

ANNUAL REPORT 2022-2023





Ladbrokes

DOOM BEN

MAGIC MILLIONS

STAY

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MAGIC MILLIONS



2022–2023 Annual Report

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Cover: The Star Stradbroke Day 2023 – Eagle Farm Racecourse
Photograph: Jared Vethaak Photography



Chairman's Report

I have great pleasure in presenting the 2023 Annual Report of the Brisbane Racing Club.

The key indicators remain encouraging for our Club after a year of many highlights. The outlook is promising despite the economic turbulence of the past year combined with regulatory changes, a complex governance landscape and

a racing industry that always delivers new challenges.

BRC management are challenged each week with a race club business model burdened with high fixed costs to maintain our ageing racing precinct. Our training facilities cater for daily training of 550 horses (encompassing seven training tracks, equine swimming pool and 440 on-course stables) while our two elite racetracks generate over \$1.6 billion of wagering annually that contributes to the sustainability of Queensland's racing Industry.

On the revenue side of the ledger, income is restricted to trading as a racing entertainment venue one day a week supported by sponsorship, media and broadcast rights revenue. This model creates a confronting financial dilemma. The BRC, like all Queensland race clubs, welcomes industry contributions from Racing Queensland to assist in administering our club's business. Unfortunately, these only cover around 25 per cent of our projected race club losses each year. However, CEO Tony Partridge and his team have had a very successful year in securing remarkable growth in sponsorship and media rights. Tony will detail those achievements in his report.

The board's strategy to future-proof a sustainable BRC business model is underpinned by the diversified revenue streams developed over the last decade. The Club's unfolding property portfolio contributes an operational profit (or EBITDA) of \$4.0 million each year to our bottom line. Jeff Kahler, our General Manager Property, will report details on last year's successful outcomes. In addition, the successful licensed clubs business led by General Manager Perran Sonnex contributed an EBITDA profit of \$2.2 million this year to the consolidated business.

The BRC would struggle to operate as a viable and solvent business if the Board did not embrace a "diversify or die" vision over a decade ago. Diversification is now firmly

embedded as one of the BRC's strategic goals to reduce risk and ensure long-term financial success.

One of the key achievements this year was the very successful The Star Stradbroke Season which delivered some \$20 million in prize money from Guineas Day on 29 April to Stradbroke Day on 10 June. Our eight races worth \$1 million or more and a \$3 million Stradbroke during the 2023 Carnival has been acclaimed as the most outstanding in the last decade. Matt Rudolph, Executive General Manager Racing and Partnerships, will detail the highlights in his report. The Board congratulates Team BRC for delivering six weeks of classic racing that has become one of Brisbane's favourite annual festivals attracting thousands of interstate and international visitors.

BRC's Stradbroke Season 2022 won a State and then National Major Event Award at the MEA gala dinner in June this year when judged the Best Major Event in Australia for 2022. This national award recognised the hard-working, dedicated staff who delivered this first-class BRC event.

Two new major sponsors - Ladbrokes and The Star Entertainment Group - entered multi-year partnerships with the Club. We welcome both to the BRC stable. A more detailed update on the many new commercial arrangements will be included in the CEO report.

OUR FINANCIAL PERFORMANCE

The 2023 year proved to be a year of high revenue with earnings growth. For the third consecutive year, annual revenues were over \$60 million and this year's result of \$67.8 million was particularly special because it was not boosted by any large one-off subsidy amounts or settlements from apartment sales at our Ascot Green precinct. The positive trajectory of annual revenues

... the Club landed a
\$5.9 million (EBITDA)
profit this year

started in 2013 at \$33 million, increasing to \$51 million in 2018 and on to \$67.8 million this year. These returns are a reflection of how the BRC business has developed despite the challenges of regulatory reform, a Covid Pandemic and economic conditions.

At the consolidated operational level, the Club landed a \$5.9 million Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) profit this year, which was an improvement of \$3.9 million on last year's reported \$2 million (when excluding Mirvac Apartment sale income of \$8.4 million).

Net profit after interest, depreciation and amortisation resulted in a loss of \$1.9 million. Interest expense for the year totalled \$2.5 million, just \$0.2 million higher in a year of almost monthly increases in the RBA's official cash rate. The annual interest bill includes \$1.5 million for the infield stable loan and tunnel loans. We are acutely aware that the combination of increasing interest rates and inflation will be another challenge for the business in 2024.

Our debt level, as projected, reduced from \$51.5 million to \$43.4 million. Major reductions in Club debt occur when a residential tower at Ascot Green settles. We expect the third tower, Charlton House, to be completed by July next year.

The Club is in good financial health ahead of a period in which the operating environment could present hurdles across the Australian business landscape.

THE ESG CHALLENGE

ESG (environmental, social and governance) remains a key focus across the national business community. Integrating ESG principles into the BRC strategic goals has entailed a commitment to the three fundamental pillars of environmental sustainability, social responsibility and ethical corporate governance. Consequently, the Board and management are planning a comprehensive approach to reducing the BRC waste, CO2 emissions and pollution and promoting diversity and inclusivity throughout our Club business. Businesses across the nation are on notice and we may at some time in the future be subject to mandatory reporting on this issue.

We have a sustainability page on the BRC website that sets out our goals and achievements. Following a full carbon audit last year, we now have clear targets for scope 1 and 2 emissions and are developing strategies to ethically reduce our carbon footprint as we target net zero emissions.

In this ever-evolving commercial landscape, BRC Directors recognise that non-financial risks have become fundamental to our ability to achieve the BRC strategic goals. While core issues form the foundation of Directors' responsibilities, the complex regulatory framework of today's modern business is a new challenge that we remain focused on.

CONNECTING WITH THE COMMUNITY

The BRC Foundation has continued strong support for many charities by facilitating fundraising racedays, donations of hospitality packages and sponsorship of various sporting teams. A detailed report on Foundation activities by BRC Foundation Chairman Richard Morrison appears later in the Annual Report.

BRC permits many local organisations to use our facilities for small community events free of charge. At a recent midweek race day, a group of War widows enjoyed an afternoon tour of the BRC Museum hosted by Peter Howard (Chair of Thoroughbred Racing History Association), Chris Morrison (Secretary - Thoroughbred Racing History Association) and Bart Sinclair (BRC Racing Analyst). The group stayed for high tea and even received some winning tips from their hosts!

Our partnership with Opera Queensland moves into its third year, consolidating BRC engagement with the Brisbane arts fraternity and continuing to gain momentum as the BRC brand becomes known as more than a race club.

Multicultural engagement continues to be a focus of the club. Many friendships have been formed in Brisbane's Asian community and discussions are underway with various cultural groups to participate in specific cultural racedays.

One of the BRC's best kept secrets is the Thoroughbred Racing History Association, chaired by Peter Howard. This group of volunteers maintain decades of racing history and incredible memorabilia, tracing the 158-year journey of thoroughbred racing at Eagle Farm and Doomben. The historical records are stored in dedicated museums at each of the two tracks. On Tuesdays, the museum opens free of charge to the public. Volunteers are always welcome to join the association.

THE YEAR AHEAD

A priority focus for the next 12 months will be securing funding for the major development of a new raceday patron precinct at Eagle Farm to replace the John Power Stand. The stand, built in 1956, was designed to have



BRC Members on The Star Stradbroke Day 2023

a 50-year life span and is now 68 years old and nearing the end of its safe useful life. Together with Racing Queensland, a new precinct is being designed to meet the expectations of raceday and event patrons with visions of a modern entertainment venue in an Olympic city. Tony

Partridge will update on the journey so far and update Members on the next steps in this project.

The racing program for the next year looks amazing and is jam-packed with feature racedays. We are scheduled to enjoy 82 racedays in the 2024 year, which brings much

to look forward to when enjoying our favourite pastime of watching elite thoroughbred racing in the company of like-minded BRC Members.

APPRECIATION

BRC has worked hard to form strong long-term relationships at all levels of government and Racing Queensland.

The Club welcomes the appointment of new Racing Queensland CEO Jason Scott, and we look forward to continuing our good working relationship with the RQ Board. We especially thank Racing Queensland for the financial support to the Group 1 The Star Stradbroke, now boasting prizemoney of \$3 million making Queensland's signature race the richest race in the state. The increase across the board in prizemoney attracted some of Australia's elite racehorses during Stradbroke Season, justifying the renewed investment in these key races.

The Premier, the Hon. Anastacia Palaszczuk, and Racing Minister, the Hon. Grace Grace, continued their many years of support to the BRC. State Cabinet held its regular meeting at Eagle Farm during Stradbroke week followed by lunch with the BRC Board and Senior Leadership team executives.

The Club has enjoyed a long-term alliance with Brisbane City Council and works closely on a range of projects and community initiatives. We thank retiring local Councillor David McLachlan for the contribution he has made to the lifestyle and amenity for the people living in the Hamilton Ward during his tenure and for his many years of support to the BRC.

The Club's stable of commercial partners boasts major national and international brands. Many relationships stretch back more than a decade. We proudly feature our

partners on the last page of this annual report. The BRC Board sincerely thanks them for the incredible support during the reporting year.

The Board acknowledges the amazing BRC staff led by Tony Partridge who have again raised the bar on commercial outcomes, Member engagement and delivering elite thoroughbred racing. Our staff have a culture of operating at high performance levels throughout the year. This is a credit to the hundreds of casual staff and 200 fulltime staff that make up Team BRC.

I thank the talented Director group that make up your Board, a diverse group of skills, age, gender and thinkers who continue to navigate the BRC business through a commercial cocktail of disruptive change. They all give their time freely and willingly and provide their expert guidance during challenging times for all organisations.

Finally and most importantly, I sincerely thank our BRC Members for your continued support this year. We welcome your feedback as we strive to improve Member experiences. The Club this year set new records for membership with 4,038 in the voting category.

I look forward to catching up trackside in the near future.



Neville Bell OAM, GAICD
Chairman





"Think About It" winning connections celebrate their win in The Star Stradbroke Handicap



A crowd of over 13,000 attended The Star Stradbroke Day

STATISTICAL INFORMATION	2023	2022	2021	2020	2019
RACING					
Race Meetings	75	71*	73	67	52
Saturdays	40	37	40	41	32
Mid Weeks	33	34*	33	26	20
Races	651	607	620	583	461
Starters	6,596	5,775	5,832	5,901	4,659
Average Starters per race	10.13	9.51	9.41	10.12	10.11
ATTENDANCES					
Annual Racing Attendance	125,508	112,877	109,908	111,553	153,741
Stradbroke Season**	33,174	25,741	29,428	-	38,449
MEMBERSHIP					
Life	17	18	21	21	22
Full Member (35yrs+ as a Member)	378	383	376	347	389
Full Member (Age 30+ years)	2,918	2,878	2,356	2,198	2,092
Full Member (Age 18-29 years)	263	229	195	142	138
Perpetual	433	375	348	329	314
Honorary+	30	16	15	20	21
Chairman's Club+	40	55	49	50	44
Group 1 Club	29	8	-	-	-
TOTAL RACING	4,108	3,962	3,360	3,107	3,020
Sports Club Social Members	11,511	6,615	5,513	7,658	9,554
TOTAL MEMBERS	15,619	10,577	8,873	10,765	12,574
PRIZE MONEY (\$000)					
Prize Money Paid	59,111	49,230	47,347	35,014	38,340
WAGERING (\$000)					
Oncourse Totalisator	9,153	8,396	9,929	9,026	12,743
Bookmakers	8,886	7,471	8,913	7,242	9,505
FINANCIAL (\$000)					
Surplus/(Loss)	(1,908)	2,755	9,387	918	779
Capital Expenditure	5,107	3,141	5,420	6,020	13,219

+ Non Voting Members

*Includes 4 race meets transferred to other racecourses

**Previously known as Brisbane Racing Carnival.



Chief Executive Officer's Report

During the 2022/23 financial year, the BRC business once again set a record for operating revenue and this time without the inclusion of any turnover from apartment sales.

Our new and improved commercial partnerships with sponsors and broadcasters also helped take The Star Stradbroke Season to another level.

While our revenue continues to surge through our diversified income streams, we remain at our core a racing club and our defining moment of the year was the success of our flagship carnival The Star Stradbroke Season. The Star Stradbroke became Queensland's richest race with \$3 million in prizemoney while the Club signed new long-term partnerships with The Star Entertainment Group and Ladbrokes. We achieved record Member numbers, attracted Australia's best horses and the BRC delivered enjoyable intimate raceday experiences that Eagle Farm and Doomben have become famous for - all under glorious Brisbane skies.

The success of The Star Stradbroke Season was years in the making and provided a new benchmark in the modern era to build on with the help of our partners and broadcasters. We worked with Racing Queensland to improve the Stradbroke Season program three years ago. New prizemoney levels funded by the industry reforms announced in June 2022 took total prizemoney for the six days to over \$20 million. These increases help to attract the best horses. The performance of star sprinter Giga Kick in the \$1.5 million Ladbrokes Doomben 10,000 was testament to the prominent position our Star Stradbroke Season enjoys in the Australian racing landscape.

Our new and improved commercial partnerships with sponsors and broadcasters also helped take The

Star Stradbroke Season to another level. The Star Entertainment Group sponsored our signature race and the Carnival while Ladbrokes became the Club's wagering partner, amplifying our content and producing their own content and promotions that elevated our racing and celebrated its history. Sky continued to provide its very best production team and talent to cover our racing while for the first time Channel 7 provided Hall of Fame broadcaster Bruce McAvaney on course at Eagle Farm for Derby, Oaks and Stradbroke Day.

The BRC team played a major role in the success of the 2023 Star Stradbroke Season by focussing on the Member experience, introducing initiatives designed to address issues such as queuing before gates open, providing more furniture and rolling out additional benefits through Ladbrokes. Crowds increased for the first time since the Eagle Farm redevelopment. Our customer survey results indicate the BRC team improved customer satisfaction in 2023 and we are very proud of that result.

There remains one element for any great racing Carnival that BRC is desperate to improve: new spectator facilities. Our heritage surrounds provide the charm and unique experience that we adore but Members and hospitality customers use a grandstand at Eagle Farm that was built in the 1950s. We are continuing to work with Racing Queensland and the State Government on plans

for a facility to replace the John Power Stand and other improvements to the Eagle Farm spectator precinct. We expect planning documents to be lodged in the 2024 financial year.

The Club improved facilities in 2023 with the introduction of Ladbrokes lounges at Eagle Farm and Doomben. These lounges provide great vantage points at the track and are open to BRC Members and to racegoers who are Ladbrokes customers.

The BRC's wagering partnership with Ladbrokes signals a new era after the State Government established a level playing field for online bookmakers in Queensland and legislated an 80 per cent return of point of consumption tax receipts to the racing industry. Ladbrokes' commitment to providing benefits to BRC Members and their innovative approach to content and promotion sealed the deal with BRC and we are very pleased with how this partnership is improving the Club and the online betting experience for Members.

Another major sponsorship announced this year was The Star Entertainment Group's sponsorship of Stradbroke Season and the Stradbroke. Treasury Casino has been a partner of BRC for decades so our businesses have always been close but now our signature race and carnival is strategically linked to the new Queen's Wharf Development open this coming financial year. Members can expect events such as carnival launches and barrier draws to be held on the new Sky Deck at Queen's Wharf. Visitors to our Carnivals will enjoy new five-star accommodation at Queen's Wharf which will further enhance the popularity of The Star Stradbroke Season for interstate customers including owners.

This year, a central theme in discussions with Racing Queensland and Government has been the significant

and growing financial contribution of BRC to the Queensland economy and racing industry. Wagering turnover on racing at Eagle Farm and Doomben rose 8 per cent to \$1.68 billion up from \$1 billion just 4 years ago. All the revenue from wagering turnover flows to Racing Queensland for distribution as prizemoney and funding for our industry. Our wagering contribution is partly the result of more meetings and the wider broadcast of our racing but also largely due to the performance of our tracks. Doomben is a model of consistency while Eagle Farm is now one of the best tracks in Australia. The Club's decision to plant Doomben Kikuyu into Eagle Farm has been a resounding success and our experienced tracks team led by Jim Roberts and Ross Smith ensure our tracks are maintained to the highest standards.

BRC's strategic plan includes a goal to contribute \$1 million in cash or kind to the community annually by 2026. I'm very pleased to report we contributed close to \$600,000 via the BRC Foundation and our licensed Clubs this financial year. This report includes a graphic depicting how this contribution is made between the various community groups and charities BRC supports. Next year we take another big step towards our goal as we will open a third licensed Club taking our contribution to over \$800,000.

Our licensed clubs, Gallopers Sports Club at Hamilton and Souths Sports Club at Acacia Ridge, are family-friendly and safe venues. The Clubs continue to play an integral role within their local area by providing financial support through sponsorship, community contributions and donations in addition to the provision and maintenance of sporting facilities including rugby league fields and lawn bowls greens.

In early 2023, BRC announced the signing of a new partnership with Norths Rugby Club. This exciting



Ladbrokes Rough Habit Lounge - Eagle Farm Racecourse

partnership is a natural fit for both as BRC looks to grow its community support throughout Brisbane with a goal to increase player participation and improve facilities. This partnership aligns with the Gallopers Sports Club brand which features prominently on the Norths Eagles jersey alongside the BRC logo.

A third licensed club is on the way with the acquisition of the lease to the former Stafford Bowls Club site with construction to commence on a substantial redevelopment. Following a lengthy approval process, BRC was granted liquor and gaming licences in late June and took possession of the site in early August 2023. Building is scheduled to begin at the end of August with an opening date in early May 2024. The aim is for the venue to be accessible, focusing on good quality food served in a modern family friendly environment where children are

free to run around in a safe, open green space. BRC has committed to engaging with the Stafford community and has already established community support partnerships with Gibson Park tenants Brothers Junior Rugby League Club and Stafford Cricket Club.

Our financial results confirm the BRC is growing revenue, but costs continue to rise and interest rates are much higher than in recent years. Financial highlights for the year include:

- Attendance on Saturdays increased 8 per cent
- Consolidated food and beverage hospitality revenue increased by \$1.8 million
- Broadcast rights income increased 23% due to wagering growth, Ladbrokes' purchase of digital streaming and an improvement in Sky International broadcast income.
- EBITDA of \$5.9m compares favourably to \$2m in FY22 (when excluding apartment sales).

While the BRC operation is yielding more than ever, costs are growing. BRC's energy costs have risen considerably and low unemployment rates have contributed to higher labour costs. All Queensland race clubs face rising costs while the standards expected of tracks and venues by participants and customers increase each year.

Our membership base is an important factor in continued growth. This year, an historic milestone was reached as the voting membership for BRC reached an all-time high of 4038. This year also marked the foundation of the Member Advisory Group, a collective of 12 individuals representing diverse membership categories and age groups. The group convenes quarterly to engage with BRC's management team and Directors to delve into a range of topics. As a result of listening to Members through surveys, in-person feedback and through the



Kevin Ryan the longest serving BRC employee retires after 47 years

Member Advisory Group, we embarked on trials for various initiatives. Notably, during The Star Stradbroke Season, we introduced a dedicated Member waiting area, as well as complimentary secure phone charging stations in the Members' Reserve. Additionally, at Eagle Farm, we established a parents' room. The membership team led by General Manager Kylie Hannah embraces continuous improvement as an essential part of their roles and looks forward to further innovation and enhancements to the Members' experience in the 2024 season.

BRC's team of casual and permanent staff are very proud to work at Eagle Farm, Doomben and Deagon. Many team members have committed their careers to the BRC including its predecessor Clubs the QTC and BTC. Our longest-serving employee Kevin Ryan retired this year after 47 years with the Club. Kevin was acknowledged by Chairman Neville Bell in the company of the Premier and the Racing Minister on Stradbroke Day. Our long-serving staff play an important role in setting a culture at BRC that makes Brisbane racing the friendliest metropolitan race club experience in Australia. Those staff, along with

our Members, maintain our link with our history and help to pass that on to our new faces.

I thank the whole BRC team for their efforts this year and the BRC Board of Directors who respond quickly to changes to the industry and commercial landscape. This year the Board supported management to take advantage of new opportunities for the Club. Record operating revenue was not possible without risk and the investment in income-earning assets which are constantly driven by Chairman Neville Bell. Neville's impact on the sustainability of the BRC through diversification cannot be underestimated and will be most apparent in years to come.

I would also like to thank all BRC Members for their support of the BRC Management team. Our record Member numbers are the result of Members advocating for their Club and inviting friends and family to consider joining.

Thank you to Racing Queensland for acknowledging the value that our Group 1 racing carnival generates for the industry and for lifting prizemoney for The Star Stradbroke Season this year.

Finally, thank you to our sponsors, media and wagering partners who promote our racing around Australia and internationally. We are grateful for their support.

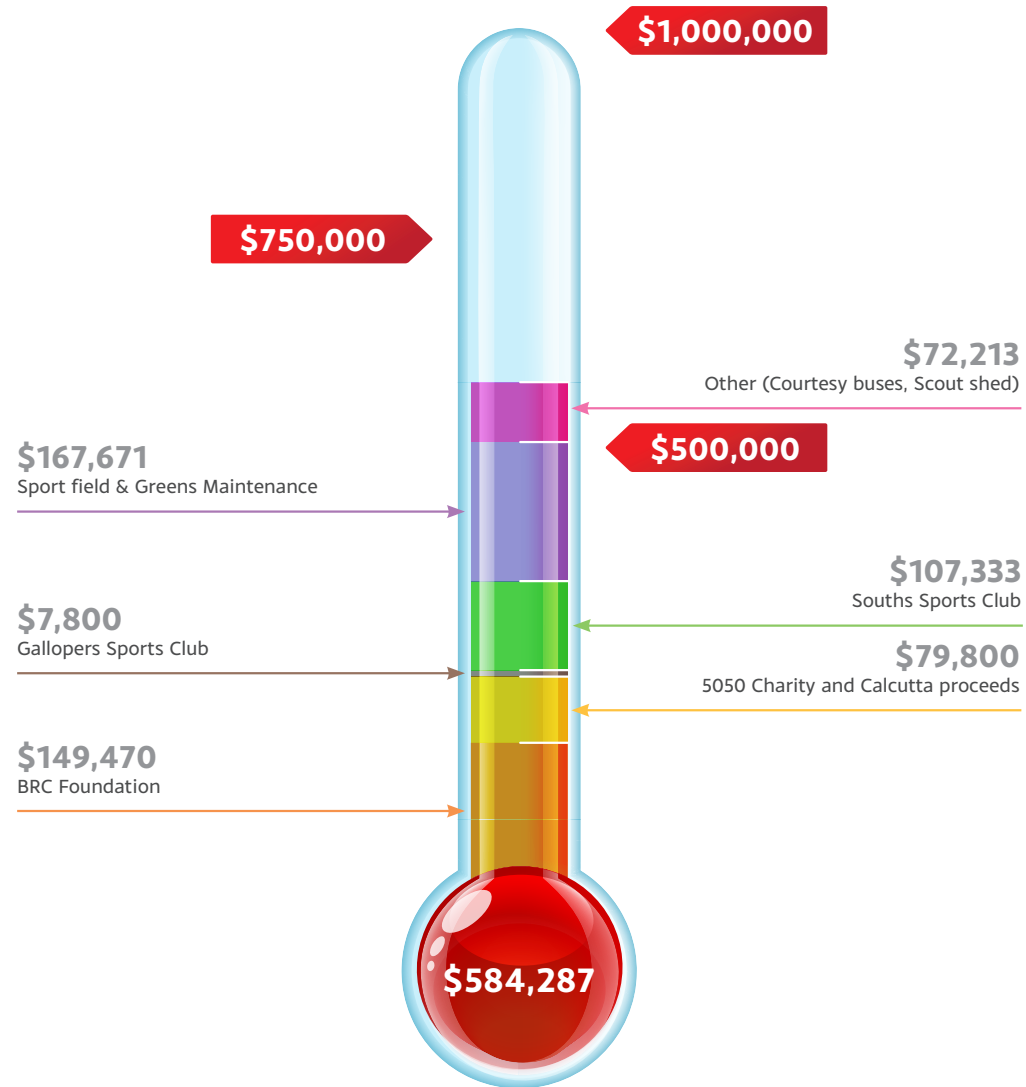


Tony Partridge
Chief Executive Officer



Winning Connections and BRC Members - Eagle Farm Racecourse

| Progress towards our goal of \$1M of philanthropy for the Brisbane Community by 2026





Master Plan Report

The Brisbane Racing Club's Master Plan portfolio contributed \$5.0m in revenue and \$4.0m EBITDA to the Club's annual results in the most recent financial year. This is an outstanding result.

All properties in the portfolio exceeded their budgeted returns. The main contributor to the result was Racecourse

Village Shopping Centre which had a very strong year with an increase in sales of 10 per cent when compared to last year. The centre is fully leased. We would like to thank all tenants, staff and customers who contribute to its wellbeing and success.

Bernborough Ascot is a joint venture with Lendlease, who during the year rebranded their Retirement Living Assets to Keyton, however still retained the same team, experience and legacy.

We are excited to announce that Keyton have secured St Hilliers Construction to construct the second building in Bernborough Ascot to be called Poinciana House. St Hilliers commenced construction in February 2023 and are targeting an expected completion of July 2024. Poinciana House will bring many new and exciting facilities including a swimming pool, restaurant, treatment rooms, Pilates studio and of course high-quality apartments. Keyton aims to launch the sales for Poinciana House in early 2024.

Additionally, we secured Opal Aged Care to build and operate a high-care aged-care centre as part of the Bernborough site. Opal have lodged a Development Application with Brisbane City Council and are looking to commence construction in early to mid 2024. We welcome Opal to the BRC community. We remain excited for the future of Bernborough.

Our joint venture with Mirvac is continuing well and we are pleased to note that the second building, Tulloch House, was completed last year and the community is thriving. The community is made up mostly of owner-occupiers. There are a small number of apartments being rented for which there is a waitlist - an acclamation to the quality of the product and community that has been created. Charlton House, the third building, commenced



Poinciana House due for completion mid-2024

construction in September 2022 and is essentially sold-out. Mirvac expects completion in June 2024 with the new members of the community to move in shortly after.

With Charlton House well underway, Mirvac are swiftly moving towards completion of the final design for the fourth tower - O'Connell House. The building will have a similar design to Charlton House and include high-end apartments, rooftop amenities and premium trackside views. Mirvac is expecting to launch O'Connell House in mid-to-late 2024.

The Ascot Kindy & Childcare Centre and Ascot Aquatics Centre form another important part of our community. Ascot Kindy & Childcare has been operating successfully for over five years. We recently completed a five-year market rent review which provided strong upside for the Club. We look forward to working with both businesses to continue delivering these amenities to the community.

The Master Plan team has been working with the wider BRC group on an exciting project which will see new and



Racecourse Village Shopping Centre

exhilarating Member and Patron facilities delivered at the heart of Eagle Farm. While these are early days, we are working closely with Racing Queensland and other key stakeholders to deliver this project in the years to come.

During the year we worked closely with our new wagering partner Ladbrokes to transform spaces at Eagle Farm and Doomben into two dedicated, high calibre lounges for our partners to use for all racedays. The Rough Habit Lounge (formerly the Kentucky Bar) and the Chief De Beers Lounge have been given new life with upgrades to the front and back of house in both venues. We are working closely with heritage requirements to deliver an outstanding deck to the Rough Habit Lounge.

St Leger House is a five-storey commercial and retail building proposed between the 1913 St Leger Grandstand and Ascot House. Similar to last year's circumstances regarding the construction market which has seen costs

skyrocket, the Club has prudently decided to pause on the project and wait for the market to stabilise before continuing. The Club remains committed to this project.

The main entry gates for Eagle Farm Racecourse, located at the top of Racecourse Road, have been restored to their former glory. The Club successfully secured a grant from the State Government, with the support of the Department of Environment and Science (DES) to help fund this project. The team is actively working towards securing further grants to restore and beautify the heritage-listed racecourse.

SUSTAINABILITY

Sustainability has an increasingly important role at the BRC.

This time last year, your Club provided an update on progress in formalising our stance on sustainability.

Through collaborating with The Carbon Hub – a leading environmental research organisation – the BRC has developed our pathway towards net zero. As we go along this journey the Club has expanded its knowledge and expertise and, as a result, our thinking particularly regarding the purchase of carbon credits to reduce our footprint. We have made the decision that rather than purchasing carbon credits year on year, we will use those funds to invest in tangible projects that will aid in reducing the Club's carbon footprint. The Club has already invested in projects such as solar, water harvesting, waste management, and staff training.

We are moving towards a reusable, environment friendly cup-ware solution which, if implemented, would remove a large portion of waste the Club generates and move towards a more circular economy. Alongside this, the Club has embarked on a solar tendering process which would be delivered in two phases: a 100kw and a 350kw system. These systems would dramatically reduce our reliance on grid electricity and significantly reduce the Club's ongoing electricity costs. These projects complement the work we have been conducting with the Carbon Hub and will aid the Club in moving towards net zero.

Finally, the Club has also welcomed over 50,000 new residents in the Doomben infield – honey bees! The bees have been sourced from a local apiary in Zillmere and placed into two Australian-made Flow Hives. In time they will produce enough honey for our culinary team to use in our 5-Star food and beverage hospitality offering.

Jeff Kahler

General Manager

Property and Asset Management



Racing Report

The continued revitalisation of the Eagle Farm track was just one of many prized achievements of the 2022-23 racing year at the BRC.

Under the leadership of BRC Racecourses Manager Jim Roberts, Eagle Farm was vastly improved for the 2023 Stradbroke Season and continued to climb higher over the past 12 months. Eagle Farm is now back in its rightful place in the top echelon of Australian racetracks.

Because of the vastly improved surface, the number of race meetings at Eagle Farm in the past year increased from 27 to 33. The track easily coped with the upgraded workload. Understandably, BRC racing will always be judged primarily on the rating of The Star Stradbroke Season when six meetings were held at Eagle Farm and Doomben from Sky Racing Queensland Guineas Day on April 29 through to The Star Stradbroke meeting on June 10.

By any criteria this year, The Star Stradbroke Season delivered in emphatic style. There were so many highlights. The performances on the track were remarkable and produced a clear signal that The Star Stradbroke Season form should be a powerful force in Australia's spring racing carnivals. The high standard of the competitors – horses, trainers and jockeys – reflected Racing Queensland's decision to offer significantly increased prizemoney for many of the Group races.

And the icing on the cake was the stunning Stradbroke Season weather. Balmy conditions helped in track preparation and were a magnet for racegoers. Having an established star like Giga Kick in the field for the Ladbrokes Doomben 10,000 immediately gave the \$1.5 million sprint important status. Having Giga Kick's name now on the race honour board was a bonus. The three placegetters from The Everest last spring – Giga Kick, Private Eye and Mazu – all competed at The Star Stradbroke Season.

While The Star Stradbroke Season attracted many proven performers it was the dramatic evolution of rising stars such as Think About It and Kovalica which caught the eye of national racing fans. Think About It came north following wins in the Group 3 Liverpool City Cup and the Listed Takeover Target Stakes. He took those performances to a higher level with victories in the EVA Air Kingsford Smith Cup and The Star Stradbroke, both at

Group 1 level at Eagle Farm. Trailing Think About It in The Star Stradbroke were Group 1-performed Rothfire and the untapped three-year-old Hawaii Five Oh.

Kovalica's dramatic rise showcases what Queensland racing now offers year-round. Trainer Chris Waller began planning for Kovalica's assault on the Ladbrokes Queensland Derby early last summer. The Ocean Park three-year-old created a huge impression in December with successive victories in the Eagle Way at Doomben and the Grand Prix at Eagle Farm. Such was his dominance in the Ladbrokes Queensland Derby, Kovalica was installed as the favourite for the Caulfield Cup in October when markets were first released. He became yet another runner to leapfrog from a successful summer carnival to transform into Group 1 success in The Star Stradbroke Season following in the path of Gypsy Goddess, Vega One, Apache Chase and Kukeracha in recent years.

The depth of the quality involved in The Star Stradbroke Day was illustrated by the fact there were 19 Group 1-winning acceptors at the meeting. This is right behind VRC Champions Day (23) at Flemington and ATC Championships Day 1 (20) at Randwick. Ex-European stayer Without A Fight showed he was a definite spring contender when he catapulted from a disappointing Melbourne Cup effort last year with outstanding wins in the Sky Racing Lord Mayor's Cup and Sky Racing Q22. Other highlights included Huetor scoring back-to-back wins in the XXXX Doomben Cup and King Colorado claiming the Group 1 Ladbrokes J.J. Atkins at just his third race start to land a \$41 to \$14 betting move for the Ciaron Maher and David Eustace stable.

Trainer-jockey combination of Chris Munce and Kyle Wilson-Taylor both struck Group 1 success for the first time when Palaisipan took out the Tatt's Tiara. Fireburn became the first Golden Slipper winner to race at The Star

Stradbroke Season since Bint Marscay in 1994. She won the ANZ Bloodstock News Roses but unfortunately was ruled unfit to contest the Channel 7 Queensland Oaks.

Over the year there were many other notable performances by Eagle Farm-based participants. Steve O’Dea and his co-trainer Matt Hoysted deserved their breakthrough Group 1 victory with Uncommon James in the Oakleigh Plate. Tony Gollan again had a stellar season with 140.5 winners to score his 10th successive Brisbane trainers’ premiership highlighted by Skirt The Law’s dominant Magic Millions win. Skirt The Law was the fourth consecutive MM Classic winner to run at a BRC meeting in the final lead-up race. Congratulations to Jimmy Orman (104 metro wins) on another jockeys’ premiership and to Angela Jones (79) for a remarkable year to land the apprentices’ title in her first full year riding on metro tracks.

A big thanks to Jim Roberts (Eagle Farm) and Ross Smith (Doomben) for their leadership and encouragement of all the BRC track staff who showed their passion and work ethic to deliver fair and safe tracks throughout the past 12 months. The Bureau of Meteorology has resumed gathering rainfall figures from Eagle Farm to be added into the official weather reports for the Brisbane area. On July 28 an official BOM gauge was installed at Eagle Farm. Course Manager Jim Roberts and his team now collate the information to be added to the BOM website. “The BOM officials said Eagle Farm was used as an official rain fact site from 1925 until it went into recess seven years ago,” Roberts said.



Matt Rudolph

Executive General Manager,
Commercial & Racing

There was a dramatic downturn in the total rainfall across the BRC racing precinct tracks in the past year.

The past year total was 760mm of rain compared to 2,115mm in the 2021-22 year.

This massive weather change resulted in no loss of races at Eagle Farm for the year and just the two final races lost at Doomben when a heavy storm hit Doomben late afternoon on February 1.

A meeting on October 26 last year was transferred

from Doomben to Eagle Farm to allow further maintenance work to be completed on the course proper.

Of course annual rainfall is one statistic to be considered but it also is telling for track managers when the rain falls. Sunday is naturally a better rain day than race eve.

The weather pattern in the year under review was beneficial to the tracks presented at both courses.



Chris Waller trained Kovalica wins the Ladbrokes Queensland Derby

Race	Distance	Prizemoney	Winner	Trainer	Jockey	Weight
GROUP 1						
Ladbrokes Doomben 10,000	1200m	\$1,500,000	GIGA KICK	Clayton Douglas	Craig Williams	57.0kg
XXXX Doomben Cup	2000m	\$1,000,000	HUETOR (FR)	Peter & Paul Snowden	Ryan Maloney	59.0kg
Ladbrokes Queensland Derby	2400m	\$1,000,000	KOVALICA (NZ)	Chris Waller	James McDonald	57.0kg
EVA Air Kingsford Smith Cup	1300m	\$1,000,000	THINK ABOUT IT	Joseph Pride	Sam Clipperton	59.0kg
Channel 7 Queensland Oaks	2200m	\$700,000	AMOKURA	Kris Lees	Damien Oliver	56.5kg
The Star Stradbroke HCP	1400m	\$3,000,000	THINK ABOUT IT	Joseph Pride	Sam Clipperton	54.0kg
Ladbrokes J.J. Atkins	1600m	\$1,000,000	KING COLORADO	Ciaron Maher & David Eustace	Jason Collett	57.0kg
GROUP 2						
Sky Racing Queensland Guineas	1600m	\$350,000	KOVALICA (NZ)	Chris Waller	Nash Rawiller	57.0kg
Channel 7 Victory Stakes	1200m	\$300,000	ROTHFIRE	Robert Heathcote	Nash Rawiller	58.8kg
Spirit of Boom Classic	1200m	\$300,000	CIFRADO	Rex Lipp	Damien Thornton	57.0kg
ANZ Bloodstock News The Roses	2000m	\$300,000	FIREBURN	Gary Portelli	Jason Collett	56.5kg
Aquis Stallions Sires' Produce Stakes	1400m	\$1,000,000	CIFRADO	Rex Lipp	Damien Thornton	57.0kg
The Star Moreton Cup	1200m	\$300,000	PRINCE OF BOOM	Robert Heathcote	Tim Clark	56.0kg
Sky Racing Q22	2200m	\$1,200,000	WITHOUT A FIGHT (IRE)	Anthony & Sam Freedman	Mark Zahra	59.0kg
XXXX Brisbane Cup	3200m	\$400,000	SELINO (GB)	Chris Waller	Nash Rawiller	57.5kg
Magic Millions Dane Ripper Stakes	1300m	\$300,000	COMRADE ROSA	Tony Gollan	Ryan Maloney	56.0kg
GROUP 3						
Ladbrokes Rough Habit Plate	2000m	\$250,000	SPECIAL SWEY (NZ)	Chris Waller	Tyler Schiller	57.0kg
JRA Chairman's HCP	2000m	\$200,000	KALAPOUR (IRE)	Kris Lees	Tim Clark	54.0kg
Ladbrokes BRC Sprint	1350m	\$300,000	SURF DANCER (IRE)	Gai Waterhouse & Adrian Bott	Joshua Parr	57.5kg
Magic Millions Pam O'Neill Stakes	1600m	\$200,000	FRUMOS (USA)	Chris Waller	James McDonald	55.5kg
Mullins Lawyers Fred Best Classic	1400m	\$300,000	HAWAII FIVE OH	Gai Waterhouse & Adrian Bott	Nash Rawiller	57.0kg
Living Turf Premier's Cup	2400m	\$200,000	KUKERACHA (NZ)	Chris Waller	James McDonald	56.5kg
Sky Racing Lord Mayor's Cup	1800m	\$200,000	WITHOUT A FIGHT (IRE)	Anthony & Sam Freedman	Mark Zahra	58.0kg
Ascot Green Gunsynd Classic	1600m	\$200,000	REDIENER	Chris Waller	James McDonald	57.0kg
NEW FEATURE						
Magic Millions National Classic	1600m	\$500,000	FOXY FRIDA	Andrew Noblet	Billy Egan	57.0kg

Sponsorship

PRINCIPAL PARTNER



WAGERING PARTNER



MAJOR PARTNERS



ASCOT GREEN
BRISBANE 4007

PARTNERS & SUPPLIERS

Accolade Wines

ADSS

AICLA

ANZ Bloodstock News

Aquis Farm

Arete Dental Studio

Century Pools

City Property Services

Coca-Cola Europacific Partners

Diageo

Duke Realty

Epic Hair Designs

Eureka Stud

EVA Air

Followmont Transport

Japan Racing Association

Impressu Print Group

Jones Retail Group

Keyton

LED Super Screens

Living Turf

Mater Foundation

Mirvac

Mullins Lawyers

National Jockeys Trust

Opera Queensland

NOVA 106.9

Nuturf

Padua College

Sporting Chance Cancer Foundation

Silk Laser Clinics

St Joseph's College Nudgee

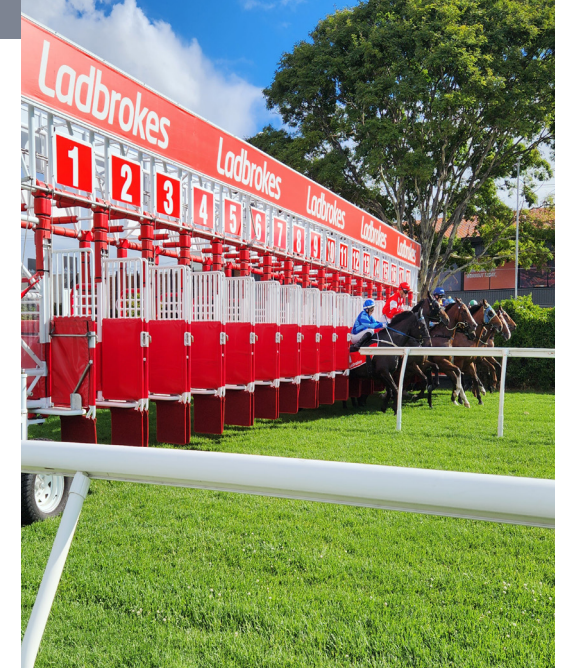
St Rita's College

Thoroughbred Breeders QLD Association

Well Groomed Racing

Widden Stud

4 Aussie Heroes Foundation



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"Think About It" takes out the 2023 The Star Stradbroke Handicap
Image: Jared Vethaak Photography



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 2023.

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
R H Morrison	S P Gleeson
J N Creaton	C M Schatz
J G Frayne	T J Svenson

All directors listed above have been in office since 1 July 2022 to the date of this report. The qualifications and experience of the Directors are outlined later in this report.

COMPANY SECRETARY

The Company Secretary (and Chief Financial Officer) at the end of the year was Mr David Koch, who is a Graduate of the Australian Institute of Company Directors (GAICD), holds Degrees in Commerce and Business Management from the University of Queensland, and is a qualified Chartered Accountant (ICAAANZ). He has over 23 years of domestic and international finance and project management experience in retail, infrastructure, education, and professional service areas. He has previously held similar positions in companies such as Minor DKL Food Group (owner of The Coffee Club Franchise).

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer at the end of the year was Mr Tony Partridge who is a Member of the Australian Institute of Company Directors (MAICD), holds Degrees in Commerce and Law from the University of Sydney, and is a Solicitor admitted to practice in Queensland.

For over 20 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. He 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 racecourses.

Mr Partridge has also worked in professional services for Deloitte where he was a subject matter expert on social infrastructure.

Mr Partridge has been Chief Executive Officer of Brisbane Racing Club since August 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year to 30 June 2023 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; and
- The landlord of a portfolio of assets.

OPERATING RESULTS

The Group recorded a total comprehensive loss for the year of \$1,908,074 (2022: total comprehensive profit of \$2,755,445).

DIVIDENDS PAID OR RECOMMENDED

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

LIMITED BY GUARANTEE

The Group is limited by guarantee by the members of the Group. If the Group is wound up the articles of association state that each member of the Group is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations. As at balance date there are 4,007 (2022: 3,895) racing members, so the total amount that members of the Group are liable to contribute if the Group is wound up is \$40,070 (2022: \$38,950).

| Directors' Report

REVIEW OF OPERATIONS

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

DIVERSITY

The Group 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 Group'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 2023 that have significantly affected, or may significantly affect:

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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



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

| Directors' Report

INFORMATION ON DIRECTORS

NEVILLE BELL OAM (AGE 75)

Chairman

Qualifications and Experience – GAICD. Neville has 30 years of experience in banking, finance, and property development. Chairman 8 years BRC, Director Queensland Turf Club 1998-2009. Neville has raced horses for three decades, mainly in Brisbane with occasional runners interstate, highlighted by Sky Heights wins in the 1999 AJC Derby and 1999 Caulfield Cup.

Special Responsibilities – Chair of Master Planning and People & Culture Sub-committees.

RICHARD MORRISON (AGE 49)

Vice-Chairman

Qualifications and Experience – MAICD. Richard is a property professional with more than two decades of experience in commercial agency and development. He is director of Morrison Project Consulting, a broad service real estate company operating across investment, development and agency sectors and a Member of the Australian Institute of Company Directors. A racehorse owner and breeder since the 1990's, Richard is a passionate enthusiast who has raced many horses in Brisbane and interstate. He is a committee member of the Kingston Town Club (KTC) which hosts annual racing events raising funds for various charities.

Special Responsibilities – Chairman of the BRC Foundation Sub-Committee, Member of Master Planning and People & Culture Sub-committees.

JENNIFER CREATON (AGE 54)

Director

Qualifications and Experience – GAICD. Jennifer has worked in the financial services industry for over 24 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 Licensed Clubs, Master Planning, and BRC Foundation Sub-committees.

STEVE GAGEL (AGE 51)

Director

Qualifications and Experience – BComm, FCA, GAICD. 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, Member of Licensed Clubs and People & Culture Sub-committees.

JAMES FRAYNE (AGE 34)

Director

Qualifications and Experience – B.Bus, CA, MBA, MAICD. James is the Chief Financial Officer and Company Secretary for an emerging ASX listed software company. He has over ten years of experience in public practice accounting and leading finance functions. James has extensive change management and software implementation skills.

Special Responsibilities – Member of Finance, Governance and Risk Management Sub-committee.

SIMON GLEESON (AGE 45)

Director

Qualifications and Experience – BAgrEcon, GAICD. Simon is an Economist by qualification and is the CEO at Droughtmaster Australia. 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 the auction houses of Magic Millions and Inglis.

Special Responsibilities – Member of Finance, Governance and Risk Management, Master Planning, and People & Culture Sub-committees.

Directors' Report

CURT SCHATZ (AGE 64)

Director

Qualifications and Experience - LLB, MAICD. Curt is Managing Partner of Mullins Lawyers and leads their property and hospitality practice. He has 41 years of experience in property, liquor and gaming law. He has owned and bred racehorses in Australia and New Zealand for more than three decades.

Special Responsibilities - Chairman of Licensed Clubs Sub-committee and Member of Master Planning Sub-committee.

TERRY SVENSON (AGE 52)

Director

Qualifications and Experience - BA, GradDip.Mgt, GAICD. 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. Terry has owned and has raced horses in Brisbane, Sydney, and Melbourne.

Special Responsibilities - Member of Finance, Governance and Risk Management and People & Culture 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		Finance Governance & Risk Management		Master Planning		BRC Foundation		People & Culture		Licensed Clubs	
	A	B	A	B	A	B	A	B	A	B	A	B
N D Bell	11	10	-	-	4	4	-	-	2	2	2	2
R H Morrison	11	10	-	-	4	4	1	1	2	2	2	2
J N Creaton	11	11	-	-	4	4	1	1	-	-	-	-
J G Frayne	11	11	6	5	-	-	-	-	-	-	-	-
S M Gagel	11	10	6	6	-	-	-	-	2	2	2	2
S P Gleeson	11	10	6	6	4	3	-	-	-	-	-	-
C M Schatz	11	10	-	-	4	3	-	-	-	-	2	2
T J Svenson	11	9	6	4	-	-	-	-	2	1	-	-

A = Number meetings eligible to attend

B = Number attended

Directors' meetings are also attended by executive officers of the Group. The sub-committees tabled are those working groups carried forward into the new year.

| Directors' Report

PURPOSE AND AMBITION

The Brisbane Racing Club is a Club born from passion, built on history and focused on the future whose purpose is to attract and host thoroughbred racing and training for the enjoyment of our Members and the benefit of the racing community and the public.

The ambition is to be an innovative industry leader with a self-sustaining ethos to protect and secure the future of racing.

OFFICERS' AND AUDITORS' INDEMNIFICATION

The Group has not, during or since the financial year, in respect of any person who is, or has been, an officer or auditor of the Group 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 Group 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 Group, other than involving a willful breach of duty in relation to the Group.

The Group issued each of the current Directors and Officers a Deed of Access, Indemnity and Insurance during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and is attached to and forms part of this annual 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 OAM GAICD
Chairman

31 August 2023



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 2023 there have been:

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

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
31 August 2023



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

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

	Note	2023 \$	2022 \$
Revenue	2	67,834,900	64,074,575
Expenses	3	(69,721,034)	(61,306,143)
Profit/(Loss) from Ordinary Activities		(1,886,134)	2,768,432
Other comprehensive income/(loss)	23	(21,940)	(12,987)
Total Comprehensive Income/(Loss) for the Year		(1,908,074)	2,755,445
Summary			
Racing revenue		44,436,248	37,174,748
Grants - Racing Queensland and Others		2,762,262	210,830
Rent of facility for Vaccination Hub		-	966,008
Mirvac marketing revenue		702,000	901,959
Licensed clubs and business events revenue		14,128,352	11,500,341
Property revenue		4,972,338	13,222,707
Other revenue		833,700	97,982
Total Revenue		67,834,900	64,074,575
Racing expenses		(48,234,509)	(42,006,164)
Licensed clubs and business events expenses		(12,188,777)	(10,222,590)
Property expenses		(1,452,734)	(1,421,491)
Total Expenses		(61,876,020)	(53,650,245)
Profit/(Loss) before Depreciation and Interest		5,958,880	10,424,330
Depreciation and interest		(7,845,014)	(7,655,898)
Other comprehensive income/(loss)		(21,940)	(12,987)
Total Comprehensive Income/(Loss) for the Year		(1,908,074)	2,755,445

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

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

	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	5	3,203,968	4,215,222
Trade and other receivables	6	10,895,909	4,085,504
Inventories	7	731,994	720,454
Prepayments		542,140	588,584
Total Current Assets		15,374,011	9,609,764
Non-Current Assets			
Property, plant and equipment	8	168,276,275	168,119,506
Investment properties	9	782,000	784,000
Intangible assets	10	914,604	914,604
Right of use assets	11	1,115,233	1,195,815
Defined benefit plan	23	29,306	70,450
Total Non-Current Assets		171,117,418	171,084,375
Total Assets		186,491,429	180,694,139
Current Liabilities			
Trade and other payables	12	9,362,961	7,230,033
Employee entitlements	13(a)	2,272,800	1,996,212
Provisions	14	252,975	234,635
Income received in advance*		7,198,190	5,287,260
Borrowings	15(a)	764,635	1,024,594
Total Current Liabilities		19,851,561	15,772,734

	Note	2023 \$	2022 \$
Non-Current Liabilities			
Employee entitlements	13(b)	396,084	376,409
Income received in advance*		22,652,904	11,158,182
Borrowings	15(b)	42,650,615	50,538,475
Total Non-Current Liabilities		65,699,603	62,073,066
Total Liabilities		85,551,164	77,845,800
Net Assets		100,940,265	102,848,339
Equity			
Members' funds		100,743,798	102,651,872
Asset revaluation reserve		196,467	196,467
Total Equity		100,940,265	102,848,339

The accompanying notes form part of these financial statements.

*The 2022 comparative figures have been restated to align with the current year classification. See Note 1 (m) for details.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

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

	Members' Funds \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2021	99,896,427	196,467	100,092,894
Comprehensive Income			
Profit attributable to the entity	2,768,432	-	2,768,432
Other comprehensive income for the year	(12,987)	-	(12,987)
Total comprehensive income	2,755,445	-	2,755,445
Balance at 30 June 2022	102,651,872	196,467	102,848,339
Comprehensive Income			
Profit attributable to the entity	(1,886,134)	-	(1,886,134)
Other comprehensive income for the year	(21,940)	-	(21,940)
Total comprehensive income	(1,908,074)	-	(1,908,074)
Balance at 30 June 2023	100,743,798	196,467	100,940,265

Members' Funds

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

Asset Revaluation Reserve

The Asset Revaluation Reserve records the revaluations of non-current assets.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

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

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		74,307,014	73,833,197
Payments to suppliers and employees		(59,374,380)	(55,742,692)
Interest received		123,130	5,950
Interest paid		(2,447,351)	(2,234,081)
Net cash provided by operating activities	17(a)	12,608,413	15,862,374
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,087,198)	(3,167,782)
Net cash provided by / (used in) investing activities		(5,087,198)	(3,167,782)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,000,000	6,639,684
Repayments of borrowings		(10,692,002)	(19,659,838)
Proceeds from lease borrowings		64,374	814,464
Repayments of lease liabilities		(904,841)	(1,942,821)
Net Cash provided by financing activities	17(b)	(8,532,469)	(14,148,511)
NET INCREASE / (DECREASE) IN CASH HELD		(1,011,254)	(1,453,919)
Cash at the beginning of the financial year		4,215,222	5,669,141
CASH AT THE END OF THE FINANCIAL YEAR		3,203,968	4,215,222

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 23 to the financial statements.

In preparing the consolidated financial statements of the Group, all inter-group balances

and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Revenue

Revenue recognition

Sale of Goods, Rendering of Services, Capital Grants and Subsidies

When the Club receives these types of revenues, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Club:

- identifies each performance obligation
- recognises a contract liability for its obligations
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (eg. AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue (Continued)

Revenue recognition (Continued)

If a contract liability is recognised as a related amount above, the Group recognises income in profit or loss when or as it satisfies its obligations under the contract.

Sale of goods revenue is recognised at the point of delivery as it corresponds to the performance obligation which results in the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest income is recognised using the effective interest method. All revenue is stated net of the amount of goods and services tax.

(c) Income Tax

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

(d) Inventories

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

(e) 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.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Financial liabilities (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Financial assets

Financial assets are subsequently measured at:

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Financial assets (Continued)

Derecognition (Continued)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. 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.

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 investment 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (Continued)

Classification and subsequent measurement (Continued)

Impairment (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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 labor, 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 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.

(g) 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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment

At the end of each reporting period, the Group 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 Group 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.

(j) 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.

(k) Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (Continued)

The Group as lessee (Continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

The Group leases some of its land and buildings to external parties.

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

(l) 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 2023

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Comparatives

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

Comparative changes have been applied in the summary section of the consolidated statement of financial position, in relation to income received in advance. In past years, income received in advance has been classified as a current liability, even though a significant portion relates to periods beyond one year into the future. The Group has determined that of the total income received in advance, approximately \$22,652,904 (2022: \$11,158,182) relates to periods beyond one year into the future. Therefore, this portion of income received in advance has been recognised as a non-current liability for reporting purposes.

(n) Critical Accounting Estimates and Judgements

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

Impairment

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 I(i) for further details.

(o) Going Concern

At 30 June 2023, the Group's current liabilities exceeded current assets by \$4,477,550 (2022: \$6,162,970). The deficiency in current assets is primarily caused by the following:

Income received in advance

Income received in advance \$7,198,190

This relates to future events and/or performance obligations of contracts that are yet to be satisfied. 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, as at 30 June 2023, the Group has prepaid approximately \$12,000,000 (2022: \$4,500,000) against its long term borrowings in the form of an offset, in order to reduce the interest payable. This has resulted in a decrease in the Borrowings balance (shown under Non-Current Liabilities) and a decrease in the Cash and Cash Equivalents balance (shown under Current Assets). A drawdown is able to be made against the Group's long term borrowings upon request. Given these circumstances, the Directors are satisfied the Group can pay their debts as and when they fall due.

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 \$100,940,265 (2022: \$102,848,339).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

2 - REVENUE	2023 \$	2022 \$
Operating Activities		
- Queensland Racing Limited subsidy	4,755,093	4,535,431
- Catering and admissions revenue	22,170,812	20,349,158
- Broadcast, television rights and sponsorship	18,264,085	13,406,583
- Wagering and gaming revenue	7,854,954	6,621,799
- Stable, track and barrier trial fees	4,117,708	3,923,510
- Membership subscriptions	1,338,255	1,200,600
- Racecourse and mobile phone tower income	642,561	500,026
- Property rental income and fees	507,538	433,766
- Other property revenue	4,464,800	12,430,551
Total Operating Revenue	64,115,806	63,401,424
Non-Operating activities		
- Facility grants	2,762,262	210,830
- Profit/(Loss) on sale of assets	-	(278,067)
- Gain on recognising interest rate swaps at fair value	-	636,457
- Interest and other income	956,832	103,931
Total Non-Operating Revenue	3,719,094	673,151
Total Revenue	67,834,900	64,074,575

3 - EXPENSES	2023 \$	2022 \$
Racing and Non-Racing Expenses		
- Catering and raceday salaries and associated costs	23,127,426	18,937,735
- Equipment hire	3,382,482	2,783,788
- Trophies	86,454	82,723
- Totalisator expenses	516,995	754,522
- Racing service providers	3,768,644	3,697,730
- Gaming and sports club expenses	2,501,839	2,123,188
- Other expenses	1,523,957	1,099,622
Total Racing and Non-Racing Expenses	34,907,797	29,479,308
Maintenance Expenses		
- Salaries, contractors and associated costs	6,258,497	6,048,068
- Materials and services	6,357,032	6,015,884
- Other maintenance expenses	329,747	300,955
Total Maintenance Expenses	12,945,276	12,364,907
Administration Expenses		
- Salaries, contractors and associated costs	6,467,315	5,367,742
- Legal and compliance expenses	274,073	310,131
- Marketing, promotions and branding	3,062,188	2,417,752
- Information technology expenses	589,825	560,076
- Other administration expenses	3,610,342	3,129,477
Total Administration Expenses	14,003,743	11,785,178

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

3 - EXPENSES (CONTINUED)	2023	2022
	\$	\$
Other Expenses		
- Defined benefit plan	19,204	20,852
Total Other Expenses	19,204	20,852
Total Operating Expenses	61,876,020	53,650,245
Depreciation Expense		
- Depreciation: property, plant and equipment	4,932,429	4,836,561
- Depreciation: right of use assets	465,234	559,256
Total Depreciation Expense	5,397,663	5,395,817
Interest Expenses		
- Interest: borrowings	2,382,420	2,181,705
- Interest: leases	64,931	78,376
Total Interest Expenses	2,447,351	2,260,081
Total Expenses	69,721,034	61,306,143

4 - AUDITORS' REMUNERATION	2023	2022
	\$	\$
Remuneration of the auditors of the Group for:		
- Auditing and reviewing the financial statements	75,000	90,000
- Other services*	16,754	20,000
	91,754	110,000

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

5 - CASH AND CASH EQUIVALENTS	2023	2022
	\$	\$
Cash on hand	1,044,430	804,335
Cash at bank	2,159,538	3,410,887
	3,203,968	4,215,222

6 - TRADE AND OTHER RECEIVABLES	2023	2022
	\$	\$
Trade debtors	9,293,445	3,027,263
Other receivables	1,602,464	1,058,241
	10,895,909	4,085,504

7 - INVENTORIES	2023	2022
	\$	\$
Catering food and beverage - at cost	731,994	712,345
Maintenance materials - at cost	-	8,109
	731,994	720,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

8 - PROPERTY, PLANT & EQUIPMENT	2023	2022
	\$	\$
Freehold Land		
Freehold land at cost	28,518,667	28,518,667
Total Freehold Land	28,518,667	28,518,667
Racetracks		
Racetrack at cost	16,728,420	16,728,420
Less: Accumulated depreciation - Racetrack	(1,297,730)	(1,130,446)
Total Racetracks	15,430,690	15,597,974
Buildings and Improvements		
Buildings at cost	135,446,002	134,883,788
Less: Accumulated depreciation - Buildings	(29,085,710)	(25,729,406)
Total Buildings	106,360,292	109,154,382

8 - PROPERTY, PLANT & EQUIPMENT (continued)	2023	2022
	\$	\$
Plant and Equipment		
Plant and Equipment at cost	17,543,073	16,033,909
Less: Accumulated depreciation - Plant and Equipment	(11,714,524)	(10,513,593)
Total Plant and Equipment	5,828,549	5,520,316
Furniture and Fittings		
Furniture and Fittings at cost	3,813,570	3,669,336
Less: Accumulated depreciation - Furniture and fittings	(2,431,803)	(2,225,893)
Total Furniture and Fittings	1,381,767	1,443,443
Capital Works in Progress		
Works in Progress at cost	10,756,310	7,884,724
Total Capital Works in Progress	10,756,310	7,884,724
Total Property, Plant and Equipment	168,276,275	168,119,506

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 and Improvements	Plant and Equipment	Furniture and Fittings	Capital Works in Progress	Total
Balance at beginning of year	28,518,667	15,597,974	109,154,382	5,520,316	1,443,443	7,884,724	168,119,506
Additions	-	-	457,200	1,149,940	144,234	3,335,824	5,087,198
Transfers	-	-	105,014	359,224	-	(464,238)	-
Disposals	-	-	-	-	-	-	-
Depreciation expense	-	(167,284)	(3,356,304)	(1,200,931)	(205,910)	-	(4,930,429)
Carrying amount at the end of the year	28,518,667	15,430,690	106,360,292	5,828,549	1,381,767	10,756,310	168,276,275

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

9 - INVESTMENT PROPERTIES	2023	2022
	\$	\$
Investment property balance at beginning of year	784,000	786,000
Acquisitions/(disposals)	-	-
Transfer to assets held for sale	-	-
Less: Investment property depreciation	(2,000)	(2,000)
Balance at Year End	782,000	784,000

Investment properties are recognised at cost in accordance with the accounting policy at Note 1(g). The investment properties have a valuation of \$2,180,000 (2022: \$1,650,000) based on an independent valuation obtained by the Directors as at 30 June 2023.

10 - INTANGIBLE ASSETS	2023	2022
	\$	\$
Gaming machine licenses		
Gaming licenses at cost	914,604	914,604
Total Gaming Machine Licenses	914,604	914,604
Balance at beginning of year	914,604	914,604
Additions	-	-
Balance at Year End	914,604	914,604

11 - RIGHT OF USE ASSETS	2023	2022
	\$	\$
i) AASB 16 related amounts recognised in the statement of financial position		
Leased equipment	2,755,305	2,421,792
Accumulated depreciation	(1,886,086)	(1,495,907)
Leased motor vehicles	442,187	391,048
Accumulated depreciation	(196,173)	(121,118)
Total Right of Use Asset	1,115,233	1,195,815

Movement in carrying amounts:

Leased equipment:

- Opening Balance	925,885	962,778
- Addition to right-of-use asset	333,513	489,762
- Depreciation expense	(390,179)	(526,655)
Net Carrying Amount	869,219	925,885

Leased motor vehicles:

- Opening Balance:	269,930	34,099
- Addition to right-of-use asset	51,139	268,432
- Depreciation expense	(75,055)	(32,601)
Net Carrying Amount	246,014	269,930

Total Net Carrying Amount	1,115,233	1,195,815
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ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	465,234	559,256
Interest expense on lease liabilities	64,931	78,376

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

12 - TRADE AND OTHER PAYABLES	2023	2022
	\$	\$
Trade creditors	4,096,750	3,284,095
Other creditors	5,266,211	3,945,938
	9,362,961	7,230,033

13 - EMPLOYEE ENTITLEMENTS	2023	2022
	\$	\$
(a) Current		
Annual leave	1,446,855	1,230,722
Long service leave	825,945	765,490
	2,272,800	1,996,212
(b) Non-Current		
Long service leave	396,084	376,409
	396,084	376,409

14 - PROVISIONS	2023	2022
	\$	\$
Other provisions	252,975	234,635
Total provisions	252,975	234,635

This balance relates to Gaming Jackpots and Membership Points at year end.

15 - BORROWINGS	2023	2022
	\$	\$
(a) Current		
Lease liability secured	572,635	832,594
Loan	192,000	192,000
	764,635	1,024,594
(b) Non-Current		
Lease liability secured	485,650	681,508
Loan	42,164,965	49,856,967
	42,650,615	50,538,475

Lease liabilities of \$1,058,285 are secured by the underlying leased assets.

Details of the loan borrowings are as follows:

- \$6,333,161 in principal and interest. This loan is provided by the Queensland State Government through Racing Queensland under the Racing Infrastructure Fund for the development of the Eagle Farm Racecourse Tunnels.
- \$21,864,452 in principal and interest. This loan is provided by the ANZ Bank for the Eagle Farm Infield Development.
- \$2,350,000 in principal and interest. This loan is provided by the ANZ Bank for working capital requirement and is secured against the Child Care Centre facility.
- \$11,809,352 in principal and interest. This loan is provided by the ANZ Bank for the Racecourse Village Shopping Centre.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

16 - EQUITY

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

17 - CASH FLOW

	2023 \$	2022 \$
(a) Reconciliation of cash flows from operations with profit from ordinary activities:		
Profit/(Loss) from Ordinary Activities	(1,908,074)	2,755,445
Non-cash flows in operating profit:		
- Depreciation and amortisation	5,397,663	5,395,817
- (Profit)/Loss on the disposal of assets	-	278,067
- (Profit)/Loss on recognising interest rate swap at fair value	-	(636,457)
- Defined Benefit Plan	41,144	33,839
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(6,810,405)	1,043,157
- (Increase)/decrease in prepayments	46,444	(299,073)
- (Increase)/decrease in inventories	(11,540)	(131,681)
- Increase/(decrease) in trade payables, income received in advance and accruals	15,556,920	7,099,799
- Increase/(decrease) in provisions and employee entitlements	296,261	323,461
Cash flows from Operations	12,608,413	15,862,374

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

17 - CASH FLOW (CONTINUED)

(b) Changes in liabilities arising from financing activities:

	2022	Cash flows	Non-Cash flows		2023
			Acquisition	Loan Forgiveness	
	\$	\$	\$	\$	\$
Borrowings	50,048,967	(7,692,002)	-	-	42,356,965
Lease liabilities	1,514,102	(840,467)	384,650	-	1,058,285
Total Liabilities from Financing Activities	51,563,069	(8,532,469)	384,650	-	43,415,250

18 - FINANCIAL RISK MANAGEMENT

The financial instruments of the Group consist mainly of cash and cash equivalents, trade receivables and payables, financial liabilities and borrowings. There are no complex financial instruments however the Group 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 Group's financial performance and review the effectiveness of internal financial controls. The Committee meets at least eleven (11) times per annum and the minutes of the Committee are reviewed by the Board.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

18 - FINANCIAL RISK MANAGEMENT (CONTINUED)

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 Group, which have been recognised in the consolidated statement of financial position, is the carrying value net of any provision for impairment. The Group is not materially exposed to any individual third party except for cash and cash equivalents with bank and financial institutions. These institutions all have an investment grade credit rating from a recognised rating agency.

The following table details the Group'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 Group 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 Group.

	Gross Amount \$	Past Due and Impaired \$	Past Due but Not Impaired				Within Initial Trade terms \$
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2023							
Trade receivables	9,293,445	-	126,639	35,585	177	55,139	9,075,905
Other receivables	1,602,464	-	-	-	-	-	1,602,464
Total	10,895,909	-	126,639	35,585	177	55,139	10,678,369
2022							
Trade receivables	3,027,263	-	885,459	327,076	109,457	263,486	1,441,785
Other receivables	1,058,241	-	-	-	-	-	1,058,241
Total	4,085,504	-	885,459	327,076	109,457	263,486	2,500,026

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

18 - FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk

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

Sensitivity analysis

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

(c) Liquidity Risk

The Group 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 realization. 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.

Interest rate risk is monitored by management. From time to time the Group enters Interest Rate Swap contracts to create a mix of fixed and floating rate debt. At reporting date, there are no such contracts and the loan portfolio is floating.

	Profit \$	Equity \$
Year ended 30 June 2023		
+/-1% in interest rate	444,735	444,735
Year ended 30 June 2022		
+/-1% in interest rate	515,631	515,631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

18 - FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022	2023 \$	2022 \$
Financial Assets								
Cash and cash equivalents	3,203,968	4,215,222	-	-	-	-	3,203,968	4,215,222
Trade and other receivables	10,895,909	4,085,504	-	-	-	-	10,895,909	4,085,504
Total expected inflows	14,099,877	8,300,726	-	-	-	-	14,099,877	8,300,726
Financial Liabilities								
Trade and other payables	9,362,961	7,230,033	-	-	-	-	9,362,961	7,230,033
Borrowings	764,635	1,024,594	42,650,615	50,538,475	-	-	43,415,250	51,563,069
Interest Rate Swaps	-	-	-	-	-	-	-	-
Total expected outflows	10,127,596	8,254,627	42,650,615	50,538,475	-	-	52,778,211	58,793,102
Net inflows / (outflows) from financial instruments	3,972,281	46,099	(42,650,615)	(50,538,475)	-	-	(38,678,334)	(50,492,376)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 Group during the year:

Non-Executive Directors

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

Executive Officers

T Partridge - Chief Executive Officer
D Koch - 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 Group has agreed to pay premiums for insurance for the personal legal liability of the Directors and Officers of the Group 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 favorable 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 all 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 2023, total fees of \$126,311 (2022: \$198,039) 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:

	2023 \$	2022 \$
Short term benefits	1,585,947	1,158,770
Post - employment benefits	85,163	79,663
Total	1,671,110	1,238,433

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

20 - SEGMENT REPORTING

The Group 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 Group is economically dependent on Racing Queensland for the funding of prize money and other distributions. Total General Prize money paid on races conducted by the Group in 2023 was \$59,110,530 (2022: \$49,229,850) and a further \$2,507,900 (2022: \$1,722,650) bonus prize money from the Queensland Thoroughbred Investment Scheme (QTIS).

22 - CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned	
		2023 \$	2022 \$
BRC Venue Management Services Pty Ltd	Australia	100%	100%

The Group 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 Group.

23 - RETIREMENT BENEFITS OBLIGATIONS

For some former QTC employees, the Group 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 2023

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

23 - RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

Description of any Plan amendments and settlements

No changes noted during the year.

Reconciliation of Net Defined Benefit (Liability)/Asset

	Year Ended 30 June 2023 \$	Year Ended 30 June 2022 \$
Net Defined Benefit (Liability)/Asset at Beginning of Year	70,450	104,289
Defined Benefit (Cost)/Credit Recognised in the P&L	(19,204)	(20,852)
Total Remeasurements Recognised in OCI gain/(loss)	(21,940)	(12,987)
Employer Contributions*	-	-
Benefit Payments Directly from Employer	-	-
Other Significant Events		
(i) Net Transfer (in)/out (including the effect of any business combinations/divestitures)	-	-
(ii) Effect of changes in foreign exchange rates	-	-
Net Defined Benefit (Liability)/Asset at End of Year	29,306	70,450

*The Employer is on a contribution holiday.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

23 - RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

Reconciliation of Fair Value of Plan Assets	Year Ended 30 June 2023 \$	Year Ended 30 June 2022 \$
Fair Value of Plan Assets at Beginning of Year	458,422	487,528
Interest Income on Plan Assets	21,867	9,391
Remeasurements:		
- Return on Plan Assets (excluding amount in interest income) gain/(loss)	18,759	(29,859)
Employer Contributions*	-	-
Employee Contributions	30,280	12,551
Benefit Payments from Plan	-	-
Payments for Settlements	-	-
Administrative expenses paid	(32,171)	(22,269)
Taxes paid**	4,165	2,014
Insurance premiums for risk benefits	(1,211)	(984)
Increase/(decrease) due to effect of any business combinations / divestitures	-	-
Effect of changes in foreign exchange rates	-	-
Fair Value of Plan Asset at End of Year	500,111	458,422

* 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 2023

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

23 - RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

Reconciliation of Present Value of Defined Benefit Obligation	Year Ended 30 June 2023 \$	Year Ended 30 June 2022 \$
Defined Benefit Obligation at Beginning of Year	387,972	383,289
Current Service Cost	7,487	8,004
Past Service Cost/(Credit)	-	-
(Gain)/Loss on Settlements	-	-
Interest Expense on DBO	18,625	7,428
Tax allowance in P&L	1,434	1,552
Administrative expenses allowance in P&L	13,525	13,259
Employee Contributions and Rollover	30,280	12,551
Benefit Payments from Plan	-	-
Benefit Payments Directly from Employer	-	-
Payments for Settlements	-	-
Administrative expenses paid	(32,171)	(22,269)
Taxes paid	4,165	2,014
Insurance premiums for risk benefits	(1,211)	(984)
Remeasurements:		
- Effect of changes in demographic assumptions (gain)/loss	7	-
- Effect of changes in financial assumptions (gain)/loss	13	(7,873)
- Effect of experience adjustments (gain)/loss	40,679	(8,999)
Increase/(decrease) due to effect of any business combinations / divestitures		
Effect of changes in foreign exchange rates	-	-
Defined Benefit Obligation at End of Year	470,805	387,972

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

23 - RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

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 2023
Cash and cash equivalents	\$
- Cash and Cash Equivalents	29,556
Equity	
- Australian Shares	125,628
- International Shares	132,529
Fixed Income	
- Australian Fixed Interest	44,210
- Global Fixed Interest	29,957
Real Estate / Property	
- Australian Property	11,478
- International Property	11,478
Other types of Investment	
- Alternative Asset (Growth)	56,212
- Alternative Asset (Defensive)	59,063
TOTAL	500,111

* 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 2023
	\$
Discount Rate Plus 0.50% Discount	470,819
Rate Plus 0.50% Salary Increase	470,791
Rate Plus 0.50% Salary Increase	470,805
Rate Minus 0.50%	470,804

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 2023

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

23 - RETIREMENT BENEFITS OBLIGATIONS (CONTINUED)

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 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 percent. 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 percent of the MRBs are covered by the Plan Assets and to target 100 percent 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 2024
Expected Employer contributions*	-
Expected Employee contributions	2,206

*It is assumed that the Employer contributions for the year ending 30 June 2023 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 duration of the DBO is calculated as 5.7 years.

Projected Benefit Payments	\$
Next Year	49,304
Next Year + 1 year	41,090
Next Year + 2 years	31,385
Next Year + 3 years	88,723
Next Year + 4 years	144,073
Sum of Next Year + 5 ~ 9 years	47,859

Defined Contribution Plan

For those employees who are not members of the Defined Benefit Plan, the Group participated in an employer sponsored defined contribution plan during the year. The total contribution made was \$2,289,955 (2022: \$1,946,857). Employees contribute various percentages of their gross income and the Group contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 Group 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 Group's Board and Executive staff are as follows:

	Board \$	Executive \$	Total \$
Entertainment	5,475	26,970	32,445
Travel and Accommodation	102,112	93,320	195,432
Total	107,587	120,290	227,877

25 - CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2023 amounted to NIL (2022: NIL).
- (b) Lease commitments: The Group does not have any leases that are not recognised in the statement of financial position.

26 - CAPITAL MANAGEMENT

Management controls the capital of the Group to ensure that adequate cash flows are generated to fund normal operations and modest capital improvements to the assets of the Group. 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 Group consists of financial liabilities, supported by financial assets.

Management effectively manages the Group'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 Group 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 Group since then.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

27 - AFTER BALANCE DATE EVENTS

On 7 August 2023, the BRC was assigned a long-term lease from Brisbane City Council for 352 Stafford Road, Stafford. This site is known as the Stafford Bowls Club and is positioned adjacent to Gibson Park where a number of community clubs conduct a variety of recreational activities each year.

On 11 August 2023, the BRC entered into a design and construction contract to restore the Stafford Bowls Club ("Club Stafford") to community use. The development will be funded through borrowing facilities in place at reporting date and operations over the coming year.

On 31 August 2023, the financial report was authorised for issue by the Board of Directors.

28 - GROUP 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. 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 Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
2. In the Directors' opinions, there are reasonable grounds to believe the Group 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
Chairman OAM, GAICD

31 August 2023



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 2023, 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 2023 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 confirm that the independence declaration, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Group 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 Group'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
04 September 2023



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