



BRISBANE
RACING CLUB

2018-2019 ANNUAL REPORT

2018-2019 Annual Report

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Cover: Eagle Farm Racecourse on TAB Stradbroke Day during the 2019 Channel Seven Brisbane Racing Carnival presented by TAB.

Image: Jared Vethaak Photography

Right: Trekking and Jockey Kerrin McEvoy winning the TAB Stradbroke Handicap on TAB Stradbroke Day during the 2019 Channel Seven Brisbane Racing Carnival.

Image: Jared Vethaak Photography







Chairman's Report

It is with great pleasure that I present to Members this 11th Annual Report of the Brisbane Racing Club.

The Club's 2018/2019 year again provided growth in revenues from our diversified business model, underpinning another year of consolidated profit that supported the BRC's core racing business. The BRC operating model is now maturing into a profitable yet complex business managed by a highly skilled senior executive leadership group and supported by committed long-term loyal staff.

The highlight of the BRC's last 12 months was the return to racing at Eagle Farm on Saturday, December 22. The return to Eagle Farm was a real Christmas present for BRC Members and for the Queensland racing industry as we welcomed the sight of horses galloping along the state's most famous track. When Victorian colt Dubious claimed the first race on the new course proper, we began to put behind us the testing times of May and June 2017 when the first version of the rebuild broke down.

All BRC Members can be proud of the racing at headquarters since Eagle Farm returned, highlighted by a Channel Seven Brisbane Racing Carnival, presented by TAB, that included Trekking's victory in the TAB Stradbroke Handicap. The track was carefully managed with an initial race schedule including two feature carnival days. Eagle Farm is ready for its next phase which includes an increased number of race meetings that provide a long-awaited opportunity for the BRC to plan a better financial year for racing. Eagle Farm will host five consecutive Saturday racedays in early 2019/20 culminating on Canadian Club Melbourne Cup Day, before a six-week break for its first major renovation.

With Eagle Farm racing well and Doomben continuing to perform at a remarkable level, your Board and management can focus on improving the raceday experience for Members and raceday patrons. Members would have noticed the many improvements already to the ground floor of the John Power Stand including new bars in the Champagne and Group One Lounge, new larger screens in the betting auditorium and new furniture throughout. Details of major infrastructure upgrades at Doomben including an \$800,000 boost to track irrigation, the upgrade to the lift in the Members Stand and the many projects at Eagle Farm will be detailed later in this report by our General Managers.

We have undertaken detailed planning for new-look Summer and Winter Carnivals in collaboration with Racing Queensland. We will welcome The Gateway - a new \$250,000 race for four-year-olds, in December.

Membership has continued to grow past the 4000 mark, with new introductory categories providing a pathway to full membership. The return to racing at Eagle Farm and the improvements at both tracks have undoubtedly created interest for people wishing to become Members.

Major corporate partnerships have been renewed and extended during the year confirming the strong links that the BRC has with national brands. Long-term partners Lion, Channel Seven, Coca-Cola, Hardy Brothers, and new partner TAB are committed to supporting your Club well into the future. Katie Churchill, our GM Sales and Marketing, will provide more detail on our sponsorships and corporate partnerships.

OUR FINANCIAL PERFORMANCE

Your Club recorded a profit of \$779,250 for the financial year. This was the second consecutive year of good financial performance despite the challenges presented by the unavailability of Eagle Farm for much of the first half. The uplift in BRC racedays to 53, including 32 Saturdays, gave the racing arm of our business a significant boost. While racing incurred a loss of circa \$2.5 million, this represented a significant improvement from the previous year loss of circa \$4.3 million. Growth in food and beverage, sponsorship, membership and corporate engagement all played a vital role in this year's positive results. The Club operations will be detailed later in this report.

Our consolidated revenue grew to \$58.7 million up from \$50.9 million last year. This continued growth highlights new non-racing revenue streams coming online, such as the Racecourse Village Shopping Centre that opened

"Members can look forward to more racing throughout 2019/20."

in August 2018 and finalising the independent living and aged care project with Lendlease at Doomben. Construction began on this Bernborough Ascot project in late 2018. The 2019 revenue of \$58.7 million represents a 66 per cent growth since 2014. We expect this turnover figure to level out for the next two years while the business absorbs and adapts to the diversified business model. Your board is mindful of controlling our growth cycle as our BRC Master Plan unfolds.

It is important that our Club maintains the high management skills necessary to guide our successful but complex business while staying true to our 154 years of racing tradition. This factor has never been more important and remains critical to the sustainability of our Club. We constantly review performance and engage new skills as demanded by the business. This has impacted our total employee costs which have risen to \$19 million.

Our borrowings, as predicted, are sitting at \$72 million. We have repaid approximately \$5.3 million off the \$12 million loan from Mirvac and will continue to reduce debt as revenues from the Ascot Green development flow back to the Club over the next decade. Interest paid on all borrowings this year amounted to \$3.2 million, up from \$1.3 million last year. Full details are disclosed in the financial accounts later in this report.

Our new commercial assets such as Racecourse Village Shopping Centre, Ascot Childcare and Kindy, Gallopers and Souths Sports Clubs, together with the infield stabling complex and infield developments, all add



The Bostonian winning the Doomben 10,000 on TAB Doomben 10,000 Day.

tremendous value to our balance sheet. However, your Board has taken a very conservative approach and these assets are listed only at the cost price in our accounts and not listed at current market values. We do, of course, have to take up the depreciation on these assets each year. This is reflected in this year's accounts at a total of \$4.5 million, up from last year's \$3.4 million.

THE YEAR AHEAD

Members can look forward to more racing throughout 2019/20. Our expanded schedule will cater for 71 race meetings including 43 Saturdays. The 2020 Channel Seven Brisbane Racing Carnival, presented by TAB, will feature three consecutive Saturdays at Eagle Farm culminating in the TAB Stradbroke Handicap. Our Club operations will benefit from this increased schedule during these next 12 months. Eagle Farm will take the majority of Saturday racing over this time as the new track matures and resumes the title as Queensland's racing headquarters. Doomben will enjoy a more balanced schedule after performing well above expectations during the unavailability of Eagle Farm.

Our Master Plan continues to unfold with detailed planning focusing on a proposed new commercial office building in Eagle Farm's St Leger Precinct. The next residential tower in Ascot Green, Tulloch House, will commence construction in mid-2020. The first tower, Ascot House, consisting of 90 apartments over nine levels has only a few unsold apartments and is recognised as a benchmark residential project. Our joint-venture partner, Mirvac is living up to its reputation as one of Australia's leading apartment builders. As previously reported, this project will deliver some 1,100 apartments around the Eagle Farm track over the next decade. Millers Swim School has commenced construction of its indoor pool complex on Lancaster Road adjoining the BRC-owned Ascot Childcare and Kindy. The swim school is scheduled to open in February 2020.

At Doomben, Bernborough Ascot Retirement Village is well into the construction phase with the builder's crane towering over the south-eastern corner of the track. Stage one, consisting of approximately 50 independent living apartments, is due for completion in mid-2020. This project is a joint-venture with Lendlease and has a



TAB Stradbroke Day presentation

predicted seven-year construction timeline to develop 300 independent retirement living apartments and a 124-bed aged care facility. More detail on the year ahead for our Master Plan can be found in the report by GM Property, Jeff Kahler.

Gallopers Sports Club goes from strength to strength and is now one of the most frequented meeting spots in our local area. Souths Sports Club has just completed its first year post the major upgrade and is well on the way to matching Gallopers' commercial performance.

APPRECIATION

Our strong commercial performance coupled with the successful return to racing during the year serves to highlight a stellar performance by Team BRC. The Board congratulates the senior leadership team led by CEO, Dave Whimpey and supported by a dedicated workforce exceeding 100 employees, that averages over 12 years' service per individual staff member. As is the way in today's commercial life, change has occurred in the senior leadership group over the last year. We farewelled Paul Williams, GM Operations in April. Paul has been the

driving force in lifting the food, beverage and service to raceday patrons to a new level. Paul's professional guidance and innovation will be missed. We thank him for his efforts over the past four years and wish him well in his new business venture. Dave Whimpey stepped down at the end of the financial year after more than five years as CEO. Dave guided the Club through some of the most challenging times in our history as we encountered the deaths of two much-loved construction workers in our infield project and the difficulties with the Eagle Farm track rebuild. Dave led our strategic plan which has driven the transformation of our Club and ensured the sustainability of 154 years of racing tradition. The Board thanks Dave for his tireless dedication to the Club and wish him all the best in the next chapter of his commercial life.

I thank and congratulate the tracks team led by Director of Racetracks Jim Roberts and his Eagle Farm Track Manager, Peter Birch. Their team balanced the expectations of the Eagle Farm track rebuild while ensuring Doomben continued to shoulder the heavy metropolitan racing workload. The addition of Melbourne track specialist, Mick Goodie added significant experience to our Eagle Farm tracks team. Mick was very welcome at Eagle Farm and his performance in helping to rebuild the track was outstanding and critical to its success.

The Club enjoys good working relationships with all levels of Government. We have positive engagement with the Honourable Stirling Hinchliffe, Minister for Racing, and his staff. The Minister is a regular at our racedays and represents the State Government at our feature carnival racedays. I also acknowledge the ongoing support of the Honourable Anastacia Palaszczuk, Premier of Queensland, who has always maintained her long-term interest in thoroughbred racing.

Our special relationship with the Brisbane City Council

through recently retired Lord Mayor Graham Quirk continues under the new leadership of Adrian Schrinner and his team. We thank Graham for his long-term support of the BRC and congratulate him on his appointment to the Board of Racing Queensland. We also acknowledge support from State Government Member for Clayfield Tim Nicholls and the Brisbane City Council's Hamilton Ward Councillor David McLachlan.

The Club continues working alongside Racing Queensland to create a strong and viable racing industry across the state. We congratulate RQ on recent prizemoney increases and their focus on infrastructure upgrades to the ageing facilities at clubs around Queensland. The BRC has strong working relationships with RQ Chairman Steve Wilson and his Board, along with CEO Brendan Parnell and we look forward to developing positive outcomes during the next 12 months on the many industry projects currently underway.

In closing, I thank and acknowledge the outstanding support of my fellow directors. They all perform many skilled hours each week on complex issues that regularly arise and at times require urgent attention. This pulls them away from their personal, business and family obligations and I very much appreciate their generosity and commitment to this Club. During another intense year, each director has given advice freely and willingly as custodians of the Club and its rich 154-year heritage.

My sincere thanks to all Members for your support and patience in 2018/2019. I look forward to seeing you trackside over the next racing season as we continue this exciting journey of the BRC.

Neville Bell
Chairman



Jeff Lloyd farewell on July 9 (Image: Trackside Photography)



TAB Stradbroke Day crowds

STATISTICAL INFORMATION	2019	2018	2017	2016	2015
RACING					
Race Meetings	53	45	75	54	52
Saturdays	32	33	44	39	36
Mid Weeks	21	12	31	15	16
Races	461	406	611	429	414
Starters	4,659	4,202	6,162	4,605	4,298
Average Starters per race	10.11	10.35	10.09	10.73	10.38
ATTENDANCES					
Annual Racing Attendance	153,741	149,796	168,974	164,225	153,952
Brisbane Racing Carnival	38,449	32,733	38,347	41,387	40,377
Total Attendance	399,321	435,722	436,581	429,228	482,899
MEMBERSHIP					
Life	22	22	23	24	24
Full Member (35yrs+ as a Member)	389	366	379	317	320
Full Member (Age 30+ years)	2,092	1,992	2,107	2,183	1,963
Full Member (Age 18-29 years)	138	147	135	247	249
Perpetual	314	295	279	262	237
Social Membership	1,258	935	617	266	n/a
Absentee	-	n/a	n/a	n/a	n/a
Honorary	21	20	19	20	24
Chairman's Club	44	46	44	23	n/a
Corporate Members	-	n/a	n/a	24	45
TOTAL RACING	4,278	3,823	3,603	3,366	2,862
Sports Club Social Members	9,554	11,208	6,315	5,792	5,654
TOTAL MEMBERS	13,832	15,031	9,918	9,158	8,516
PRIZE MONEY (\$000)					
Prize Money Paid	38,340	31,198	36,267	31,106	27,279
WAGERING (\$000)					
Oncourse Totalisator	12,743	12,331	19,432	19,589	15,330
Bookmakers	9,505	8,911	11,615	19,991	19,674
FINANCIAL (\$000)					
Surplus/(Loss)	779	1,297	(806)	1,701	261
Capital Expenditure	13,219	23,515	24,757	38,848	3,433



Chief Executive Officer's Report

Thank you to the many Members who have wished me well since I joined the Brisbane Racing Club as CEO early in the 2019/2020 financial year.

I wasn't with the BRC during the 2018/19 year that is the subject of this Annual Report but much of what happened in those 12 months is guiding me through my early days with the Club.

"The most exciting November and December programs that the BRC has known"

I have been privileged to join a Club that performed so well in the most recent year despite the challenge of Eagle Farm being unavailable for racing for almost half of that time. I commend the BRC team for their work to ensure the Club's financial position remained strong and that the core racing business remained a priority with Doomben continuing to perform in outstanding fashion. The performance of Doomben has been remarked on around the country by those who recognise the skills of our tracks team.

The offerings to our Members continued to be a focus for the BRC in 2018/19. We have built up our most detailed knowledge of our Members' preferences during recent years. We know that you are attending the races more than in recent years, on average, and that the Member Rewards Program continues to be valued. The 2018/19 season marked the fourth consecutive year of Member Rewards, helping our Members to claim significant benefits that recognised their loyalty. We thank the many Members who participated in surveys after each Rewards Day.

The work on many Members' facilities at Eagle Farm and Doomben throughout 2018/19 has increased the appeal of Membership at our Club. We will continue to look at ways to modernise our offering as we move into 2019/20 and beyond, keeping in mind that we want to make our race meetings as comfortable as possible for Members.

The Channel Seven Brisbane Racing Carnival, presented by TAB, was another success with the return of Eagle Farm enabling the TAB Stradbroke to come back to its

traditional home. While Trekking's win for Godolphin took our most prized racing trophy away from Queensland, there were plenty of encouraging signs for our Queensland runners. With Eagle Farm back in business, we have worked hard on using the learnings from 2018/19 to ensure our Carnivals are stronger than ever for 2019/20.

The recent changes to the TAB Summer Carnival, made in collaboration with Racing Queensland, bring the most exciting November and December programs that the BRC has known. The Grand Prix Stakes will move to December to provide a genuine staying attraction for younger horses while the creation of The Gateway as a \$250,000 race for four-year-olds brings a brilliant new focus to the days before Christmas. The Road to Magic Millions Race Day on December 28 will feature five black-type races.



View from the Members Reserve Grandstand Eagle Farm.



Trekking and Jockey Kerrin McEvoy after winning the TAB Stradbroke Handicap.

The 2020 Channel Seven Brisbane Racing Carnival, presented by TAB, also draws on our learnings from 2018/19 with Eagle Farm returning to three consecutive days of racing, leading into the Stradbroke on Queensland's most prestigious day of racing. The BRC focused heavily during 2018/19 on the best formats for our Carnivals, ensuring that we can continue to bring the best stables from Australia and New Zealand to match it with our own horses.

The BRC will build on work completed during 2018/19 as we prepare for an important process to determine our broadcast rights beyond 2020. At all times, we will consider what is best for the BRC's racing product and for our Members. Ultimately, the best broadcast deal for the BRC will assist Queensland's racing industry given the importance of Eagle Farm and Doomben for wagering turnover.

The BRC worked closely with Racing Queensland throughout 2018/19. The fruits of that collaboration have been evident in my early days at the Club and we will continue to build that relationship to enhance the industry across the state. We thank Racing Queensland CEO Brendan Parnell and his team for their assistance in developing the best racing programs for all participants.



Channel Seven live broadcast coverage on KIRIN Doomben 10,000 Day.

“Ensuring that we can continue to bring the best stables from Australia and New Zealand”

The work that has been done at the BRC in recent years to future-proof this great Club continued throughout 2018/19. This has placed the Club in a good position to build on that work into 2019/20. I thank the team at the BRC for their work and wish all of our participants and stakeholders the very best for another exciting year ahead.

Tony Partridge
Chief Executive Officer



St Leger House artist impression

Master Plan Report

The Brisbane Racing Club's Master Plan continued at pace during the 2018/19 financial year, delivering positive returns.

In December 2018, the Club's joint-venture partner, Lendlease Retirement Living, commenced construction of Stage One of Bernborough Ascot. Once completed, the seven-storey complex will house 300 independent living units and a 124-bed high-care aged care facility. This will be one of the largest retirement living complexes in Queensland and provide not only unparalleled north-facing views over Doomben racecourse but also state-of-the-art living with facilities to include a championship bowling green, cafes, bars, restaurants and a cinema. The first stage of Bernborough Ascot is due for completion mid-2020. There are four stages in total.

Racecourse Village Shopping Centre on Nudgee Road opened 1 August 2018 and has now completed one full year of trading. The Centre has been a resounding success building a very loyal customer base as sales go from strength to strength. The Centre is fully leased and has just been granted Excellence in Presentation at the 2019 Queensland Retail Property Awards. The Club can be very proud of the progression of the centre, which plays a key role in the BRC's focus on sustainability. The roof of Racecourse Village contains over 400 solar panels generating over 360kw of power. On a sunny day the Centre is fully self-sufficient for electricity. Based on data from Queensland's Clean Energy Regulator, Racecourse Village's solar panels have generated enough electricity to save approximately 192 Tonnes of CO₂. In real-world terms this is roughly the equivalent to not driving a family car for 1 million kilometres. In total, 48 per cent of the total power, day and night, at Racecourse Village has been from the solar panels.

During 2018/19, the Club entered into a lease with Millers Swim School to build and operate a facility on our Lancaster Road site adjacent to the Club's successful Ascot Childcare and Kindy.

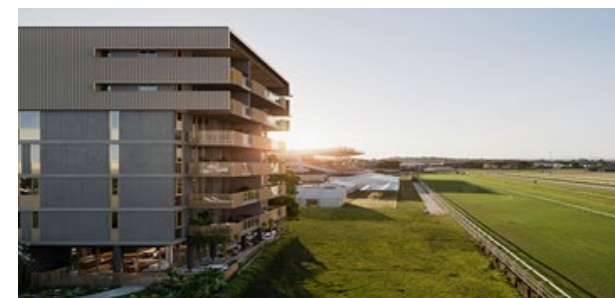
With works well underway, the opening of the new facility is scheduled for early 2020 in time for the new school year.

In May, the BRC released plans for a new five-storey office building between the heritage-listed 1913 St Leger Grandstand and Ascot House. To be known as St Leger House, this impressive building, located right on Eagle Farm's home straight, is currently seeking tenants and construction is expected to commence later this financial year.

Our relationship with Mirvac goes from strength to strength despite what can only be described as a difficult apartment market. Mirvac have continued to sell the remaining apartments in the first of eight apartment towers and are preparing to launch the second tower, to be known as Tulloch House. At the time of writing only a small handful of apartments remain for sale in Ascot House and Mirvac already have good sales in Tulloch House, even though it has not been launched to the public. The Club is looking forward to construction commencing on Tulloch House later this financial year.

In conclusion, your Club is amassing an impressive property portfolio which will set the financial groundwork for years of successful racing ahead.

Jeff Kahler
General Manager
Property and Asset Management



Bernborough Ascot artist impression



Racing Report

Racing returned to some normality at the Brisbane Racing Club in 2018/19 when Eagle Farm was re-opened on December 22 with a combination of excitement, apprehension and a healthy dose of confidence.

Eagle Farm is rightly recognised as the No.1 racecourse in Queensland and, therefore, is a key player in the success of the racing industry in this state. From that historic re-opening to the end of the financial year, Eagle Farm hosted 11 Saturday and two midweek meetings. The modified workload on the new track was deliberate so as not to place the new track under early stress.

The Eagle Farm schedule will begin to increase in 2019/20. However, our track staff will always be highly respectful of the course proper and its response to weather conditions and the calendar of meetings. The track maintenance program will be carried out in a 40-day window immediately after the Canadian Club Melbourne Cup Day meeting. This will include a major "shave" of the grass back to the profile to remove a build-up of organic matter.

The first winter of the new track has provided valuable insights into how the turf responds to cold weather. Track staff are now considering a new approach with a possible over-sow of rye grass next winter. Members, industry participants and punters betting on Eagle Farm races can confidently look forward to the track being presented in an excellent and fair condition long into the future.

The 11 Saturday meetings at Eagle Farm included 1,250 starters in 101 races at an average of 12.38 runners per race. The figures for the two midweeks were 17 races with 173 starters at an average of 10.18 runners.

Doomben successfully carried another heavy workload over the year. There were 25 Saturday meetings with 226 races for 2,331 starters at an average of 10.31 runners. Midweek figures over 19 meetings were 1,307 starters in 153 races at an average of 8.54*.

There were two Doomben washouts (October 13 and October 17) while the Saturday fixture on October 27 was cancelled due to a state-wide industry strike. Mother Nature tested the staff at both tracks across 2018/19. The rainfall recorded for the year was over 625mm, well short of Brisbane's annual average of 1110mm. October was clearly the best month of rain with around 180mm recorded.

The BRC is fortunate to have such a skilled and hard-working team in charge of the course proper and, just as importantly, the training tracks at Eagle Farm, Doomben and Deagon. During the year, Ross Smith and Chris Hurley attended a Racecourse Managers' conference in Hong Kong as part of their professional development.

In late August two Brisbane Racing Club employees were recognised at the 2019 Australian Racecourse Manager Conference held at Elwick Racecourse in Hobart.

**These statistics are inclusive of four Tattersall's Racing Club meetings.*



Chris Hurley and Peter Birch



Jeff Lloyd farewell on July 9 (Image: Trackside Photography)

Peter Birch, Assistant Racecourse Manager Eagle Farm, received the Toro Industry Service Award.

Chris Hurley, Foreman, received the Steriline Racing Scholarship Award to Hong Kong and China. The scholarship has been awarded every year since 2008 as an initiative of Steriline Racing, ARMA and the Hong Kong Jockey Club.

Chris has been with the BRC for 11 years and was promoted late last year to the role of Track Foreman under Peter Birch. Chris was recommended strongly for the scholarship by Peter Birch and Mick Goodie. Chris had impressed Steriline representatives when he attended an ARMA study trip to the HKJC earlier this year.

As part of the scholarship, Chris will visit Sha Tin, Happy Valley and Conghua in China. He will prepare a report on his trip for publication and address the 2020 ARMA conference with his findings.

“Prizemoney increases announced by Racing Queensland for the 2020 winter features should assure even bigger interstate teams travelling north”

Congratulations to the 2018-19 premierships winners: Tony Gollan scored his sixth successive trainers’ title; Jeff Lloyd his fourth straight jockeys’ premiership; and the emerging talent Baylee Nothdurft landed the Apprentices’ title with an impressive surge in the second half of the season.

Lloyd, then 57, officially retired from race riding on July 9 at Doomben. He did not ride a winner at his final meeting but with 78 wins had enough victories to take out the title once again. During his career, which began in Durban in June 1976, Lloyd rode over 5,500 winners including 94 Group 1 successes. He has been a champion jockey and in recent years a wonderful ambassador for racing in Queensland.

The TAB Summer Carnival continues to gather momentum and Racing Queensland has plans, in conjunction with the BRC, to continue to grow this time in the racing calendar. The 2018 TAB Summer Carnival produced some genuinely exciting young prospects in Boomsara and Zoustyle, although both subsequently had setbacks that thwarted their plans at the 2019 Channel Seven Brisbane Racing Carnival, presented by TAB.

The Brisbane Racing Carnival was keenly contested across all distances and age groups. Interstate and New Zealand won six of the seven Group 1 races, but the home state celebrated success in the Queensland Oaks when the Gold Coast-based Winning Ways saluted for trainer Garry Newham and jockey Matthew McGillivray. Special congratulations to local jockey Michael Cahill for his two Group 1 wins on The Bostonian (Doomben 10,000 and

Kingsford-Smith Cup).

It was encouraging to see the New Zealand representation increase in numbers and the successes of The Bostonian will assist the BRC in attracting more Kiwi contenders in 2020.

Prizemoney increases announced by Racing Queensland for the 2020 winter features should assure even bigger interstate teams travelling north. Interstate trainers were successful in Brisbane in 2018/19. James Cummings, Chris Waller, Anthony Cummings, Ciaran Maher and David Eustace, Phillip Stokes and Peter and Paul Snowden were among those to taste Group success.

Interstate riders were also here in big numbers. The list included Kerrin McEvoy, John Allen, James McDonald, Blake Shinn, Tommy Berry and Damien Oliver.

Owners’ ticketing on racedays has been a contentious issue for some time but, in the past two years, the BRC has streamlined the process under the guidance of the highly capable Sue Legg, the Racing Department Co-ordinator. This has made for a much smoother operation of carnival days.

Matt Rudolph
General Manager
Racing



Prize Money	Race	Winner	Jockey	Distance (m)	Weight (kg)	Trainer
GROUP 1						
\$1,500,000	TAB Stradbroke Handicap	Trekking	Kerrin McEvoy	1400	54.0	James Cummings
\$800,000	TAB Doomben 10,000	The Bostonian (NZ)	Michael Cahill	1200	58.5	Tony Pike
\$700,000	Hardy Brothers Jewellers Doomben Cup	Kenedna	John Allen	2000	57.0	Ciaron Maher & David Eustace
\$700,000	TAB Kingsford-Smith Cup	The Bostonian (NZ)	Michael Cahill	1300	59.0	Tony Pike
\$600,000	Channel 7 Queensland Derby	Mr Quickie	John Allen	2400	57.0	Phillip Stokes
\$600,000	Magic Millions J.J. Atkins	Prince Fawaz	Kerrin McEvoy	1600	57.0	Anthony Cummings
\$500,000	Treasury Brisbane Queensland Oaks	Winning Ways	Matthew McGillivray	2200	56.5	Garry Newham
GROUP 2						
\$400,000	KIRIN BRC Sires' Produce Stakes	Strasbourg	Tommy Berry	1400	57.0	Peter & Paul Snowden
\$400,000	Bundaberg Rum P.J. O'Shea Stakes	Kenedna	John Allen	2200	57.0	Ciaron Maher & David Eustace
\$400,000	Lexus Brisbane Cup	Sixties Groove (IRE)	Damien Oliver	2400	57.0	Kris Lees
\$350,000	Ascot Green Queensland Guineas	Kolding (NZ)	James McDonald	1600	57.0	Chris Waller
\$200,000	TAB Victory Stakes	I Am Excited	Blake Shinn	1200	56.5	David Pfeiffer
\$200,000	Moët & Chandon Champagne Classic	Dubious	James McDonald	1200	57.0	Ciaron Maher & David Eustace
\$200,000	Magic Millions The Roses	Etana	John Allen	2000	56.5	Ciaron Maher & David Eustace
\$200,000	Sky Racing Moreton Cup	Pretty In Pink	Robbie Fradd	1200	53.0	John O'Shea
\$200,000	Pages Event Hire Dane Ripper Stakes	Invincibella	James McDonald	1400	59.0	Chris Waller
GROUP 3						
\$150,000	Grinders Coffee Roasters Stakes (Registered name: Moreton Stakes)	Savatiano	Tommy Berry	1300	56.5	James Cummings
\$150,000	Nuturf Fred Best Classic	Military Zone	James McDonald	1400	57.0	Peter & Paul Snowden
\$150,000	Mullins Grand Prix Stakes	Fun Fact	Michael Cahill	2200	57.0	Bjorn Baker
\$140,000	Fujitsu General Gunsynd Classic	Gem Song	Blake Shinn	1600	57.0	Kris Lees
\$140,000	National Rd Safety Wk Rough Habit Plate	Purple Sector (NZ)	Blake Shinn	2000	57.0	John Thompson
\$140,000	KIRIN Chairman's Handicap	Le Juge (IRE)	Robbie Fradd	2000	54.0	Chris Waller
\$140,000	Bernborough Ascot BRC Sprint	Tyzone	Blake Shinn	1350	57.5	Toby Edmonds
\$140,000	EVA Air Premier's Cup	The Candy Man	Michael Cahill	2200	54.0	Barry Baldwin
\$140,000	Ascot Green Lord Mayor's Cup	Order Again (NZ)	Larry Cassidy	1600	59.0	Brian Smith



Crowd at Smirnoff Mekka Wednesday - Doomben Racecourse

Sales and Marketing Report

The reopening of Eagle Farm brought with it a renewed energy and sense of purpose for the Sales and Marketing Team that was indicative in the results achieved throughout the year.

Some of the highlights included:

- A 12% increase in the BRC's Membership base
- New key partnerships
- Feature raceday attendance growth
- Continued event and experience innovation

The growth in the BRC's Membership base included a mix of voting and non-voting categories including a welcome increase of 100 Full Members. The Membership team has worked hard to ensure that Members' benefits and value remains high. Throughout the Spring and Winter Carnivals, the first 500 Members through the gates were treated to a variety of gifts kindly donated by our key partners including TAB vouchers and KIRIN beer. Across the remainder of the year, our three Member Rewards Days, Monthly Bonus Draws and our Members and Friends Days in October and December were well attended. The feedback was exceptionally positive from Members and their guests alike.

The 2019 Channel Seven Brisbane Racing Carnival, presented by TAB, was a true celebration of racing with over 1,000 Members and guests attending each of the first four days and over 2,000 on TAB Stradbroke Day. The Members' Cocktail Party was the best attended in years with just under 200 Members and guests celebrating the return of the Carnival to Eagle Farm in the beautifully styled KIRIN Birdcage.

"Our Carnival is still very much a tourism drawcard"

On racedays, the course came alive with activations including cocktail stations, roving entertainers, the TAB Grab, The Trackside Marina, Strawberry Fields, and a burgeoning Westfield Chermside Fashions on the Field precinct. Headline entertainment in the form of Guy Sebastian and Daryl Braithwaite also created hype around Brisbane outside of the racing.

It is estimated that the 2019 Carnival generated more than \$9.7 million in economic impact for Brisbane and \$6.8 million for the broader Queensland economy. Almost 12,500 visitor nights were generated as a result of our five major days of racing. These figures suggest that our Carnival is still very much a tourism drawcard from both a spectator and participant perspective.

Outside of May and June, our second Lunar New Year raceday in February experienced 15 per cent growth and assisted in attracting a new demographic of racegoers.



Guy Sebastian performing on TAB Stradbroke Day



Moët & Chandon Trackside Marina - Eagle Farm Racecourse.



Roving entertainment during the Winter Carnival.



One of the many beautifully appointed marquees throughout the Winter Carnival.

Priceline Pharmacy Ascot Girls' Day Out, Smirnoff Mekka Wednesday, Channel Seven Spring Carnival, presented by Lexus and TAB Summer Carnival continued to be profitable mainstays on our calendar with small increases in attendance across the board. Our Family racedays have gone from strength to strength. Overall, raceday hospitality profit has increased by just under \$170k year-on-year.

From a sponsorship perspective, the BRC was delighted to welcome TAB, Lexus Australia, EVA Air and Westfield Chermside into our suite of key partners. The BRC also retained long-standing relationships with Lion, Channel Seven, Treasury Brisbane and Hardy Brothers. We thank all of our partners for their much-valued support of our great Club.

Continued innovation has remained a focus for the Sales and Marketing team with new events including the Pink Picnic in the Stradbroke Plaza and themed Big Screen on the Green movie nights attracting crowds in excess of 600 attendees at their peak. The addition of the Rodeo to the Country Music Race Day has seen the crowds across the weekend swell to 9,000 with over 1,000 campers stationed on the infield across the two nights. This weekend has been a fantastic initiative which sees many of our country cousins travelling from far and wide to enjoy the best Country acts in Australia at Doomben. Plans are already being made to add a B&S ball to the program for next year.

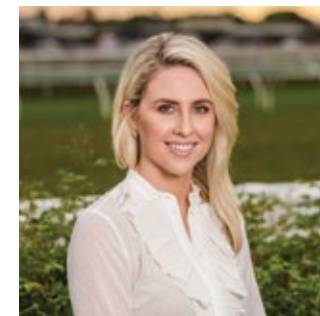
Unfortunately, poor weather impacted our second St Patrick's Day Festival, 'Paddyfest', in March with the event

having to be relocated from the Stradbroke Plaza to underneath the John Power Stand due to rain. All of the traditional elements of the day went ahead including Irish dancing and pipe bands. The event will return for a third year in 2020.

Our sales team was kept busy with a string of non-raceday functions across the BRC. We welcomed 35 weddings, five semi formals, 10 tradeshows and countless gala dinners and expos.

Thank you, as always, to our Members for your continued support. The future is bright and we look forward to delivering the best-possible experiences to you and our corporate clientele over the next 12 months.

Katie Churchill
General Manager
Sales and Marketing



"Continued innovation has remained a focus for the Sales and Marketing team"



Strawberry fields presented by Gordon's Premium Pink

Operations Report

The return to racing at Eagle Farm was not just about the remarkable work that went into the course proper.

There were plenty of changes managed by our operations teams as we welcomed back a strong crowd for the return to Eagle Farm on December 22, 2018. Apart from changes at Eagle Farm, the success of the 2019 Channel Seven Brisbane Racing Carnival, presented by TAB, the new Ariat Rodeo on Country Music Weekend and the 1,000 Candles Dinner were among the highlights for Operations in the 2018/19 year.

The return to Eagle Farm after 18 months' absence required cleaning, repairing, and re-commissioning all of the facilities, in particular the food and beverage outlets.

Working with our suppliers, we introduced exciting food and beverage initiatives including the re-imagining of the Stradbroke Plaza into a dynamic precinct. Stradbroke Plaza has been a welcome addition to the course, bolstered by our partnership with beverage suppliers including Strawberry Fields presented by Gordon's Premium Pink, The Yalumba Vintage Caravan, Cocktail Land presented by Ketel One and The Beer Garden presented by KIRIN.

We have diversified our offering in our Members' areas enabled by the refurbishment of the Champagne Bar, Group One Lounge and TAB Betting Auditorium. This included installation of reticulation in the Champagne Bar with our offer expanding to include a wider choice of beers along with Canadian Club and Pimms on tap.

"The BRC's fresh food culture has sparked research into local and global food trends to enable our offerings to remain relevant"

The Stables Bar was included in the installation of the reticulation providing an additional service point for our Members where they can receive the same high-quality products as the Champagne Bar in our busy periods. We also introduced the Coravin wine system to the Ascot Bar and 10,000 Room which give Members the opportunity to access a wide array of high-end offerings including wines such as Yalumba Signature, Paradox Shiraz and Nautilus Pinot Noir. We plan to introduce international wines in 2019/20.

The BRC's fresh food culture has sparked research into local and global food trends to enable our offerings to remain relevant to Members, guests and corporate visitors. We will also continue to cater for the ever-increasing demands of lifestyle and dietary choices. We will introduce plant-based proteins into food offerings to address demand. We are conscious that ongoing weather extremes down Australia's eastern seaboard will continue to represent a challenge leading into 2019/20.

The Club continues to focus on sustainability with a greater push towards planet-friendly consumable single-use items such as 100 per cent Australian paper goods, napkins, compostable corn starch pieces, pressed banana leaf and recycled bathroom consumables. We also prefer sustainably-sourced local fresh seafood, young beef, sow-free stall pork together with freshly grown fruit and vegetables. Our team continues to source from fully certified, Food Safe Accredited suppliers.

Richard Towson

General Manager
Operations





Upgraded Champagne Bar in the Members Reserve at Eagle Farm Racecourse

Facilities Report

DOOMBEN

The tracks, facilities and gardens team departed the southeastern corner of Doomben in late 2018 to make way for the Bernborough Ascot development. New structures were built within the Doomben infield for the plant nursery and tracks equipment storage. The new Doomben barrier shed was also created on the eastern end of the course for safe storage of the starting gates. With the water shortage in early 2019, the Doomben lower dam received a refurbishment and new wall to retain rainwater for course irrigation.

EAGLE FARM

The new state-of-the-art retail complex, Racecourse Village, opened its doors on August 1, 2018. This facility has integrated well as a neighborhood centre due to its

proximity adjacent to the entrance of the Eagle Farm racecourse infield and surrounding residential properties. Ahead of the return to racing at Eagle Farm, the high voltage system and site mains switchboards were upgraded in late November 2018. This upgrade was an integral part of the recommencement of racing at Eagle Farm. The project consisted of two new site transformers and three new switchboards with generator interface. Before racing resumed at Eagle Farm, the facilities team worked tirelessly to ensure the venue was operational.



New Doomben Racecourse storage sheds.

“In early 2019, we completed upgrades to the Eagle Farm Members’ internal facilities”

In early 2019, we completed upgrades to the Eagle Farm Members’ internal facilities of the Guineas Room, ground floor betting auditorium, Champagne Bar refurbishment and Group One Lounge. These continuous improvements enhanced our Members experience.

To complement the Eagle Farm infield stables, the tracks team were provided with new machinery and sawdust storage sheds to service the stable complex and training surfaces.

In partnership with Racing Queensland, the BRC completed stage one of our lighting upgrade to the training tracks at Eagle Farm. The project delivered a fully compliant, engineered solution that will enhance the Club’s training facilities into the future.

Trevor Bow

Director
Building Services





Brisbane Racing Club staff prior to the Return to Eagle Farm Raceday - 22 December 2018.

Human Resources Report

The 2018/19 financial year again proved busy for Human Resources as the Brisbane Racing Club's Master Plan continued to evolve.

The departure of members of our Senior Leadership Team, including CEO Dave Whimpey, ensured that the BRC spent appropriate time in the recruitment phase to ensure the replacement candidates were well-suited for our Club.

The focus during the last year has remained on the relevant parts of the BRC's Strategic Plan 2017-2020, developing and implementing effective human resources frameworks, policies and procedures. These assist our

goal to attract, retain, develop and manage a highly engaged and committed workforce.

We have previously noted that, as the BRC transforms over the longer term, the Club will require a workforce that is diverse, skilled, trained and responsive to the needs of our customers and racing industry stakeholders. Our mission is to be an innovative industry leader with a self-sustaining ethos to assist the BRC's growth and future.

HIGHLIGHTS IN 2018/19

- Assistance in recruitment of two key Senior Leadership Team positions
- Improvements to our training and retention of casual staff to ensure the best possible experience for those staff and for all who attend BRC functions
- Continual updating of Human Resource Policy documentation to ensure compliance and relevance
- The BRC reports annually to the Workplace Gender Equality Agency. We again achieved compliance in gender diversity within the workplace. The gender

"Our mission is to be an innovative industry leader with a self-sustaining ethos."

composition of our workforce overall is 48.1 per cent female and 51.9 per cent male.

- We are negotiating an EBA within our Tracks and Facilities team that will allow greater flexibility, increased career opportunities and will assist us in creating a multi-skilled and responsive workforce.
- BRC are in partnership with not-for-profit organisation MEGT and have four people completing sports turf management apprenticeships. The BRC understand the importance of apprentices as we help to foster growth while maintaining and preserving the quality and future skills needed in this industry.

STUDENT HOSPITALITY VISIT

BRC has hosted students through the Work Inspiration program, providing a "backstage pass" to access and learn more about our industries. One of the program's most important aspects is "Career Conversations" – staff telling their story from high school to now with all of the ups and downs and sideways turns. Hearing these stories from those already in the workforce has had a huge impact on the visiting students.

Michelle Williams
General Manager
Human Resource





Souths Sports Club dining room

Clubs Report

Away from our core racing business, the Brisbane Racing Club continues to make great progress with our licensed clubs.

In 2018/19, Souths Sports Club completed its first full financial year under the direction of the BRC, joining Gallopers Sports Club in our successful off-track operations. Both clubs enjoyed great patronage and success in 2018/19.

Souths Sports Club is the home of Souths Juniors Leagues Club, with its 26 rugby league teams, and the Acacia Ridge Bowls Club. The BRC were the major sponsors of all teams this year. Souths Juniors is the former team of the likes of Johnathan Thurston, Cooper Cronk and Mal

Meninga. Souths Sports Club has grown as expected in the last 12 months after receiving a facelift and continues to cement a reputation as a great family venue offering entertainment for all age brackets.

Gallopers Sports Club is the home of hospitality not only for our Members but for the racing fraternity. It's pleasing to see our racing family visit Gallopers on a regular basis whether celebrating a birthday, a win after the races or taking in one of our daily specials for lunch or dinner. Gallopers' highlights for the year included the upgrade of the kids' room and the Drought Angels fundraiser last August. Desleigh Foster and Emma Bishop helped to raise \$47,425 through a Sunday Fun Day function that involved trainers, jockeys, BRC Committee Members and racing personalities putting themselves up for a "slave" auction.

"Our clubs are not-for-profit organisations and they play an integral role in their communities."

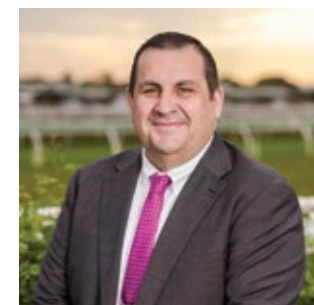
The fundraising success was matched by the great spirit of the day.

Our clubs are not-for-profit organisations and they play an integral role in their communities. We always work positively, productively and passionately for local residents, businesses and our Members and guests. This year the BRC donated over \$500,000 through cash and kind to various community groups, charities and schools.

I would like to acknowledge our fantastic staff who provide quality and friendly service at our venues. I would like to thank our Members for their continued support and excellent behaviour and I look forward to continuing to develop our clubs as leaders in their communities.

Scott Steele

Group General Manager
Clubs





The Racing Museum in the Old Tote Building at Eagle Farm.

History Report

The Thoroughbred Racing History Association has continued its mission of collecting and preserving memorabilia and records of historical significance to the racing industry in Queensland.

This has been the seventh year of activity by the Association that is the umbrella organisation for a group of enthusiastic volunteers with a passion for racing folklore working under the auspices of the Brisbane Racing Club.

The origins of the Association's activities can be traced back 75 years when Jim McGill, a race steward with the

Queensland Turf Club and from a famous racing family, began collecting memorabilia associated with the industry. That collection is now housed in two sections: the Racing Museum in the Old Tote Building at Eagle Farm Racecourse; and the Archive and McGill Library at Doomben Racecourse.

Highlights of the past year were the completion of the Stanley Room, the presentation to the Museum of Tulloch's 1961 Brisbane Cup trophy, the opening of special displays of historic trophies in the keeping of the Brisbane Racing Club, and participation in the National Trust's Annual Heritage Festival in May. The TRHA's festival presentation Top Odds featured recollections of the huge betting plunges that have highlighted winter carnivals. Colourful anecdotes from retired bookmakers, Basil Nolan and Mick Dolan and successful carnival jockeys and trainers Jim Denman, Chris Munce and Bruce Brown and recorded descriptions of our famous races enabled hosts David Fowler and Bart Sinclair to present an informative and entertaining narrative for the evening.

The Stanley Room has a "Wow!" factor. It provides an eye-catching display of the superb collection of trophies and

"Eye-catching display of the superb collection of trophies and memorabilia"

memorabilia gathered by horses owned by Bill and Evelyn Stanley, stalwarts of Queensland racing in the post-war era and very successful owners. Their horses won a Cox Plate, Stradbroke Handicap, Doncaster Handicap, Australian Cup and Queensland Derby and trophies for other races from Rockhampton to Adelaide. Mrs Stanley kept a comprehensive compilation of photographs and newspaper clippings of their racing ventures. All are on display in a special room at Doomben. We remain grateful to Mrs Stanley for entrusting the Brisbane Racing Club and the Association with the guardianship of such a valuable collection.

Similarly, with the Brisbane Cup trophy as the centrepiece, the Association has developed an eye-catching display at the entrance to the Museum that spotlights Tulloch's unbeaten record of five starts for five wins



Memorabilia in the Racing Museum in the Old Tote Building at Eagle Farm.



The Racing Museum in the Old Tote Building at Eagle Farm.



Memorabilia in the Racing Museum in the Old Tote Building at Eagle Farm.

in feature races at Eagle Farm. We were able to thank publically Sue Ridgewell, Deb Haley and Ruth Bevan, three granddaughters of Tulloch's owner E.A.Haley, for favouring the Racing Museum as a home for the Cup and other Tulloch memorabilia.

We were also afforded memorabilia and photographs of Gunsynd, which enabled us to feature his memory in the Museum. These mementos were provided through the generosity of Lucky Pippas, whose brother George owned Gunsynd in partnership.

Throughout the year we enjoyed the reassuring support of the Brisbane Racing Club, and we thank the Chairman, Neville Bell and his fellow directors for their practical support. We extend our gratitude, too, to the BRC Director - Building Services Trevor Bow and the Club's staff whose skills and labour brought our plans for the Stanley Room and Museum to fruition.

We also benefited from a donation from the Bernborough Club whose continued financial support enabled us to purchase the new display cabinets in the Museum and make improvements to our displays.

The Association was successful recently in receiving a grant from the Brisbane City Council under its Historical Organisation Assistance Grant Program. The program will provide amounts of \$4,000, \$4,700 and \$4,700 over three years to be used for operating and maintaining our facilities and growing our activities.

We were also successful in securing one of two bursaries offered by the Brisbane Living Heritage Network. This will enable us to send a representative to attend the Museums & Galleries Queensland State Conference in September in Cairns.

We continually explore marketing opportunities to attract tour groups to the Museum and Archive and are liaising closely with the Living Heritage Network which promotes some 80 boutique museums and heritage sites like ours.

The Museum opens on the first Wednesday of each month or by appointment and the Archive every Tuesday and Wednesday.

Finally, I thank our committee people for their work - secretary Alayne Peterson, treasurer Bruce Halligan, Paula Burnett, Sharon Fenlon, Peter Lindeberg, Chris Morrison, Hugh Naughton, Paul O'Grady, Julie Anne Stanfield and ex-officio member Karen Best.

Peter Howard

President, Thoroughbred Racing History Association

"Throughout the year we enjoyed the reassuring support of the Brisbane Racing Club"



Sponsorship

PRINCIPAL PARTNERS



OFFICIAL VEHICLE PARTNER



MAJOR PARTNERS



PARTNERS & SUPPLIERS



ADSS
AICLA
Alcyone Hotel Residences
Ambassador Travel
Artisan Aesthetic Clinics
AstroJump
Authentic Security
Billy J Boutique
Boomer Bloodstock
Bouquet Boutique
City Property Services
Channel Seven
Clayfield College
Coca Cola Amatil
Diageo
Eureka Stud

Garrards Pty Ltd
Hamilton Hotel
Hampton Event Hire
Innovative Hiring
IPG Marketing Solutions
LION
LED Superscreens
Lendlease
Mirvac
Mitavite / Hyain
Mitty's
Moët and Chandon
Mullins Lawyers
National Jockeys Trust
NECA
Newington Farm

Nuturf
Octopus Training
Padua College
Pages Event Hire
Priceline Pharmacy Ascot
Qld Country Life
Qld Hotels Association
Queensland Chinese Jockey Club
Racecourse Road Business Group
RadioTAB
Samuel Smith & Son
Sirromet Wines
SUEZ
Sky Racing

Southbank Emporium
Sporting Chance Cancer Foundation
St Margaret's Anglican Girls School
St Rita's College
Treasury Brisbane
Triequithon
Hamilton Hotel
Thoroughbred Breeders Qld Association
Valiant Hire
Valmont Coatings
Westfield Chermside
Westpac

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| Directors' Report

Your Directors submit the financial report of the Group, being the Company and its controlled entity for the financial year ended 30 June 2019.

DIRECTORS

The names of Directors in office at any time during, or since the end of the year are:

N D Bell	S M Gagel	T J Svenson
R H Morrison	S P Gleeson	J N Creaton
D J Dawson	C M Schatz	

Directors have been in office since 1 July 2018 to the date of this report unless otherwise stated above. The qualifications and experience of the Directors are outlined later in this report.

COMPANY SECRETARY

The Company Secretary at the end of the year was Mr J Versace, the Chief Financial Officer. Mr Versace holds a Commerce degree majoring in Accounting, Finance and Law, and is a member of the Institute of Chartered Accountants Australia. He has over 20 years' experience in finance, gaming and hospitality. He has previously held similar positions in companies including Star Entertainment Group Ltd and Credit Suisse First Boston.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer at the end of the year was Mr D G Whimpey who has 25 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 Master's in Business Administration from Surrey (UK). Mr Whimpey subsequently resigned effective the 30th June 2019.

The new Chief Executive Officer Tony Partridge commenced on Monday 5th August 2019. Mr Partridge holds Degrees in Commerce and Law from the University of Sydney and was admitted to practice as a Solicitor in NSW.

For the past 18 years Mr Partridge has held senior executive roles in sports and entertainment venues including twelve years as General Counsel and Commercial Director

of the Stadium Australia Group, operators of Sydney's Olympic Stadium. Mr Partridge has experience managing elite level racing venues from his time as Chief Operating Officer for the Australian Turf Club from 2013 to 2017. The Australian Turf Club manages Royal Randwick, Rosehill Gardens, Canterbury Park and Warwick Farm race courses.

More recently, Mr Partridge worked in professional services for Deloitte where he was a subject matter expert on social infrastructure.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year to 30 June 2019 were: The operation of thoroughbred horse racing activities for the enjoyment of our members and the racing community; The owner/operator of a licensed club and the operator of a second club on a long term lease; The landlord of a shopping centre constructed on Company land.

OPERATING RESULTS

The Company recorded a total comprehensive profit for the year of \$779,250 (2018: \$1,297,295).

DIVIDENDS PAID OR RECOMMENDED

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

LIMITED BY GUARANTEE

The Company is limited by guarantee by the members of the Company. If the Company is wound up the articles of association state that each member of the Company is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations. As at balance date there are 2,946 (2018: 2,786) racing members, so the total amount that members of the Company are liable to contribute if the company is wound up is \$29,460 (2018: \$27,860).

| Directors' Report

REVIEW OF OPERATIONS

Details of the activities of the Company for the year have been outlined in the previous pages of the Annual Report.

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.

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. However, the Eagle Farm and Doomben racecourses are listed on the Environmental Management Register which is regulated by the Environmental Protection Act 1994.

AFTER BALANCE DATE EVENTS

Disclosed in the notes are matters or circumstances since 30 June 2019 that have significantly affected, or may significantly affect:

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

Image: Brisbane Racing Club Directors (L to R) - Curt Schatz, Simon Gleeson, Neville Bell (Chairman), Tony Partridge (CEO), Richard Morrison (Vice-Chairman), David Dawson, Terry Svenson, Steve Gagel and Jennifer Creaton.



| Directors' Report

INFORMATION ON DIRECTORS

NEVILLE BELL (AGE 71)

Chairman

Qualifications and Experience – Neville is the proprietor of Kילו 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 and Media Rights Sub-committees and Member of New Business Development Sub-Committee.

RICHARD MORRISON (AGE 45)

Vice-Chairman

Qualifications and Experience – Richard is a property professional with more than two decades' experience in commercial agency and development. He is director of Morrison Project Consulting, a broad service real estate advisory firm operating across investment, development and agency sectors. Richard is a passionate racing enthusiast who has raced many horses in Brisbane and interstate. He is also a committee member of the Kingston Town Club (KTC) which hosts annual racing events that raise funds for various charities.

Special Responsibilities – Chairman of Racing Product and Training Operations and BRC Foundation Sub-Committees and Member of Master Planning and Media Rights Sub-Committees.

DAVID DAWSON (AGE 72)

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 Organisation. He has racing interests, and was a former Director Queensland Turf Club 2005-2009 (Treasurer 2007-2009).

Special Responsibilities – Chairman of Membership Sub-Committee and Member of New Business Development and Racing Product and Training Operations Sub-Committees.

STEVE GAGEL (AGE 47)

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 with his wife continue to invest in the industry with shares in a number of horses.

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

SIMON GLEESON (AGE 41)

Director

Qualifications and Experience – Simon is an Economist by qualification and has been the Commercial Manager at Arrow Energy for more than ten years. He has a strong commercial and financial background through his experience working in both Australia and the United Kingdom. Simon is also a Director of Gleeson Thoroughbred Connections which breeds and sells horses through Magic Millions and Inglis. He has been a BRC Board member since 2014.

Special Responsibilities – Member of Finance, Governance and Risk Management, Master Planning and Racing Product and Training Sub-Committees.

CURT SCHATZ (AGE 60)

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 and Member of Master Planning Sub-Committee.

| Directors' Report

TERRY SVENSON (AGE 48)

Director

Qualifications and Experience – Terry is Chief Executive Officer at Queensland Cricket. He is a former Chief Executive Officer of a global consumer goods business and has held numerous Non-Executive Director roles across business and sport. Terry has extensive business strategy, leadership, consumer marketing, and corporate governance experience. He is a Member of the Australian Institute of Company Directors (GAICD). Terry has owned and raced horses with trainers across Brisbane and Sydney.

Special Responsibilities – Member of Finance, Governance and Risk Management, Membership and Media Rights Sub-Committees.

JENNIFER CREATON (AGE 50)

Director

Qualifications and Experience – Jennifer has worked in the financial services industry for almost 21 years. Jennifer currently works as an Executive Manager for an ASX-listed banking and insurance group in the implementation of risk frameworks and ensuring that decisions, processes and procedures are performed within legislative and regulatory requirements.

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

MEETINGS OF DIRECTORS

During the financial year, 11 meetings of Directors were held.

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

Name	Directors Meetings ¹		Finance Governance & Risk Management		Master Planning		Membership		New Business Development		Racing, Product & Training Operations	
	A	B	A	B	A	B	A	B	A	B	A	B
N D Bell	11	11	-	-	8	7	-	-	1	1	-	-
R H Morrison	11	11	-	-	8	7	2	2	-	-	4	4
D J Dawson	11	11	-	-	-	-	4	4	1	1	4	4
S M Gagel	11	8	6	5	-	-	-	-	1	1	-	-
S P Gleeson	11	9	6	6	8	7	-	-	-	-	4	3
C M Schatz	11	10	-	-	8	4	-	-	1	1	-	-
T J Svenson	11	9	6	4	-	-	4	4	-	-	-	-
J N Creaton	11	11	6	6	8	7	2	2	-	-	-	-

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 7 of the financial report.

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

18 September 2019



S M GAGEL

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 2019 there have been:

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

A handwritten signature in blue ink that reads "Bentleys".

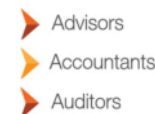
Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "Stewart Douglas".

Stewart Douglas
Director
Brisbane
18 September 2019



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

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

	Note	2019 \$	2018 \$
Revenue	2	58,676,978	50,937,515
Expenses	3	(57,882,458)	(49,641,814)
Profit/(Loss) from ordinary activities		794,520	1,295,701
Other comprehensive income/(loss)	23	(15,270)	1,594
Total comprehensive income/(loss) for the year		779,250	1,297,295
Summary			
Racing Revenue		35,251,580	30,004,751
Non-Racing Revenue		11,450,251	10,618,556
Property Revenue		11,975,147	10,314,208
Total Revenue		58,676,978	50,937,515
Racing Expenses		(37,585,150)	(34,383,880)
Non-Racing Expenses		(10,634,909)	(9,974,270)
Property Expenses		(1,948,823)	(627,347)
Total Expenses		(50,168,882)	(44,985,497)
Profit/(Loss) before Depreciation and Interest		8,508,096	5,952,018
Depreciation and Interest		(7,713,576)	(4,656,317)
Other comprehensive income/(loss)		(15,270)	1,594
Total comprehensive income/(loss) for the year		779,250	1,297,295

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

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

	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	5	3,927,482	8,580,999
Trade and other receivables	6	5,175,691	5,165,313
Inventories	7	650,475	451,850
Prepayments		475,996	332,415
Total Current Assets		10,229,644	14,530,577
Non-Current Assets			
Property, plant and equipment	8	166,866,979	158,563,211
Investment properties	9	790,000	792,000
Intangible assets	10	914,604	914,604
Defined benefit plan		165,436	208,142
Total Non-Current Assets		168,737,019	160,477,957
Total Assets		178,966,663	175,008,534
Current Liabilities			
Trade and other payables	11	10,541,223	13,204,442
Employee entitlements	12(a)	1,545,084	1,350,882
Provisions	13	132,340	131,932
Income received in advance		3,343,520	2,574,229
Borrowings	14(a)	7,617,767	10,170,478
Total Current Liabilities		23,179,933	27,431,963

	Note	2019 \$	2018 \$
Non-Current Liabilities			
Employee entitlements	12(b)	122,829	177,932
Borrowings	14(b)	64,410,281	57,791,090
Financial Liabilities	15	1,465,906	599,085
Total Non-Current Liabilities		65,999,016	58,568,107
Total Liabilities		89,178,949	86,000,070
Net Assets			
		89,787,714	89,008,464
Equity			
Members' funds		89,591,247	88,811,997
Asset revaluation reserve		196,467	196,467
Total Equity		89,787,714	89,008,464

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

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

	Members' Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2017	87,514,702	196,467	87,711,169
Comprehensive Income			
Profit attributable to the entity	1,295,701	-	1,295,701
Other comprehensive income for the year	1,594	-	1,594
Total Comprehensive Income	1,297,295	-	1,297,295
Balance at 30 June 2018	88,811,997	196,467	89,008,464
Comprehensive Income			
Profit attributable to the entity	794,520	-	794,520
Other comprehensive income for the year	(15,270)	-	(15,270)
Total Comprehensive Income	779,250	-	779,250
Balance at 30 June 2019	89,591,247	196,467	89,787,714

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 2019

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

	Note	2019 \$	2018 \$
Cash Flows From Operating Activities			
Cash receipts from customers		59,871,409	52,818,430
Payments to suppliers and employees		(52,572,576)	(39,503,748)
Interest received		32,646	32,463
Interest paid		(2,832,464)	(1,284,794)
Net Cash provided by Operating Activities	17	4,499,015	12,062,351
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(13,219,012)	(23,515,240)
Purchase of Intangible assets		-	(34,545)
Proceeds from disposal		-	11,418
Cash acquired through business combination	28	-	62,887
Net Cash (used in) Investing Activities		(13,219,012)	(23,475,480)
Cash Flows From Financing Activities			
Proceeds from borrowings		6,493,455	22,081,281
Repayments of borrowings		(3,643,854)	(5,217,078)
Proceeds from lease borrowings		1,873,619	-
Repayments of lease liabilities		(656,740)	(330,819)
Net Cash provided by Financing Activities		4,066,480	16,533,384
Net Increase / (Decrease) In Cash Held		(4,653,517)	5,120,255
Cash at beginning of financial year		8,580,999	3,460,744
Cash At End Of Financial Year		3,927,482	8,580,999

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 not-for-profit 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 accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

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

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 22 to the financial statements.

In preparing the consolidated financial statements of the Group, all inter-group balances and transactions between entities in the consolidated group have been eliminated on

consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

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

(c) Inventories

Inventories are measured at the lower of cost or net realisable value. Cost of inventory is determined using the last-in-first-out basis and is net of any rebates and discounts received.

(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 the date that the Group commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's

credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 (cont'd)

Financial assets (cont'd)

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is

transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Group elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach; and
- the simplified approach;

General approach

Under the general approach, at each reporting period, the Group assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Group measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Group measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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)

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position

to recognise the loss allowance.

(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, borrowing costs and an appropriate portion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses 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 are:

Class of Fixed Asset	Depreciation Rate
Racetracks	1%
Buildings	2.5%-50%
Plant and Equipment	5%-33%
Furniture and Fittings	10%-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Asset classes carrying amount is written down immediately

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

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 negotiated 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 price evidence, to ensure the carrying value does not materially differ from the fair value at reporting date.

(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 within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(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 Services Tax (GST)

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

(l) Comparatives

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

(m) 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

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposals and value in use, is compared to the asset's carrying amount. Refer to Note 1(h) for further details.

(n) 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 2019, and have not been applied in preparing these consolidated financial statements are listed below:

- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2019).
- AASB 16: Leases (applicable for annual reporting periods from commencing on or after 1 January 2019).
- AASB 1058: Income of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

The Group does not plan to adopt these standards early.

(o) Going Concern

At 30 June 2019, the consolidated entity's current liabilities exceeded current assets by \$12,950,289 (2018: \$12,901,386). The deficiency in current assets is primarily caused by a loan from Mirvac of \$6,696,940 (2018: \$9,420,117), which has been classified as a current liability in accordance with Australian Accounting Standards, given that BRC does not have the unconditional right to defer settlement as the reduction in the loan is dependent on the sale of apartments. Another significant portion relates to income received in advance of \$3,343,520 (2018: \$2,574,229) relating to future events. It should be noted that monies relating to these items have already been received and will be transferred to revenue once the recognition criteria have been met, as such these do not require any future cash outflows to settle these liabilities. In addition, BRC generated significant positive operating cashflows in 2019 and is expected to continue this in 2020. Given these circumstances the Directors are satisfied the consolidated entity can pay their debts as and when they fall due.

On this basis the directors have determined that the consolidated financial report should be prepared on a going concern basis, noting also that the group has a consolidated net asset position of \$89,787,714.

(p) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

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

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(q) New and Amended Accounting Policies Adopted by the Group

AASB 9 Financial Instruments and related amending Standards

In the current year, the Group has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives however there was no material impact on adoption of the standard.

In summary AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities,
- Impairment of financial assets, and
- General hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

2. REVENUE	2019 \$	2018 \$
Operating Activities		
- Racing Queensland subsidy	2,356,824	2,170,429
- Catering and admissions revenue	20,254,562	19,340,811
- Broadcast, television rights and sponsorship	11,143,042	9,059,016
- Wagering and gaming revenue	6,330,534	5,514,231
- Stable, track and barrier trial fees	3,944,345	3,864,265
- Member subscriptions and entrance fees	890,618	841,594
- Rentals	952,566	945,382
- Property revenue	10,546,372	9,383,253
Total Operating Revenue	56,418,863	51,118,981
Non-Operating Activities		
- Grants - Racing Queensland	2,511,843	115,173
- Profit/(Loss) on sale of assets	(391,679)	(570,654)
- Interest and other income	137,951	274,015
Total Non-Operating Revenue	2,258,115	(181,466)
Total Revenue	58,676,978	50,937,515

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

3. EXPENSES	2019 \$	2018 \$
Racing and Non-Racing Expenses		
- Catering and raceday salaries and associated costs	17,201,833	15,697,333
- Equipment hire	3,426,226	2,882,654
- Trophies	187,698	151,178
- Totalisator expenses	1,241,943	1,280,006
- Racing service providers	3,108,148	2,814,728
- Gaming and sports club expenses	2,185,218	1,852,871
- Other expenses	1,075,241	1,202,509
Total Racing and Non-Racing Expenses	28,426,307	25,881,279
Maintenance Expenses		
- Salaries, contractors and associated costs	4,842,029	4,374,580
- Materials and services	5,368,762	4,750,789
- Other maintenance expenses	286,047	303,231
Total Maintenance Expenses	10,496,838	9,428,600
Administration Expenses		
- Salaries, contractors and associated costs	3,319,462	3,449,544
- Legal and compliance costs	231,139	200,982
- Marketing, promotions and branding	2,500,777	2,334,494
- Information technology and communications costs	565,121	519,894
- Other administration costs	2,930,111	2,297,878
Total Administration Costs	9,546,510	8,802,792

3. EXPENSES (CONT'D)	2019 \$	2018 \$
Depreciation Expense		
- Depreciation Expense	4,525,566	3,371,553
Total Depreciation Expense	4,525,566	3,371,553
Movement in Provisions		
- Employee entitlements	804,970	721,592
Total Movement in Provisions	804,970	721,592
Other Expenses		
- Impairment of property, plant and equipment	-	-
- Loss on recognising interest rate swaps at fair value	866,821	109,662
- Interest	3,188,010	1,284,764
- Defined Benefit Plan	27,436	41,572
Total Other Expenses	4,082,267	1,435,998
Total Expenses	57,882,458	49,641,814

4. AUDITORS' REMUNERATION

Remuneration of the auditors of the Company for:

- auditing and reviewing the financial report	70,000	56,500
- other services*	15,999	25,286
	85,999	81,786

*Other services provided during the year include various tax, audit, financial and compliance work.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

5. CASH & CASH EQUIVALENTS	2019 \$	2018 \$
Cash on hand	717,632	623,078
Cash at bank	3,209,850	7,957,921
Total Cash	3,927,482	8,580,999

6. TRADE & OTHER RECEIVABLES		
Trade debtors	2,718,300	3,025,135
Other receivables	2,457,391	2,140,178
	5,175,691	5,165,313

7. INVENTORIES		
Catering food and beverage – at cost	640,297	433,059
Maintenance materials – at cost	10,178	18,791
	650,475	451,850

8. PROPERTY, PLANT & EQUIPMENT		
Freehold Land		
At cost	28,840,544	28,917,029
Total Freehold Land	28,840,544	28,917,029
Racetracks		
At cost	13,704,635	13,704,635
Less: Provision for Impairment	(1,500,000)	(1,500,000)
Less: Accumulated Depreciation	(631,032)	(493,985)
Total Racetracks	11,573,603	11,710,650

8. PROPERTY, PLANT & EQUIPMENT (CONT'D)	2019 \$	2018 \$
Buildings & Improvements		
At cost	130,428,035	100,594,183
Less: Accumulated Depreciation	(15,812,557)	(12,826,611)
Total Buildings	114,615,478	87,767,572

Plant and Equipment		
At cost	12,136,214	10,349,198
Less: Accumulated Depreciation	(6,640,635)	(5,816,718)
Total Plant and Equipment	5,495,579	4,532,480

Plant and Equipment		
At cost	1,183,436	1,291,436
Less: Accumulated Depreciation	(937,016)	(767,836)
Total Plant and Equipment	246,420	523,600

Furniture and Fittings		
At cost	2,443,175	1,946,211
Less: Accumulated Depreciation	(1,616,096)	(1,440,157)
Total Furniture and Fittings	827,079	506,054

Capital Works in Progress		
At cost	5,268,276	24,605,826
Total Capital Works in Progress	5,268,276	24,605,826

Total Property, Plant and Equipment	166,866,979	158,563,211
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movements in Carrying Amounts

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

	FREEHOLD LAND	RACETRACKS	BUILDINGS & IMPROVEMENTS	PLANT & EQUIPMENT	LEASED PLANT & EQUIPMENT	FURNITURE & FITTINGS	CAPITAL WORKS IN PROGRESS	TOTAL
Balance at beginning of year	28,917,029	11,710,650	87,767,572	4,532,480	523,600	506,054	24,605,826	158,563,211
Additions	-	-	1,365,100	1,528,707	-	496,963	9,850,525	13,241,295
Transfers	-	-	28,864,185	323,889	-	-	(29,188,074)	-
Disposals	(76,485)	-	(296,574)	(18,692)	(22,210)	-	-	(413,961)
Depreciation expense		(137,046)	(3,084,805)	(870,805)	(254,970)	(175,938)	-	(4,523,566)
Carrying amount at the end of the year	28,840,544	11,573,603	114,615,478	5,495,579	246,420	827,079	5,268,276	166,866,979

9. INVESTMENT PROPERTIES

	2019 \$	2018 \$
Balance at beginning of year	792,000	794,000
Acquisitions/(Disposals)	-	-
Transfer to assets held for sale	-	-
Depreciation	(2,000)	(2,000)
Balance at Year End	790,000	792,000

The remaining investment properties have a valuation of \$1,400,000 (2018: \$1,300,000) based on independent valuation obtained by the Directors as at 30 June 2019.

10. INTANGIBLE ASSETS

	2019 \$	2018 \$
Gaming Machine Licenses		
At cost	914,604	914,604
Total Gaming Machine licenses	914,604	914,604
Balance at Beginning of Year	914,604	552,279
Additions	-	362,325
Balance at Year End	914,604	914,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

11. TRADE AND OTHER PAYABLES	2019 \$	2018 \$
Trade creditors	6,172,092	6,906,403
Other creditors	4,369,131	6,298,039
	10,541,223	13,204,442

12. EMPLOYEE ENTITLEMENTS

(a) Current		
- Annual Leave	950,246	830,868
- Long Service Leave	594,838	520,014
	1,545,084	1,350,882

(b) Non-Current		
- Long Service Leave	122,829	177,932
	122,829	177,932

13. PROVISIONS

Other Provisions	132,340	131,932
Total Provisions	132,340	131,932

Provision Movements

Opening balance	131,932	104,343
Additional provisions	149,230	112,070
Amounts used	(148,822)	(84,481)
Closing Balance	132,340	131,932

14. BORROWINGS	2019 \$	2018 \$
(a) Current		
- Lease liability secured	568,315	242,307
- Lease liability unsecured	24,751	55,848
- Loan	7,024,701	9,872,323
	7,617,767	10,170,478

(a) Non-Current		
- Lease liability secured	1,120,885	198,917
- Loan	63,289,396	57,592,173
	64,410,281	57,791,090

Lease liabilities secured are secured by the underlying leased assets.

Details of the loan borrowings are as follows:

- \$11,903,116 in principal and interest. This \$12m loan is funded by The State Government through Racing Queensland under the Racing Infrastructure Fund for the development of the Eagle Farm Racecourse Tunnels.
- \$6,696,940 in principal and interest. This \$12m loan is provided by Mirvac Treasury Ltd for working capital requirement. The principal amount is repayable from the monies received from future apartment sales and is therefore not required to be repaid from existing cash reserves.
- \$25,006,162 in principal and interest. This \$25m loan is provided by the ANZ Bank for the Eagle Farm Infield Development.
- \$2,357,825 in principal and interest. This \$2.35m loan is provided by the ANZ Bank for working capital requirement and is secured against the Child Care centre facility.
- \$24,350,054 in principal and interest. This \$24m loan is provided by the ANZ Bank for the Racecourse Village Shopping Centre.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

15. FINANCIAL LIABILITIES	2019 \$	2018 \$
Non-Current		
At fair value through Profit and Loss		
- Interest Rate Swaps	1,465,906	599,085
	1,465,906	599,085

To mitigate the variable interest rate risk, the BRC has entered into Interest Rate Swaps with the ANZ bank. The Fair Valuation of 1,465,906 is based on a Mark-to Market valuation provided by the ANZ bank.

16. EQUITY

The Company is limited by guarantee by members of the Company. If the Company is wound up, the articles of association state that each member of the Company is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations.

17. CASH FLOW	2019 \$	2018 \$
(a) Reconciliation of cash flows from operations with profit from ordinary activities:		
Profit/(Loss) from Ordinary Activities	779,250	1,297,295
Non -cash flows in operating profit:		
- Depreciation and amortisation	4,525,566	3,371,553
- Grant - Queensland Government*	(225,884)	(115,173)

17. CASH FLOW (CONT'D)	2019 \$	2018 \$
- (Profit)/Loss on the disposal of assets	391,679	570,654
- Loss on recognising interest rate swap at fair value	866,821	109,662
- Defined Benefit Plan	42,705	39,978
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(10,378)	318,266
- (Increase)/decrease in prepayments	(143,581)	148,104
- (Increase)/decrease in inventories	(198,625)	63,878
- Increase/(decrease) in trade payables and accruals	(1,893,521)	6,098,198
- Increase/(decrease) in provisions and other liabilities	139,099	44,763
Cash flows from Operations	4,273,131	11,947,178
- Non-Cash Grants in trade and other receivables	225,884	115,173
Net Cash flows from Operating Activities	4,499,015	12,062,351

*Adjusted for non-cash item, with an equal and opposite corresponding adjustment in investing activities.

(b) Non-cash financing and investing activities:

Property, Plant and Equipment:

During the financial year, the consolidated group acquired nil (2018: nil) plant and equipment which is leased under finance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

17. CASH FLOW (CONT'D)

(c) Reconciliation of liabilities arising from financial activities.

	2018	Cash Flows	Non-Cash Flows			2019
			Acquisition	Foreign exchange movement	Fair value changes	
	\$	\$	\$	\$	\$	\$
Long-term borrowings	62,284,134	1,005,262	-	-	-	63,289,396
Short-term borrowings	5,180,362	1,844,339	-	-	-	7,024,701
Lease liabilities	497,072	1,216,879	-	-	-	1,713,951
Total Liabilities from financing activities	67,961,568	4,066,480	-	-	-	72,028,048

18. FINANCIAL RISK MANAGEMENT

The financial instruments of the Company consist mainly of cash and cash equivalents, trade receivables and payables, financial liabilities and borrowings. There are no complex financial instruments however the Company does use derivatives in the form of an interest rate swap to hedge interest rate risk. 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, Governance and Risk Management 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 six (6) 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 6 to the financial report and the risk is that a loss would be recognised if counter-parties failed to perform as contracted. The credit risk on financial assets of the Company, which have been recognised in the consolidated statement of financial position, is the carrying value net of any provision for impairment. The Company is not materially exposed to any individual third party except for cash and cash equivalents with bank and financial institutions. These institutions all have an investment grade credit rating from a recognised rating agency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

18. FINANCIAL RISK MANAGEMENT (CONT'D)

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company

and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
2019							
Trade receivables	2,718,300	-	461,967	172,382	309,721	224,473	1,549,757
Other receivables	2,457,391	-	-	-	-	-	2,457,391
Total	5,175,691	-	461,967	172,382	309,721	224,473	4,007,148
2018							
Trade receivables	3,025,135	-	344,458	362,199	187,880	176,334	1,954,264
Other receivables	2,140,178	-	-	-	-	-	2,140,178
Total	5,165,313	-	344,458	362,199	187,880	176,334	4,094,442

(b) Market Risk

The Company 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.

Interest rate risk is managed using a mix of fixed and floating rate debt and the Company enters into interest rate swaps to convert the majority of debt to fixed rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

18. FINANCIAL RISK MANAGEMENT (CONT'D)

At the end of the reporting period, the details of outstanding contracts, all of which are to receive floating/pay-fixed interest rate swaps, are as follows:

Consolidated Group Maturity of notional amounts	Effective Average Fixed Interest Rate Payable		Notional Principal	
	2019 %	2018 %	2019 \$	2018 \$
Less than 1 year	2.29	2.22	15,000,000	10,000,000
1 to 2 years	-	2.29	-	15,000,000
2 to 5 years	2.71	2.78	29,230,000	24,350,000
			44,230,000	49,350,000

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.

(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.

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.

	Profit \$	Equity \$
Year ended 30 June 2019		
+/-1% in interest rate	196,306	196,306
Year ended 30 June 2018		
+/-1% in interest rate	879	879

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

18. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$	2019 \$	2018 \$
Financial Assets								
Cash and cash equivalents	3,927,482	8,580,999	-	-	-	-	3,927,482	8,580,999
Trade and other receivables	5,175,691	5,165,313	-	-	-	-	5,175,691	5,165,313
Total expected inflows	9,103,173	13,746,312	-	-	-	-	9,103,173	13,746,312
Financial Liabilities								
Trade and other payables	10,541,223	13,204,442	-	-	-	-	10,541,223	13,204,442
Borrowings	7,617,767	5,478,517	64,410,281	62,483,051	-	-	72,028,048	67,961,568
Interest Rate Swaps	-	-	1,465,906	599,085	-	-	1,465,906	599,085
Total expected outflows	18,158,990	18,682,959	65,876,187	63,082,136	-	-	84,035,177	81,765,095
Net inflows/ (outflows) from financial	(9,055,817)	(4,936,647)	(65,876,187)	(63,082,136)	-	-	(74,932,004)	(68,018,783)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

19. DIRECTORS' AND EXECUTIVES' DISCLOSURES

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

Non-Executive Directors

N D Bell
R H Morrison
D J Dawson
S M Gagel
S P Gleeson
C M Schatz
T J Svenson
J N Creaton

Executive Officers

D Whimpey
Chief Executive Officer (resigned 30 June 2019)
J Versace
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 and staff 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.

Directors and staff may participate in the purchase of residential property in respect of Ascot Green apartments developed by Mirvac in a joint venture with the BRC according to the BRC's Director and Employee Residential Property Purchase Policy – Ascot Green. Any purchases are at the list price available to the general public and no variations are made to the design or specification of a property unless it is also available to the general public.

The CEO has made any required related party disclosures to the Board as noted in BRC's Register of Interests.

Director Curt Schatz is a Partner at Mullins Lawyers. In the period to 30 June 2019, total fees of \$187,171 (2018: \$412,735) were paid to Mullins for legal advice and disbursements.

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

Key Management Compensation

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

	2019 \$	2018 \$
Short term benefits	1,226,147	1,414,356
Post - employment benefits	76,634	87,942
Termination benefits	91,324	-
Total	1,394,105	1,502,298

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

20. SEGMENT REPORTING

The Company operates in the thoroughbred racing sector providing racing, non-racing and property facilities and other entertainment to its members and the community.

21. ECONOMIC DEPENDENCY

The Company is economically dependent on Racing Queensland for the funding of prizemoney and other distributions. Total prizemoney paid on races conducted by the Company in 2019 was \$38,340,350 (2018: \$31,197,920) which included \$1,031,300 prizemoney from the Queensland Thoroughbred Investment Scheme (QTIS).

22. CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned	
		2019 \$	2018 \$
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.

23. RETIREMENT BENEFITS OBLIGATIONS

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

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

Description of the regulatory framework in which the Plan operates

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

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

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

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

Salary Inflation Risk: The members' benefits are generally based on salary upon leaving the Plan and as a result should members' salaries increase at a higher rate than assumed, the liabilities will be higher than expected which may then require the Employer to make larger contributions to the Plan.

Investment Risk: Adverse market conditions may result in poor funding position for the Plan which may then require the Employer to make larger contributions to the Plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Description of any Plan amendments and settlements

None

Reconciliation of Net Defined Benefit (Liability)/Asset	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Net Defined Benefit (Liability)/Asset at Beginning of Year	208,142	248,120
Defined Benefit (Cost)/Credit Recognised in the P&L	(27,436)	(41,572)
Total Remeasurements Recognised in OCI gain/(loss)	(15,270)	1,594
Employer Contributions*	0	0
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	165,436	208,142

*The Employer is on a contribution holiday.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Reconciliation of Fair Value of Plan Assets	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Fair Value of Plan Assets at Beginning of Year	654,924	1,035,501
Interest Income on Plan Assets	25,182	38,892
Remeasurements:		
- Return on Plan Assets (excluding amount in interest income) gain/(loss)	19,613	32,698
Employer Contributions	0	0
Employee Contributions**	25,983	30,875
Benefit Payments from Plan	0	(454,874)
Payments for Settlements	0	0
Administrative expenses paid	(24,096)	(25,749)
Taxes paid***	664	470
Insurance premiums for risk benefits	(1,889)	(2,889)
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	700,381	654,924

** The Employer is on a contribution holiday.

***This figure is positive as the tax rebates were higher than the actual taxes paid during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Reconciliation of Present Value of Defined Benefit Obligation	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Defined Benefit Obligation at Beginning of Year	446,782	787,381
Current Service Cost	14,121	22,026
Past Service Cost/(Credit)	0	0
(Gain)/Loss on Settlements	0	0
Interest Expense on DBO	17,432	29,934
Tax allowance in P&L	2,422	4,046
Administrative expenses allowance in P&L	18,643	24,459
Employee Contributions and Rollover	25,983	30,875
Benefit Payments from Plan	0	(454,874)
Benefit Payments Directly from Employer	0	0
Payments for Settlements	0	0
Administrative expenses paid	(24,096)	(25,749)
Taxes paid	664	470
Insurance premiums for risk benefits	(1,889)	(2,889)
Remeasurements:		
- Effect of changes in demographic assumptions (gain)/loss	0	0
- Effect of changes in financial assumptions (gain)/loss	20,087	(1,465)
- Effect of experience adjustments (gain)/loss	14,796	32,569
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	534,945	446,783

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

Reconciliation of the effect of the asset ceiling

There is no asset ceiling in place for the Plan because the Present Value of Economic Benefit is greater than the Net Defined Benefit Asset.

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 2019 (\$'000)	
Cash and cash equivalents	
- Cash	14
Equity	
- Domestic	216
- International (currency hedged)	61
- International (currency unhedged)	156
Fixed Income	
- Domestic Government Bonds	84
- International Government Bonds	65
Real Estate / Property	
- Domestic Indirect Property	23
- International Property	20
Other types of Investment	
- Alternative Growth	29
- Alternative Defensive	32
Total	700

*Based on the investment allocation of the Defined Benefit assets.

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 assumptions

Sensitivity analysis for each Significant Actuarial Assumption

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

Assumptions	DBO at 30 June 2019 \$
Discount Rate plus 0.50%	527,221
Discount Rate minus 0.50%	543,023
Salary increase rate plus 0.50%	542,028
Salary increase rate minus 0.50%	528,078

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. Please note that the DBO above are also adjusted to allow for tax adjustments due in respect of the deficit/surplus of the Plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

23. RETIREMENT BENEFITS OBLIGATIONS (CONT'D)

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 100% of VBI. 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 2020 \$
--	--------------------------------

Expected Employer contributions*	0
Expected Employee contributions	3,642

*It is assumed that the Employer contributions for the year ending 30 June 2020 will continue to be funded by the Plan assets as the Employer is on a contribution holiday.

Maturity Profile of the DBO as measured by weighted average duration

The weighted average term of the DBO is calculated as 6.6 years

Projected Benefit Payments	\$
Next Year	4,052
Next Year + 1 year	4,815
Next Year + 2 years	5,694
Next Year + 3 years	133,670
Next Year + 4 years	49,965
Sum of Next Year + 5 ~ 9 years	355,046

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 \$1,341,823 (2018: \$1,153,258). Employees contribute various percentages of their gross income and the Company contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

24. RACING ACT

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

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

	Board \$	Executive \$	Total \$
Entertainment	2,641	8,482	11,123
Travel and Accommodation	77,878	28,168	106,046
Total	80,519	36,650	117,169

25. CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2019 amounted to \$844,942 (2018: \$5,453,522). All capital commitments are expected in the year to 30 June 2020.

- (b) Finance Lease Commitments

	2019 \$	2018 \$
Payable – minimum lease payments:		
- Not later than 12 months	650,414	312,238
- Between 12 months and 5 years	1,180,873	204,135
- Greater than 5 years	-	-
Minimum lease payments	1,831,287	516,373
Less future financial charges	(117,336)	(19,301)
Value of minimum lease payments	1,713,951	497,072

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 \$246,520 (2018: \$523,600). 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

26. CAPITAL MANAGEMENT

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

The Finance, Governance and Risk Management 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.

In 2016, the Company introduced a cash quarantine procedure whereby if either one of the three criteria are 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 1x and total cash at any point in time should not be below \$3 million.

There have been no changes to the strategy adopted to control the capital of the entity since then.

27. AFTER BALANCE DATE EVENTS

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

The financial report was authorised for issue on 18 September 2019 by the Board of Directors.

28. BUSINESS COMBINATIONS

On the 14 August 2017, the Company obtained a licence from the Office of Liquor and Gaming Regulation within the State Government acquiring the operations of Souths Sports Club at Acacia Ridge. BRC acquired Souths Sports Club for nil consideration.

Identifiable assets acquired and liabilities assumed:	2018 \$
Cash and cash equivalents	62,887
Inventory	19,576
Property, plant and equipment	5,000
Intangible assets	327,780
Employee entitlements	(39,080)
Trade and other Payables	(376,163)
Net identifiable assets and liabilities assumed	-
Consideration paid on business combination	-
Gain on business combination of Souths Sports Club for no consideration	-

Souths Sports Club generated revenue totalling \$3,401,605 (2018: \$2,471,794) and contributed a profit on operations of \$28,427 (2018: Loss \$166,257).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

29. COMPANY DETAILS

The registered office of the Company is:

Eagle Farm Racecourse
230 Lancaster Road
Ascot QLD 4007

The principal places of business of the Company are:

- | | | | |
|--|--|--|--|
| 1) Eagle Farm Racecourse
230 Lancaster Road
Ascot QLD 4007 | 2) Doomben Racecourse
75 Hampden Street
Ascot QLD 4007 | 3) Gallopers Sports Club
Corner of Nudgee Road & Lancaster Road
Ascot QLD 4007 | 4) Souths Sports Club
Brandon Reserve, Mortimer Road
Acacia Ridge QLD 4110 |
|--|--|--|--|

| DIRECTORS' DECLARATION

The Directors' of the Company declare that:

1. 1. The consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - (a) complying 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 2019 and of its performance for the year ended on that date; and
2. 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

18 September 2019



S M GAGEL

Director

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



Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brisbane Racing Club Limited (the Company and its controlled entity (the "Group")), which comprises the consolidated statement of financial position as at 30 June 2019, 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.

In our opinion the consolidated financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 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.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

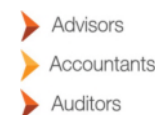
In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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



As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director

Brisbane
18 September 2019



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BRISBANE
RACING CLUB

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