



BRISBANE  
RACING CLUB

# 2014-2015 Annual Report





# 2014-2015 Annual Report

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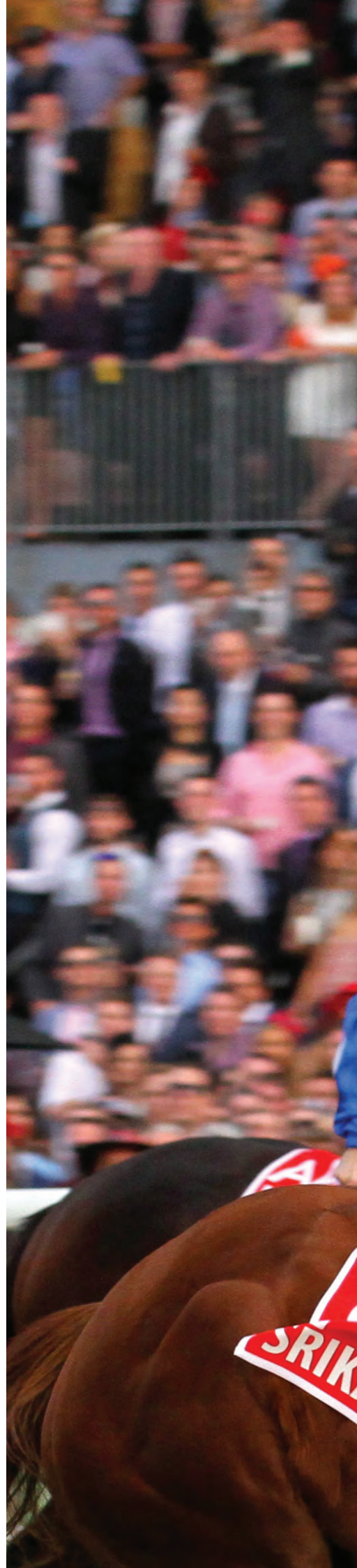
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*Cover: Kerrin McEvoy celebrates victory in the  
2015 AAMI Stradbroke aboard Srikandi*

*Image: Jared Vethaak*

*Right: Srikandi surges to the finish line in front  
of a capacity crowd at Doomben.*

*Image: Ross Stevenson*









A portrait of a middle-aged man with grey hair, smiling, wearing a dark pinstripe suit, a white shirt, and a red and blue striped tie. He is wearing a gold medal on his left lapel. The background is a soft-focus outdoor scene.

# CHAIRMAN'S REPORT

On behalf of my fellow directors, it is with much pleasure that I present the seventh annual report of the Brisbane Racing Club (BRC).

The 2014-15 financial year was unlike any presented to officials during the 150 years of racing in this precinct and included:

- the closure of Eagle Farm on August 20, 2014 for a major track redevelopment
- key steps in the development of the BRC's \$1.2 billion Master Plan
- a change of administration at Racing Queensland
- a new State Government

The Eagle Farm closure resulted in the BRC's loss of 40 race meetings for the 2014-15 financial year. The flagship 2015 Channel Seven Brisbane Racing Carnival was reduced from five days to four but the temporary format at Doomben was an outstanding success.

But the BRC still faced a financial and logistical challenge with one racecourse closed. After the Club's first EBIT profit in six years in 2013-14, the BRC budgeted for a loss of \$390,000 amid the changed circumstances. But I am very pleased to advise that your Club has recorded an EBIT profit of \$260,611 for the 2014-15 financial year on the back of the management team's innovation and sheer hard work.

This result was enabled by the BRC's continued commitment to a diversified revenue model to support the Club's core racing activities. In 2014-15, this diversification featured a staggering \$1.7 million in non-racing contributions including:

- \$750,000 from Gallopers Sports Club
- \$151,000 from Eagle Farm Markets
- \$867,000 from new non-racing events

While the BRC will continue to have racing at the heart of its focus, the sustainability of the Club relies on the growing non-racing hospitality and event business.

The 2014-15 year included the appointment of Mirvac Ltd as the BRC's joint venture partner to deliver the residential development of 1,200 apartments in precinct 5B of the Master Plan. This appointment was one of the most significant milestones in the history of Eagle Farm. It is a game-changer for the BRC and will propel the Club into a 2015-16 financial year that promises to be among the most exciting in Brisbane's racing history.

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# “THE FLAGSHIP 2015 CHANNEL SEVEN BRISBANE RACING CARNIVAL WAS REDUCED FROM FIVE DAYS TO FOUR BUT THE TEMPORARY FORMAT AT DOOMBEN WAS AN OUTSTANDING SUCCESS.”

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## FINANCIAL PERFORMANCE

The positive result of an EBIT profit of \$260,611 against a forecast loss for the 2014-15 year of \$390,000 was a remarkable achievement.

The BRC's focus was on Doomben with the Eagle Farm closure resulting in the loss of 43 per cent of the Club's race meetings and unavailability for major non-racing events. The sparkling weather of May and June helped the Club achieve a financial result for the Channel Seven Brisbane Racing Carnival over four days at Doomben that was almost equal to the 2014 event run over five days at both racecourses. The spectacular activation of the trackside Member and patron facilities and investment in new venues such as The Birdcage, presented by James Boag's Premium, were shining examples of the innovation and professionalism of Team BRC.

The Club's headline revenue figures for 2014-15 included:

- Revenue of \$36.2 million against a budget of \$31 million
- A revenue increase of \$867,972 on the previous year despite the unavailability of Eagle Farm

This result was created by exceptional growth in sponsorship, feature non-racing events and venue hire. Raceday hospitality also delivered a total of \$10,961,000 revenue, up \$74,000 from 2013-14, despite a reduction in the number of race meetings.

The joint venture with UBET to operate the on-course tote was a major boost for the BRC. This enabled the on-course tote to make a small profit for the BRC compared to losses in previous years of between \$250,000 and \$300,000.

Management continues to challenge procurement of goods and services through regular market-testing of costs. The next challenge is to sustain the momentum of 2014-15 through the next 12 months. Once again we will be relying on Doomben until the dynamic new Eagle Farm track reopens in time for the 2016 Channel Seven Brisbane Racing Carnival.

## MASTER PLAN

The previous year proved pivotal for the BRC's Master Plan – and one in which the Club relied heavily on Jeff Kahler,

our General Manager - Property and Asset Management. Jeff will provide more detail in his report on some of these exciting outcomes.

The BRC will continue to keep members advised on the progress of the Master Plan with regular updates on development milestones. It is important that Members, Staff and all stakeholders enjoy this historic journey as the Eagle Farm racing precinct is re-invented 150 years after the first race meeting was staged.

The appointment of Mirvac as our joint venture partner after a rigorous 12-month process will be central to unlocking the real value of the non-essential racing land owned by the BRC. National media outlets reported in May that the BRC and Mirvac would be partners in a stunning development of 1200 apartments in eight residential towers. The development will also include retail, hospitality and commercial areas. Over the 12 years of development, the project is set to return to your Club revenues in excess of \$100 million. This will not only fund long-awaited improvements to Member and patron facilities but will also contribute to the BRC's core racing business. The revenues will also repay:

- A \$12 million loan from the Queensland Government to construct the vehicular and pedestrian tunnels that will open access to the infield
- A \$25 million commercial loan to construct 400 stables and training facilities, infield flood mitigation works and the refurbishment of training tracks.

This infield construction, combined with the exciting redevelopment of the racing surface at Eagle Farm, ensures the BRC has fulfilled its responsibility to help provide for the future sustainability of the state's racing industry.

The Club cannot prosper without these major works. Your Board recognises and acknowledges the patience of Members during this construction phase. The wonderful understanding and cooperation from so many loyal Members will be long remembered by many involved in this project. The Board has commenced a Master Plan for all Members' and patrons' facilities. This promises to further add to the BRC raceday experience.

## EAGLE FARM TRACK CLOSURE

In the coming year, Members will have a new “front door” when they drive in to Eagle Farm racecourse. Entry will be via Nudgee Rd, enabling Members and patrons to access a new vehicular tunnel underneath the 1000m point of the racetrack. This tunnel will provide access to a transformed infield featuring a 1000-berth carpark and the outstanding new stabling and training facilities.

The vehicular tunnel will be constructed concurrently with a new pedestrian tunnel beneath the home straight. This tunnel, which will be cut at approximately the 150m mark of the straight, will connect the new carpark with the grandstand and Members’ facilities.

Once these tunnels are partially completed by March next year, it will enable the final segments of new turf to be laid across the top of these sections. This will be the final phase of the track reconstruction, which was largely completed last May.

The BRC has been appointed project manager for this next phase of work. This was a very welcome decision, made unanimously by the new State Government and the new Racing Queensland administration. The Club had looked forward to becoming more involved in the project after the delay in construction following a June 2014 announcement by the former State Government and former Racing Queensland administration. The delay from announcement to approval has led to an increase in the construction costs. The BRC, with the expertise of Jeff Kahler, is doing everything possible to recoup some of these increased costs without forsaking the quality of the construction.

The BRC is now working with the new State Government and Racing Queensland to ensure Eagle Farm is racing again as soon as possible. The BRC is planning for the track to host the Treasury Casino & Hotel Oaks Day and AAMI Stradbroke Day in the 2016 Channel Seven Brisbane Racing Carnival. The contractors have agreed to this schedule and everything is being done to ensure Eagle Farm again hosts these two major race days.

The return of Eagle Farm to the racing circuit will be a huge boost for the wider Queensland racing industry. The absence of Eagle Farm has reinforced its status as Queensland’s most popular track for wagering turnover. Premier Anastacia Palaszczuk and Racing Minister Bill Byrne have both acknowledged Eagle Farm’s vital role within the wider racing industry. The Board most sincerely thanks the Premier and Racing Minister for their strong support and the spirit of cooperation in which they have worked with the BRC to ensure Eagle Farm is operational again as soon as possible.

## APPRECIATION

The Board greatly appreciates the 100 or so people who make up Team BRC. Their professional conduct, innovation and dedication to the BRC’s transformed business model have been vital to its success. In a year of uncertainty brought about by construction delays, Team BRC continued to produce outstanding work reflected in the figures contained in this report. The Board congratulates CEO Dave Whimpey, his senior leadership team and all the supporting teams for their excellent achievements in 2014-15.

In May, your Club welcomed three new directors to the Board – Curt Schatz, John Shepherd and Terry Svenson. Each Director came to the Club with outstanding CVs that added critical commercial and professional skills to the Board. They have been strong additions to a Board that is well placed to guide the BRC through this next exciting chapter.

I would like to thank my fellow Directors for their support and advice during the past year. Each has given their time and advice freely and willingly at all times.

The Club continues to maintain very good relationships with officials from Brisbane City Council, the State Government and Racing Queensland. These include:

- Premier of Queensland Anastacia Palaszczuk MP
- Honourable Bill Byrne MP, Minister for Agriculture and Fisheries, Minister for Sport and Racing
- Lord Mayor Graham Quirk
- Member for Clayfield Tim Nicholls MP
- Hamilton Ward Councillor David McLachlan
- Racing Queensland interim Chair John Muir QC

Each representative has shown a willingness to work with the BRC to strengthen the local community and the wider Queensland racing industry. I thank them for their much-valued cooperation.

In closing, I would like to acknowledge the support of Suncorp’s retiring CEO Patrick Snowball. Suncorp includes AAMI, which has been a treasured sponsor of Queensland’s most prestigious race – the Stradbroke – for the last 15 years. Patrick has always recognised the benefits of partnering one of the nation’s leading insurance brands with Queensland’s flagship race. The BRC wishes Patrick a happy retirement and we look forward to our continuing partnership with AAMI.

Once again, my sincere thanks to Members for their support and patience in 2014-15. I look forward to seeing many of you during this most exciting 2015-16 season.



**Neville Bell**  
Chairman

STATISTICAL INFORMATION	2015	2014	2013	2012	2011
<b>RACING</b>					
Race Meetings	52	92	91	91	91
Saturdays and Public Holidays	36	47	46	45	45
Mid Weeks	16	45	45	46	46
Races	414	744	732	689	728
Starters	4,298	7,666	7,662	7,579	7,665
Average Starters per race	10.38	10.30	10.41	11.00	10.53
<b>ATTENDANCES</b>					
Annual	153,952	177,255	195,006	195,512	219,057
Brisbane Racing Carnival	40,377	44,820	47,977	47,041	66,129
<b>MEMBERSHIP</b>					
Life	24	24	27	26	26
Full Member (35yrs+ as a member)	320	319	315	330	318
Full Member (Age 30+ years)	1,963	2,030	2,277	2,602	2,856
Full Member (Age 18-29 years)	249	278	283	260	261
Perpetual	237	210	188	128	n/a
Partner Members	n/a	n/a	n/a	88	110
Absentee	n/a	24	23	26	22
Widow	n/a	n/a	n/a	20	26
Honorary	24	24	23	23	24
Corporate Members	45	47	45	40	41
<b>TOTAL RACING</b>	<b>2,862</b>	<b>2,956</b>	<b>3,181</b>	<b>3,543</b>	<b>3,684</b>
Social Members	5,654	5,128	7,057	3,385	1,733
<b>TOTAL MEMBERS</b>	<b>8,516</b>	<b>8,084</b>	<b>10,238</b>	<b>6,928</b>	<b>5,417</b>
<b>PRIZE MONEY (\$000)</b>					
Prize Money Paid	27,279	33,342	33,716	30,523	31,099
<b>WAGERING (\$000)</b>					
Oncourse Totalisator	15,330	17,608	20,548	23,011	24,100
Bookmakers	19,674	27,166	27,008	43,427	58,834
<b>FINANCIAL (\$000)</b>					
Surplus/(Loss)	261	151	(1,007)	(1,198)	271
Capital Expenditure	3,433	2,223	2,417	6,576	3,663



RQ acting CEO Ian Hall, BRC Chairman Neville Bell and Hon Bill Byrne Minister for Agriculture and Fisheries and Minister for Sport and Racing announce the final \$12 million loan for the Eagle Farm tunnel and infield work



A portrait of a middle-aged man with short, dark hair, wearing a dark suit, white shirt, and patterned tie. He is smiling slightly and looking towards the camera. The background is a soft-focus outdoor scene with greenery.

# CHIEF EXECUTIVE OFFICER'S REPORT

The 2014-15 year will be looked back upon for many years to come as a momentous period for the Brisbane Racing Club (BRC).

It was the year when history was made with the first AAMI Stradbroke ever run at Doomben and when the BRC embarked on our transformation into a leading southeast Queensland entertainment, events and lifestyle location.

Highlights of the year included:

- The realisation of the BRC Master Plan's residential development, including the execution of a partnership with Mirvac to deliver more than 1200 apartments in eight towers;
- An outstanding four days at Doomben for the Channel Seven Brisbane Racing Carnival, culminating in a memorable AAMI Stradbroke meeting;
- Another outstanding performance by Eagle Farm-based trainers, who again dominated the metropolitan premiership. Tony Gollan was outstanding in breaking the long-standing season record held by the late Bruce McLachlan;
- The BRC's appointment as project manager for the Eagle Farm track reconstruction – a recognition by the State Government and interim Racing Queensland administration of the BRC's skill base;
- Increased non-racing event revenue as the BRC continued its successful diversification strategy.

On 14 August 1865 the first race meeting was held at Eagle Farm. Notwithstanding the fact Eagle Farm was closed for redevelopment we commenced our 150-year celebrations on the 16th August 2015 with a VIP cocktail party to mark this occasion.

## INDUSTRY

While the overall responsibility for the administration of the racing industry lies with Racing Queensland, the BRC's role as the operator of the state's two metropolitan thoroughbred racing venues is integral to the Queensland racing community.

Thoroughbred racing as an industry is at a critical juncture as we continue to compete with the growing demand for betting on other sports through the inevitable rise of corporate bookmakers. The compression on revenue yields from thoroughbred racing is quite extraordinary as punters continue to migrate toward fixed odds at the expense of pari-mutuel betting and toward corporate



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## “...THE CLUB FINISHED THE YEAR WITH RECORD REVENUE OF \$36.2M (UP 2.5 PER CENT ON PRIOR YEAR) AND RECORD PROFIT OF \$261K (UP 72 PER CENT ON PRIOR YEAR).”

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bookmakers at the expense of the Tote. In 2014-15 (FY15), for example, the Queensland Tote compressed by 1.5 per cent while corporate bookmakers grew at double digits.

Further, during the year:

- Eagle Farm was closed for redevelopment in August 2014;
- Prizemoney increased from 1 October 2014;
- Wagering net revenue declined;
- The ‘live baiting’ greyhound issue rippled swiftly through the racing industry.

Against this backdrop, Racing Queensland announced a \$12 million deficit for FY15 growing to \$28 million in FY16. Some might say that in FY15 the industry faced a perfect storm.

As Eagle Farm prepared to celebrate 150 years of racing, Queensland racing’s greatest servant, the Eagle Farm track, was closed for redevelopment. Few will argue against the impact this has had on wagering revenue. In fact I attribute the overwhelming majority of the nearly \$150 million or 5.9 per cent decrease in thoroughbred turnover to Eagle Farm’s absence during the year. Of course, the unusual wet weather during January to March – with more than 609mm of rain – exacerbated the issue.

During this time, the support of the industry has been immense. I must thank our colleagues at the Sunshine Coast, Gold Coast, Toowoomba and Ipswich for sharing the load. I was also very proud of Jim Roberts, our Doomben Track Manager, for preparing the best surface possible during a year of heavy racing workload.

Following the change in government and Racing Queensland administration in early 2015, the BRC, Queensland Government (through the Honourable Bill Byrne MP, Minister for Agriculture and Fisheries, Minister for Sport and Racing,) and Racing Queensland (acting CEO Mr Ian Hall) were able to come together to quickly resolve all issues and agree on a plan to get Eagle Farm back on line. As a result, the Eagle Farm track redevelopment program is now progressing, with all parties resolute in achieving

the objective to have Eagle Farm back racing for the 2016 Channel Seven Brisbane Racing Carnival.

The outcomes from the consultative phase (recently announced by Racing Queensland) on racing’s immediate challenges will require thorough evaluation and diligent implementation. But these findings will provide an important step forward. The return of Eagle Farm to racing in 2016 will also provide a great uplift to the Queensland thoroughbred industry. I am reminded that it is a robust and resilient industry, having had more than its fair share of knocks in the past 150-plus years. We should therefore have confidence in the exciting future ahead of us.

### FINANCIAL PERFORMANCE

In setting out the operational objectives for FY15 the Board was acutely aware of the challenges and met them head on. These included but were not limited to:

- A budgeted decrease of 31 less race meetings (32 per cent decline) due to Eagle Farm’s closure. As 71 per cent of the Club’s income was generated from race meetings, this created a monumental challenge to maintain the Club’s liquidity. We finished the year minus 40 race meetings (43 per cent decline) or down from 92 race meetings in FY14 to 52 in FY15
- A high fixed-cost operations model. At 103 permanent employees with an average length of service of 14.1 years, closing down half the business due to Eagle Farm’s outage meant the Club either needed to change its fixed-cost structure or find alternative revenue opportunities
- The continuation of training operations for 550 thoroughbreds and stabling operations and in particular in protecting the thoroughbred horse population of southeast Queensland with training solutions adopted at Doomben. Our track managers and, in particular, Sean Bridges met this challenge with the support from our trainers but it was not without great angst among the stakeholders.

Notwithstanding the above challenges, the Club finished the year with record revenue of \$36.2 million (up 2.5 per cent on prior year) and record profit of \$261k (up 72 per cent on prior year). Further, not one employee was made redundant during the year as we created more permanency and career structures. The tracks and grounds teams were diverted into delivering capital projects that were earnings accretive to maintain productivity during the year.

The result came about due to two main attributes:

1. Non-racing income grew by 20 per cent or \$1.3 million to \$8.0 million off the back of our sports club Gallopers' strong lift, increased events and weddings and in securing Future Music Festival and the festival's catering rights in-house
2. Raceday average spend per patron lifting by an outstanding 70 per cent with improved quality, product ranging and overwhelming customer feedback

The combined capital projects with a spend of \$1.9 million at Doomben (Owners and Trainers Bar, Corporate Boxes, Champions Bar & Courtyard, Bernborough Members' Bar, ticketing platform and infrastructure, the Satchel function room, the retail / merchandise shop and the Bookies stands) are now showing a blended healthy return on investment of 19 per cent. Clearly, the average spend per head and the repositioning of our food and beverage offers off these projects contributed to the great result for the year.

## OUR PEOPLE AND CULTURE

There is an old saying "Culture eats change for breakfast." It carries two meanings. Either the culture is so engrained that change won't happen or is resisted, or that we have a culture that is change-orientated. We have undoubtedly moved toward the latter and, in doing so, achieved it with the highest independent safety rating the Club has ever received with over 80 per cent compliance. Peter Dench, our new Safety Manager is to be congratulated for this result.

During the year we also welcomed Warren Williams as our GM of Tracks and Facilities, one of Australasia's preeminent track managers. Warren reset the business under his leadership and the results are evident.

Our standards and style are set as are our core values and the Senior Leadership Team (SLT) are unwavering in achieving our financial results with the right culture –



*More than 17,000 patrons were in attendance to witness the first ever AAMI Stradbroke at Doomben Racecourse on Saturday 6 June, 2015*

a culture that embraces change, creates strong industry career structures, is gender and equality-based, has a feeling of winningness through reward and recognition and one that embraces the "art of can do." I thank the SLT for their commitment to the business and ongoing support.

## OUR MEMBERS

The BRC is a membership Club. I thank our 2,862 Members for their support and feedback during the year. I truly enjoy our time on Saturdays in the Members' Bar and I trust that our actions, supported tirelessly through the Board, have demonstrated our commitment to our Members.

There is much more to do in offering "best-in-class experiences, benefits and value", and we welcome a full strategic review from our new Membership Manager – Audra Duncan. Of course, there are significant works about to be undertaken at Eagle Farm for our Members and patrons facilities and we will ensure this process is consultative.

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**"I THANK OUR 2,862 MEMBERS FOR THEIR SUPPORT AND  
FEEDBACK DURING THE YEAR."**

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## “WITH ALL MEETS AT DOOMBEN FOR OUR LEG OF THE CARNIVAL, THE TEAM DELIVERED WHAT I CONSIDER TO BE A FIRST CLASS EXPERIENCE IN STYLE AND STANDARD.”

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### CHANNEL SEVEN BRISBANE RACING CARNIVAL

A once-in-a-lifetime opportunity presented to have the AAMI Stradbroke at Doomben and the Carnival was revised for the BRC to four meets. The Tatts Tiara was also transferred to the Gold Coast under the direction of the former RQ administration.

With all meets at Doomben for our leg of the Carnival, the team delivered what I consider to be a first-class experience in style and standard. The interstate trainers descended on us hunting the lift in purse and in fact took away 86.26 per cent of the prize pool. However, the Carnival was a huge success as measured against visitation and profit which on a like-for-like basis increased by 30 per cent.

Sponsorship income lifted to record levels also and Katie Churchill (GM Sales) and her team are to be congratulated. Scott Steele (GM operations) and his team through new Executive Chef Michael Fletcher also catered more than 90 per cent in-house. In the prior year, the majority was outsourced. This was another outstanding result. The branding and collateral delivered was also a big talking point of the industry and Matt Rafton (GM Marketing) and his team, together with external creative agency Publicis Mojo, pushed the boundaries and inspired the Carnival to new heights.

Warren Williams, Sean Bridges, Mark Williams and Jim Roberts (tracks, grounds and facilities lead team) did a great job in preparing the Doomben site and the track. The weather gods smiled and the customer experience was palpable. The financial result on a per day basis hit records. I couldn't be more proud of the team.

Finally to our principal sponsors and partners we could not have achieved this without you – Channel Seven, AAMI, Tourism & Events Queensland, Lion, UBET, BMW, Treasury Casino and Hotel, Diageo, Indooroopilly Shopping Centre and Pages our event builders. There are many elements that make for a successful Carnival and we are most excited you are joining us again for the 2016 Channel Seven Brisbane Racing Carnival.

### IN CLOSING

I would like to thank Neville Bell – Chairman of the Brisbane Racing Club – for his unwavering support, drive and passion and stewardship of the Master Plan during the year. The recent changes to the Board resulting in a broadened skill set have placed the Club in a great position as we meet the future challenges.

Our Board – your Board – works on a voluntary basis yet the hours and dedication are invaluable in ensuring that the Brisbane Racing Club is “future proofed” and that we maintain our position as Queensland's preeminent thoroughbred racing club.

I have thoroughly enjoyed my first 18 months at the BRC and am genuinely excited for our future. We have a bright future physically commencing with Eagle Farm reopening for next year's Carnival. I hope to see you all there and wish all our Queensland trainers, owners, jockeys, apprentices and stakeholders all the very best for the upcoming racing season.

Warmest regards,



**Dave G. Whimpey**

Chief Executive Officer



# MASTERPLAN REPORT

*An artists' impression of the new Eagle Farm Residential Development*

The Master Plan for the historic redevelopment of Eagle Farm has moved into the construction phase after key approvals from the State Government and Racing Queensland in the 2014-15 financial year.

The Master Plan aims to provide long-term, non-racing revenue streams for the BRC through the development of prime real estate surrounding the Eagle Farm and Doomben racetracks. These alternative revenue streams will allow the BRC to continue to enhance its core business of horse racing.



*The vision for the new pedestrian tunnel entrance from the Eagle Farm Infield*

During the year, the BRC obtained necessary approvals from Brisbane City Council to allow the development of the Master Plan to proceed. Many approvals were received, including heritage and environmental approvals. The mantra for the Master Plan is “do it once and do it properly” so that the physical results are long lasting.

The Master Plan’s most significant milestone was the successful Expressions of Interest campaign to find the most suitable partner for the development of the Eagle Farm Residential Precinct. After receiving more than 100 submissions, the BRC short-listed three contenders before selecting Mirvac. Their scheme was exceptional and complementary to the long-term goals of the BRC. The Mirvac product, culture and people provide an excellent fit with the BRC and its goals.

The Mirvac development proposal provides more than 1200 quality apartments across eight buildings, ranging in height from nine to 15 storeys. The ground plane solution will offer a high quality landscaped pedestrian and vehicle environment that is complementary to the Eagle Farm precinct as a whole.

Mirvac intend to lodge its first development application with Brisbane City Council prior to Christmas and will launch the marketing of Building One early in 2016. Mirvac currently plan to commence construction mid-2016 with completion and occupation of the first building in 2017. These apartments will offer an experience and environment unavailable anywhere else in Australia and are expected to be highly sought after.

BRC Members will be given an exclusive first opportunity to buy and see the apartments after overwhelmingly supporting the Master Plan at the AGM last year.

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“THIS PROJECT WILL SET THE BENCHMARK FOR RACING  
AND TRAINING IN AUSTRALIA. ”

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*Artists' impression of the new Eagle Farm infield which will house 400 stables and a 1,000 capacity car park*

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“THESE ALTERNATIVE REVENUE STREAMS WILL  
ALLOW THE BRC TO CONTINUE TO ENHANCE ITS CORE  
BUSINESS OF HORSE RACING.”

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The residential project allows the Club to fund a state-of-the-art new stabling facility on the infield at Eagle Farm. A total of 400 new stables, designed with operational efficiency as the key, will be constructed along with 1000 car spaces, new entry building, maintenance facilities and impressive landscaping. This project will set the benchmark for racing and training in Australia. Construction is expected to commence later this year and will be complete by late 2016. Members would also be aware that two tunnels are being constructed to enable access to the infield. A vehicular tunnel is being constructed near the 1000m mark, in the track's north-eastern corner, while a pedestrian tunnel is being built beneath the home straight at approximately 150m from the winning post.

We have an exciting year ahead with the Master Plan and we will continue to update members with important news.



**Jeff Kahler**

General Manager –  
Property and Asset Management

# RACING REPORT

The Brisbane Racing Club faced one of the most challenging years in the city's racing history when Eagle Farm was shut down for redevelopment on August 20 2014. The BRC's racing schedule was moved to Doomben, including the 2015 Channel Seven Brisbane Racing Carnival.

But the year unfolded with much success on the new racing schedule. The Channel Seven Brisbane Racing Carnival produced a host of outstanding winners including:

- Pornichet (Bundaberg Rum Doomben Cup)
- Winx (Treasury Casino & Hotel Queensland Oaks)
- Boban (James Boag's Premium Doomben 10,000)
- Srikandi (AAMI Stradbroke)

These results should enhance the reputation of the Channel Seven Brisbane Racing Carnival as a destination for the best horses from Australia and New Zealand. The BRC again worked tirelessly to promote the carnival to trainers across the countries. While some trainers were unsure how a full carnival would play out at Doomben, they were attracted by significant prizemoney increases.

The move to Doomben had some impact on betting turnover with smaller maximum field sizes – for example only 16 horses can run from the 1350m start at Doomben compared to 18 over 1400m at Eagle Farm. Also, distances of the major staying races (Channel Seven Queensland Derby, Treasury Casino & Hotel Queensland Oaks, Pages Event Eagle Farm Cup and Evergreen Turf Brisbane Cup)

were reduced from 2400 metres to 2200 metres for their first running at Doomben. But the carnival was a genuine success with exciting racing on excellent surfaces and before large crowds.

But we can look forward to the 2016 Channel Seven Brisbane Racing Carnival with great excitement. The much anticipated return to a reconstructed Eagle Farm next May should give the BRC carnival a real fillip.

While Eagle Farm-based trainers had only moderate success during the 2015 carnival, their overall season was extremely successful. Eagle Farm-based trainers filled eight of the top 15 positions on the Brisbane metropolitan trainers' premiership table. Congratulations to Tony Gollan for his sterling effort to break Bruce McLachlan's long-standing record with 79 metropolitan wins. It is a credit to Tony and all other Eagle Farm-based trainers to perform so well at southeast Queensland TAB meetings despite some disruption to trackwork through reconstruction work at the course. The BRC appreciates the spirit of cooperation between trainers and hard-working track staff to minimise the effects of the construction phase of a new course proper and No 1 grass training track.

The BRC acknowledges contributions to Queensland racing made by Eagle Farm trainers Tom Dawson, Bill Calder and Des McGee who sadly passed away in the past year. All three trained at Eagle Farm for decades and enjoyed great success.

The BRC should take a historic step into the training future at Eagle Farm during this racing season with work starting on the infield racing stables. The state-of-the-art stabling complex will complement the track reconstruction to ensure the BRC racing and training precinct at Eagle Farm and Doomben will be permanently positioned as a world-class facility for thoroughbreds.



*Chairman Neville Bell presents Tony Gollan with 2015 leading metropolitan trainer 2014-15 season award at 150 Years at Eagle Farm celebrations*



**Bart Sinclair**  
Racing Manager



**2015 CHANNEL SEVEN BRISBANE RACING CARNIVAL - GROUP RACE RESULTS**

Prizemoney (\$)	Racename	Winner	Rider	Distance (m)	Weight (kg)	Trainer
<b>GROUP 1</b>						
2,000,000	AAMI Stradbroke Handicap	Srikandi	Kerrin McEvoy	1,350	53.0	Ciaron Maher
750,000	James Boag's Premium Doomben 10,000	Boban	Glyn Schofield	1,350	59.0	Chris Waller
600,000	Channel Seven Queensland Derby	Magicool	James Winks	2,200	57.0	Mark Kavanagh
650,000	Bundaberg Rum Doomben Cup	Pornichet (FR)	Blake Shinn	2,000	59.0	Gai Waterhouse
600,000	BMW JJ Atkins	Press Statement	Tye Angland	1,600	57.0	Chris Waller
500,000	Treasury Casino and Hotel Queensland Oaks	Winx	Hugh Bowman	2,200	56.5	Chris Waller
500,000	UBET BTC Cup	Hot Snitzel	Blake Shinn	1,200	58.5	Peter & Paul Snowden
<b>GROUP 2</b>						
300,000	Evergreen Turf Brisbane Cup	Jetset Lad (NZ)	Paul Hammersley	2,200	53.0	Brian Smith
400,000	Sky Racing Queensland Guineas	Jabali	Jim Byrne	1,600	57.0	Mick Price
250,000	Mitavite Australia BRC Sires Produce Stakes	Look to the Stars	Luke Tarrant	1,350	55.0	Clarry Conners
250,000	Pages Event Eagle Farm Cup	Werther (NZ)	Jim Byrne	2,200	55.5	Andrew R Campbell
200,000	Best Security Dane Ripper Handicap	Hazard	James McDonald	1,350	57.5	Anthony & Lee Freedman
175,000	Bollinger Champagne Classic	Blueberry Hill	Larry Cassidy	1,200	55.0	Liam Birchley
175,000	Magic Millions QTC Cup	Ball of Muscle	Glyn Schofield	1,200	56.5	Joseph Pride
175,000	Urbis The Roses	Bohemian Lily (NZ)	Blake Shinn	2,020	56.5	Gai Waterhouse
<b>GROUP 3</b>						
150,000	Glenlogan Park Stakes (Moreton Stakes)	Peace Force	Timothy Bell	1,350	55.5	Gerald Ryan
125,000	Suez Environnement Australia Fred Best Classic	Najoom	Tommy Berry	1,350	55.0	Gai Waterhouse
150,000	Mullins Lawyers Grand Prix Stakes	Upham (NZ)	Kerrin McEvoy	2,020	57.0	Peter Moody
125,000	Mitty's Rough Habit Plate	Sadler's Lake	Blake Shinn	2,000	57.0	Chris Waller
125,000	Darley BRC Sprint	Charlie Boy	Blake Shinn	1,350	55.0	Peter & Paul Snowden
125,000	Channel Seven Premiers Cup	Faust (NZ)	James McDonald	2,020	56.0	Kurt Goldman
125,000	Programmed Property Services Lord Mayors Cup	Strawberry Boy	Zac Purton	1,600	59.0	Chris Waller

# TRACKS & FACILITIES REPORT

The 2014-15 financial year has been one of progression and change for the BRC's Tracks and Facilities Department.

I commenced in this role in October 2014, shortly after the closure of Eagle Farm for redevelopment. In the year ahead, we look forward to embarking on the major infield redevelopment and the return of racing to a new Eagle Farm track.

With the closure of Eagle Farm on the 20 August 2014, Doomben hosted most of the metropolitan meetings for the 2014-15 racing season. There were 38 race meetings at Doomben during this time, with 307 races and 3223 runners. At 25 meetings, the Doomben track achieved a rating of Good 3 to Good 4.

Doomben Racecourse Manager Jim Roberts has performed remarkable work to present the course proper in a fair and consistent state for every race meeting. This was endorsed over the four 2015 Channel Seven Brisbane Racing Carnival days where the racing patterns were genuine.

The redevelopment of Eagle Farm course proper commenced in November 2014 and was completed in March 2015, with the exception of the two tunnel zones. The BRC assumed management and maintenance control in March 2015. Eagle Farm Racecourse Manager Sean

Bridges worked tirelessly with track contractors during construction, ensuring that our 500-plus trained horses were able to continue using Eagle Farm training facilities.

The BRC has undertaken a number of facilities upgrades during the 2014-15 financial year. Facilities Manager Mark Williams has overseen the rejuvenation of the Bernborough Bar, Champions Bar & Courtyard, Satchel Room and Chief De Beers Room, with repaints throughout the Doomben facility.

A thorough investigation of tracks and facilities operations has been undertaken, with the BRC investing in the future with the purchase of 17 new machinery items. The new equipment will provide staff with the best machinery to deliver the best outcome for Members.



**Warren Williams**  
General Manager - Tracks and Facilities

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“IN THE YEAR AHEAD, WE LOOK FORWARD TO EMBARKING ON THE MAJOR INFELD REDEVELOPMENT AND THE RETURN OF RACING TO A NEW EAGLE FARM TRACK.”

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# OPERATIONS REPORT

The 2014-15 financial year marked the growth of the BRC as a premier hospitality venue, with record profit achieved across the business.

During 2014-15, the BRC's Operations Team collected beverage sales of more than \$8.5 million and food sales of more than \$4.2 million. Goodlife and Future Music was one of the BRC's most profitable weekends, achieving an outstanding \$1.5 million in food and beverage sales. The planning for these events was detailed. The under 18 event was held on the Friday night followed by an 18-plus event from 10am to 10pm the next day. The BRC hosted a combined total of 40,000 patrons during these events, with more than 500 local staff ensuring its success.

The transformation of the Champions Bar and Courtyard was an exciting new initiative introduced by the BRC in 2014-15. The modern venue now rivals any leading hospitality or sporting complex with a melting pot of style, taste and character, featuring a three course cocktail menu,

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“GOODLIFE AND FUTURE MUSIC WAS ONE OF THE BRC'S MOST PROFITABLE WEEKENDS, ACHIEVING AN OUTSTANDING \$1.5M IN FOOD AND BEVERAGE SALES.”

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live entertainment and Fox Sports vision. In addition, the Members-only Bernborough Bar underwent an elegant refurbishment that will be enjoyed by Members into the future.

The success of the BRC's Operations Team extended beyond the track to the Gallopers Sports Club. In the last year, Gallopers posted a record \$750,000 net profit. Gallopers' involvement in the local area continues, with the club proudly assisting many charities and local community organisations. In particular, the Annual Sportsmen's Lunch which raised \$12,000, equally divided between the Queensland Jockeys' Trust and Asbestos Australia. Plans are underway for a refurbishment of Gallopers Sports Club in early 2016.

It is pleasing to note that the BRC and Gallopers are among the largest employers of casual staff in the local area. On Stradbroke Day alone, the club employed 650 staff.

I would like to thank all our staff for their efforts and commitment throughout the year. The continued loyalty of our Members at both the racetrack and Gallopers is also much appreciated. We always strive to improve and welcome any feedback.



**Scott Steele**  
General Manager - Operations



# MARKETING & MEMBERSHIP REPORT

The 2014-15 year was one of many firsts for Brisbane Racing Club.

The running of the AAMI Stradbroke at Doomben and a new four-day format for the Channel Seven Brisbane Racing Carnival were embraced as an opportunity to deliver a once-in-a-lifetime experience for Members and patrons.

The journey began with the creation of this year's carnival campaign – a feast for the senses – developed in conjunction with Brisbane agency Publicis Mojo.

The campaign took our carnival to a new level, showcasing the sights, sounds and experience that were then delivered by our teams on raceday.

Outside of the carnival, we continued to introduce new generations of racegoers to the thoroughbred experience with an increased feature raceday calendar.

While we continue to attract new racegoers, Members remain at the core of our club.

With Eagle Farm closed for redevelopment, Doomben was passed the mantle for Brisbane's metropolitan fixtures and it was inevitable that a small number of Saturday meetings would be programmed to other tracks.

The support of Members during this period has not gone unnoticed with the highest retention rate of members (88 per cent) recorded since the formation of BRC in 2009. We also welcome 338 new Members throughout the year and launched our new Club 100 Corporate Membership program.

With the roadblocks cleared for the final stages of the Eagle Farm track upgrade to be completed, Members can look forward to an exciting future for BRC.

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“THE CAMPAIGN TOOK OUR CARNIVAL TO A NEW LEVEL, SHOWCASING THE SIGHTS, SOUNDS AND EXPERIENCE THAT WAS THEN DELIVERED BY OUR TEAMS ON RACEDAY.”

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The \$47 million investment in Eagle Farm includes the \$10 million State Government-funded track upgrade, \$12 million tunnel and flood mitigation works and \$25 million infield stables and Member carpark. This will be complemented by significant further investment to enhance Members' facilities before racing returns to Eagle Farm in May 2016.

Plans for the membership facility upgrades will be shared over the coming months, but will be the first stage of a greatly enhanced experience for our Members.

Prior to the carnival, the Club installed new access control technology to external entrances and Members' reserve areas at Doomben. This technology has been introduced to ensure the exclusivity of Members' areas and as phase one of the Club's future Member loyalty and rewards program.

In May, we welcomed Audra Duncan to the new role of Membership Manager. Audra, along with Membership Executive Natasha Horlin, who recently returned from maternity leave, will form a vital service team for BRC Members.

The team's first role was the 2015-16 membership year renewals which were impacted by a major IT issue that hit in the peak of the renewal period, requiring over two weeks processing to be recompleted. The team worked tirelessly



to keep delays to a minimum, however we apologise for the delays experienced by some Members. Moving forward we have implemented safeguards to avoid a repeat of such issue in the future.

This year, the Club again offered some outstanding incentives to continue your membership with the BRC. The chance to win a BMW 118i became a reality for regular racegoer and member Greg Dent at our inaugural Members' Appreciation Day on Saturday 29 August. The draw was part of a range of a well-received range of rewards offered on this day which following this year's success, will become an annual event for Members.

Expanding our rewards program for Members will be a focus for the year ahead, with the introduction of our Gallopers Rewards program to Doomben and Eagle Farm. The program will provide the opportunity for Members to use their Gallopers Rewards loyalty card at the track and earn reward points for attendance and food/beverage purchases.

Throughout the year we hosted a number of successful Member events including our Members' lunches, cocktail party, and the Stradbroke Eve Calcutta run by the Young Members' Committee.

On behalf of the Directors and BRC membership team I would like to thank the Young Members' Committee who have devoted their time to the Calcutta event as well as the BRC Members' Horse initiative in 2015.

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 for members. Keep any eye out also for our quarterly Members' newsletter and fortnightly email newsletter.

I look forward to seeing many Members trackside in the exciting year ahead for Brisbane Racing Club.



**Matt Rafton**  
General Manager – Marketing



*Members enjoying the Carnival Members' Cocktail Party*



*Members enjoying the Carnival Members' Cocktail Party*



*BRC Member Greg Dent receives the key to his new BMW from BRC Director David Dawson and Membership Manager Audra Duncan*



*BRC Members Gary & Doria Taylor celebrated their 34th wedding anniversary and Gary's 59th Birthday at the track*



# SALES AND SPONSORSHIP REPORT

The BRC's highly productive and hardworking sales team has achieved significant growth in the last year.

The raceday sales team largely contributed to an increase in hospitality revenue to \$13.7 million. This significant result was aided by the hugely successful 2015 Channel Seven Brisbane Racing Carnival. The 17 per cent growth in carnival hospitality bookings was due in no small part to the significant investment that was made into the presentation and styling of all events.

The Birdcage presented by James Boag's Premium showcased the finest of Queensland's hospitality. Tickets on AAMI Stradbroke Day sold out at \$700 per person. The Little Brisbane precinct, situated on the infield at Doomben, brought together three of Brisbane's finest restaurants – ARIA, Moda and The Boatshed – creating an indulgent food lovers' village.

The calibre and premium nature of these events set a high standard for the Club moving forward. The overwhelmingly positive feedback received post-carnival was a testament to the progressive changes made this year.

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)
- Beach Party (October)
- Melbourne Cup Day (November)
- Twilight Raceday (December)
- Girls' Day Out (February)
- Tiki Village Raceday (March)

Also, the refurbishment of the Corporate Suites and the Champions Bar at Doomben resulted in sell-outs during the busy Christmas party period in November-December and increased interest during the year. The planned refurbishments for Eagle Farm are expected to have similar results.

Despite fewer racedays, the sponsorship team increased revenue by nine per cent in the 2014-15 year. Key drivers of this increase were new partnerships with UBet and BMW Australia. The BRC also enjoyed the continued support of long standing partners including Channel Seven, AAMI, Tourism and Events Queensland, Treasury Casino & Hotel, Diageo, Lion, and Indooroopilly Shopping Centre. Outside of the carnival, support from local schools, small and medium-sized businesses and suppliers was strong.

However it wasn't just racing that helped propel the BRC to an encouraging year in sales. The BRC's aim to diversify its revenue base continued with the appointment of a Sales Manager for Special Events and non-racing revenue growth. This was made possible by key events such as Future Music, Homeless Connect, RACQ Motorfest, Fier Italia Festival and the BP Refinery Expo.

There has also been a significant increase in weddings in the Tote Room and conferences in the newly refurbished Satchel Room. The special events sales team have sought to raise awareness of the BRC's facilities by exhibiting at more than eight events this year including the QLD Brides Expo, the Brisbane Marketing Pop Up Venue Showcase and Convene Expo.



**Katie Churchill**  
General Manager – Sales





# HUMAN RESOURCES REPORT

The transition from a traditional racing club to a leading southeast Queensland entertainment, events and hospitality location has triggered key transformational changes, including organisational realignments within both the Operations and the Tracks and Facilities teams.

Both realignments were based on creating a core team of permanent staff with increased accountability to deliver on current business needs and to ready the business for future requirements. Despite the Eagle Farm track closure, we were proud to increase permanent headcount in the 2014-15 financial year.

Within our Tracks and Facilities team, we are negotiating an EBA that will allow greater flexibility and increased career opportunities, assisting us in creating a multi-skilled and responsive workforce. This will be critical in ensuring we can provide operations and event management for a diverse customer group in the future.

During the last year, the BRC implemented a new set of values as we developed a culture based on productivity and a feeling of winningness. Our values guide our behaviour, decision-making and our day-to-day interactions with each other. We have embedded these values in our performance review system, which focuses not only on “what” we do, but “how” we do it.

The BRC was required to report to the Workplace Gender Equality Agency again this year. We achieved compliance but we have identified areas in which we can increase gender diversity within the workplace.

The year ahead will focus on increased retention of employees, increased productivity through continued implementation of KPIs, growth innovation and leadership at every level, talent identification and management and workforce planning to ensure we can deliver on the future needs of the business.

Safety is and will always be our top priority – it is embedded in everything we do. In the past six months, we have made significant progress in safety with the appointment of a highly experienced workplace health and safety advisor. This appointment has resulted in significant changes in behaviour and engagement within all levels of the BRC in regards to safety.

We finished the year with Lost Time Injury Frequency Rates (LTIFR) of 10. Injury prevention and management will remain a core focus so that we can lower this rate and achieve industry best standard, which is a KPI within the BRC’s Strategic Plan. We have partnered with Workplace Health and Safety Queensland on their Injury Prevention and Management program to assist in reviewing and improving safety and injury management at our workplace.

This year also included a systems audit through DWS Hospitality Specialists. We achieved a compliance score of 82 per cent. The year ahead will see us strive for a compliance score of 90 per cent.



**Renee Morgan**

Director – Human Resources

# BRISBANE RACING CLUB ACKNOWLEDGED FOR PRESERVATION OF HISTORY

The Brisbane Racing Club was recipient of the Queensland Business History Award at the annual Business Leaders Hall of Fame dinner for 2015. The Hall of Fame governing partners, the QUT Business School, State Library of Queensland and the Queensland Library Foundation made the award in recognition of the club's leadership in collecting, preserving and sharing its history that it undertakes in conjunction with the Thoroughbred Racing History Association.

It was a fitting accolade for the association which acts as curator for the Racing Museum in the heritage listed Old Tote Building at Eagle Farm and the Racing Archive of library, photographs, artworks, records and memorabilia at Doomben racecourse.

The award was the highlight of an increasingly busy year for the association, which has a membership of 60 racing enthusiasts led by a volunteer management committee of seven.

The association again took part in the National Trust's annual Heritage Festival, taking up the festival theme of Conflict and Compassion by presenting a lecture and pictorial display titled "Camp Ascot: Racing in Brisbane during World War II" which reflected on the closure of Eagle Farm and Doomben racecourses from 1941 until 1946 when they were turned into massive staging camps for troops for the duration of the Pacific war.

In June, the association hosted a visit to the museum by delegates of Engineering Heritage Australia during their national conference. The delegates inspected the mechanism of the Julius totalisator, which is regarded as a forerunner to the modern computer. The tote was the invention of the extraordinary engineer Sir George Julius, whose company Automatic Totalisators built and marketed an estimated 200 of the machines for use around the world. The Eagle Farm machine is acclaimed as the best preserved of its type in the world.

Another highlight was the Melbourne Cup visit, with the trophy for the 2014 race displayed at the Museum during its promotional tour of Australia ahead of last year's race.

The association continued to gather historic memorabilia, and on the occasion of the BRC's 150th anniversary celebration was able to display the 1889 Brisbane Cup and 1935 King's Cup.

A visit to the Museum and Archive has been added to the curriculum for Queensland Racing's Apprentices' School, and the association regularly hosts tour groups visiting the Eagle Farm and Doomben racing precinct.

The Racing Museum and Archive are listed on Brisbane's Living Heritage Network. The Museum is open by appointment, and the Archive opens every Wednesday between 10am and 3pm or by appointment. The association welcomes volunteers to its regular workshops and can be contacted through the BRC office.

## **Peter Howard**

President – Thoroughbred History Racing Association



*BRC Chairman Neville Bell accepts the award at the Business Leaders Hall of Fame dinner*



# VALE BILL CARTER

BRC lost a loyal friend and confidant with the passing of Life Member the Honourable Bill Carter, 84, in January.

A Supreme Court judge, Carter became a Member of the Queensland Turf Club and the Brisbane Turf Club in 1972. He rarely missed a Saturday meeting at Eagle Farm and Doomben.

BRC chairman Neville Bell paid tribute to Judge Carter's contribution to the racing industry and the BRC in particular over several decades.

"Bill was extremely influential in racing politics because people respected his vast knowledge of race club history and the relationship between the industry and government," Mr Bell said.

"Judge Carter was a driving force in the amalgamation of the two Brisbane metropolitan clubs to form the Brisbane Racing Club.

"My greatest memory of Bill Carter is of a gentleman who was a walking encyclopaedia of the history of Brisbane thoroughbred racing."

William Joseph Carter was born on 29 March 1930 in Goondiwindi. He completed his primary school education at convent and state schools in Goondiwindi, Texas, Inglewood and Dalby and then attended Downlands College in Toowoomba.

Judge Carter originally began studies in dentistry and commerce but suspended that task when he entered Banyo Seminary (1949-52). He completed a Bachelor of Laws at the University of Queensland in 1959 after serving six years as a clerk in the Queensland Public Service.

On 16 December 1959 Judge Carter was admitted as a barrister of the Supreme Court of Queensland and practised at the bar in both Townsville and Brisbane before taking silk in December 1978.



In February 1980 Judge Carter was appointed a judge of the District Court of Queensland. He became a judge in the Supreme Court in May 1983.

He resigned from the court in May 1990 at age 60.

After his retirement Judge Carter was called on to conduct a series of Commissions of Inquiry. These included an inquiry into Ward 10B of the Psychiatric Unit of the Townsville General Hospital (1990-91), the Royal Commission into alleged political bribery in Tasmania (1991), Operation Trident (1992-93), the selection of the jury for the trial of Sir Joh Bjelke-Petersen (1993) and police involvement in the drug trade (1996-97).

In more recent times, Judge Carter served as the inaugural head of the Racing Disciplinary Board and was chairman of the first Racing Appeals Authority.

Judge Carter married Anne Jappe on 8 January 1955. They had one son Tony and three daughters – Robyn, Mary-Anne and Bernadette.

## BRC REMEMBERS

BRC acknowledges the passing of the following Members reported to the Club during the 2014-15 year:

- |                       |                    |
|-----------------------|--------------------|
| - Frank Armstrong     | - Arthur Mort      |
| - Royal Atkins        | - Allan Musgrave   |
| - James Boyd          | - Douglas Nicholls |
| - Harry Burke         | - William O'Brien  |
| - Donald Button       | - John Potts Snr   |
| - William Chandler AM | - Jim Standfield   |
| - Brian Connolly      | - Patrick Storer   |
| - Greg Grant          | - Peter Thomas     |







# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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# 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 2015.

## DIRECTORS

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

N D Bell

D J Dawson

S M Gagel

S P Gleeson (appointed 07 July 2014)

R H Morrison

C M Schatz (appointed 11 May 2015)

J D Shepherd (appointed 11 May 2015)

T J Svenson (appointed 11 May 2015)

Directors have been in office since 1 July 2014 to the date of this report unless otherwise stated above. The qualifications and experience of the Directors are outlined later in this report.

## COMPANY SECRETARY

The Company Secretary at the end of the year was Mr A G Walker who 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 has 21 years' experience in finance and operations across blue chip companies including Jupiters Casino, KPMG, TABCORP and Westfarmers 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 2015 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 \$260,611 (2014 \$151,371).

## DIRECTORS' REPORT

### 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.

### 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 2,862 racing members, so the total amount that members of the Company are liable to contribute if the company is wound up is \$28,620.



# DIRECTORS' REPORT

## 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

No matter or circumstance has arisen since 30 June 2015 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 67)

#### 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 Queensland Turf Club 1998-2009.

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

### RICHARD MORRISON (AGE 41)

#### Vice-Chairman

**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 1990's, 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, Membership and New Business Development Sub-Committees.

### DAVID DAWSON (AGE 68)

#### Director

**Qualifications and Experience** – David is a medical scientist by profession. Now retired, he was formally Chief Scientist with Queensland Health and consultant to the World Health Organisation. He has racing and breeding interests, and was a former Director Queensland Turf Club 2005-2009 (Treasurer 2007-2009).

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

### STEVE GAGEL (AGE 43)

#### Director

**Qualifications and Experience** – Steve is a Director at Prosperity Advisers Group 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 been a part-owner of racehorses over recent years.

Special Responsibilities – Chairman of Finance, Governance and Risk Management Sub-Committee, Member of New Business Development Sub-Committee.

### SIMON GLEESON (AGE 37)

#### Director

**Qualifications and Experience** – Simon is an Economist by qualification and has been the Commercial Manager at Arrow Energy for more than six years. He has a strong financial and commercial background through his experience working in both Australia and the United Kingdom. Simon has been around horses from an early age and is a Director of Gleeson Thoroughbred Connections.

Special Responsibilities – Member of Finance, Governance and Risk Management, Master Planning and New Business Development Sub-Committees.

### CURT SCHATZ (AGE 56)

#### Director

**Qualifications and Experience** – Curt is Managing Partner of Mullins Lawyers' and leads their property and hospitality practice. He has more than 30 years' experience in property, liquor and gaming law. He has owned and bred racehorses in Australia and New Zealand for more than two decades.

Special Responsibilities – Chairman of New Business Development Sub-Committee, Member of Master Planning Sub-Committee.



# DIRECTORS' REPORT

## JOHN SHEPHERD (AGE 46)

### Director

**Qualifications and Experience** – John has a B.A. (Economics) and Post-Grad Diploma in Finance and Accounting. With over 25 years' experience in finance and property, John is Managing Partner at Gallus Partners, a real estate, investment and advisory company. He is a current Board Member of Brisbane Marketing and past Board Member of the Urban Development Institute of Australia (UDIA) Queensland.

Special Responsibilities – Member of Finance, Governance and Risk Management and Master Plan Sub-Committees.

## TERRY SVENSON (AGE 44)

### Director

**Qualifications and Experience** – Terry is Chief Executive Officer at Cerebos Australia and New Zealand where he leads more than 700 employees and oversees four manufacturing sites. He was previously the president of Toombul Junior Cricket Club and a Board Member at St Agatha's School, Clayfield.

Special Responsibilities – Member of Finance, Governance and Risk Management, Membership and Special Projects Sub-Committee.

## MEETINGS OF DIRECTORS

During the financial year, 12 meetings of Directors were held.

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

NAME	DIRECTORS MEETINGS <sup>1</sup>		FINANCE, GOVERNANCE AND RISK MANAGEMENT		SPECIAL PROJECTS AND GALLOPERS		MASTER PLANNING		MEMBERSHIP	
	A	B	A	B	A	B	A	B	A	B
N D Bell	12	12	-	-	1	1	5	5	-	-
D J Dawson	12	12	-	-	1	1	-	-	3	3
S M Gagel	12	12	4	4	-	-	1	1	-	-
S P Gleeson	12	12	4	4	-	-	3	3	2	1
D B Hassall	7	6	2	2	-	-	-	-	-	-
R H Morrison	12	12	-	-	-	-	5	5	3	2
C M Schatz	2	2	-	-	-	-	-	-	-	-
J D Shepherd	2	2	1	1	-	-	-	-	-	-
T J Svenson	2	2	1	1	-	-	-	-	-	-
P G Tighe	6	5	1	1	-	-	4	4	-	-
P R Williams	7	7	-	-	-	-	4	3	-	-

A = Number Meetings Eligible to Attend

B = Number Attended

<sup>1</sup> Directors meetings were also attended by executive officers of the Company.

NB: The New Business Development Sub-Committee was formed in May 2015 and had not met prior to the 30th June 2015.

## DIRECTORS' REPORT

### PURPOSE AND AMBITION

The Brisbane Racing Club is a Club for every occasion whose purpose is to

- Encourage, promote and develop thoroughbred horse racing and carry on other activity that furthers industry participation.
- Enhance membership of the Club by delivering "best in class" experiences, benefits and value.

The ambition is to be a leading South East Queensland entertainment, events and hospitality location.

### 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



**R M MORRISON**

Director

17 September 2015



**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 2015 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  
17 September 2015



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 2015

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

	NOTE	2015 \$	2014 \$
Revenue from ordinary activities	2	36,197,933	35,329,961
Expenses from ordinary activities	3	(36,152,666)	(35,295,470)
Profit/(Loss) from ordinary activities		\$45,267	\$34,491
Other comprehensive income		215,344	116,880
<b>TOTAL COMPREHENSIVE INCOME/(DEFICIT) FOR THE YEAR</b>		<b>\$260,611</b>	<b>\$151,371</b>

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



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2015

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

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,911,927	2,472,475
Trade and other receivables	7	2,527,940	1,668,359
Inventories	8	294,909	421,342
Prepayments		140,578	107,851
<b>TOTAL CURRENT ASSETS</b>		<b>4,875,354</b>	<b>4,670,027</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	88,709,810	86,628,347
Investment properties	10	1,797,500	1,801,250
Intangible assets	11	552,279	552,279
Defined benefit plan	23	412,524	270,145
<b>TOTAL NON-CURRENT ASSETS</b>		<b>91,472,113</b>	<b>89,252,021</b>
<b>TOTAL ASSETS</b>		<b>96,347,467</b>	<b>93,922,048</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	5,725,105	4,302,915
Employee entitlements	13(a)	1,331,579	1,209,167
Provisions	14	65,383	232,813
Income received in advance		782,669	591,843
Borrowings	15(a)	1,020,803	966,382
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,925,539</b>	<b>7,303,120</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee entitlements	13(b)	96,854	63,591
Borrowings	15(b)	509,126	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>605,980</b>	<b>63,591</b>
<b>TOTAL LIABILITIES</b>		<b>9,531,519</b>	<b>7,366,711</b>
<b>NET ASSETS</b>		<b>\$86,815,948</b>	<b>\$86,555,337</b>
<b>EQUITY</b>			
Members' funds		86,619,481	86,358,870
Asset revaluation reserve		196,467	196,467
<b>TOTAL EQUITY</b>		<b>\$86,815,948</b>	<b>\$86,555,337</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

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

	MEMBERS' FUNDS	ASSET REVALUATION RESERVE	TOTAL
	\$	\$	\$
<b>BALANCE AS AT 1 JULY 2013</b>	<b>\$ 86,207,499</b>	<b>\$ 196,467</b>	<b>\$ 86,403,966</b>
<b>Comprehensive Income</b>			
Profit attributable to the entity	34,491	-	34,491
Other comprehensive income for the year	116,880	-	116,880
Total Comprehensive Income	151,371	-	151,371
<b>BALANCE AT 30 JUNE 2014</b>	<b>\$ 86,358,870</b>	<b>\$ 196,467</b>	<b>\$ 86,555,337</b>
<b>Comprehensive Income</b>			
Profit attributable to the entity	45,267	-	45,267
Other comprehensive income for the year	215,344	-	215,344
Total Comprehensive Income	260,611	-	260,611
<b>BALANCE AT 30 JUNE 2015</b>	<b>\$86,619,481</b>	<b>\$196,467</b>	<b>\$86,815,948</b>

## 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 2015

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

	NOTE	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		35,402,019	34,158,815
Payments to suppliers and employees		(32,450,507)	(31,469,039)
Interest received		19,867	51,262
Interest paid		(59,683)	(62,850)
Net Cash provided by Operating Activities	17	2,911,696	2,678,188
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,433,016)	(2,222,775)
Proceeds from Disposal		107,292	710,658
Net Cash used in Investing Activities		(3,325,724)	(1,512,117)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		50,251	53,884
Repayments from borrowings		(140,000)	(200,000)
Proceeds from lease borrowings		-	-
Repayments of lease liabilities		(56,771)	(97,853)
Net Cash provided by/(used in) Financing Activities		(146,520)	(243,969)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(560,548)</b>	<b>922,103</b>
Cash at beginning of financial year		2,472,475	1,550,372
<b>CASH AT END OF FINANCIAL YEAR</b>		<b>\$1,911,927</b>	<b>\$2,472,475</b>
<b>CASH AT END OF FINANCIAL YEAR</b>			
Cash at bank and on hand		1,911,927	1,451,566
Deposits at call		-	1,020,909
<b>CASH AT END OF FINANCIAL YEAR</b>		<b>\$1,911,927</b>	<b>\$2,472,475</b>

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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 22 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 2015

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) *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.

#### (ii) *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 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 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 2015

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)

#### *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.

#### *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 are 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.

#### *Capital Works in Progress*

Capital works under construction are capitalised and included as Works in Progress when the costs are considered directly attributable to an asset. Work in Progress is transferred to property, plant and equipment when the work on the asset is complete and ready for use.

#### *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%



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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)

#### *Depreciation (cont'd)*

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 arms' 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 entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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

### (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) Prizemoney

From July 2005, Racing Queensland (RQ) introduced a scheme regarding the funding of prizemoney and the payment of an administration subsidy. RQ has instructed the Group that funding and payment of prizemoney paid on races conducted by the Group be excluded from revenue and expenditure. Total prizemoney paid on races conducted by the Group is disclosed in Note 21 to the financial statements.

### (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) New Accounting Standards for Application in Future Periods

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements are listed below:

1. AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).
2. AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2017).

The Group does not plan to adopt these standards early.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

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

### (r) New and Revised Standards that are Effective for these Financial Statements

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2014 that have been adopted by the Group is presented below.

- a) AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>2. REVENUE</b>		
<b>Operating Activities</b>		
- Racing Queensland Limited Subsidy	2,401,122	2,483,711
- Catering and admissions revenue	17,038,568	15,885,718
- Broadcast, television rights and sponsorship	8,088,086	7,893,776
- Wagering and gaming revenue	3,498,399	3,183,099
- Stable, track and barrier trial fees	3,549,621	3,692,071
- Other operating revenue	126,640	23,750
Total Operating Revenue	34,702,436	33,162,125
<b>Non-Operating Activities</b>		
- Member subscriptions and entrance fees	901,677	1,156,143
- Profit on Sale of Assets	107,292	413,971
- Rental, interest and other income	486,528	597,722
Total Non-Operating Revenue	1,495,497	2,167,836
<b>TOTAL REVENUE</b>	<b>\$36,197,933</b>	<b>\$35,329,961</b>
<b>3. EXPENSES</b>		
<b>Racing and Non-Racing Expenses</b>		
- Catering and raceday salaries and associated costs	11,597,565	11,422,506
- Equipment Hire	2,488,041	1,557,452
- Trophies	96,825	96,437
- Totalisator expenses (note 4)	1,228,762	1,077,927
- Racing service providers	2,679,539	3,049,534
- Gaming and sports club expenses	510,021	591,864
- Other expenses	1,164,366	937,903
Total Racing and Non-Racing Expenses	19,765,119	18,733,624
<b>Maintenance Expenses</b>		
- Salaries, contractors and associated costs	3,859,747	3,413,903
- Materials and services	3,962,806	4,211,888
- Other maintenance expenses	270,189	304,829
Total Maintenance Expenses	8,092,742	7,930,620
<b>Administration Expenses</b>		
- Salaries, contractors and associated costs	2,182,762	1,930,925
- Legal and compliance costs	136,143	130,407
- Marketing, promotions and branding	1,690,763	1,430,742
- Information technology and communications costs	347,255	272,513
- Other administration costs	1,150,466	1,446,149
Total Administration Costs	5,507,389	5,210,736

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>3. EXPENSES (CONT'D)</b>		
<b>Depreciation Expense</b>		
- Depreciation Expense	2,065,370	2,690,428
Total Depreciation Expense	2,065,370	2,690,428
<b>Movement in Provisions</b>		
- Employee entitlements	637,566	495,398
Total Movement in Provisions	637,566	495,398
<b>Other Expenses</b>		
- Asset write offs	-	143,731
- Defined Benefit Plan	84,480	90,933
Total Other Expenses	84,480	234,664
<b>TOTAL EXPENSES</b>	<b>\$36,152,666</b>	<b>\$35,295,470</b>
<b>4. TOTALISATOR COMMISSION</b>		
Gross commission	1,237,521	820,050
Expenses	(1,228,762)	(1,077,927)
Totalisator Loss	\$8,759	(\$257,877)
<b>5. AUDITORS' REMUNERATION</b>		
Remuneration of the auditors of the Company for:		
- auditing and reviewing the financial report	58,000	55,620
- other services	27,026	20,000
	\$85,026	\$75,620
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	583,220	510,243
Cash at bank	1,328,707	941,323
Short term deposits	-	1,020,909
Total Cash	\$1,911,927	\$2,472,475

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>7. TRADE AND OTHER RECEIVABLES</b>		
Trade debtors	2,001,054	1,269,813
Provision for impairment	-	-
	2,001,054	1,269,813
Other receivables	526,886	398,546
	\$2,527,940	\$1,668,359
<b>8. INVENTORIES</b>		
Catering food and beverage – at cost	272,779	408,787
Maintenance materials – at cost	22,130	12,555
	\$294,909	\$421,342
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Freehold Land</b>		
At cost	29,500,000	29,500,000
Total Freehold Land	\$29,500,000	\$29,500,000
<b>Racetracks</b>		
At cost	10,126,060	10,091,060
Less Accumulated Depreciation	(603,986)	(502,967)
Total Racetracks	\$9,522,074	\$9,588,093
<b>Buildings &amp; Improvements</b>		
At cost	51,012,910	49,922,572
Less Accumulated Depreciation	(7,905,322)	(6,466,981)
Total Buildings	\$43,107,588	\$43,455,591
<b>Plant and Equipment</b>		
At cost	5,259,672	4,912,249
Less Accumulated Depreciation	(4,177,641)	(4,102,937)
Total Plant and Equipment	\$1,082,031	\$809,312
<b>Leased Plant and Equipment</b>		
At cost	762,353	353,000
Less Accumulated Depreciation	(37,266)	(132,375)
Total Leased Plant and Equipment	\$725,087	\$220,625



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)</b>		
<b>FURNITURE AND FITTINGS</b>		
At cost	1,200,542	1,167,755
Less Accumulated Depreciation	(1,021,305)	(928,514)
Total Furniture and Fittings	\$179,237	\$239,241
<b>CAPITAL WORKS IN PROGRESS</b>		
At cost	4,593,793	2,815,485
Total Capital Works in Progress	\$4,593,793	\$2,815,485
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>\$88,709,810</b>	<b>\$86,628,347</b>

## 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	RACE- TRACKS	BUILDINGS AND IMPRO- VEMENTS	PLANT AND EQUIPMENT	LEASED PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	CAPITAL WORKS IN PROGRESS	TOTAL
Balance at beginning of year	29,500,000	9,588,093	43,455,591	809,312	220,625	239,241	2,815,485	86,628,347
Additions	-	35,000	330,159	304,103	762,353	32,787	2,678,681	4,143,083
Transfers	-	-	760,179	360,819	(220,625)	-	(900,373)	-
Disposals	-	-	-	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-
Depreciation expense	-	(101,019)	(1,438,341)	(392,203)	(37,266)	(92,791)	-	(2,061,620)
<b>CARRYING AMOUNT AT THE END OF THE YEAR</b>	<b>29,500,000</b>	<b>9,522,074</b>	<b>43,107,588</b>	<b>1,082,031</b>	<b>725,087</b>	<b>179,237</b>	<b>4,593,793</b>	<b>88,709,810</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>10. INVESTMENT PROPERTIES</b>		
Balance at beginning of year	1,801,250	2,102,000
Acquisitions/(Disposals)	-	(296,688)
Depreciation	(3,750)	(4,062)
Balance at Year End	\$1,797,500	\$1,801,250

The Director's obtained an independent valuation of the investment properties as at June 2013, which noted the fair value to be \$2,340,000. The Director's believe the fair value has not significantly changed since.

<b>11. INTANGIBLE ASSETS</b>		
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

<b>12. TRADE AND OTHER PAYABLES</b>		
Trade creditors	4,034,060	2,424,815
Other creditors	1,691,045	1,878,100
	\$5,725,105	\$4,302,915

<b>13. EMPLOYEE ENTITLEMENTS</b>		
(a) Current		
- Annual Leave	705,245	601,628
- Long Service Leave	626,334	607,539
	\$1,331,579	\$1,209,167
(b) Non-Current		
- Long Service Leave	96,854	63,591
	\$96,854	\$63,591

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

	2015 \$	2014 \$
<b>14. PROVISIONS</b>		
<b>Current</b>		
- Provision for Deferred Settlement	-	175,000
- Other Provisions	65,383	57,813
Total Provisions	\$65,383	\$232,813

## Provision Movements

	PROVISION FOR DEFERRED SETTLEMENT \$	OTHER PROVISIONS \$	TOTAL \$
Opening balance 1 July 2014	\$175,000	\$57,813	\$232,813
Additional provisions	-	7,570	7,570
Amounts used	(175,000)	-	(175,000)
Balance at 30 June 2015	\$-	\$65,383	\$65,383

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

## 15. BORROWINGS

### (a) Current

- Lease liability secured	169,065	24,897
- Loan	851,738	941,485
	1,020,803	966,382

### (b) Non-Current

- Lease liability secured	509,125	-
	\$509,125	-

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

Buildings	1,263,404	1,291,250
Leased plant and equipment	725,087	220,625
	\$1,988,491	\$1,511,875

Lease liabilities are secured by the underlying leased assets.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 16. 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.

	2015	2014
	\$	\$

## 17. CASH FLOW

(a) Reconciliation of cash flows from operations with profit from ordinary activities:

<b>Profit/(Loss) from Ordinary Activities</b>	260,611	151,371
<b>Non -cash flows in operating profit:</b>		
- Depreciation and amortisation	2,065,370	2,690,428
- Net gain on disposal of investment property	-	(413,971)
- Asset write offs	-	143,731
- (Profit)/Loss on the Sale of Assets	(107,292)	-
- Defined Benefit Plan	(142,379)	(94,233)
<b>Changes in assets and liabilities:</b>		
- (Increase)/decrease in trade and other receivables	(859,581)	(68,189)
- (Increase)/decrease in prepayments	(32,727)	(16,286)
- (Increase)/decrease in inventories	126,433	46,445
- Increase/(decrease) in trade payables and accruals	1,620,586	1,210,547
- Increase/(decrease) in provisions and other liabilities	(19,325)	(971,655)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>\$2,911,696</b>	<b>\$2,678,188</b>

(b) Non-cash financing and investing activities:

Property, Plant and Equipment:

During the financial year, the consolidated group acquired plant and equipment with an aggregate fair value of \$762,353 (2014: \$Nil) of which \$710,067 is leased under finance. The \$710,067 of acquisitions under finance lease are not reflected in the statement of cash flows.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 18. FINANCIAL RISK MANAGEMENT

The financial instruments of the Company consist mainly of cash and cash equivalents, trade receivables and payables and borrowings. 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 for, amongst other issues, to 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.

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	< 30	31-60	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)	71-90	91-120	WITHIN INITIAL TRADE TERMS
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2015</b>								
Trade receivables	2,001,054	-	221,692	213,634	166,823	179,307		1,219,598
Other receivables	526,886	-	-	-	-	-		526,886
Total	\$2,527,940	\$-	\$221,692	\$213,634	\$166,823	\$179,307		\$1,746,484
<b>2014</b>								
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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) Market Risk

The Group's exposure to interest rate risk relates largely to cash and cash equivalents and borrowings held where a change in the market rates may occur to those recognised at the end of the reporting period.

#### Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to interest rate risk at balance date. The table indicates the impact on the current year results and equity which could result from a change in this risk.

	PROFIT	EQUITY
Year ended 30 June 2015		
+/-1% in interest rate	10,602	10,602
Year ended 30 June 2014		
+/-1% in interest rates	15,310	15,310

### (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 2015

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

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### *Financial Liability and Financial Asset Maturity Analysis*

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash and cash equivalents	1,911,927	2,472,475	-	-	-	-	1,911,927	2,472,475
Trade and other receivables	1,688,359	1,688,359	-	-	-	-	1,688,359	1,688,359
Total expected inflows	\$3,600,286	\$4,160,834	\$ -	\$ -	\$ -	\$ -	\$3,600,286	\$4,160,834
<b>Financial Liabilities</b>								
Trade and other payables	5,725,105	3,757,735	-	-	-	-	5,725,105	3,757,735
Borrowings	1,020,803	966,382	509,125	-	-	-	1,020,803	966,382
Total expected outflows	\$6,745,908	\$4,724,117	\$509,125	\$ -	\$ -	\$ -	\$6,745,908	\$4,724,117
Net inflows/ (outflows) on financial instruments	(\$3,145,622)	(\$563,283)	(\$509,125)	\$ -	\$ -	\$ -	(\$3,145,622)	(\$563,283)



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 19. DIRECTORS' AND EXECUTIVES DISCLOSURES

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

### ***Non-Executive Directors***

N D Bell

D J Dawson

S M Gagel

S P Gleeson (appointed 7 July 2014)

D B Hassall (resigned 26 February 2015)

R H Morrison

C M Schatz (appointed 11 May 2015)

J D Shepherd (appointed 11 May 2015)

T J Svenson (appointed 11 May 2015)

P G Tighe (resigned 24 February 2015)

P R Williams (resigned 22 March 2015)

### ***Executive Officers***

D Whimpey

Chief Executive 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.

Director Curt Schatz joined the Board in May 2015 and is a Partner at Mullins Lawyers. In the period to 30 June 2015, total fees of \$111,772 were paid to Mullins for legal advice and disbursements of which \$17,816 were paid subsequent to May.

Director Richard Morrison is a Director at Knight Frank Australia (Brisbane) Pty Ltd. In this financial year, they were paid \$49,847 as advertising funds for the Expressions of Interest Campaign for residential precinct 5B of the Eagle Farm and Doomben Master Plan. Funds were held in trust and disbursed to various media providers and contractors engaged for the advertising campaign. Upon completion the advertising expenditure was audited with unused funds returned to BRC.

All transactions were conducted on normal commercial terms and conditions no more favourable than those available to other persons or companies.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 19. DIRECTORS' AND EXECUTIVES DISCLOSURES (CONT'D)

### 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:

	2015 \$	2014 \$
Short term benefits	677,958	534,391
Post employment benefits	47,865	44,069
Termination benefits	-	-
Total	\$725,823	\$578,460

## 20. 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.

## 21. ECONOMIC DEPENDENCY

The Company is economically dependent of Racing Queensland for the funding of prizemoney and other distributions. Total prizemoney paid on races conducted by the Company in 2014/15 was \$27,278,700 (2013/14: \$33,341,954) which included \$1,427,000 prizemoney from the Queensland Thoroughbred Investment Scheme (QTIS).

## 22. CONTROLLED ENTITIES

### (a) Controlled Entities Consolidated

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED	
		2015	2014
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 2015

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

## 23. 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 members' 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 2015 (\$)	YEAR ENDING 30 JUNE 2014 (\$)
Net Defined Benefit (Liability)/Asset at Beginning of Year	270,145	175,912
Defined Benefit (Cost)/Credit Recognised in the P&L	(84,480)	(90,933)
Total Remeasurements Recognised in OCI gain/(loss)	215,344	116,880
Employer Contributions	11,515	68,286
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
<b>NET DEFINED BENEFIT (LIABILITY)/ASSET AT END OF YEAR</b>	<b>412,524</b>	<b>270,145</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

RECONCILIATION OF FAIR VALUE OF PLAN ASSETS	YEAR ENDING 30 JUNE 2015 (\$)	YEAR ENDING 30 JUNE 2014 (\$)
Fair Value of Plan Assets at Beginning of Year	1,435,888	1,322,241
Interest Income on Plan Assets	40,968	47,651
Remeasurements:		
- Return on Plan Assets (excluding amount in interest income) gain/(loss)	110,409	158,137
Employer Contributions	11,515	68,286
Employee Contributions and Rollover	49,658	49,482
Benefit Payments from Plan	(261,842)	(157,427)
Payments for Settlements	0	0
Administrative expenses paid	(38,362)	(33,269)
Taxes paid	(7,911)	(15,014)
Insurance premiums for risk benefits	(4,452)	(4,199)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
<b>FAIR VALUE OF PLAN ASSET AT END OF YEAR</b>	<b>1,335,871</b>	<b>1,435,888</b>

RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	YEAR ENDING 30 JUNE 2015 (\$)	YEAR ENDING 30 JUNE 2014 (\$)
Defined Benefit Obligation at Beginning of Year	1,165,743	1,146,329
Current Service Cost	48,823	58,517
Past Service Cost/(Credit)	0	0
(Gain)/Loss on Settlements	0	0
Interest Expense on DBO	32,784	39,419
Tax allowance in P&L	10,004	12,551
Administrative expenses allowance in P&L	33,837	28,097
Employee Contributions and Rollover	49,658	49,482
Benefit Payments from Plan	(261,842)	(157,427)
Benefit Payments Directly from Employer	0	0
Payments for Settlements	0	0
Administrative expenses paid	(38,362)	(33,269)
Taxes paid	(7,911)	(15,014)
Insurance premiums for risk benefits	(4,452)	(4,199)
Remeasurements:		
- Effect of changes in demographic assumptions (gain)/loss	0	0
- Effect of changes in financial assumptions (gain)/loss	(80,091)	15,960
- Effect of experience adjustments (gain)/loss	(24,844)	25,297
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
<b>DEFINED BENEFIT OBLIGATION AT END OF YEAR</b>	<b>923,347</b>	<b>1,165,743</b>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 23. 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 29 MAY 2015
<b>Cash and cash equivalents</b>	
- Cash	66,474
<b>Equity</b>	
- Domestic	391,621
- International (currency hedged)	122,966
- International (currency unhedged)	290,495
<b>Fixed Income</b>	
- Domestic Government Bonds	131,721
- International Government Bonds	132,125
<b>Real Estate / Property</b>	
- Domestic Indirect Property	39,579
- International Property	39,758
<b>Other types of Investment</b>	
- Alternative Growth	67,576
- Alternative Defensive	53,556
<b>TOTAL</b>	<b>1,335,871</b>

\* Based on the actual investment allocation of the Defined Benefit assets as at 29 May 2015 as the asset allocation as at 30 June 2015 has not been published yet.

### *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 2015 (\$)
Discount Rate plus 0.50%	898,506
Discount Rate minus 0.50%	950,051
Salary increase rate plus 0.50%	946,274
Salary increase rate minus 0.50%	901,708

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 23. 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 2016 (\$)
Expected Employer contributions	10,639
Expected Employee contributions	12,140

### *Maturity Profile of the DBO as measured by weighted average duration*

The weighted average term of the DBO is calculated as 8.6 years.

PROJECTED BENEFIT PAYMENTS	(\$)
Next Year	32,981
Next Year + 1 year	31,326
Next Year + 2 years	27,457
Next Year + 3 years	25,161
Next Year + 4 years	235,542
Sum of Next Year + 5 ~ 9 years	263,915

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 23. 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 \$856,264 (2014 \$710,187). Employees contribute various percentages of their gross income and the Company contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

## 24. 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 in relation to the Company's Board and Executive staff are as follows:

	BOARD	EXECUTIVE	TOTAL
	\$	\$	\$
Entertainment	9,656	555	10,211
Travel and Accommodation	19,631	29,070	48,701
Telephone	-	-	-
<b>TOTAL</b>	<b>29,287</b>	<b>29,625</b>	<b>58,912</b>

## 25. CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2015 amounted to \$266,480 (2014 \$784,221). All capital commitments are expected in the year to 30 June 2016.
- (b) Finance Lease Commitments

	2015	2014
	\$	\$
Payable – minimum lease payments:		
- Not later than 12 months	192,528	25,234
- Between 12 months and 5 years	548,792	-
- Greater than 5 years	-	-
Minimum lease payments	741,320	25,234
Less future financial charges	(63,130)	(337)
Value of minimum lease payments	15	\$24,897

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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

## 25. CAPITAL AND LEASING COMMITMENTS (CONT'D)

The finance leases on plant and equipment commenced in December 2014 and June 2015 and are 5 year leases with lease payments paid monthly in advance. The carrying amount of the assets secured under these finance leases is \$725,087. 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.

## 26. 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, Governance and Risk Management Sub-Committee ensures that the overall financial and risk management strategy is in line with this objective.

The Finance, Governance and Risk 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.

## 27. AFTER BALANCE DATE EVENTS

There are no after balance date events to be included in this report.

The financial report was authorised for issue on 17 September 2015 by the Board of Directors.

## 28. 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 2015 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



**R M MORRISON**

Director

17 September 2015

# 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 2015, 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 2015 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  
17 September 2015



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# SPONSORS & PARTNERS

## PRINCIPAL PARTNERS



## MAJOR PARTNERS



## PARTNERS & SUPPLIERS

AAMI	Glenlogan Park Stud	Qld Hotels Association
Ascend Sales	Greenslopes Private Hospital	Robert Oatley Wines
Ambassador Travel	Grinders Coffee	Racezone
Amini Concepts	Evergreen Turf	Sirromet Wines
bmag	Indooroopilly Shopping Centre	SUEZ Environnement
Best Security	Iona College	Sky Racing
BMW Australia	Landfill Logistic Qld	St Margaret's Anglican Girls School
Bouquet Boutique	LION	St Vincent's Brisbane
Brazilian Beauty	Magic Millions	Style Magazines
Brisbane Broncos	Mater Dei School	The Courier-Mail
Brisbane Marketing	Mitavite	Treasury Casino & Hotel
Brisbane Marriott Hotel	Mitty's	Hamilton Hotel
Brother's Rugby Club	Mullins Lawyers	Thoroughbred Breeders Qld Association
Champagne Bollinger	Nova 106.9	Tourism & Events Queensland
Channel Seven	Novotel Brisbane Airport	UBET
Coca Cola Amatil	Padua College	Valiant Hire
Darley	Pages	Yalumba Wines
Garrards Pty Ltd	Qld Bus Industry	

## CLUB 100 MEMBERS

ACQUIRED AWARENESS TRAFFIC MANAGEMENT	CITY PROPERTY SERVICES	NOVA 106.9FM
ADRENALINE THOROUGHBRED SYNDICATIONS	GALLOPERS SPORTS CLUB	NTI LIMITED
AON RISK SERVICES AUSTRALIA	GARRARDS VETERINARY	PAGES HIRE CENTRE
APACK UNITED PTY LTD	HEIGHT 4 HIRE	QPOS
ASCEND SALES & SPONSORSHIP	HERBERT SMITH FREEHILLS	QUEENSLAND ELECTRICAL
BEST SECURITY	INGAL CIVIL PRODUCTS	SECUTOR SECURITIES
BRISBANE BMW	LILVALE STUD	SQS HAULAGE
BUSINESS SUCCESS GROUP	MAILEZY	SUEZ ENVIRONNEMENT
CALIBRE CONSULTING	MAXGAMING	STANLEY RIVER THOROUGHBREDS
CARDNO (QLD) PTY LTD	MCGRATH ESTATE AGENTS ASCOT	TAXI COUNCIL QUEENSLAND
CBS AIR CONDITIONING	MIRVAC	TYREMIL



*A huge crowd packed Doomben first ever AAMI Stradbroke to be run at Doomben on Saturday 6 June, 2015*







BRISBANE  
RACING CLUB

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