



BRISBANE
RACING CLUB

2015-2016 ANNUAL REPORT



2015–2016 Annual Report Contents

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Cover: The official reopening of Eagle Farm Racecourse
on AAMI Stradbroke Day, Saturday 11 June 2016.

Image: Jared Vethaak.

Right: Under The Louvre surges to the finish line against
Black Heart Bart in the 2016 AAMI Stradbroke Handicap.

Image: Grant Peters – Trackside Photography.







Chairman's Report

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

This was a year unlike many in the 150 years of Brisbane racing.

Eagle Farm was closed for racing for almost all of 2015–16 as the transformation of the state's most popular racetrack continued with two tunnels constructed beneath its famous course proper.

While the disruption presented a serious challenge for the BRC's normal operations, the Club took another step on the path to becoming Australia's most dynamic and innovative racing precinct.

By January, we will have 430 horses stabled in the Eagle Farm infield in state-of-the-art training facilities.

The infield construction will also feature 1,000 car parks, entry pavilion, flood mitigation and extensive landscaping. This will

complement the super screen that has transformed the way races are watched at Eagle Farm.

Outside of the course proper, construction is set to begin on the first of eight residential towers, featuring 1,200 apartments, in our joint venture with Mirvac.

A few hundred metres further along the home straight, the facilities in the Members and public areas have already been upgraded.

The reports from each of the BRC's general managers in this annual report provide a full breakdown of the roll out of the BRC Master Plan.

In 2016–2017, the BRC will evaluate the feasibility of several new opportunities to expand our diversified revenue footprint and further support the sustainability of our Club. These include:

- The development of the neighbourhood shopping centre in the north-east corner of Eagle Farm facing Nudgee Road. Woolworths has been secured as the anchor tenant for the centre which will also contain 1,200m² of speciality shops and 1,000m² of office space.

This commercial blue chip property will be retained by the Club as part of our non-racing asset portfolio that will contribute to our diversified revenue stream.

- The childcare centre on Lancaster Rd is another exciting commercial project. This centre has been leased to a local operator. Construction will commence in September and is due for completion in March 2017. Once again this property will be retained by your Club as another non-racing asset.

While these changes continue around the racing precinct, we cannot forget that the BRC is built on racing. And it was with much anticipation that we returned to Eagle Farm for Group 1 meetings on June 11 and 25.

The upgraded Members' areas were well attended on both days, with many supportive messages on the improved facilities.



2016 saw the completion of Stage 1 of the design of the supermarket and retail precinct on the corner of Nudgee Rd and Mein Street.

“While the disruption presented a serious challenge for the BRC’s normal operations, the Club took another step on the path to becoming Australia’s most dynamic and innovative racing precinct.”

Throughout 2015–16, Doomben raced in remarkable fashion. Rarely has an Australian track shouldered such a load in metropolitan racing while consistently turning out magnificent racing surfaces.

And Doomben also became Queensland’s busiest trackwork venue for two months as 550 horses relocated from Eagle Farm while the tunnels were constructed.

FINANCIAL PERFORMANCE

The positive result of \$1.7 million while looking good is not a true reflection of your Club’s actual trading for the last 12 months. A number of one-off events handed the BRC a profitable outcome for 2015–2016: the \$9.3 million grant from the industry infrastructure fund towards the new Eagle Farm course proper and the sale of six blocks of land in Mein St were accounted for during the year.

The BRC’s commitment to a diversified business model was again underlined by a \$1.1 million injection from Gallopers Sports Club, the Sunday markets at Eagle Farm and other non-racing events.

But the realities of the construction meant that BRC management operated under extreme conditions, with severe impacts on the Club’s non-racing activities including the Eagle Farm Sunday Markets and the BRC’s wedding business.

The operational loss of approximately \$1.7 million was a consequence of several factors including:

- Large unbudgeted labour costs to fulfil the obligations of continuing to provide training to the 550 horses that supply the core racing product in south-east Queensland.
- Unbudgeted material costs due to the uncertainties of a project that was handed to the Club to manage in August 2015.
- Reduced raceday revenue due to the loss of 40 race meetings, including lost revenue on media rights and sponsorship.
- Inability to grow our non-major racing events business due to construction works.

- The final straw came when our return to racing at Eagle Farm on Oaks Day was washed out by an extreme weather event. That was a \$0.4 million loss for the Club.

The tunnels and infield works will cost \$39 million, funded by loans from Queensland Government and ANZ Bank. These loans will be repaid from the BRC revenue share of the Mirvac joint venture.

The BRC’s joint venture with Mirvac has become a special relationship for the Club, with the first building going to market in April 2016.

Following an exclusive pre-launch period, I am pleased to report that 20 of the first 60 units were purchased by BRC Members.

While we expect a better outcome in 2016–2017, it is still shaping as a challenging year with the high fixed costs of operating a large race club and limited opportunities to grow revenues in the traditional manner. The sustainability of the BRC has never been more reliant on the diversified business model currently planned and gradually unfolding under the guidance of your board and senior management.

MASTER PLAN

The commencement of the first residential tower is slightly behind schedule with an expected construction start date of October 2016. Mirvac has now secured Brisbane City Council building approval and have 60 unconditional sales of the 91 available apartments in Ascot House – the first stage of the project.

I ask Members to be aware of note 27 in the financial statements titled “After balance events”. This issue refers to the unbudgeted financial contribution your Club had to make to the infield project in order for the new course proper, tunnels and flood mitigation to be completed.

The issues confronting your board were a consequence of decisions made by parties outside of the BRC to reduce the scope of works on the track and tunnel contracts to fit a reduction in grant and loan funds.

Unfortunately, the cost to bring these projects to practical completion needed to be funded by the BRC. Fortunately, we were able to borrow from Mirvac against our future revenue share from the residential development.

BRC has lodged a submission to RQ seeking reimbursement of \$5.015 million from the industry infrastructure fund.

EAGLE FARM TRACK

The first race meeting on the new course proper was held on Stradbroke Day, June 11, after a few false starts due to wet weather and uncertainty of the new turf to cope with the rigours of a major race day.

Stradbroke Day 2016 has been well documented following a cancelled Oaks meeting. On the previous Saturday, the new Eagle Farm course proper was confronted with 10 races of capacity fields.

The Club also unveiled upgraded Member and patron facilities to an eager crowd of 20,000 people. While the majority of patrons had an enjoyable day, a number of Members and patrons endured a poor raceday experience, for which the board and senior management apologise. Valuable lessons were learned and measures have been put in place to protect Members' raceday enjoyment and experiences.

The new track continues to improve with time and racing. We have experienced large field sizes and good wagering for race meetings held at Eagle Farm.

The track has received critical commentary from some sections of the industry, due to high expectations of a new track that has been affected by delays out of the BRC's control.

As we move into the spring growing season, we are advised the grass density will improve greatly. At the end of winter, we rate the track seven out of 10. However, it will need a full growing season to reach the desired density and root growth.

APPRECIATION

The board recognises the loyal staff that make up Team BRC. During 2015–2016, many had to work to difficult time schedules. Some started at 2am each morning to monitor the expanded track opening times while Eagle farm was closed. Operating tractors and chemical spraying began at 4am on Sundays.

I congratulate the management and staff for dealing with the challenges of the last 12 months of disruption. We look forward to the exciting next 12 months as the new Eagle Farm racing precinct comes to life.

The BRC had a solid working relationship with the interim Racing Queensland board. Interim CEO Ian Hall and interim Chair John Muir were supportive of the BRC during a difficult time for racing administration in Queensland.

We wish Steve Wilson, the new chairman of Racing Queensland, and his board together with new CEO Elliot Forbes, the best of luck with the task of stabilising the Queensland racing industry and implementing a new strategy of sustainability.

The BRC continues to maintain strong relationships with officials from the Brisbane City Council, the State Government and Racing Queensland. This contact has included time with:

- Premier of Queensland, Annastacia Palaszczuk
- Honourable Grace Grace, Minister for Racing, Employment and Industrial Relations and Multicultural Affairs
- Lord Mayor Graham Quirk
- LNP Leader and Member for Clayfield Tim Nicholls MP
- Hamilton Ward Councillor David McLachlan
- Racing Queensland Chairman Steve Wilson

Each representative has shown a willingness to work with the BRC and the wider Queensland racing industry. I thank them for their valued co-operation.

In closing, I thank my fellow directors for their support and advice during an intense year. Each director has given their time and advice freely and willingly and showed a real passion for the BRC.

My sincere thanks to Members for your support and patience in 2015–2016. I look forward to seeing you trackside during an exciting 2016–2017 season.



Neville Bell
Chairman

STATISTICAL INFORMATION	2016	2015	2014	2013	2012
RACING					
Race Meetings	54	52	92	91	91
Saturdays and Public Holidays	39	36	47	46	45
Mid Weeks	15	16	45	45	46
Races	429	414	744	732	689
Starters	4,605	4,298	7,666	7,662	7,579
Average Starters per race	10.73	10.38	10.30	10.41	11.00
ATTENDANCES					
Annual	164,225	153,952	177,255	195,006	195,512
Brisbane Racing Carnival	41,387	40,377	44,820	47,977	47,041
MEMBERSHIP					
Life	24	24	24	27	26
Full Member (35yrs+ as a Member)	317	320	319	315	330
Full Member (Age 30+ years)	2,183	1,963	2,030	2,277	2,602
Full Member (Age 18–29 years)	247	249	278	283	260
Perpetual	262	237	210	188	128
Partner Members	n/a	n/a	n/a	n/a	88
Absentee	n/a	n/a	24	23	26
Honorary	20	24	24	23	23
Chairman's Club	23	n/a	n/a	n/a	n/a
Corporate Members	24	45	47	45	40
TOTAL RACING	3,100	2,862	2,956	3,181	3,543
Social Members	6,058	5,654	5,128	7,057	3,385
TOTAL MEMBERS	9,158	8,516	8,084	10,238	6,928
PRIZE MONEY (\$000)					
Prize Money Paid	\$31,106	27,279	33,342	33,716	30,523
WAGERING (\$000)					
Oncourse Totalisator	19,589	15,330	17,608	20,548	23,011
Bookmakers	19,991	19,674	27,166	27,008	43,427
FINANCIAL (\$000)					
Surplus/(Loss)	1,701	261	151	(1,007)	(1,198)
Capital Expenditure	38,848	3,433	2,223	2,417	6,576



The Eagle Farm Markets re-opened on 7 August 2016 in the new Stradbroke Plaza location.



Queensland Premier Anastacia Palaszczuk, Hon. Grace Grace MP and Chairman Neville Bell on AAMI Stradbroke Day.



Chief Executive Officer's Report

In the 150 years of racing at Eagle Farm and surrounds, there has never been another like the 2015–16 season.

For all of its unique moments and challenges, it was another year during which I was humbled and privileged to be stewarding this great Club toward the future by unlocking the strategic plan under the direction of the Board.

While we are steeped in our 150-year traditions, with an undeniable thoroughbred DNA, we also hold a future in which the Brisbane Racing Club will transform into a commercially sound and diverse enterprise. During the FY16 year, many of the building blocks of this plan were put in place and or completed. While much work remains to be done, 2015–16 was a period of significant progress for the BRC.

Of course, this would not be possible without the support of our Board, our Members, partners and sponsors, stakeholders

and suppliers. We are also grateful to the Queensland Government and Racing Queensland. Of course, my Senior Leadership Team and staff worked tirelessly. Before I articulate the year in more detail, it is therefore appropriate I make a few special mentions:

- To the Honourable Grace Grace, Minister for Racing, Employment and Industrial Relations and Multicultural Affairs for her drive passion and commitment to our industry and the BRC.
- To Sam Adams, former acting CEO of Racing Queensland for his tireless efforts in completing the approvals of our Master Plan and support moreover of the BRC.
- To UBET for their completion of the on-course upgrades and major sponsorship of the BRC.
- To AAMI, Channel 7, Sky on-course, BMW Australia and BMW Brisbane, Lion, Indooroopilly Shopping Centre, Hardy Brothers Jewellers, Moet and Chandon and the Treasury Casino & Hotel and ANZ for their partnerships and engagement.

KEY MILESTONES

The strategic plan for the BRC – “The Track Ahead” – entered its second year in FY16. Some of the more significant moments during the year, or building blocks for our future, included:

- Being handed back Eagle Farm from the project manager and contractor. It was vital that we assumed full control of the Eagle Farm course proper, training tracks and technology so that we could chart our course to bring this grand old track into the future after a closure of 22 months. More on the challenges later in my report.



The new Kentucky Bar at Eagle Farm Racecourse, an American sports bar open to racegoers each Saturday.



The Stradbroke Plaza precinct was unveiled as part of \$5 million worth of works.

- The unveiling of more than \$5 million worth of works across 27 individual projects. These included Members' and patrons' facilities such as the new Stradbroke Plaza, the regenerated and configured mounting yard, the Legends and Buffering Bar, the UBET Betting auditorium, the Members' Derby Bar and the Moët & Chandon Ascot Bar, the Kentucky Bar, the largest screen in the southern hemisphere and our upgraded corporate suites and facilities.
- The commencement of our infield works and tunnels due for completion in January 2017. This will enable trainers to utilise 430 state-of-the-art stables and equine facilities and a car park with 1000 spaces.
- The execution of our development agreement with Mirvac unlocking land non-essential for racing and generating income for the BRC over the next decade.
- The completion of Stage 1 of the child care centre and development commencement.
- The completion of Stage 1 of the design of the supermarket and retail precinct on the corner of Nudgee Rd and Mein Street.
- The completion of Stage 1 of the retail St Ledger precinct, where we welcomed two tenants in Mirvac and the Paleo Café.
- The recommissioning of Eagle Farm with state-of-the-art optical fibre, vision and sound through the property.
- The commissioning of the largest HD big screen in the southern hemisphere at 44m wide by 13.7m tall and capable of showing all forms of video and movie content.
- The installation of more than 200 digital televisions, betting and TOTE facilities and sound.
- The approval to run a digital thoroughbred tracking system using Trakus technology for an enhanced punting experience on-track – due for completion by December 2016.
- The recruitment of our new Chief Financial Officer Basil Jong whom joins us with a blue-chip background in clubs, wagering and financial control.
- Securing longer term significant contracts with UBET, BMW Australia, Hardy Brothers Jewellers and Channel 7.

These projects are a cause for excitement for what they individually and collectively mean for the strategic direction of this great Club. While we remain focused, and the Strategic Plan remains unchanged in its second year, there were some key challenges that emerged during 2015–16. However, we are no longer sailing into the headwinds, rather, tacking across them now so that we may reach our tail winds.

KEY CHALLENGES

There is a great culture of addressing and meeting challenges head on from the Board to frontline staff. The first step is to recognise what we could have done better while reflecting on the outcomes. During the FY16 year, the stand outs were:

- Member and customer satisfaction: For the year we received an overall score of 7.9 out of 10 for customer service satisfaction. While on a positive note, non-race day events scored 8.9 out of 10 for satisfaction, it demonstrated the work that needs to be done in this area. Of particular note was the below-par score we received on BTC Cup Day and Stradbroke Day, where we clearly failed in key areas.

In response to this, our Member experience on our largest days will be a key focus. Findings from an independent report on operations commissioned by the Board recommended restrictions on corporate bookings within Members' areas and better planning and knowledge-sharing on large days. We will also focus on service congestion points, access control and people movement to ensure we enhance the overall experience. In addition to this, we aim to review our operating structures to meet overall demand and for continued improvement.

- The prolonged closure of Eagle Farm: Due to circumstances beyond our control, namely the settlement timeframe for tunnel funding, Eagle Farm was significantly delayed resulting in Doomben being utilised for both racing and training throughout the entire year. Additional resources were required and deployed to Doomben to facilitate the heavy schedule. Events and festivals at Doomben such as Future Music could not be conducted resulting in the loss of several large operational opportunities. The tunnels at Eagle Farm and the retail St Leger precinct also adversely impacted the Eagle Farm Markets. Fencing and civil works, building and construction combined to limit the Markets' growth potential.
- A reduced racing schedule: The BRC was down from a normal year of 92 meetings to 54. During this time, the teams were utilised for the management, operations and maintenance of Doomben as a temporary training facility along with deployment to the 27 projects we undertook during the year.
- Oaks Day washout: After being closed for 22 months, Eagle Farm was set to open on June 4, 2016 – Treasury Casino & Hotel Ladies' Oaks Day. However, the race meeting was abandoned at 9.15am that morning after receiving more than 100mm of rain in the prior 2 hours alone. With some 15,000 people expected, the team rallied together under this extreme pressure. While the financial result was

material at a loss of more than \$0.4 million compared with budget, the Sales and Operations team worked hard in damage control to appease as many Members, clients and customers as possible.

- Recommissioning costs at Eagle Farm: There were many notable and material costs both expensed and capitalised due to the recommissioning of Eagle Farm. These were related to the course proper project and the general facilities. We will continue discussions with Racing Queensland for unforeseen costs incurred by the Club to reinstate the Eagle Farm course proper and to reach practical completion. Other general facilities upgrades were necessary given the age and technology developments. The Club has a state-of-the-art fibre backbone capable of networking the advanced technologies we require to offer an optimum experience on track.
- Members' and patrons' upgrades: While there was great anticipation from our Members regarding the new Eagle Farm, \$5 million of the \$52 million previously mentioned was allocated by the Club for Members' and patrons' upgrades. While Members benefit from the new Stradbroke Plaza and entry beautification works, the Members' facilities works are ongoing. While we have completed the Derby Bar, the ground floor TOTE and the Ascot Bar for Members, the Club will listen to Members and work on a continued improvement program. The Club is well positioned to unlock funds to enhance the Membership experience and we look forward to developing these with our members in mind.



Eagle Farm Racecourse was set to open on June 4, 2016, Treasury Casino & Hotel Ladies' Oaks Day, but was abandoned after more than 100mm of rain.



Eagle Farm Racecourse re-opened on Saturday, 11 June on AAMI Stradbroke Day.

FINANCIAL PERFORMANCE AND KPIS

The Club experienced a reduced racing calendar resulting in a diminished capacity to generate media and admin rights fees. Further, additional costs were allocated to operate Doomben as a training centre. The restrictions at Doomben, due to training demands also combined to limit the Club's opportunity to generate other revenue sources. In addition, Eagle Farm had unforeseen costs for the commissioning of the course proper and facilities recommissioning.

It was a challenging year. While the overall EBIT was a \$1.7 million profit, the underlying result was a loss of \$1.7 million after abnormal trading items are backed out. These abnormal items include the sale of Mein St properties, and an improvement in the asset value of the Eagle Farm course proper. It was well planned by the Club, in lieu of the delays in the course proper project beyond our control, to bring these assets forward for sale and to thereby mitigate the losses.

When compared year on year, the following significant factors contributed adversely to the underlying \$1.7 million loss:

- Additional fertilisers and chemicals and utilities, rates and taxes – \$0.55 million
- Loss of music festival or large event – \$0.45 million
- Additional training and safety costs for Doomben and stabling – \$0.37 million
- Additional labour costs due to Eagle Farm recommissioning – \$0.28 million

While the above items adversely impacted the BRC's underlying result, they were considered one-off yet necessary for the Club to re-open Eagle Farm.

For the 54 race days, it was pleasing to see the average spend by visitors increase from \$54.92 to \$56.61, while the average visitation on a Saturday reduced from 3,100 to 2,800 revealing the drawing power of Eagle Farm. Unfortunately the Markets declined by 12 per cent or by 18,368 to 140,199 and the loss of a major event saw visitors decrease by more than 44,000 from 74,413 to 29,518 for non-race days. Having said this, the BRC welcomed a total of 429,228 patrons across raceday and non-raceday events.

Gallopers continued to trade well and, before abnormal items, improved its EBIT from \$0.7 million to \$0.8 million. Gallopers continues to be a stand out for the Club. A small refurbishment was conducted late in the financial year with the full benefits of this to be realised in FY17.

IN CLOSING

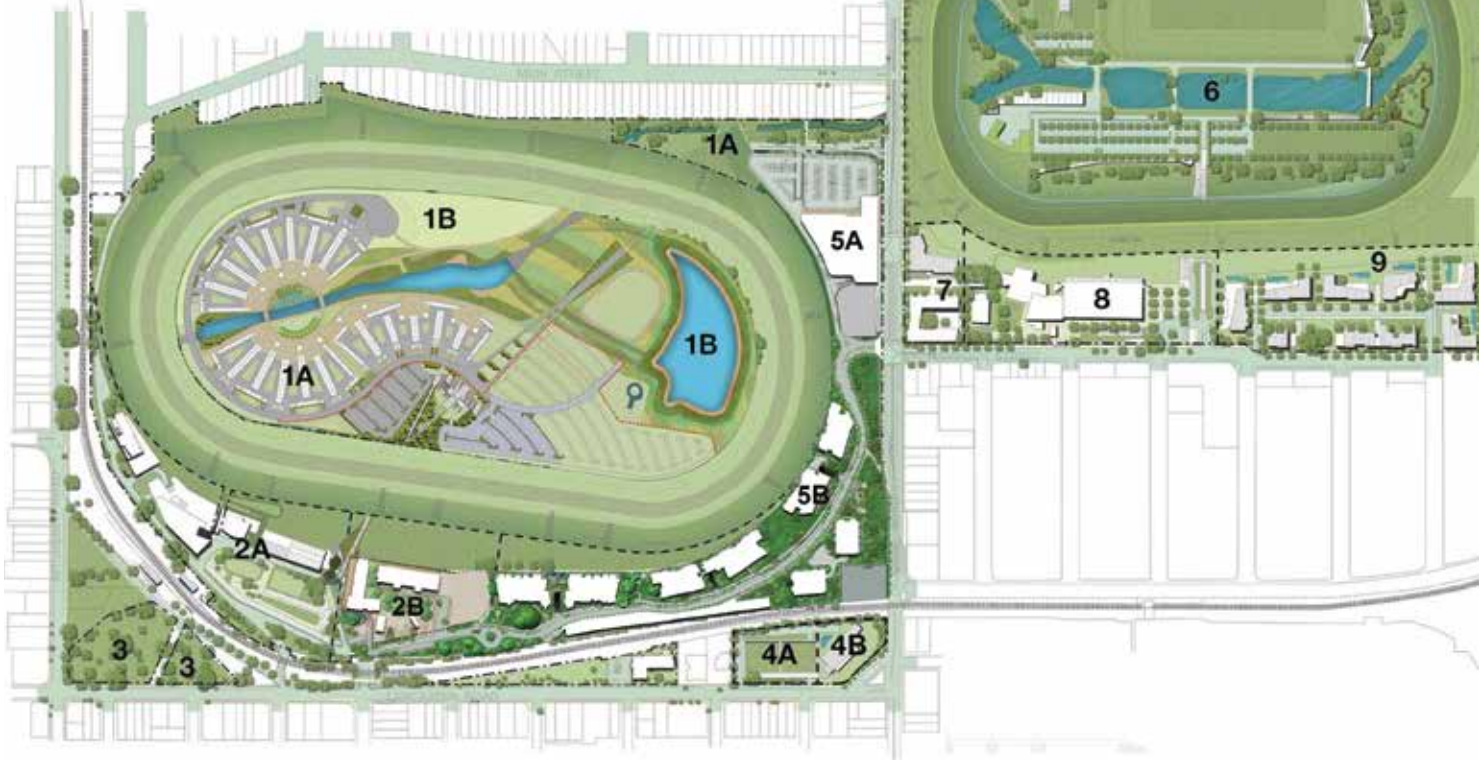
I would like to thank the many Members, trainers and other stakeholders whose patience and understanding was much appreciated through 2015–16. At the same time, the work of the BRC's senior leadership team and staff helped to drive the Club through a testing 2015–16. While there were challenges, I believe FY16 was a year of immense importance to the changing nature – and the future success – of the Brisbane Racing Club.

Warmest regards,

Dave G. Whimpey
Chief Executive Officer

PRECINCTS + SUB PRECINCTS

- | | | | |
|---|--|---|--|
| 1 | EAGLE FARM RACING PRECINCT | 6 | DOOM BEN RACING + PARKLAND PRECINCT |
| 2 | EAGLE FARM GRANDSTAND PRECINCT | 7 | DOOM BEN MIXED USE PRECINCT |
| 3 | PUBLIC OPEN SPACE PRECINCT | 8 | DOOM BEN GRANDSTAND PRECINCT |
| 4 | LANCASTER ROAD SPORT & RECREATION PRECINCT | 9 | DOOM BEN RESIDENTIAL & RETIREMENT PRECINCT |
| 5 | EAGLE FARM MIXED USE PRECINCT | | |



The blueprint for the Masterplan.

Masterplan Report

The Brisbane Racing Club's Master Plan went from design phase to full construction mode in 2015–16, enabling Members to gain a better idea of how their Club will be transformed over the next decade.

The activity was happening in all parts of the Eagle Farm precinct, from the construction of a pedestrian tunnel beneath

the home straight to a vehicular tunnel at the north-eastern corner. The infield was being transformed with a remarkable stabling project while the first moves were made towards a retail centre near Nudgee Rd and a childcare centre on Lancaster Rd.

However, the most significant milestone during the year was the launch of the first building by Mirvac in the joint venture with the BRC. This building will be known as Ascot House and will feature 91 luxury apartments. In April, BRC Members were given first chance to buy apartments in Ascot House. It was pleasing to see a significant number take up this opportunity. Mirvac has obtained all necessary authority approvals and is set to commence construction soon with completion of Ascot House set for mid-2018.

"This project will set the benchmark for racing and training in Australia."



Artist's impression of Mirvac's Ascot Green.

Another significant achievement during the year was the Club entering into an agreement with Woolworths to lease a full line supermarket in Precinct 5A of the Masterplan. This is within the planned neighbourhood shopping centre on the north-eastern corner of the Eagle Farm Racecourse site, fronting Nudgee Road. The Club will develop this site into a neighbourhood shopping centre anchored by Woolworths and will include another 12 other specialty retailers with office space above. The Club is working closely with Woolworths and recently lodged a Development Application with Brisbane City Council. Completion of the retail centre will coincide with completion of Mirvac's Ascot House in mid 2018. The Club will develop and own this Shopping Centre which will provide the Club with a positive cashflow from opening day.



The vision for the shopping centre development on Nudgee Road due for completion in mid-2018.

Prior to Christmas 2016, the new state-of-the-art in-field stabling complex at Eagle Farm will be completed and ready for occupation by the some of the top trainers of thoroughbreds in Queensland. Over 400 stables will be constructed on the in-field. All stables have been pre-leased amid strong demand from trainers.

The vehicle tunnel from Nudgee Road to the Eagle Farm in-field and the pedestrian tunnel from the in-field to the grandstands are complete and will be operational once the stables are completed. This will mark a significant change for Members who drive to the races at Eagle Farm. The Eagle Farm in-field will be accessed via the vehicular tunnel from Nudgee Road and will include 1,000 new car spaces, new pavilion entry building and of course you will have seen the southern hemisphere's biggest outdoor TV screen at 44m long and 13.7m high. At a cost of nearly \$2.6 million this new screen provides Members and patrons with a whole new experience at the races.



Overhead view of the vehicle tunnel construction taken in November 2015. The tunnel runs from Nudgee Road to the Eagle Farm in-field.

And finally, the Club has commenced construction of its childcare facility on the Lancaster Road site near Gallopers Sports Club. This facility will contain 110 spaces for children and is pre-leased to an experienced operator on a long term lease. As with the Shopping Centre, the Club will develop and own this building long term.

The Masterplan is well on its way to deliver its brief of providing the Brisbane Racing Club with long term, alternative revenue streams.



Jeff Kahler
General Manager –
Property and Asset
Management

Racing Report

The real impact of the Channel Seven Brisbane Racing Carnival will again be played out in the spring as a host of winter performers contest the major events in Sydney and Melbourne.

Last year, Winx graduated from the Brisbane winter to an astonishing run of success.

This spring, the likes of Under The Louvre (AAMI Stradbroke), Malaguerra (UBET BTC Cup) and Our Ivanhowe (Hardy Brothers Doomben Cup) will be among the Brisbane victors to watch.

Black Heart Bart, which had a stirring duel with Under The Louvre in the AAMI Stradbroke, stamped the Brisbane winter form early by claiming the spring's first Group 1 with victory in the Memsie.

That Brisbane Racing Carnival form has already been franked by the Australian Pattern Committee, which assesses ratings of black type races.

The committee ratified the improved rating of several feature Brisbane events. Especially pleasing were the higher ratings awarded to races at 2,000 metres and beyond – Doomben Roses, Premier's Cup, Queensland Derby, Queensland Oaks and the Brisbane Cup.

One barometer of the success of any racing carnival is the involvement of the major trainers and jockeys.

The statistics from Stradbroke Day in particular are compelling – 47 visiting trainers from Australia and New Zealand had runners and 44 jockeys were booked for rides. Final acceptances numbered 184 horses.

On Melbourne Cup Day at Flemington – traditionally the biggest day numerically on the Australian racing calendar – there were 176 acceptors and 43 jockeys. At the Queen Elizabeth Stakes meeting at The Championships at Randwick in April there were 152 acceptors and 33 jockeys.

For all of the positives, there was one thing the BRC could not influence – the weather.

Scottish poet Robert Burns may have had the 2016 Treasury

Hotel & Casino Ladies' Oaks Day in mind when he penned the words: "The best laid plans of mice and men often go awry".

Eagle Farm was ready for its return to racing after a 22-month absence for the reconstruction of the course proper.

The BRC had put together an outstanding Oaks Day card, only for the weather forecasters to warn that the meeting was in serious danger.

The new track was hit by 150mm of rain in 24 hours. Less than two kilometres away, cars were washed away when water levels rose. It was clear that this day wasn't for racing.

The Oaks was moved to Stradbroke Day for a 10-race card with huge fields – each leg of the quadrella was a Group 1 race.

What a test of a new track in the middle of a wet winter.

Peter and Paul Snowden's My Country won the first race back on the Eagle Farm track while Robert Heathcote's Hopfgarten claimed one for the locals with victory in the second race – the Wayne Wilson Mile.

Training conditions were challenged by the track reconstruction and infield earth works at Eagle Farm. Congratulations to Sean Bridges and his team for working with Eagle Farm trainers to ensure the best possible outcomes.

Local trainers filled 10 of the top 15 places on the metropolitan trainers' premiership.

The standout performer was Tony Gollan who eclipsed his own record with 87.5 wins and an aggregate \$4.343 million prizemoney. Tony had a total of 575 runners over the season thus being a major contributor to field sizes across the board.

Doomben again had to carry a particularly heavy workload over 2015–16 but the track performed splendidly. This highlighted the great work of course manager Jim Roberts and his team.



Despite that heavy schedule, Doomben was in great order for three consecutive Group 1 Saturday meetings in May. Jim's team provided surfaces that gave each horse their chance.

Bart Sinclair
Racing Manager

2016 CHANNEL SEVEN BRISBANE RACING CARNIVAL – GROUP RACE RESULTS

Prizemoney	Racename	Winner	Rider	Distance (m)	Weight (kg)	Trainer
GROUP 1						
\$1,500,000	AAMI Stradbroke Handicap	Under the Louvre	Dwayne Dunn	1400	54.5	Robert Smerdon
\$750,000	James Boag's Premium Doomben 10,000	Music Magnate (NZ)	Kerrin McEvoy	1350	59.0	Bjorn Baker
\$650,000	Hardy Brothers Doomben Cup	Our Ivanhowe (GER)	Kerrin McEvoy	2000	59.0	Lee & Anthony Freedman
\$600,000	Channel 7 Queensland Derby	Eagle Way	Tommy Berry	2400	57.0	Bryan Guy
\$600,000	BMW J.J. Atkins	Sacred Elixir (NZ)	Zac Purton	1600	57.0	Tony Pike
\$500,000	Treasury Casino & Hotel Queensland Oaks	Provocative (NZ)	Leith Innes	2400	56.5	Tony Pike
\$500,000	UBET BTC Cup	Malaguerra	Glen Colless	1200	58.5	Lee & Anthony Freedman



Under The Louvre battles Black Heart Bart to take out the 2016 AAMI Stradbroke Handicap.



Tommy Berry wins the 2016 Channel Seven Queensland Derby on Eagle Way.



Jockey Zac Purton and Trainer Tony Pike celebrate the win of Sacred Elixir in the BMW J.J. Atkins.



Music Magnate winner of the 2016 James Boag's Premium Doomben 10,000.



The refurbished Ascot Bar.

Tracks & Facilities Report

The last 12 months presented challenges never faced before by tracks and facilities staff on an Australian racetrack.

This was about as tough as it gets – our largest track again closed for racing and then also for trackwork. Outside the track, facility upgrades were completed to provide a better raceday experience. I'm pleased to say the Tracks and Facilities team performed very well, ensuring the BRC could continue to contribute to Queensland's racing industry.

DOOMBEN

Continuing from the 2014–15 season, Doomben hosted the vast majority of metropolitan meetings while Eagle Farm was being redeveloped. In 2015–16, Doomben hosted 52 meetings of which, 72 per cent were raced on surfaces rated as Good 3 or 4.

In addition to racing, Doomben provided facilities for trackwork while Eagle Farm was closed for several months. A detailed horse movement and traffic management plan was development and rolled out to enable oncourse horses at Eagle Farm to train at Doomben. This was a successful project, with a clear focus on safety for horse, rider and traffic.



Over 140 delegates attended the Australian Racecourse Managers' Conference.

EAGLE FARM

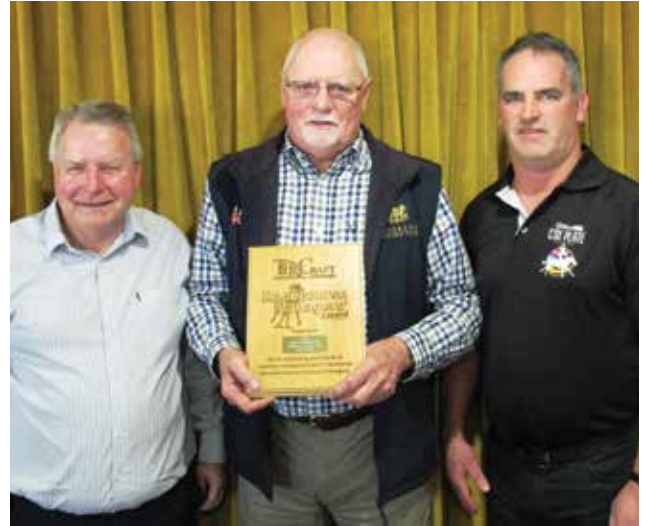
The Eagle Farm course proper redevelopment continued with the tunnel constructions and the commencement of infield stable construction. Sean Bridges and his team worked with contractors for the development of the turf on new course proper. A full circle new track was completed by February 2016.

There was a setback to the course proper turf root density due to insect attack from November through to February. While the turf appearance was very good, anchorage to the new profile was challenged. An extensive program was implemented to rejuvenate the root system through nutrition and root establishment products. Eagle Farm raced only twice in FY16 for the AAMI Stradbroke and Tatts Tiara Group 1 meetings.

A landscape master plan has commenced to provide a new look and theme to the gardens and grounds at Eagle Farm. The Stradbroke Plaza was formulated within this plan with redevelopments around the Tote Room and entry points.



Warren Williams
General Manager, Tracks and Facilities



Doomben Racecourse Manager Jim Roberts received the Australian Racecourse Manager of the Year Award.

FACILITIES

Off the track, significant work was undertaken to key facilities at Eagle Farm. The John Power Stand's Ascot Bar, corporate boxes, ground level betting area and the Derby Bar all received extensive renovations. In the public stand, level two became a sports bar – the "Kentucky Bar" – while a new dining area – "Moreton Terraces" – was also unveiled. These works were undertaken in the first half of 2016.

Brisbane Racing Club hosted the 2016 annual Australian Racecourse Managers' Conference featuring 140 delegates and 20 trade sponsors over three days. The conference provides racecourse managers from Australia, New Zealand and Asia the chance to meet and discuss trends in racing, training and turf management. BRC was able to showcase the Master Plan and work to date.

Work continues for 2016-17, including the opening of the new infield stabling complexes.



The refurbished Derby Bar.



Marketing & Membership Report

The Brisbane Racing Club placed a clear focus on Member rewards in a year that brought its share of excitement and challenges.

The Brisbane Racing Carnival journey began with the creation of this year's campaign, Seven Deadly Sins, developed in conjunction with Brisbane agency, Publicis Mojo. Growing on the strengths of last year's campaign, we wanted to emphasise the characters and experiences of the Brisbane Racing Carnival. In a fun and cheeky way, Seven Deadly Sins highlighted the behaviours of a day at the races. With decadent food, extravagant fashion and lavish décor, the Carnival combines indulgent experiences and characters with the fun and excitement of Queensland's biggest race days.

However, the Carnival didn't go to plan when a severe weather

event washed out the return to Eagle Farm for Treasury Casino & Hotel Ladies' Oaks Day. One week later, the skies were clear for AAMI Stradbroke Day as Members and general patrons descended in their thousands on Queensland's most famous racetrack. Members embraced the opportunity to experience the new track, superscreen and the many facility upgrades. While some Members had an exciting raceday, we know some experienced unacceptable delays and other issues. We apologise and we can assure Members that the Club has taken significant learnings from the day to ensure that will not be repeated.

Outside of the Carnival, we continued to diversify our offering to attract not only punters but entertainment seekers, corporate clientele and families. The BRC calendar of events is diverse and exciting with everything from family racedays and obstacle courses, to music festivals and school formals.

While we aim to increase raceday attendances, Members remain at the core of our Club. The 2015-16 Membership year was highlighted by a record number of 926 new Members joining the club. The retention rate was also steady at 85 per cent. On May 9 the Club launched two exciting new full voting Membership types – Moët & Chandon Chairman's Club Membership, with the most exclusive benefits ever offered at the BRC, and Single Perpetual Membership. There was also three non-voting categories added – Veuve Society, General Admission Membership and Giddy Up Club for children. The Giddy Up Club Membership, ably led by new mascot Lucky

“While we aim to increase raceday attendances, Members remain at the core of our club.”

George, has proven to be extremely popular with 231 Members signed up. There will be four family racedays for the 2016–17 season and we encourage Members to bring their families along.

This year, the Club offered some outstanding incentives to continue membership with the BRC. At the first Member Rewards Day in 2015, a car was given away. On the Members’ Day on September 3 in 2016, a share of \$20,000 cash was drawn for Members who joined or renewed their BRC membership by 31 July 2016. All Members who attended had the opportunity to bring two guests, receive \$20 worth of points on their BRC Members’ Card and enjoy a complimentary barbecue lunch. The Member Rewards Days have been very well-received and will continue throughout the membership year.

The Club is focused on improving Member benefits. The new season will feature the introduction of a Member Advantage Program and an updated Member Rewards Program. Member Advantage provides BRC Members with access to a range of benefits and savings on everyday expenses. These benefits can be accessed via phone, website or by showing the BRC Membership card at selected retailers. The new Member Rewards Program will reward years of service, attendance on racedays and spend. Members will continue to receive 10 per cent off food and beverage in the Members’ Reserve as well as other new benefits such as monthly prize draws.

I encourage all Members to ensure their contact details are up to date so we can continue to inform them of the latest BRC news and offers. Members can look forward to an exciting future with continual improvements to Member benefits. I look forward to seeing you trackside in the exciting year ahead for Brisbane Racing Club.

Katie Churchill
General Manager – Sales



Chairman Neville Bell presents Member Ricky Bray with a \$10,000 cheque on Members’ Rewards Day.



Members at the Carnival Members’ Cocktail Party which was held in the Birdcage Marquee.



The Giddy Up Club Membership mascot Lucky George.



Members enjoying the Carnival Members’ Cocktail Party.



Sales and Sponsorship Report

The Channel 7 Brisbane Racing Carnival proved a welcome tonic in 2015–16 to the news that the lucrative Future Music Festival was disbanding.

The Sales team had the unenviable task of replacing that revenue while Eagle Farm underwent its massive redevelopment. The raceday sales team largely compensated, aided by a hugely successful 2016 Channel Seven Brisbane Racing Carnival. Carnival hospitality bookings increased 17 per cent from 2014 to 2015 and a further 18 per cent from 2015 to 2016. The bar was raised for the standard of events that the BRC hosts with functions such as the Carnival Ball surpassing expectations and boasting record attendances. The UBET Birdcage at Doomben and the James Boag's Premium Birdcage

at Eagle Farm again showcased the Brisbane Racing Club's ability to deliver an outstanding hospitality experience. Whilst there were some teething issues with the reopening of all the facilities at Eagle Farm, the feedback across the five days of Carnival was overwhelmingly positive.

Outside of the Carnival, the following monthly feature racing events attracted new generations of racegoers to the thoroughbred experience whilst delivering increased revenue for the Club.

- Teddy Bear's Picnic (July)
- Mekka Wednesday (August)
- Country Music Raceday (September)
- Beach Party (October)
- Melbourne Cup Day (November)
- Twilight Raceday (December)
- Relaxed Racing (January)
- Girls' Day Out (February)
- Superhero Saturday Raceday (April)

The Country Music Raceday was particularly well received, attracting a crowd of almost 5,000.

The refurbishment of many of the areas at Eagle Farm including the Moreton Bar Dining Room, Private Suites and Kentucky Bar has resulted in increased interest in Eagle Farm as a function venue both on racedays and for special events. We encourage Members to take a tour of these new areas.

The sponsorship team excelled this year increasing revenue from \$2.65m in 2014–15 to \$2.74m in 2015–16. Key drivers of this increase were new partnerships with the likes of Hardy Brothers Jewellers, Mirvac and Alex Perry Hotel & Apartments. The BRC also enjoyed the continued support of long-standing partners including Channel Seven, AAMI, UBET, Treasury Casino & Hotel, Diageo, Lion and Indooroopilly Shopping Centre. Outside of Carnival, the BRC received strong support from local schools such as Clayfield College and businesses like Hogs Breath Café. Alignments with new charity partners such as the Starlight Children's Foundation and the Women's Cancer Foundation were also fruitful, culminating in increased attendances at our Superhero Saturday Family raceday and our Girls' Day Out raceday.

Outside of racing, the BRC's aim to diversify its revenue base was hindered by the works at Eagle Farm and the movement of horses across both tracks. Despite this challenging climate, the BRC's wedding business thrived with 42 weddings booked throughout the year in the Tote Room at Eagle Farm. The team still grapples with a lack of awareness of the BRC's ability to



“The UBET Birdcage at Doomben and the James Boag’s Premium Birdcage at Eagle Farm again showcased the Brisbane Racing Club’s ability to deliver an outstanding hospitality experience.”

deliver special events outside of racing. To counter this, the BRC exhibited at a number of events over the year including the QLD Brides Expo, the Brisbane Marketing Pop Up Venue Showcase and Convene Expo. Most recently, the BRC also hosted a networking night for 300 of Brisbane’s top business men and women in conjunction with Brisbane Marketing.

The BRC will play host to two major events in the coming months, the Explore Australia Expo and Miss Muddy. With the re-opening of Eagle Farm for business, the team is focussing on securing more large scale functions and building sustainable partnerships with key stakeholders in the events and entertainment industry.

With the facility upgrades at Eagle Farm and Doomben over the past 12 months, we now have the key assets to drive revenue; we need to unlock the potential.



Katie Churchill
General Manager – Sales



The Superhero Saturday family raceday is a new addition to the events calendar.



The weddings business thrived with 42 weddings booked throughout the year.



Operations Report

The journey along Nudgee Road begins with a view of the facilities that have helped underpin the Brisbane Racing Club's successful 2015-16 despite the challenges of the Eagle Farm upgrade.

Starting at the southern end of Nudgee Road, Gallopers Sports Club has become a BRC success story. The financial performance of 2014-15 was improved in the last year with a net profit of almost \$0.75 million after depreciation. Gallopers welcomed new General Manager Wayne Percy during the year. Wayne and the Gallopers team provided friendly and energetic service to patrons, who benefitted from the BRC's investment of \$0.3 million to upgrade the club. The new children's room was very popular with young families. Gallopers also supported many local charities, schools and worthy causes during the year. The charity sportsmen's lunch

raised \$12,000 for beneficiaries including Youngcare and the Jockeys' Trust.

A few hundred metres along Nudgee Road finds Doomben Racecourse, which again excelled while shouldering a huge workload in the absence of Eagle Farm. Doomben was transformed with different themes that drew a wide demographic of racegoers. Our hero bars – the Champions and Falvelon Bars – were immensely popular, offering quality service and a wide range of food and beverage. The early days of the Brisbane Racing Carnival marked the first with Moët & Chandon as our preferred Champagne supplier, bringing along their stablemates including Veuve Clicquot, Hennessy and Cloudy Bay.

Members will soon be able to turn off Nudgee Road for the new entrance to Eagle Farm, driving through the new vehicular tunnel that leads the way to millions of dollars of new facilities at the state's oldest racetrack. Members will pass through the pedestrian tunnel, beneath the home straight, to find the Buffering Bar that leads into a first-class punting arena known as the Legends Bar. The public grandstand features the new Moreton dining area and the Kentucky Sports Bar, which has proved a genuine hit since it opened on AAMI Stradbroke Day. Members are catered for with upgrades to the Ascot Bar, Derby Bar and the new open area beneath the John Power Stand. With the help of our wagering partner UBET, Members can now enjoy a facility that matches those around the country.

The Operations team is looking forward to 2016-17 to counter the frustration of last June. The washout of Treasury Casino & Hotel Ladies' Oaks Day was a bitter blow because the team had worked tirelessly to prepare for our second largest race meeting of the year. The day was also doubling as a trial run for our flagship Stradbroke meeting. The Operations team was aware that the expectations of some Members were not met on Stradbroke Day – this has been rectified.

Despite the loss of Oaks Day, the BRC recorded positive results through Operations in 2015-16:

- Beverage sales for the year of \$8.4 million
- Food sales of \$4.8 million
- Contributions of more than \$0.1 million to local charities and community organisations through cash and kind
- More than 17,000 casual employment shifts.

My sincere thanks to all of our staff for their efforts and

commitment throughout the year and to our loyal Members and their guests for continued support through all our venues. Your patronage is very much valued and appreciated.



Scott Steele
General Manager – Operations



TRHA Report

The Thoroughbred Racing History Association continued to collect and preserve items of significance for the BRC's Racing Museum at Eagle Farm and the Racing Archive at Doomben, steadily piecing together a collective narrative of the history of racing in this State.

Memorabilia associated with the racehorse Falvelon, champion jockeys Jack Pratt and George Moore, the 1965 Doomben Cup win by River Seine, and prints from the first day the photo finish was used at Eagle Farm in 1948 have been among the valuable additions to the Museum and Archive in the past year.

In addition, the James McGill Library housed in the Archive

continues to grow. Several notable contributions have enhanced the library's value as a reference centre.

Among the literary additions in the past 12 months was a bound copy of the findings of the 1930 Royal Commission into proprietary racing in the Brisbane area that was donated by former Brisbane Turf Club director Brian Allom shortly before his death. The Royal Commission report provides a glimpse into the popularity and conduct of racing at various suburban courses such as Kedron Park, Coorparoo, Strathpine, Deagon and Goodna early last century.

Not the least among the year's highlights for the Association was the formal recognition by Engineers Australia of the Julius Totalisator machine which is the central exhibit at the Racing Museum. The machine, which is regarded as the forerunner to the modern computer, is believed to be the best preserved of an estimated 200 totalisators that were installed around the world by Automatic Totalisators Ltd, an Australian company founded by inventor George Julius. The Eagle Farm machine was awarded with an International Marker by Engineers Australia – one of only three such Markers that have been given for landmark engineering works in Australia.

The Association also took part in activities associated with the return of racing to Eagle Farm, hosting two open days at the Museum to coincide with testing the new facilities ahead of Stradbroke Day. The open days were included on the itinerary of the National Trust's 2016 Heritage Festival, and it was the third successive year that the Association had joined in the Heritage Festival.

The Association continued to host occasional racecourse tours by visiting groups, mostly coinciding with midweek race meetings. These have proven to be popular and quite entertaining.

The Association comes into much demand from inquiries about racing's past from the public. Our band of volunteers have developed research skills as they find the answers, mostly to questions about family members' past involvement in racing and racehorses owned or trained.

The Museum and Archive is listed on Brisbane's Living Heritage Network, a collection of 80 heritage places and museums that illustrate Brisbane's story. Recently, our treasurer Dr Fred Manahan was elected to the board of the Network.

Technically, we stepped into the modern era by developing a website and a Facebook page to enhance our profile.

Association members meet informally at the Archive every Tuesday and Wednesday between 10am and 2pm, and the public are welcome. The Museum opens by appointment. The Association can be contacted via its website or through the BRC office.

Peter Howard

President, Thoroughbred Racing History Association



Directors' Report and Financial Statements

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Right: Music Magnate takes out the
2016 James Boag's Premium Doomben 10,000.

Image: Grant Peters - Trackside Photography.



I 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 2016.

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

R H Morrison

C M Schatz

J D Shepherd

T J Svenson

Directors have been in office since 1 July 2015 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

Mr B Jong, who was appointed as the Chief Financial Officer in November 2015, assumed the role of Company Secretary effective on 30 June 2016 from Mr A G Walker. Mr B Jong has previously held similar positions in Public Listed and Public non-listed companies, both domestically and internationally. His last role was with the highly successful Wests Ashfield Leagues Club which is the majority owner of the Wests Tigers NRL football team. He is a Fellow of CPA Australia with extensive experience in the hospitality and the gaming industry.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer at the end of the year was Mr D G Whimpey who has 22 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 from Surrey (UK).

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year to 30 June 2016 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 total comprehensive income for the year of \$1,700,747 (2015: \$260,611).

DIVIDENDS PAID OR RECOMMENDED

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

| DIRECTORS' REPORT

LIMITED BY GUARANTEE

The Company is limited by guarantee by the members of the Company. If the Company is wound up the articles of association state that each member of the Company is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations. As at balance date there are 2,970 (2015: 2,862) racing members, so the total amount that members of the Company are liable to contribute if the company is wound up is \$29,700 (2015: \$28,620).

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 a continued focus on gender 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

Disclosed in the notes to the accounts are matters or circumstances arisen since 30 June 2016 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.



I DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

After around 20 months of closure, the Eagle Farm racecourse was finally reopened in time for the Brisbane Racing Carnival. During the closure, The Eagle Farm Racecourse underwent a major track redevelopment and this was funded through a State Government Grant from the Racing Industry Capital Development Scheme.

The sale for the first building of Ascot Green residential development commenced in April 2016 with construction expected to commence in October 2016.

As disclosed in the financial statements, the Company has taken on new loans mainly for the purpose of financing the Eagle Farm Tunnels Project, the Eagle Farm Infield Stables Project as well as for working capital requirement. During the year, the Company also sold 6 lots of non-core residential land on Mein Street and this assisted in paying off the previous Gallopers Sports Club's loan.

INFORMATION ON DIRECTORS

NEVILLE BELL (AGE 68)

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 42)

Vice-Chairman

Qualifications and Experience – Richard is a property professional with more than two decades' experience in commercial agency transaction. He is the director of Morrison Project Consulting, a broad service real estate advisory firm operating across investment, development and agency sectors. A racehorse owner since the mid 1990s, Richard is also a committee member of the Kingston Town Club (KTC). This association hosts racing events that have raised more than \$100,000 for various charities.

Special Responsibilities – Member of Master Planning, Membership and New Business Development Sub-Committees.

DAVID DAWSON (AGE 69)

Director

Qualifications and Experience – David is a medical scientist by profession. Now retired, he was formerly Chief Scientist with Queensland Health and a consultant to the World Health Organization. He has racing 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 44)

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.

| DIRECTORS' REPORT

SIMON GLEESON (AGE 38)

Director

Qualifications and Experience – Simon is an Economist by qualification and has been the Commercial Manager at Arrow Energy for more than seven 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 57)

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.

JOHN SHEPHERD (AGE 47)

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 boutique investment bank involved in Advisory, Investment and Real Estate. He is a current Board Member of Brisbane Marketing and past Board Member of the Urban Development Institute of Australia (UDIA) Queensland. He is also a member of the Ascot Green Project Control Group Joint Venture with Mirvac.

Special Responsibilities – Member of Finance, Governance and Risk Management and Master Planning Sub-Committee.

TERRY SVENSON (AGE 45)

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.

I DIRECTORS' REPORT

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 ¹		Finance and Governance		Special Projects and Gallopers		Master Planning		Membership		New Business Development	
	A	B	A	B	A	B	A	B	A	B	A	B
N D Bell	12	12	-	-	1	1	9	6	-	-	1	1
D J Dawson	12	12	-	-	1	1	-	-	5	5	-	-
S M Gagel	12	11	9	8	-	-	-	-	-	-	1	1
S P Gleeson	12	12	9	8	-	-	9	6	-	-	1	-
R H Morrison	12	12	-	-	-	-	9	8	5	4	1	1
C M Schatz	12	11	-	-	-	-	9	5	-	-	1	1
J D Shepherd	12	9	9	7	-	-	9	8	-	-	-	-
T J Svenson	12	10	9	6	-	-	-	-	5	5	-	-

A = Number Meetings Eligible to Attend

B = Number Attended

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

| 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

29 September 2016



R M MORRISON

Director



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 2016 there has 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.

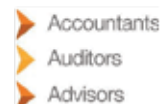
Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director

Brisbane
29 September 2016



A member of Bentleys, a network of independent accounting firms located throughout Australia, New Zealand and China that trade as Bentleys. All members of the Bentleys Network are affiliated only and are separate legal entities 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 2016

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

	Note	2016 \$	2015 \$
Revenue from ordinary activities	2	48,453,694	36,197,933
Expenses from ordinary activities	3	(46,658,017)	(36,152,666)
Profit from ordinary activities		1,795,677	45,267
Other comprehensive (loss)/income	24	(94,930)	215,344
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,700,747	260,611

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2016

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

CURRENT ASSETS	NOTE	2016 \$	2015 \$
Cash and cash equivalents	6	8,353,212	1,911,927
Trade and other receivables	7	2,527,063	2,527,940
Inventories	8	587,489	294,909
Assets held for sale	9	470,000	–
Prepayments		301,110	140,578
TOTAL CURRENT ASSETS		12,238,874	4,875,354
NON-CURRENT ASSETS			
Property, plant and equipment	10	118,462,390	88,709,810
Investment properties	11	796,000	1,797,500
Intangible assets	12	552,279	552,279
Defined benefit plan	24	256,341	412,524
TOTAL NON-CURRENT ASSETS		120,067,010	91,472,113
TOTAL ASSETS		132,305,884	96,347,467
CURRENT LIABILITIES			
Trade and other payables	13	9,291,113	5,725,105
Employee entitlements	14(a)	1,335,250	1,331,579
Provisions	15	82,899	65,383
Income received in advance		1,722,396	782,669
Borrowings	16(a)	219,780	1,020,803
TOTAL CURRENT LIABILITIES		12,651,438	8,925,539
NON-CURRENT LIABILITIES			
Employee entitlements	14(b)	115,108	96,854
Borrowings	16(b)	31,022,643	509,126
TOTAL NON-CURRENT LIABILITIES		31,137,751	605,980
TOTAL LIABILITIES		43,789,189	9,531,519
NET ASSETS		88,516,695	86,815,948
EQUITY			
Members' funds		88,320,228	86,619,481
Asset revaluation reserve		196,467	196,467
TOTAL EQUITY		88,516,695	86,815,948

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

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

	MEMBERS' FUNDS	ASSET REVALUATION RESERVE	TOTAL
	\$	\$	\$
BALANCE AS AT 1 JULY 2014	86,358,870	196,467	86,555,337
COMPREHENSIVE INCOME			
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
BALANCE AT 30 JUNE 2015	86,619,481	196,467	86,815,948
COMPREHENSIVE INCOME			
Profit attributable to the entity	1,795,677	-	1,795,677
Other comprehensive income for the year	(94,930)	-	(94,930)
Total Comprehensive Income	1,700,747	-	1,700,747
BALANCE AT 30 JUNE 2016	88,320,228	196,467	88,516,695

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 2016

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

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2016 \$	2015 \$
Cash receipts from customers		46,997,535	35,402,019
Payments to suppliers and employees		(34,274,084)	(32,450,507)
Interest received		15,416	19,867
Interest paid		(71,273)	(59,683)
Net Cash provided by Operating Activities	18	12,667,594	2,911,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(38,848,047)	(3,433,016)
Proceeds from Disposal		2,909,244	107,292
Net Cash used in Investing Activities		(35,938,803)	(3,325,724)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		30,502,674	50,251
Repayments from borrowings		(894,160)	(140,000)
Proceeds from lease borrowings		318,896	-
Repayments of lease liabilities		(214,916)	(56,771)
Net Cash provided by/(used in) Financing Activities		29,712,494	(146,520)
NET INCREASE/(DECREASE) IN CASH HELD		6,441,285	(560,548)
Cash at beginning of financial year		1,911,927	2,472,475
CASH AT END OF FINANCIAL YEAR		8,353,212	1,911,927
CASH AT END OF FINANCIAL YEAR			
Cash at bank and on hand		4,353,212	1,911,927
Short term deposits		4,000,000	-
CASH AT END OF FINANCIAL YEAR		8,353,212	1,911,927

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 23 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 2016

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 2016

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 2016

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (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 2016

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

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

(j) 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.

(k) 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.

(l) 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 22 to the financial statements.

(m) Comparatives

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

(n) 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.

(o) 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 2016, and have not been applied in preparing these consolidated financial statements are listed below:

- AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).
- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018).
- AASB 16: Leases (applicable for annual reporting periods from commencing on or after 1 January 2019).

The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

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

(p) 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 July 2015 that have been adopted by the Group is presented below.

- a) "AASB 2015-4 amends AASB 128 Investments in Associates and Joint Ventures to ensure that its reporting requirements on Australian groups with a foreign parent align with those currently available in AASB 10 Consolidated Financial Statements for such groups. AASB 128 will now only require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

AASB 2015-4 is applicable to annual reporting periods beginning on or after 1 July 2015."

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 2016

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

2. REVENUE	2016 \$	2015 \$
Operating Activities		
– Racing Queensland Subsidy	2,305,364	2,401,122
– Catering and admissions revenue	17,402,402	17,038,568
– Broadcast, television rights and sponsorship	7,955,563	8,088,086
– Wagering and gaming revenue	3,868,134	3,498,399
– Stable, track and barrier trial fees	3,573,425	3,549,621
– Member subscriptions and entrance fees	932,357	901,677
– Rentals	612,685	460,286
Total Operating Revenue	36,649,930	35,937,759
Non-Operating Activities		
– Grants – Queensland Government	9,268,187	–
– Grants – Racing Queensland	9,306	126,640
– Profit on Sale of Assets	2,381,348	107,292
– Interest and other income	144,923	26,242
Total Non-Operating Revenue	11,803,764	260,174
TOTAL REVENUE	48,453,694	36,197,933
3. EXPENSES		
Racing and Non-Racing Expenses		
– Catering and raceday salaries and associated costs	12,577,686	11,597,565
– Equipment Hire	2,385,486	2,488,041
– Trophies	136,603	96,825
– Totalisator expenses (note 4)	1,299,234	1,228,762
– Racing service providers	3,007,431	2,679,539
– Gaming and sports club expenses	443,346	510,021
– Other expenses	698,669	1,164,366
Total Racing and Non-Racing Expenses	20,548,455	19,765,119
Maintenance Expenses		
– Salaries, contractors and associated costs	3,911,722	3,859,747
– Materials and services	4,453,975	3,962,806
– Other maintenance expenses	291,707	270,189
Total Maintenance Expenses	8,657,404	8,092,742
Administration Expenses		
– Salaries, contractors and associated costs	2,838,526	2,182,762
– Legal and compliance costs	80,477	136,143
– Marketing, promotions and branding	2,317,916	1,690,763
– Information technology and communications costs	507,591	347,255
– Other administration costs	1,865,438	1,150,466
Total Administration Costs	7,609,948	5,507,389

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

3. EXPENSES (CONT'D)	2016 \$	2015 \$
Depreciation Expense		
– Depreciation Expense	2,257,975	2,065,370
Total Depreciation Expense	2,257,975	2,065,370
Movement in Provisions		
– Employee entitlements	675,485	637,566
Total Movement in Provisions	675,485	637,566
Other Expenses		
– Asset write off	6,841,096	–
– Defined Benefit Plan	67,654	84,480
Total Other Expenses	6,908,750	84,480
TOTAL EXPENSES	46,658,017	36,152,666

4. TOTALISATOR PROFIT/(LOSS)		
Revenue	1,372,883	1,237,521
Expenses	(1,299,234)	(1,228,762)
Totalisator Profit/(Loss)	73,649	8,759

5. AUDITORS' REMUNERATION		
Remuneration of the auditors of the Company for:		
– auditing and reviewing the financial report	55,000	58,000
– other services	6,500	27,026
	61,500	85,026

6. CASH AND CASH EQUIVALENTS		
Cash on hand	664,107	583,220
Cash at bank	3,689,105	1,328,707
Short term deposits	4,000,000	–
Total Cash	8,353,212	1,911,927

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

7. TRADE AND OTHER RECEIVABLES	2016 \$	2015 \$
Trade debtors	2,123,928	2,001,054
Other receivables	403,125	526,886
	2,527,063	2,527,940
8. INVENTORIES		
Catering food and beverage – at cost	540,359	272,779
Maintenance materials – at cost	47,130	22,130
	587,489	294,909
9. ASSETS HELD FOR SALE		
Transferred from Investment Properties	470,000	–
Total Assets Held for Sale	470,000	–
10. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land		
At cost	29,500,000	29,500,000
Total Freehold Land	29,500,000	29,500,000
Racetracks		
At cost	12,610,472	10,126,060
Less Accumulated Depreciation	(219,636)	(603,986)
Total Racetracks	12,390,836	9,522,074
Buildings & Improvements		
At cost	53,220,918	51,012,910
Less Accumulated Depreciation	(9,154,476)	(7,905,322)
Total Buildings	44,066,442	43,107,588
Plant and Equipment		
At cost	6,009,497	5,259,672
Less Accumulated Depreciation	(4,706,164)	(4,177,641)
Total Plant and Equipment	1,303,333	1,082,031
Leased Plant and Equipment		
At cost	1,072,077	762,353
Less Accumulated Depreciation	(236,393)	(37,266)
Total Leased Plant and Equipment	835,684	725,087

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)	2016 \$	2015 \$
FURNITURE AND FITTINGS		
At cost	1,438,582	1,200,542
Less Accumulated Depreciation	(1,124,558)	(1,021,305)
Total Furniture and Fittings	314,024	179,237
CAPITAL WORKS IN PROGRESS		
At cost	30,052,071	4,593,793
Total Capital Works in Progress	30,052,071	4,593,793
TOTAL PROPERTY, PLANT AND EQUIPMENT	118,462,390	88,709,810

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 IM- PROVEMENTS	PLANT AND EQUIPMENT	LEASED PLANT AND EQUIPMENT	FURNITURE AND FITTINGS	CAPITAL WORKS IN PROGRESS	TOTAL
Balance at beginning of year	29,500,000	9,522,074	43,107,588	1,082,031	725,087	179,237	4,593,793	88,709,810
Additions	-	9,285,145	2,645,354	579,598	309,724	175,091	25,853,135	38,848,047
Transfers	-	182,903	104,151	44,854	-	62,949	(394,857)	-
Disposals	-	(6,496,034)	(345,067)	-	-	-	-	(6,841,101)
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-
Depreciation expense	-	(103,252)	(1,445,584)	(403,150)	(199,127)	(103,253)	-	(2,254,366)
CARRYING AMOUNT AT THE END OF THE YEAR	29,500,000	12,390,836	44,066,442	1,303,333	835,684	314,024	30,052,071	118,462,390

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

11. INVESTMENT PROPERTIES	2016 \$	2015 \$
Balance at beginning of year	1,797,500	1,801,250
Acquisitions/(Disposals)	(527,891)	-
Transfer to assets held for sale	(470,000)	-
Depreciation	(3,609)	(3,750)
Balance at Year End	796,000	1,797,500

The remaining investment properties have a valuation of \$1,170,000 (2015: 2,340,000) based on independent valuation obtained by the Directors as at 30 June 2013.

12. INTANGIBLE ASSETS		
Gaming Machine Licenses		
At cost	552,279	552,279
Total Gaming machine licenses	552,279	552,279
Balance at beginning of year	552,279	552,279
Amortisation/Impairment Charge	-	-
Balance at Year End	552,279	552,279

13. TRADE AND OTHER PAYABLES		
Trade creditors	7,033,926	4,034,060
Other creditors	2,257,187	1,691,045
	9,291,113	5,725,105

14. EMPLOYEE ENTITLEMENTS		
(a) Current		
- Annual Leave	781,860	705,245
- Long Service Leave	553,390	626,334
	1,335,250	1,331,579
(b) Non-Current		
- Long Service Leave	115,108	96,854
	115,108	96,854

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

15. PROVISIONS	2016 \$	2015 \$
Other Provisions	82,899	65,383
Total Provisions	82,899	65,383

Provision Movements

	OTHER PROVISIONS \$	TOTAL \$
Opening balance 1 July 2015	65,383	65,383
Additional provisions	27,213	27,213
Amounts used	(9,697)	(9,697)
Balance at 30 June 2016	82,899	82,899

16. BORROWINGS

(a) Current

– Lease liability secured	219,780	169,065
– Loan	–	851,738
	219,780	1,020,803

(b) Non-Current

– Lease liability secured	562,391	509,125
– Loan	30,460,252	–
	31,022,643	509,125

Lease liabilities are secured by the underlying leased assets.

The loan borrowings are from The State Government, Mirvac and the ANZ Bank.

The Bank loan for the Eagle Farm Infield Stables project is secured by the first registered mortgage of the Stage 3 and the Stage 4 land that forms part of the Development Land (Lot 807 on Survey Plan 283433) and Gallopers, the assignment of the Marketing Fee pursuant to the Deed of Assignment of marketing and branding fee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

17. 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.

18. CASH FLOW	2016 \$	2015 \$
(a) Reconciliation of cash flows from operations with profit from ordinary activities:		
Profit/(Loss) from Ordinary Activities	1,700,747	260,611
Non –cash flows in operating profit:		
– Depreciation and amortisation	2,257,975	2,065,370
– Net (gain)/loss on disposal of investment property	(2,368,848)	–
– (Profit)/Loss on the Sale of Assets	(12,500)	(107,292)
– Asset write offs	6,841,096	–
– Defined Benefit Plan	156,183	(142,379)
Changes in assets and liabilities:		
– (Increase)/decrease in trade and other receivables	877	(859,581)
– (Increase)/decrease in prepayments	(160,532)	(32,727)
– (Increase)/decrease in inventories	(292,580)	126,433
– Increase/(decrease) in trade payables and accruals	4,523,251	1,620,586
– Increase/(decrease) in provisions and other liabilities	21,925	(19,325)
CASH FLOWS FROM OPERATIONS	12,667,594	2,911,696

(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 \$309,724 (2015: \$762,353) which is leased under finance

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

19. 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	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)				WITHIN INITIAL TRADE TERMS
			< 30	31 – 60	61 – 90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2016							
Trade receivables	2,123,938	–	185,719	213,338	249,930	172,519	1,302,432
Other receivables	403,125	–	–	–	–	–	403,125
Total	2,527,063	–	185,719	213,338	249,930	172,519	1,705,557
2015							
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

19. 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 2016		
+/-1% in interest rate	179,930	179,930
Year ended 30 June 2015		
+/-1% in interest rate	10,602	10,602

(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. During the year the Company introduced a cash quarantine procedure whereby if either one of the three criteria is not met, the Finance, Governance and Risk Management sub-committee is to be notified of the breach with an explanation as well as the action(s) taken to remedy the breach. The three criteria are that the interest cover ratio must be no less than required by the bank, the working capital ratio to be no less than 1 time and total cash at any point in time should not be below \$3 million.

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 2016

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

19. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Liability and Financial Asset Maturity Analysis

	WITHIN 1 YEAR		1 TO 5 YEARS		OVER 5 YEARS		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalents	8,353,212	1,911,927	-	-	-	-	8,353,212	1,911,927
Trade and other receivables	2,527,063	2,257,940	-	-	-	-	2,527,063	2,257,940
Total expected inflows	10,880,275	4,169,867	-	-	-	-	10,880,275	4,169,867
Financial Liabilities								
Trade and other payables	9,291,113	5,725,105	-	-	-	-	9,291,113	5,725,105
Borrowings	219,780	1,020,803	31,022,643	509,125	-	-	31,242,423	1,529,928
Total expected outflows	9,510,893	6,745,908	31,022,643	509,125	-	-	40,533,536	7,255,033
Net inflows/ (outflows) on financial instruments	1,369,382	(3,145,622)	(31,022,643)	(509,125)	-	-	(29,653,261)	(3,085,166)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

20. 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
R H Morrison
C M Schatz
J D Shepherd
T J Svenson

Executive Officers

D Whimpey
Chief Executive Officer

B Jong
Chief Financial Officer

Related Party Disclosures

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

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

Director Curt Schatz is a Partner at Mullins Lawyers. In the period to 30 June 2016, total fees of \$121,660 (2015: \$111,772) were paid to Mullins for legal advice and disbursements.

Director Richard Morrison was formerly a Director at Knight Frank Australia (Brisbane) Pty Ltd. In this financial year Knight Frank Australia (Brisbane) Pty Ltd was paid \$150,000 as commission for securing Mirvac as a Joint Venture partner for the successful campaign of the Eagle Farm Residential Precinct.

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 2016

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

20. DIRECTORS' AND EXECUTIVES DISCLOSURES (CONT'D)

Key Management Compensation

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

	2016 \$	2015 \$
Short term benefits	856,082	677,958
Post – employment benefits	83,007	47,865
Total	939,089	725,823

21. 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.

22. 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 2016 was \$31,106,100 (2015: \$27,278,700) which included \$1,432,500 prizemoney from the Queensland Thoroughbred Investment Scheme (QTIS).

23. CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	COUNTRY OF INCORPORATION	PERCENTAGE OWNED	
		2016	2015
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 2016

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

24. 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 2016 \$	YEAR ENDING 30 JUNE 2015 \$
Net Defined Benefit (Liability)/Asset at Beginning of Year	412,524	270,145
Defined Benefit (Cost)/Credit Recognised in the P&L	(67,654)	(84,480)
Total Remeasurements Recognised in OCI gain/(loss)	(94,930)	215,344
Employer Contributions	6,401	11,515
Benefit Payments Directly from Employer	0	0
Other Significant Events		
(i) Net Transfer (in)/out (including the effect of any business combinations/divestitures)	0	0
(ii) Effect of changes in foreign exchange rates	0	0
NET DEFINED BENEFIT (LIABILITY)/ASSET AT END OF YEAR	256,341	412,524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

24. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

RECONCILIATION OF FAIR VALUE OF PLAN ASSETS	YEAR ENDING 30 JUNE 2016 \$	YEAR ENDING 30 JUNE 2015 \$
Fair Value of Plan Assets at Beginning of Year	1,335,871	1,435,888
Interest Income on Plan Assets	59,641	40,968
Remeasurements:		
– Return on Plan Assets (excluding amount in interest income) gain/(loss)	(58,025)	110,409
Employer Contributions	6,401	11,515
Employee Contributions and Rollover	43,908	49,658
Benefit Payments from Plan	(98,000)	(261,842)
Payments for Settlements	0	0
Administrative expenses paid	(23,627)	(38,362)
Taxes paid	(2,915)	(7,911)
Insurance premiums for risk benefits	(4,863)	(4,452)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
FAIR VALUE OF PLAN ASSET AT END OF YEAR	1,258,391	1,335,871

RECONCILIATION OF PRESENT VALUE OF DEFINED BENEFIT OBLIGATION	YEAR ENDING 30 JUNE 2016 \$	YEAR ENDING 30 JUNE 2015 \$
Defined Benefit Obligation at Beginning of Year	923,347	1,165,743
Current Service Cost	47,475	48,823
Past Service Cost/(Credit)	0	0
(Gain)/Loss on Settlements	0	0
Interest Expense on DBO	41,515	32,784
Tax allowance in P&L	9,540	10,004
Administrative expenses allowance in P&L	28,765	33,837
Employee Contributions and Rollover	43,908	49,658
Benefit Payments from Plan	(98,000)	(261,842)
Benefit Payments Directly from Employer	0	0
Payments for Settlements	0	0
Administrative expenses paid	(23,627)	(38,362)
Taxes paid	(2,915)	(7,911)
Insurance premiums for risk benefits	(4,863)	(4,452)
Remeasurements:		
– Effect of changes in demographic assumptions (gain)/loss	0	0
– Effect of changes in financial assumptions (gain)/loss	12,625	(80,091)
– Effect of experience adjustments (gain)/loss	24,280	(24,844)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
DEFINED BENEFIT OBLIGATION AT END OF YEAR	1,002,050	923,347

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

24. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Reconciliation of the effect of the asset ceiling

The Present Value of Economic Benefits is lower than the Net Defined Benefit Assets; however, the asset ceiling has not been applied to the Plan because surplus arising from the defined benefit section of the Plan can be used to pay contributions relating to accumulation members in the Plan.

Reconciliation of reimbursement rights

There are no reimbursement rights for this Plan.

Fair value of Plan Assets disaggregated by nature and risk

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

	Asset Value* as at 30 June 2016
Cash and cash equivalents	\$'000
– Cash	60
Equity	
– Domestic	381
– International (currency hedged)	115
– International (currency unhedged)	259
Fixed Income	
– Domestic Government Bonds	123
– International Government Bonds	126
Real Estate / Property	
– Domestic Indirect Property	40
– International Property	40
Other types of Investment	
– Alternative Growth	51
– Alternative Defensive	63
TOTAL	1,258

* Based on the actual investment allocation of the Defined Benefit assets as at 30 June 2016

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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

24. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

ASSUMPTIONS	DBO AT 30 JUNE 2016 \$
Discount Rate plus 0.50%	986,698
Discount Rate minus 0.50%	1,018,127
Salary increase rate plus 0.50%	1,010,209
Salary increase rate minus 0.50%	994,343

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 2017 \$
Expected Employer contributions	0
Expected Employee contributions	6,164

Maturity Profile of the DBO as measured by weighted average duration

The weighted average term of the DBO is calculated as 7.0 years.

PROJECTED BENEFIT PAYMENTS	\$
Next Year	418,188
Next Year + 1 year	4,048
Next Year + 2 years	4,880
Next Year + 3 years	148,834
Next Year + 4 years	77,129
Sum of Next Year + 5 ~ 9 years	170,553

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

24. 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 \$860,410 (2015 \$856,264). Employees contribute various percentages of their gross income and the Company contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

25. 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	12,658	962	13,620
Travel and Accommodation	79,736	17,368	97,104
Telephone	-	-	-
TOTAL	92,394	18,330	110,724

26. CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2016 amounted to \$12,157,701 (2015 \$266,480). All capital commitments are expected in the year to 30 June 2017.
- (b) Finance Lease Commitments

	2016 \$	2015 \$
Payable – minimum lease payments:		
– Not later than 12 months	255,404	192,528
– Between 12 months and 5 years	605,161	548,792
– Greater than 5 years	-	-
Minimum lease payments	860,565	741,320
Less future financial charges	(78,394)	(63,130)
Value of minimum lease payments	16	\$782,171
		\$678,190

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

26. CAPITAL AND LEASING COMMITMENTS (CONT'D)

The finance leases on plant and equipment commenced are 5 year leases with lease payments paid monthly in advance. The carrying amount of the assets secured under these finance leases is \$835,684 (2015: 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.

27. 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

In June, a recovery for \$5.015 million for additional costs incurred for enabling works to the major projects at Eagle Farm namely the Tunnels project, Infield works as well as the Eagle Farm track redevelopment was lodged with RQ. Discussions have continued with RQ subsequent to balance date, the current outcome is unknown.

On the 25th August 2016, the BRC entered into contract for the design and construction of a Childcare Centre at 274 Lancaster Rd Ascot for \$1.7 million.

The financial report was authorised for issue on 29 September 2016 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 2016 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

29 September 2016

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 2016, 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 2016 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.

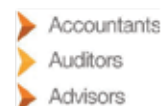
Bentley's Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director

Brisbane
29 September 2016



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MAJOR PARTNERS



PARTNERS & SUPPLIERS

AAMI	Grinders Coffee	Qld Hotels Association
ADSS	Hardy Brothers	RadioTAB
Alex Perry Hotel & Apartments	Evergreen Turf	Robert Oatley Wines
Ambassador Travel	Indooroopilly Shopping Centre	Racezone
Asset Protection	Iona College	Sirromet Wines
Black & White Taxis	IPG Connect	Southern Sheet & Coil
BMW Australia	Landfill Logistic Qld	SUEZ
Bouquet Boutique	Lion	Sky Racing
Brisbane Broncos	Magic Millions	Starlight Foundation
Brisbane Marketing	Mater Dei School	St Margaret's Anglican Girls School
Buy A Bale	Mirvac	St Vincent's Brisbane
Channel Seven	Mitavite	Style Magazine
Coca Cola Amatil	Mitty's	Treasury Casino & Hotel
Darley	Mullins Lawyers	Hamilton Hotel
Designline	National Fire Industry Association	Thoroughbred Breeders Qld Association
Diageo	Nova 106.9	UBET
FKG Group	Nuturf	Valiant Hire
Garrards Pty Ltd	Padua College	Women's Cancer Foundation
Glenlogan Park Stud	Pages Event & Equipment Hire	Yalumba Wines
Green Options	Programmed Property Services	Youngcare

CORPORATE CHAIRMAN'S CLUB MEMBERS

Acquired Awareness Traffic Management	Lilivale Stud	Pages Hire Centre
Alex Perry Hotel And Apartments	Luxbet	Ray White Hotels Australia
Ascend Sales Promotional Products	Mailezy	Secutor Securities
Ascend Sales Trophies	Maxgaming	SQS Haulage
AQWA Constructions	Mirvac	SUEZ
City Property Services	Motorline BMW	Stanley River Thoroughbreds
Gallopers Sports Club	Nuturf	UBET
Garrards Veterinary	The Courier Mail	Worldwide Printing Solutions
Ladbrokes Digital Australia	Nova 106.9 FM	



BRISBANE
RACING CLUB

Brisbane Racing Club Ltd

PO Box 817 Hamilton Central Q 4007

P: 07 3268 2171 E: admin@brc.com.au

www.brc.com.au

ABN 80 133 679 786