)	98,528	(195,854)
TOTAL ASSETS	95,415,375	(294,382)	98,528	95,219,521

Retained earnings	(87,606,421)	294,382	(98,528)	(87,410,567)
TOTAL EQUITY	(87,606,421)	294,382	(98,528)	(87,410,567)

30 JUNE 2013	AS PREVIOUSLY REPORTED	UNRECOGNISED	IMPACT OF CHANGE IN ACCOUNTING POLICY	AS RESTATED
Defined Benefit Plan	0	(385,605)	561,517	175,912
TOTAL ASSETS	93,599,842	(385,605)	561,517	93,775,754

Retained earnings	(86,228,054)	203,159	(379,071)	(86,403,966)
TOTAL EQUITY	(86,228,054)	203,159	(379,071)	(86,403,966)

Impacts to consolidated statement of profit or loss and OCI

FOR THE YEAR ENDED 30 JUNE 2013	AS PREVIOUSLY REPORTED	UNRECOGNISED	IMPACT OF CHANGE IN ACCOUNTING POLICY	AS RESTATED
Defined benefit plan remeasurements/ Defined benefit plan actuarial (gains) losses	216,076	(91,223)	(280,543)	(155,690)
LOSS	1,378,367	(91,223)	(280,543)	1,006,601
TOTAL COMPREHENSIVE INCOME	1,378,367	(91,223)	(280,543)	1,006,601

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cashflows. AASB 9 (2010) introduces changes relating to financial liabilities. The AASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010) and (2009) are effective for annual periods beginning on or after 1 January 2015, with early adoption permitted. The adoption of these standards is not expected to have an impact on the Group's financial assets and liabilities, but at this stage a complete detailed analysis has not been completed.

(s) Changes in Accounting Policies

The Group has consistently applied the accounting policies set out in Note 1 to all periods presented in these consolidated financial statements.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2013.

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)

1. AASB 10 – Consolidated Financial Statements
2. AASB 11 – Joint Arrangements
3. AASB 12 – Disclosure of Interest in Other Entities
4. AASB 13 – Fair Value Measurement
5. AASB 119 – Employee Benefits

The nature and effects of the adoption of these new Standards are explained below:

(a) Offsetting of financial assets and financial liabilities

No impact on the financial report as the Group has not applied any offsetting.

(b) Subsidiaries

AASB 10 introduces a new control model that focuses on whether the Group has power over an investee, exposure or rights to variable returns from its investment with the investee and ability to use its power to affect those returns.

In accordance with the provisions of AASB 10, the Group reassessed the control conclusion for its investees as at 1 January 2013. As a consequence, there were no changes to the assessment of the existing Group Structure.

(c) Joint arrangements

The Group does not have any arrangements that fall within the scope of this standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Changes in Accounting Policies (cont'd)

(d) Disclosure of Interests in Other Entities

As a result of AASB 12, the Group has expanded its disclosures about its interests in subsidiaries.

(e) Fair Value Measurement

ASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other AASB's. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASB's, including AASB 7.

Notwithstanding the above, the change had no significant impact on the measurement of the Group's assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	2014	2013
	\$	\$
2. REVENUE		
Operating Activities		
- Racing Queensland Limited Subsidy	2,483,711	2,450,880
- Catering and admissions revenue	15,885,718	15,527,580
- Broadcast, television rights and sponsorship	7,893,776	7,236,331
- Wagering and gaming revenue	3,183,099	3,170,372
- Stable, track and barrier trial fees	3,692,071	3,366,139
- Other operating revenue	23,750	100,000
Total Operating Revenue	33,162,125	31,851,302
Non-Operating Activities		
- Member subscriptions and entrance fees	1,156,143	1,116,113
- Profit on Sale of Assets	413,971	-
- Rental, interest and other income	597,722	571,614
Total Non-Operating Revenue	2,167,836	1,687,727
TOTAL REVENUE	\$35,329,961	\$33,539,029

3. EXPENSES		
Racing and Non-Racing Expenses		
- Catering and raceday salaries and associated costs	11,422,506	11,306,503
- Equipment Hire	1,557,452	1,350,332
- Trophies	96,437	86,087
- Totalisator expenses (note 4)	1,077,927	1,348,699
- Racing service providers	3,049,534	3,098,648
- Gaming and sports club expenses	591,864	578,031
- Other expenses	937,903	932,936
Total Racing and Non-Racing Expenses	18,733,624	18,701,236
Maintenance Expenses		
- Salaries, contractors and associated costs	3,413,903	3,626,636
- Materials and services	4,211,888	4,178,509
- Other maintenance expenses	304,829	277,877
Total Maintenance Expenses	7,930,620	8,083,022
Administration Expenses		
- Salaries, contractors and associated costs	1,999,211	2,004,988
- Legal and compliance costs	130,407	96,059
- Marketing, promotions and branding	1,430,742	1,421,340
- Information technology and communications costs	272,513	292,069
- Other administration costs	1,446,149	1,177,667
Total Administration Costs	5,279,022	4,992,123

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	2014 \$	2013 \$
3. EXPENSES (CONT'D)		
Depreciation Expense		
- Depreciation Expense	2,690,428	2,544,247
Total Depreciation Expense	2,690,428	2,544,247
Movement in Provisions		
- Employee entitlements	495,398	596,768
Total Movement in Provisions	495,398	596,768
Other Expenses		
- Asset write offs	143,731	-
- Defined Benefit Plan	(94,233)	(371,766)
Total Other Expenses	49,498	(371,766)
TOTAL EXPENSES	\$35,178,590	\$ 34,545,630
4. TOTALISATOR COMMISSION		
Gross commission	820,050	974,736
Expenses	(1,077,927)	(1,348,699)
Totalisator Loss	(\$257,877)	(\$373,963)
5. AUDITORS' REMUNERATION		
Remuneration of the auditors of the Company for:		
- auditing and reviewing the financial report	55,620	60,000
- other services	20,000	5,000
	\$75,620	\$ 65,000
6. CASH AND CASH EQUIVALENTS		
Cash on hand	510,243	546,177
Cash at bank	941,323	1,004,195
Short term deposits	1,020,909	-
Total Cash	\$2,472,475	\$ 1,550,372

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	2014 \$	2013 \$
7. TRADE AND OTHER RECEIVABLES		
Trade debtors	1,269,813	1,043,845
Provision for impairment	-	-
	1,269,813	1,043,845
Other receivables	398,546	556,325
	\$1,668,359	\$ 1,600,170
8. INVENTORIES		
Catering food and beverage – at cost	408,787	431,872
Maintenance materials – at cost	12,555	35,915
	\$421,342	\$ 467,787
9. OTHER CURRENT ASSETS		
Prepayments	107,851	91,565
	\$107,851	\$ 91,565
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land		
At cost	29,500,000	29,500,000
Total Freehold Land	\$29,500,000	\$ 29,500,000
Racetracks		
At cost	10,091,060	10,091,060
Less Accumulated Depreciation	(502,967)	(402,056)
Total Racetracks	\$9,588,093	\$ 9,689,004
Buildings		
At cost	49,922,572	49,736,501
Less Accumulated Depreciation	(6,466,981)	(4,980,656)
Total Buildings	\$43,455,591	\$ 44,755,845
Plant and Equipment		
At cost	4,912,249	4,653,434
Less Accumulated Depreciation	(4,102,937)	(3,265,224)
Total Plant and Equipment	\$809,312	\$ 1,388,210
Leased Plant and Equipment		
At cost	353,000	353,000
Less Accumulated Depreciation	(132,375)	(97,075)
Total Leased Plant and Equipment	\$220,625	\$ 255,925

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	2014 \$	2013 \$
10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
FURNITURE AND FITTINGS		
At cost	1,167,755	1,057,977
Less Accumulated Depreciation	(928,514)	(702,396)
Total Furniture and Fittings	\$239,241	\$ 355,581
CAPITAL WORKS IN PROGRESS		
At cost	2,815,485	1,291,104
Total Capital Works in Progress	\$2,815,485	\$ 1,291,104
TOTAL PROPERTY, PLANT AND EQUIPMENT	\$86,628,347	\$ 87,235,669

Movements in Carrying Amounts

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

	FREEHOLD LAND	RACETRACKS	BUILDINGS	PLANT AND EQUIPMENT	LEASED FURNITURE PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	CAPITAL WORKS IN PROGRESS	TOTAL
Balance at beginning of year	29,500,000	9,689,004	44,755,845	1,388,210	255,925	355,581	1,291,104	87,235,669
Additions through acquisitions	-	-	-	-	-	-	-	-
Additions	-	-	24,497	258,815	-	41,475	1,897,988	2,222,775
Transfers	-	-	161,574	-	-	68,302	(229,876)	-
Disposals	-	-	-	-	-	-	(143,731)	(143,731)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-
Depreciation expense	-	(100,911)	(1,486,325)	(837,713)	(35,300)	(226,117)	-	(2,686,366)
CARRYING AMOUNT AT THE END OF THE YEAR	29,500,000	9,588,093	43,455,591	809,312	220,625	239,241	2,815,485	86,628,347

11. INVESTMENT PROPERTIES		
Balance at beginning of year	2,102,000	2,106,500
Acquisitions/(Disposals)	(296,688)	-
Depreciation	(4,062)	(4,500)
Balance at Year End	\$1,801,250	\$2,102,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

	2014	2013
	\$	\$
12. INTANGIBLE ASSETS		
Gaming Machine Licenses		
At cost	552,279	552,279
Total Gaming machine licenses	\$552,279	\$ 552,279
Balance at beginning of year	552,279	552,279
Additions through acquisitions	-	-
Amortisation/Impairment Charge	-	-
Revaluation	-	-
Balance at Year End	\$552,279	\$ 552,279
13. DEFINED BENEFIT PLAN		
Defined benefit plan	270,145	175,912
Balance at Year End	270,145	175,912
14. TRADE AND OTHER PAYABLES		
Trade creditors	2,424,815	1,930,834
Other creditors	1,878,100	1,161,534
	\$4,302,915	\$ 3,092,368
15. EMPLOYEE ENTITLEMENTS		
(a) Current		
- Annual Leave	601,628	702,132
- Long Service Leave	607,539	632,157
	\$1,209,167	\$ 1,334,289
(b) Non-Current		
- Long Service Leave	63,591	97,799
	\$63,591	\$ 97,799
16. PROVISIONS		
(a) Current		
- Provision for Deferred Settlement	175,000	275,000
- Other Provisions	57,813	57,415
	\$232,813	\$ 332,415
(b) Non-Current		
- Provision for Deferred Settlement	-	75,000
	-	\$ 75,000
Total Provisions	\$232,813	\$ 407,415

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

16. PROVISIONS (CONT'D)

Provision Movements

	PROVISION FOR DEFERRED SETTLEMENT	OTHER PROVISIONS	TOTAL
	\$	\$	\$
Opening balance 1 July 2013	350,000	57,415	407,415
Additional provisions	-	398	398
Amounts used	(175,000)	-	(175,000)
Balance at 30 June 2014	\$175,000	\$57,813	\$232,813

The provision for deferred settlement relates to the purchase consideration for the acquisition of the Hamilton Bowls Club in 2010. This is expected to be settled by 2015.

	2014	2013
	\$	\$
17. OTHER CURRENT LIABILITIES		
Income received in advance	591,843	1,229,566
	\$591,843	\$ 1,229,566

18. BORROWINGS

(a) Current

- Lease liability secured	24,897	97,853
- Loan	941,485	1,087,601
	966,382	1,185,454

(b) Non-Current

- Lease liability secured	-	24,897
	-	24,897

The carrying amount of non-current assets pledged as security are:

Buildings	1,291,250	1,293,000
Leased plant and equipment	220,625	255,925
	\$1,511,875	\$ 1,548,925

Lease liabilities are secured by the underlying leased assets.

19. 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 amount of \$10 each towards meeting the any outstanding obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

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

	2014 \$	2013 \$
20. CASH FLOW INFORMATION		
Profit/(Loss) from Ordinary Activities	151,371	(1,006,601)
Non -cash flows in operating profit:		
- Depreciation and amortisation	2,690,428	2,544,247
- Net gain on disposal of investment property	(413,971)	-
- Asset write offs	143,731	-
- Defined Benefit Plan	(94,233)	(371,766)
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(68,189)	1,249,553
- (Increase)/decrease in prepayments	(16,286)	31,127
- (Increase)/decrease in inventories	46,445	51,483
- Increase/(decrease) in trade payables and accruals	1,210,547	(417,715)
- Increase/(decrease) in provisions and other liabilities	(971,655)	(52,914)
CASH FLOWS FROM OPERATIONS	\$2,678,188	\$2,027,414

21. FINANCIAL RISK MANAGEMENT

The financial instruments of the Company consist mainly of cash and cash equivalents and trade receivables and payables. There are no complex financial instruments or derivatives. All assets and liabilities are denominated in Australian dollars and there is no foreign currency risk either in terms of the consolidated statement of comprehensive income and consolidated statement of financial position.

Financial Risk Management Policies

The Finance and Governance Committee has been delegated responsibility by the Board of Directors to, amongst other issues, monitor the Company's financial performance and review the effectiveness of internal financial controls. The Committee meets at least four (4) times per annum and the minutes of the Committee are reviewed by the Board.

Specific Financial Risk Exposures and Management

(a) Credit Risk

Credit risk relates largely to trade and other receivables included in note 7 to the financial report and the risk is 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 consolidated statement of financial position, is the carrying value net of any provision for impairment. The Company 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

21. FINANCIAL RISK MANAGEMENT (CONT'D)

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

	GROSS AMOUNT	PAST DUE AND IMPAIRED		PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)			WITHIN INITIAL TRADE TERMS
	\$	\$	< 30	31-60	61-90	> 90	\$
2014							
Trade receivables	1,269,813	-	142,956	63,727	106,759	360,298	596,073
Other receivables	398,546	-	-	-	-	-	398,546
Total	\$1,688,359	\$-	\$142,956	\$63,727	\$106,759	\$360,298	\$994,619
2013							
Trade receivables	1,043,845	-	50,182	301,717	59,777	150,258	481,911
Other receivables	556,325	-	-	-	-	-	556,325
Total	\$1,600,170	\$-	\$50,182	\$301,717	\$59,777	\$150,258	\$1,038,236

(b) Market Risk

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. For the year ended 30 June 2014 the effective interest rate in relation to cash and cash equivalents was 2.50% (2013 - 1.93%) with the interest rate being represented by both fixed and general cash rates.

(c) Liquidity Risk

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.

The Directors consider that the carrying amount of financial assets and liabilities approximate their respective net fair values. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The table below reflects an undiscounted contractual maturity analysis for financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

21. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Liability and Financial Asset Maturity Analysis

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalents	2,472,475	1,550,372	-	-	-	-	2,472,475	1,550,372
Trade and other receivables	1,688,359	1,600,170	-	-	-	-	1,688,359	1,600,170
Total expected inflows	\$4,160,834	\$3,150,542	\$ -	\$ -	\$ -	\$ -	\$4,160,834	\$3,150,542
Financial Liabilities								
Trade and other payables	3,757,735	3,092,368	-	-	-	-	3,757,735	3,092,368
Borrowings	966,382	1,185,454	-	24,897	-	-	966,382	1,210,351
Total expected outflows	\$4,724,117	\$4,277,822	\$-	\$24,897	\$ -	\$ -	\$4,724,117	4,302,719
Net inflows/ (outflows) on financial instruments	(\$563,283)	(\$1,127,280)	\$-	\$24,897	\$ -	\$ -	(\$563,283)	(\$1,152,177)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

22. DIRECTORS' AND EXECUTIVES' DISCLOSURES

The following disclosures are presented regarding the Directors and Executives of the Company during the year:

Non-Executive Directors

S G Adams (resigned 4 July 2014)

N D Bell

D J Dawson

S M Gagel (appointed 5 August 2013)

D B Hassall

R H Morrison

P G Tighe

P R Williams

Executive Officers

D Whimpey (appointed 24 February 2014)

Chief Executive Officer

S A Ferguson (resigned 18 December 2013)

Chief Executive Officer

A J Moore (resigned 27 June 2014)

Chief Financial Officer

Related Party Disclosures

All Directors act in an honorary capacity and receive no remuneration for their services. Directors may be reimbursed for expenditure incurred in the conduct of their official duties. During the financial year, the Company has agreed to pay premiums for insurance for the personal legal liability of the Directors and Officers of the Company arising out of a breach of statutory and other obligations.

Directors either individually or through related entities may participate in the thoroughbred racing industry by means of sponsorship and/or ownership of racehorses. This involvement is on terms and conditions no more favourable than other participants in the thoroughbred racing industry.

Key Management Compensation

The total key management personnel compensation recognised in consolidated statement of comprehensive income and consolidated statement of financial position is outlined below:

	2014	2013
	\$	\$
Short term benefits	534,391	754,269
Post employment benefits	44,069	67,695
Termination benefits	-	-
Total	\$578,460	\$ 821,964

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

23. SEGMENT REPORTING

The Company operates in the thoroughbred racing sector providing racedays, facilities and other entertainment to its members, guests and the general public within Australia.

24. ECONOMIC DEPENDENCY

The Company is economically dependent on Racing Queensland Limited for the funding of prize money and other distributions. Total prize money paid on races conducted by the Company in 2013/14 was \$33,341,954 (2012/13: \$33,716,150) which included \$1,745,700 prize money from the Queensland Thoroughbred Investment Scheme (QTIS).

25. CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED	
		2014	2013
BRC Venue Management Services Pty Ltd	Australia	100%	100%

The Company has established a commercial relationship with BRC Venue Management Services Pty Ltd to assist with the management of BRC's venues and the further development of the racing precinct Master Plan. This relationship is in the form of a mortgage and a charge over all the assets of BRC and an intellectual property license between the two companies.

(b) Parent Entity Results

The parent entity's values for assets, liabilities, revenues, expenses and equity are the same as the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

26. RETIREMENT BENEFITS OBLIGATIONS

For some former QTC employees, the Company participated in an employer sponsored defined benefit superannuation plan during the year.

This Plan is a salary related defined benefit superannuation plan. Benefits are payable on retirement, resignation, death, or total and permanent disablement as a lump sum. Income Protection benefits are also payable and are fully insured.

Description of the regulatory framework in which the Plan operates

The Employer sponsors the defined benefit plan for its qualifying employees. The Plan is administered by a separate Trust that is legally separate from the Employer. The Employer's main responsibility under the regulatory framework is to pay funding contributions as recommended by the Plan actuary. The Trustee is responsible for the day to day operation of the Plan which includes administration, investment policy, governance, compliance and maintaining a minimum adequate level of financial solvency.

Description of any other entity's responsibilities for the governance of the Plan

The Trustee is required by law to act in the best interest of the beneficiaries of the Plan.

Description of the Entity specific risks to which the Plan exposes the Employer

Salary Inflation Risk: The members' benefits are generally based on salary upon leaving the Plan and as a result should member's salaries increase at a higher rate than assumed, the liabilities will be higher than expected which may then require the Employer to make larger contributions to the Plan. Investment Risk: Adverse market conditions may result in poor funding position for the Plan which may then increase the Employer's funding obligations.

Description of any Plan amendments and settlements

None

RECONCILIATION OF NET DEFINED BENEFIT (LIABILITY)/ASSET	YEAR ENDING 30 JUNE 2014 (\$)	YEAR ENDING 30 JUNE 2013 RESTATED (\$)
Net Defined Benefit (Liability)/Asset at Beginning of Year	175,912	(195,854)
Defined Benefit (Cost)/Credit Recognised in the P&L	(90,933)	(106,560)
Total Remeasurements Recognised in OCI gain/(loss)	116,880	262,250
Employer Contributions	68,286	216,076
Benefit Payments Directly from Employer	0	0
Other Significant Events		
(i) Net Transfer (in)/out (including the effect of any business combinations/divestitures)	0	0
(ii) Effect of changes in foreign exchange rates	0	0
NET DEFINED BENEFIT (LIABILITY)/ASSET AT END OF YEAR	270,145	175,912

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

26. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

RECONCILIATION OF FAIR VALUE OF PLAN ASSETS	YEAR ENDING 30 JUNE 2014 (\$)	YEAR ENDING 30 JUNE 2013 RESTATED (\$)
Fair Value of Plan Assets at Beginning of Year	1,322,241	1,158,003
Interest Income on Plan Assets	47,651	34,421
Remeasurements:		
- Return on Plan Assets (excluding amount in interest income) gain/(loss)	158,137	168,488
Employer Contributions	68,286	216,076
Employee Contributions and Rollover	49,482	38,608
Benefit Payments from Plan	(157,427)	(230,588)
Payments for Settlements	0	0
Administrative expenses paid	(33,269)	(24,793)
Taxes paid	(15,014)	(33,152)
Insurance premiums for risk benefits	(4,199)	(4,822)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
FAIR VALUE OF PLAN ASSET AT END OF YEAR	1,435,888	1,322,241

RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	YEAR ENDING 30 JUNE 2014 (\$)	YEAR ENDING 30 JUNE 2013 RESTATED (\$)
Defined Benefit Obligation at Beginning of Year	1,146,329	1,353,857
Current Service Cost	58,517	62,056
Past Service Cost/(Credit)	0	0
(Gain)/Loss on Settlements	0	0
Interest Expense on DBO	39,419	36,429
Tax allowance in P&L	12,551	13,374
Administrative expenses allowance in P&L	28,097	29,122
Employee Contributions and Rollover	49,482	38,608
Benefit Payments from Plan	(157,427)	(230,588)
Benefit Payments Directly from Employer	0	0
Payments for Settlements	0	0
Administrative expenses paid	(33,269)	(24,793)
Taxes paid	(15,014)	(33,152)
Insurance premiums for risk benefits	(4,199)	(4,822)
Remeasurements:		
- Effect of changes in demographic assumptions (gain)/loss	0	0
- Effect of changes in financial assumptions (gain)/loss	15,960	(117,220)
- Effect of experience adjustments (gain)/loss	25,297	23,458
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
DEFINED BENEFIT OBLIGATION AT END OF YEAR	1,165,743	1,146,329

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

26. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Reconciliation of the effect of the asset ceiling

There is no asset ceiling in place for Plan because the surplus is smaller than the present value of the economic benefit.

Reconciliation of reimbursement rights

There are no reimbursement rights for this Plan.

Fair value of Plan Assets disaggregated by nature and risk

The Plan Assets are invested in a pooled managed investment distributing unit trust. The unit trust investment manager invests funds in the asset classes outlined in the table below

	ASSET VALUE* AS AT 30 JUNE 2014
Cash and cash equivalents	
- Cash	72
Equity	
- Domestic	427
- International (currency hedged)	129
- International (currency unhedged)	301
Fixed Income	
- Domestic Government Bonds	145
- International Government Bonds	144
Real Estate / Property	
- Domestic Indirect Property	44
- International Property	43
Other types of Investment	
- Alternative Growth	58
- Alternative Defensive	72
TOTAL	1,435

Financial Instruments of the Employer held as Plan Assets

The Plan Assets do not consist of any of the Employer's own financial instruments or any property or other assets used by the Employer.

Significant Actuarial Assumptions used to determine present value of Defined Benefit Obligation

The significant actuarial assumptions are the discount rate and salary increase rate assumption.

Sensitivity analysis for each Significant Actuarial Assumption

The table below shows the sensitivity of the Defined Benefit Obligation (DBO) to the significant actuarial assumptions noted above:

ASSUMPTIONS	DBO AT 30 JUNE 2014 (\$)
Discount Rate plus 0.50%	1,127,109
Discount Rate minus 0.50%	1,207,644
Salary increase rate plus 0.50%	1,201,643
Salary increase rate minus 0.50%	1,131,739

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

26. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

These are deterministic scenarios and therefore they assume a constant change in the relevant assumption which will not occur in practice and the results may not fall within the ranges provided. These examples provide an indication of the effect on the DBO of changing these assumptions in isolation. All other assumptions and methods used to determine the DBO are the same as for the current year. No changes have been made to the methodology used in preparing the sensitivity analysis since the last reporting period.

Description of any asset-liability matching strategies

The Plan Assets are managed according to the Trustee's investment policy. In setting and reviewing the investment policy, consideration is given to the risk-return characteristics of the available asset classes, concentration risk, liquidity management and the suitability of the assets to the Plan's liability duration. At the request of the Employer, the investment policy can be reviewed to match the degree of risk-appetite preference of the Employer. The actuarial funding policy and contribution arrangements incorporate the asset-liability risk and return profile.

Description of Funding Arrangement and Funding Policy that affect Future contributions

In Australia, legislation requires that defined benefit plans are funded to meet the Minimum Requisite Benefits (MRBs) and regulations require defined benefit plans to have a vested benefit index (VBI) of at least 100%. The Plan actuary performs a regular triennial funding valuation which considers the Plan's funding position and policies and the Plan actuary recommends an Employer contribution rate in order to target that at least 100% of the MRBs are covered by the Plan Assets and to target that the Plan achieves a VBI of 100%. In the interim the Plan is monitored regularly and the Employer contribution rate is adjusted if required.

EXPECTED CONTRIBUTIONS TO THE PLAN IN THE NEXT REPORTING PERIOD	YEAR ENDING 30 JUNE 2015 (\$)
Expected Employer contributions	12,133
Expected Employee contributions	13,631

Maturity Profile of the DBO as measured by weighted average duration

The weighted average term of the DBO is calculated as 7.5 years.

PROJECTED BENEFIT PAYMENTS	(\$)
Next Year	185,915
Next Year + 1 year	31,677
Next Year + 2 years	30,337
Next Year + 3 years	26,600
Next Year + 4 years	24,332
Sum of Next Year + 5 - 9 years	464,669

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

26. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

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 year. The total contribution made was \$710,187 (2013 \$795,854).

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

27. RACING ACT

- (a) No payments of principal, interest, rent or lease payments were made to members during the year; and
- (b) All amounts expended by the Company 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 at conferences is subject to the prior approval of the Board, and for the purposes specified in Section 112(3).

Specific disclosures required by Racing Queensland Limited in relation to the Company's Board and Executive staff are as follows:

	BOARD	EXECUTIVE	TOTAL
	\$	\$	\$
Entertainment	12,324	4,114	16,438
Travel and Accommodation	22,165	8,105	30,270
Telephone	-	180	180
TOTAL	34,489	12,399	46,888

28. CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2014 amounted to \$784,221 (2013 \$44,855). All capital commitments are expected in the year to 30 June 2015.

- (b) Finance Lease Commitments

	2014	2013
	\$	\$
Payable – minimum lease payments:		
Not later than 12 months	25,234	103,569
Between 12 months and 5 years	-	25,234
Greater than 5 years	-	-
Minimum lease payments	25,234	128,803
Less future financial charges	(337)	(6,053)
Value of minimum lease payments	17	\$24,897
		\$122,750

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

28. CAPITAL AND LEASING COMMITMENTS (CONT'D)

The finance lease on plant and equipment commenced in October 2010 and is a 4-year lease with lease payments paid monthly in advance. The carrying amount of the asset secured under this finance lease is \$220,625. The Company has possession of the leased assets during the term of the lease and will attain full ownership upon conclusion of the finance lease arrangement.

29. CAPITAL MANAGEMENT

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund normal operations and modest capital improvements to the assets of the Company. The Finance and Governance Sub Committee ensures that the overall financial and risk management strategy is in line with this objective.

The Finance and Governance Sub Committee operates under policies approved by the Board of Directors including monitoring current and future cash flow requirements.

The capital of the Company consists of financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing financial risks and responding to changes in these risks and the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

30. AFTER BALANCE DATE EVENTS

At a General Meeting held on 14 August 2014, a resolution was passed by the Members to dispose of land that the Board has determined to be not essential for the conduct of race meetings at Eagle Farm and Doomben.

The financial report was authorised for issue on 12 September 2014 by the Board of Directors.

31. COMPANY DETAILS

The registered office of the Company is:

Eagle Farm Racecourse
230 Lancaster Road
Ascot QLD 4007

The principal place of business of the Company is:

Eagle Farm Racecourse
230 Lancaster Road
Ascot QLD 4007

DIRECTORS' DECLARATION

BRISBANE RACING CLUB LIMITED AND ITS CONTROLLED ENTITY ABN 80 133 679 786

The Directors of the Company declare that:

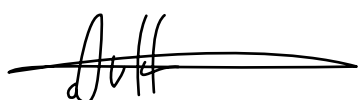
1. The consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
2. In the Directors' opinions there are reasonable grounds to believe 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.



N D BELL

Director



D B HASSALL

Director

12 September 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BRISBANE RACING CLUB LIMITED



We have audited the accompanying financial statements of Brisbane Racing Club Limited ("the company"), Brisbane Racing Club Ltd and its controlled entity ("the consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2014, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 statements of Brisbane Racing Club Limited and its controlled entity is in accordance with the *Corporations Act 2001*, including

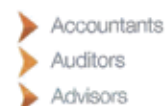
- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Bentley's Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
12 September 2014



A member of Bentleys, an association of independent accounting firms in Australia. The member firms of the Bentleys association are affiliated only and not in partnership. Liability limited by a scheme approved under Professional Standards Legislation.





BRISBANE
RACING CLUB

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