



BRISBANE  
RACING CLUB

# ANNUAL REPORT 2020-2021





## 2020-2021 Annual Report

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Cover: Tofane and Craig Williams winning the TAB Stradbroke Handicap during 2021 TAB Stradbroke Season.

Image: Michael McInally Photography

Right: Eagle Farm Racecourse

Image: Michael McInally Photography





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## Chairman's Report

I present to Members this 13th Annual report of the Brisbane Racing Club. In the past year, the BRC has successfully reset our operating model to factor in the evolving COVID-19 protocols that have become part of everyday life.

I am pleased to report that the BRC has enjoyed a much better year of engagement after the serious COVID-19 challenges of 2019-20. The sight and sounds of star mare Tofane racing to victory before thousands of spectators on TAB Stradbroke Day was a joy given the absence of crowds in the previous winter. The 2021 Stradbroke Season presented by TAB will be remembered as the best racing festival in the state for the last decade. Our five Group 1 racedays enjoyed that quintessential Queensland winter weather, attracting fantastic crowds of Members and race patrons. Large numbers of interstate visitors could not travel however the nation's premier trainers sent some of their elite horses to Brisbane to chase the massive prizemoney on offer. This was the first carnival in Queensland to feature five races with \$1 million or more on offer. Our GM - Racing and Partnerships, Matt Rudolph will outline some of the highlights on the track in this report.

The BRC racing product continued to excel in wagering revenue, attracting growing interest from across the nation. CEO Tony Partridge will discuss these positive outcomes in his report. I applaud Tony and his Senior Leadership Team for their innovations that enhanced all aspects of the BRC operations.

Our primary function as Queensland's premier racing club is enabled by the funding support of the BRC's diversified revenue streams. We are now much more than just the racing club that sparked the great history of our venue. We operate in a complex competitive and dynamic commercial environment with stakeholders including ASX-listed companies, all levels of government, multiple industry groups, local community along with meaningful engagement strategies with the likes of the Brisbane arts fraternity, multicultural communities, interstate and international racing jurisdictions. The Brisbane Racing Club

is not immune to the current unpredictable commercial environment that prevails for all businesses. The quality of governance and decision making by BRC directors and senior management has never been more important with decision-makers having to dig deep for courage and endurance as we continue to be tested like never before.

We took a cautious approach to the first half of the 2020/21 year, negotiating the "new normal" as a race club and outdoor entertainment business. That positioned the Club for an outstanding period from January to June. We recorded revenue of \$66 million and a stellar end-of-year financial result of \$9.4 million profit, which must be understood in the context of substantial one-off receipts and grants, valued at approximately \$11 million, which are detailed in this report.

### OUR FINANCIAL PERFORMANCE

The consolidated Brisbane Racing Club business recorded a record annual revenue of \$66 million, an increase on last year's COVID-impacted \$53 million result. This excellent performance was boosted by a number of one-off events, including JobKeeper funding of \$2.1 million and a Racing Queensland subsidy of \$419,000 for the loss of major racedays early in the year. The main component of these one-off items was a positive outcome in long-running negotiations on State Government funding assistance for the construction of a tunnel during the 2016 Eagle Farm infield development. Half of this \$12 million loan was repaid by Racing Queensland to the Queensland Government in recognition of the circa \$30 million investment funded by the BRC for this highly acclaimed legacy project that sustains racing and training in Brisbane. I especially thank the Racing Minister, the Honourable Grace Grace, the Queensland Government and Racing Queensland for this outcome.



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“The Club achieved some \$53.4 million in consolidated operating revenue.”

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As part of the new agreement with the State Government and Racing Queensland, repayments on the remaining \$6 million tunnel funding package have been suspended for three years, providing some breathing space to catch up from the impact of the pandemic on our business.

The club achieved some \$53.4 million in consolidated operating revenue – an outstanding achievement in a stop-start year linked to the random restrictions on operating capacities and potential lockdowns. Thankfully the Club operated in the “new normal” from January to June as staff and patrons adapted to protocols that enabled a safe work and play environment, culminating in a very successful Stradbroke Season featuring five Group 1 racedays.

This year the club has invested substantially in our racing business with new staff, supported by new machinery and safety upgrades, for the nine training tracks across our three training venues. This was complemented by best-practice maintenance of the course proper at Doomben and Eagle Farm. The strict racing functions of the business, covering racing and training, food and beverage, marketing, membership, administration and finance came at a cost of circa \$38 million. These high fixed-costs are an accepted part of business for modern metropolitan race clubs.

The sustainability of the Club relies on the continued success of our property portfolio and dividends from the unfolding Master Plan, combined with revenues from our two licensed clubs. This year, our non-racing diversified businesses contributed approximately \$4.6 million to our



*Opera Queensland / BRC Partnership - Opera Under the Stars - Eagle Farm Racecourse*

net profit. Considering the consolidated result amounted to \$9.4 million driven by large extraordinary items, it is easy to see the club would have finished well into the red on strictly racing operations. The BRC is fortunate to have a highly skilled CEO and well-mentored management team to successfully guide this evolving multi-faceted business.

Members can celebrate a major reduction in the Club’s borrowings, with debt levels falling \$7 million to \$65 million. We forecast at least that same reduction during the 2021/22 year, with receipts from the settlements of the 85 apartments in Tulloch House due pre-Christmas 2021. Following the Tulloch House sales, the BRC will have repaid the original \$12 million Mirvac loan and made a good start on repaying the \$25 million ANZ loan that funded the Eagle Farm stables and infield development. GM – Property Jeff Kahler will report on the many projects coming to fruition from the Master Plan in this report.

## **THE YEAR AHEAD**

The BRC can look forward to an exciting 2021/22. A number of projects forming part of the Master Plan are gaining momentum. We outline some details in this report

and we will update Members during the year as new projects progress from the drawing board to feasibility and statutory approval. I will again leave the detail to Jeff Kahler in this report.

Our focus continues on Member benefits and facilities upgrades following the successful reimaged Guineas Room that opened at last year’s AGM. The room now enjoys extensive use and receives many accolades. We are developing concepts for upgrades to the Squires Perch precinct at Eagle Farm and new areas for patrons at Doomben and Eagle Farm.

Our major partnership with Opera Queensland has opened a whole new range of exclusive Member activities. We have so far hosted “Opera Under the Stars” and “Jazz Under the Stars” events at Eagle Farm. We also hosted the final Opera Queensland production of “Are You Lonesome Tonight”. This show began in Rockhampton during Beef Week and toured 33 Queensland towns before the sole Brisbane performance at Eagle Farm.





COVID vaccination hub staff - Doomben Racecourse

## THE YEAR AHEAD (CON'T)

The event attracted a packed Eagle Farm Members' lawn. More high-quality BRC and Opera Queensland events are planned for this year.

The BRC team have created many new non-racing events for the year ahead. Some of you will have visited the mass COVID-19 vaccination hub established by Queensland Health at Doomben. Approximately 700 people roll up their sleeves for a COVID-19 vaccination across seven days of each week. This demonstrates the innovative thinking of our leadership team which initiated a submission to Queensland Health to provide a vital service to the Brisbane community, earning financial assistance to the Club to offset some of the impacts of the many events cancelled during this time.

Conferences and exhibitions continue to be attracted to the BRC's large open spaces. Three days after the annual Opera Queensland Gala Night for 330 people, St Rita's College's Father and Daughter Breakfast attracted more than 500 people, while morning trackwork continued as usual.

We were grateful for the positive feedback from attendees.

The saga of the Eagle Farm course proper unfortunately continues. While no expense has been spared in a bid to improve the track, based on advice of turf experts from around Australia, the performance has not met the expectations of industry stakeholders. Racing Queensland has committed to rectifying the track to the elite racing surface expected for Queensland's major race club before the BRC can accept future responsibility.

The 2020/21 racing program will include some minor tweaking of last year's successful calendar. The revamped Summer and Winter Racing Carnivals are proving very popular with Members and patrons while developing a strong following from Australia's leading trainers, owners and jockeys.

## GOVERNANCE

The complexity and diversity of the BRC business model - annual revenues have grown from \$36 million in 2015 to \$66 million in 2021 - demands the skills and dexterity of Club Directors match the challenge of setting the tone for strategic priorities, governance and culture. Early in 2020/21, all Directors committed to completing professional development courses. We selected the national benchmark Australian Institute of Company Directors (AICD) Company Directors course. The course focusses on roles, responsibilities and skills required of today's directors and boards, taking between three and six months to hand in written assessments to successfully graduate and be accredited as GAICD.

We acknowledge the Corporate Governance Framework of the Brisbane Racing Club must encourage the efficient use of all the Club's resources and require accountability for the stewardship of those resources. To date, five Directors and the CFO have attained the GAICD qualification. The remaining Directors and the CEO will complete the

course during this financial year. Going forward, the GAICD will be a minimum requirement for BRC Directors to attain either before election or during their tenure.

On a biannual basis, independent expert consultants carry out a full Board evaluation. These regular reviews, current policies and organisational culture ensure the BRC operates in a compliant and contemporary environment

## APPRECIATION

The Club is grateful for the support and service of our wonderful staff. We employ more than 170 fulltime employees and hundreds of casuals who service the important hospitality offerings of the BRC. We have employees with more than 40 years' service. We aim to provide pathways for young professionals to establish their craft in many areas, progressing through our ranks as our business grows. Our united task is focussed on continuing to reshape this unique 157-year-old business into a contemporary, diversified, successful modern operation that will sustain traditional thoroughbred horse racing for the enjoyment of BRC Members and racing enthusiasts.

We again acknowledge our commercial partners. They are proudly listed inside the back cover of this report. It has been very challenging for corporate entities to plan networking functions around social distancing and room capacities amid the COVID-19 uncertainty. Fortunately, through BRC management and innovation, many outdoor venues have been utilised. I sincerely thank all of our partners who have supported the club with long-term sponsorship, gala events, conferences, off-site training venues and exhibitions.

The BRC has a number of community engagement strategies. Thank you to those members of the community who support these events including initiatives from Tai Chi and Heartfit classes in Stradbroke Plaza at Eagle Farm to Opera





*Premier Anastacia Palaszczuk and Racing Minister Grace Grace with the TAB Stradbroke Handicap Trophy*

Queensland performances, multicultural events and sporting events.

We have strong relationships with all levels of Government including a long positive relationship with Racing Minister Grace Grace and Premier Anastacia Palaszczuk. In the week leading up to TAB Stradbroke Day, the State Government held its weekly Cabinet meeting at Eagle Farm. After the meeting, the Cabinet joined the BRC board for lunch in the Moreton Dining Room, providing a great opportunity to showcase the BRC to the 18 State Government Cabinet ministers. We understand that this was a first in Australia for a State Cabinet meeting.

We enjoy a long-term positive relationship with the Brisbane City Council, and jointly conduct community events like "Community Connect" and Lord Mayor's Christmas Toys collection and distribution. Our local Councillor David McLachlan is a regular attendee during our carnivals and has actively supported many of the developments that form part of our Master Plan.

We have a good working relationship with Racing Queensland.

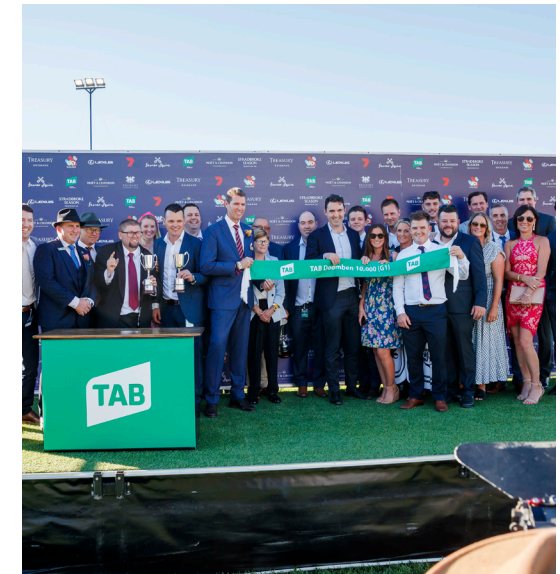
We thank them for their support in the negotiations for the \$6 million funding discussions for the infield tunnel. Unfortunately, Racing Queensland faces an almost impossible task of operating under a three-code model. No other major jurisdiction in Australia or internationally has to endure this complex and dysfunctional business model. The current model is not supported by the codes in Queensland. The BRC strongly suggests it is time to review the industry operating model including consideration of how QRIC can positively integrate with Racing Queensland and industry stakeholders.

The board congratulates CEO Tony Partridge and his Senior Leadership Team and all BRC staff for their professional and disciplined approach to new operating protocols and adapting to an evolving and diverse business model. Changing the way we do things was never going to be easy, however staff have demonstrated remarkable agility in adjusting to working from home, social distancing, split teams and the like. It has been a true test of the strength of our corporate culture.

I congratulate my fellow Directors for their united support and skilful advice during the last year. As a leadership group we have challenged ourselves to guide the BRC business from surviving to thriving in this new normal business environment.

I thank all BRC Members again for your support during an interrupted year and for your camaraderie and loyalty. They have been a highlight of a year in which we were delighted to attend the track again, showcasing all that we celebrate about the BRC and racing.

**Neville Bell** OAM  
Chairman



*Connections of TAB Doomben 10,000 Winner - Eduardo*



*BRC Members enjoying the Stradbroke Season Members Cocktail Party - Ascot Bar, Eagle Farm*





STATISTICAL INFORMATION	2021	2020	2019	2018	2017
<b>RACING</b>					
Race Meetings	73	67	53	45	75
Saturdays	40	41	32	33	44
Mid Weeks	33	26	21	12	31
Races	620	583	461	406	611
Starters	5,832	5,901	4,659	4,202	6,162
Average Starters per race	9.41	10.12	10.11	10.35	10.09
<b>ATTENDANCES</b>					
Annual Racing Attendance	109,908	111,553	153,741	149,796	168,974
Brisbane Racing Carnival	29,428	-	38,449	32,733	38,347
Total Attendance (all venues)	298,413	279,198	399,321	435,722	436,581
<b>MEMBERSHIP</b>					
Life	21	21	22	22	23
Full Member (35yrs+ as a Member)	376	347	389	366	379
Full Member (Age 30+ years)	2,356	2,198	2,092	1,992	2,107
Full Member (Age 18-29 years)	195	142	138	147	135
Perpetual	348	329	314	295	279
Social Membership	138	779	1,258	935	617
Honorary	15	20	21	20	19
Chairman's Club	49	50	44	46	44
<b>TOTAL RACING</b>	<b>3,498</b>	<b>3,886</b>	<b>4,278</b>	<b>3,823</b>	<b>3,603</b>
Sports Club Social Members	5,513	7,658	9,554	11,208	6,315
<b>TOTAL MEMBERS</b>	<b>9,011</b>	<b>11,544</b>	<b>13,832</b>	<b>15,031</b>	<b>9,918</b>
<b>PRIZE MONEY (\$000)</b>					
Prize Money Paid	47,347	35,014	38,340	31,198	36,267
<b>WAGERING (\$000)</b>					
Oncourse Totalisator	9,929	9,026	12,743	12,331	19,432
Bookmakers	8,913	7,242	9,505	8,911	11,615
<b>FINANCIAL (\$000)</b>					
Surplus/(Loss)	9,387	918	779	1,297	(806)
Capital Expenditure	5,420	6,020	13,219	23,515	24,757





## Chief Executive Officer's Report

Wagering revenue that flows to Racing Queensland for distribution is critical for our industry to fund infrastructure and prizemoney.

I am pleased to report 2020/21 was a success for the Brisbane Racing Club by many measures, enabling us to meet a number of targets in just the first year of our two-year Strategic Plan (2021-22). The result is particularly pleasing given the uncertain operating environment with the ongoing risk of COVID-19 restrictions.

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“The inaugural stand-alone Derby Day before our Oaks Day and Stradbroke Day at Eagle Farm was the commercial success story of the Carnival.”

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Even though the BRC is now a diverse business turning over \$66 million annually in non-wagering revenue, our reputation and that of Queensland Racing generally is very much linked to the success of our Winter Racing Carnival. The 2021 Stradbroke Season presented by TAB adopted an improved program with enhanced prizemoney and was so successful we intend to keep it for years to come.

The inaugural stand-alone Moët & Chandon Derby Day before our James Squire Oaks Day and TAB Stradbroke Day at Eagle Farm was the commercial success story of the Carnival, breaking wagering records and selling out hospitality with patrons embracing the “black and white” theme. BRC Members witnessed incredible moments on the track over TAB Stradbroke Season including Zaaki’s dominant Channel 7 Doomben Cup win against a star-studded field and Jamie Kah’s winning ride on Vega One in the TAB Kingsford Smith Cup.

Wagering revenue that flows to Racing Queensland for distribution is critical for our industry to fund infrastructure and prizemoney. Wagering this year on Eagle Farm and Doomben meetings rose from \$1.16 billion to \$1.35 billion, continuing the steady growth of recent years. Lockdowns in New South Wales and Victoria no doubt increased wagering on Queensland’s most famous tracks but we are optimistic that wagering will remain steady if we continue to deliver great racing at the tracks that attract most interest from interstate punters - Eagle Farm and Doomben. The accelerated adoption of digital betting will help us to maintain these wagering levels for the benefit of the industry and the Club will earn more from digital

streaming rights fees now linked to the wagering result following the signing of our recent 10-year Media Rights Agreement with Sky.

The BRC has long advocated for a meritocratic approach to infrastructure funding from Racing Queensland.

The logic in investing in infrastructure at those clubs that earn the most wagering revenue was certainly acknowledged this financial year in the support from Racing Queensland and the State Government. Racing Queensland approved a number of capital works projects



*Zaaki post race after a dominant Channel 7 Doomben Cup victory.*



that improved the standard and safety of racing and training at the BRC's tracks. For example, the new plastic running rail at both tracks is now best standard and befitting our Group 1 venues.

For years the BRC has attempted to alleviate the impost of a \$12 Million tunnel loan on top of funding the BRC borrowed to construct the infield stables, which serve the greater Queensland racing industry. The tunnel loan was unproductive debt stifling the Club's growth. Interest was accrued last year while the BRC was earning wagering revenue. This year Racing Queensland paid \$6 Million off the tunnel loan in a significant show of support for the Club. This amount appears in this year's result as grant income. The waiver of half the tunnel loan and other scheduled repayments of debt made by the Club mean we achieved a 10 per cent reduction in debt in this financial year. Importantly, the Club is now better positioned to invest in facilities, be more self-sustainable and raise more revenue for the industry. We thank Racing Minister Grace Grace and Racing Queensland for their support.

## HIGHLIGHTS

In summary, the highlights for the Club for the year included:

- A profit of \$9.38 Million;
- Reduction in debt from \$72 Million to \$65 Million;
- A very successful Stradbroke Season presented by TAB featuring the cream of Australian racing competing in a new program with enhanced prizemoney;
- 676 new Members
- The refurbishment of the Squire's Perch (Birdcage) marquee;
- \$1.35 Billion of turnover at Eagle Farm and Doomben, up from \$1.16 Billion; and
- The Master Plan the Club embarked upon years ago delivering \$5.75 Million EBITDA.

## CHALLENGES

One of the greatest challenges of the year was finding sufficient casual staff without the usual pool of working holiday visa hospitality staff to choose from. The bright side to this challenge was that many of our known casual staff received more regular work, enabling Members to see familiar faces on racedays.



*Pedestrian Tunnel to the Eagle Farm Racecourse infield*



*"The Squires perch" previously known as The Birdcage at Eagle Farm Racecourse*





*Members' Lawn during 2021 Stradbroke Season at Eagle Farm Racecourse*

The BRC Management team is focussed on investing in facilities to improve the raceday experience, particularly for Members. This year we refurbished the old Birdcage and renamed it the Squire's Perch which has produced a premium experience and become much more than a regular marquee.

Bars serve beer on tap and we offer a premium wine menu to be enjoyed on the tiered deck that allows for views down the Eagle Farm straight.

The Management team used the opportunity of COVID-19 lockdowns last year to improve the efficiency of BRC's hospitality business. As a result, the Winter Carnival was much more profitable than in 2019 and we have experienced Membership growth from pre-COVID numbers which is a very good sign for our core business. We have formed strategic partnerships with like-minded organisations that can work with us to tailor experiences for Members outside of racedays. Our Opera Queensland partnership is one such example of a mutually beneficial arrangement.

As the Club's business grows, we are undertaking digital transformation that will allow us to better serve and communicate with our diverse customer groups. We now have a digital data warehouse and a new ticketing partner. Our next step is to focus on our business systems and our website. The Club will ensure its online transactions become more user-friendly for Members. We are looking forward to rolling out improvements.

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"The size and scope of BRC's business...  
economic contribution to Queensland  
\$158 million each year."

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One part of our Strategic Plan to be completed is a long-term free-to-air television deal that showcases Brisbane racing regularly alongside southern racing while providing a platform to take Stradbroke Season to a national audience.

We are close to making a very positive announcement in this field.

Our marketing efforts and broadcast partnerships are focussed on the promotion of Brisbane racing and its participants to elevate the profile of Brisbane metropolitan racing. Notably, BRC TV launched this year as part of a commitment from the Club to use video to tell the many stories that surround our race days. Nathan Exelby joined the BRC and, together with Bart Sinclair, produced quality content for social media, Sky and punters.com.

The size and scope of BRC's business was recently measured by Deloitte, which determined our economic contribution to Queensland at \$158 Million each year. That number is growing as the Master Plan unfolds. The BRC's business directly and indirectly generates the employment of 1,351 people (fulltime equivalent).

Our licensed Clubs support their communities with over \$200,000 worth of sponsorship, green-keeping and playing fields maintenance.



The BRC Foundation offers financial donations for products and services to raceday events as well as in-kind support and venue hire.



Of particular note is our continued support and strengthened relationship with the Lord Mayor's Charitable Trust (Gala Ball and Carla Zampatti Fashion Show) and Foodbank with their annual Hamper packing event for over 1000 Christmas Hampers and back-to-school kits at the end of each year.

Our relationship with Foodbank commenced in 2018 and continues to grow with ambitious targets set for the team this year.

The BRC also engaged in a community arrangement with Queensland Health to provide Doomben as a key location as a COVID-19 vaccination hub for the northern suburbs. The clinic commenced on 14 June and has seen 40,000 Queenslanders vaccinated by September this year.

## ACKNOWLEDGEMENTS

I would like to acknowledge how hard the BRC team has worked this year. With the threat of lockdowns it was not prudent to hire too many new staff or replace senior managers who left during the pandemic. When lockdowns lifted we found ourselves on the eve of Stradbroke Season presented by TAB and busier than ever in a business turning over much more than years prior.

Our head of Racing and Partnerships Matthew Rudolph should be congratulated for the role he played in designing the successful Stradbroke Season program.

I am very proud of the way the team responded and look forward to recruiting our full complement of fulltime staff next financial year.

I would also like to thank all BRC Members for their continued support, insights and feedback during the year and look forward to their support throughout the coming year. Thank you to Racing Queensland and our colleagues at other Queensland racing clubs for their continued support in these uncertain times. I would also like to thank our corporate partners including TAB, Treasury Brisbane, James Squire, Magic Millions, Moët & Chandon, Ascot Green, Bernborough Ascot, Lexus and Oscar Oscar Salons.

I thank Chairman Neville Bell and the BRC Board for their guidance and support throughout the year. I look forward to the next phase of BRC's Strategic Plan when we build a case for significant investment in our patron facilities also supported by other industry stakeholders.



**Tony Partridge**

Chief Executive Officer







*Tofane, winner of the 2021 TAB Stradbroke Handicap*

## Racing Report

The 2021 Stradbroke Season could have the strongest list of graduates in many years.

The impact of Brisbane's winter racing carnival on the national scene was evident from the earliest moments of 2021/22 season as Incentivise (Makybe Diva Stakes) and Sierra Sue (Sir Rupert Clarke Stakes) claimed early Group 1 races in Melbourne.

Both horses competed in Stradbroke Season presented by TAB, following the path of so many of the nation's best horses from a Brisbane winter to the summit of Australian racing.

European import Zaaki dazzled in the Channel 7 Doomben Cup, posting a seven-length winning margin

against one of the best weight-for-age fields in Brisbane in recent memory.

Zaaki backed up that success with another romp in the Sky Racing Q22 at Eagle Farm.

The Treasury Brisbane J.J. Atkins boasted promising juveniles including placegetters Converge, Giannis, Tiger Of Malay and Chris Waller's colt Ranch Hand.

The Edward Cummings, trained Duais was a very impressive winner of the James Squire Queensland Oaks while the TAB Stradbroke Handicap was won by Melbourne mare Tofane from the Tony Gollan-trained Vega One, winner of the Group 1 TAB Kingsford-Smith Cup a fortnight earlier.

Other horses to perform well included Private Eye (Treasury Brisbane Queensland Guineas), Apache Chase (Mullins Lawyers Fred Best Classic), Ayrton (James Squire Gunsynd Classic) and Eduardo (TAB Doomben 10,000) while the rapid rise to stardom for Incentivise began with a nine-length demolition in restricted company on Oaks Day.

The Moët & Chandon Queensland Derby Day was a new addition to Stradbroke Season in 2021, attracting a capacity field including ATC Derby and SA Derby winner Explosive Jack, who finished third to the Chris Waller trained Kukeracha, ridden by champion jockey James McDonald. The victory had plenty of local flavour to it with Kukeracha having won previously at Eagle Farm in December during the Summer Carnival, as well as being owned by Brisbane based businessman Neville Morgan, a great supporter of racing.

Stradbroke Season presented by TAB provided a new programming model for the Brisbane carnival, which was well received and well-attended by crowds returning trackside after COVID-19 restrictions prevented attendance in 2020

It was uplifting to again have strong numbers of high-quality horses, trainers and jockeys competing for increased prizemoney for Group and Listed races over May and June.

The 2021 Stradbroke Season presented by TAB could have the strongest list of graduates in many years.

A heartfelt thank you to all racing industry participants

who accepted the COVID-19 protocols dictated at various times throughout the financial year as the possibility of lockdowns loomed.

The Eagle Farm track overall played fairly due to the tracks team who worked tirelessly under Racing Queensland's instruction to prepare a safe surface at all Eagle Farm meetings.

Despite a deluge on Treasury Brisbane Queensland Guineas Day, the meeting continued to the relief of participants and punters.

Eagle Farm attracted criticism from some quarters when the surface tired late in the carnival after four meetings of large fields over five weeks.

After the carnival, Racing Queensland convened a meeting to discuss the Eagle Farm track and to work on possible options for review by industry stakeholders. The process of handover back to the BRC from Racing Queensland has been extended while this occurs.

Meanwhile Doomben again presented well throughout the year to reinforce the elite reputation it has gained nationally in the past decade. Our thanks to Track Manager Ross Smith and his team.

The BRC conducted 76 meetings throughout the year including three for the Tattersall's Racing Club.

Eagle Farm hosted 34 fixtures with a total of 2,774 runners at an average of 9.5 per race.



*Racing continued under strict protocols*





Tony Gollan and Jamie Kah following Vega One's victory in the Group 1 TAB Kingsford Smith Cup.

Doomben hosted 42 meetings for 3,358 runners at an average of 9.4 per race.

No meetings were lost due to rain, although the Doomben meeting on October 24 was cut short after six races due to 26mm falling in 10 minutes.

In a particularly wet March, Eagle Farm was granted top billing on Channel 7's racing coverage due to the Golden Slipper being washed out. The coverage proved a bonanza for wagering turnover.

Our tracks received 1175mm of rain during the year with March (296mm) being the wettest month. The total rainfall was up 177mm on the 2019-20 figure and in line with normal rainfall.

The track managers very diligently carried out extensive irrigation at both tracks.

Away from Stradbroke Season presented by TAB, North Queenslanders The Harrovian was one of the great racing stories of the year.

Originally raced in Victoria, he scored on debut in the North in a Class 3 sprint at Cairns in March 2019.

The Harrovian won seven consecutive races before he was given a chance at Metropolitan Racing. In successive starts he won two races each at Eagle Farm and Doomben late last year.

Those victories earned him a chance to run in the \$5 million All Star Mile at Flemington in March. He finished a very respectable fifth.

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## "The BRC training precinct across Eagle Farm and Doomben continue to draw high praise from trainers".

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Congratulations again to premier trainer Tony Gollan who had a stellar season to collect his eighth consecutive title. He also was successful at Group 1 level with Krone in the Coolmore Stakes at Rosehill and provided the quinella with Vega One and Jonker in the TAB Kingsford-Smith Cup.

Congratulations to Ryan Maloney for his success in the Brisbane Jockeys' Premiership and to Justin Huxtable on taking out the apprentices' title.

The BRC training precinct across Eagle Farm and Doomben continues to draw high praise from trainers.

The 440 stables infield at Eagle Farm provide a safe and functional environment. With some horses coming from off-site to complete trackwork there are around 460 horses exercising six mornings a week at our premier course.

There are many examples of interstate horses thriving under the tranquil atmosphere of the infield space.

A shining example of this transformation is the Gollan trained Jonker which scored a record-breaking first up victory for his new stable in the Keith Noud Stakes at Doomben in November.

A further 100 horses work at Doomben. Barrier trials and jumpouts are held regularly at both tracks and also at nearby Deagon where the training facilities are managed by the BRC.

The BRC is now beautifully positioned with two major carnivals – Stradbroke Season and the Summer Carnival – and some major "theme" meetings such as Country Music Weekend, Girls' Day Out, Mekka Raceday, Teddy Bears' Picnic, Members Rewards Day, Members and Guests Day and Spring Racing Carnival.

A stylized, handwritten signature in black ink, appearing to read 'Matt Rudolph'.

**Matt Rudolph**  
General Manager Racing  
& Partnerships





Prize Money	Race	Winner	Jockey	Distance (m)	Weight (kg)	Trainer
<b>GROUP 1</b>						
\$1.5m	TAB Stradbroke Handicap	Tofane	Craig Williams	1400m	54.5kg	Michael Moroney
\$1m	Treasury Brisbane J J Atkins	Converge	Tim Clark	1600m	57kg	Gai Waterhouse and Adrian Bott
\$1m	TAB Doomben 10,000	Eduardo	Nash Rawiller	1200m	58.5kg	Joe Pride
\$700,000	Channel 7 Doomben Cup	Zaaki	James McDonald	2000m	59kg	Annabel Neasham
\$700,000	TAB Kingsford-Smith Cup	Vega One	Jamie Kah	1300m	59kg	Tony Gollan
\$600,000	Moët & Chandon Queensland Derby	Kukeracha	James McDonald	2400m	57kg	Chris Waller
\$600,000	James Squire Queensland Oaks	Duais	Hugh Bowman	2200m	56.5kg	Edward Cummings
<b>GROUP 2</b>						
\$350,000	Treasury Brisbane Queensland Guineas	Private Eye	Brenton Avdulla	1600m	57kg	Joe Pride
\$250,000	TAB Victory Stakes	Niccanova	James Orman	1200m	58.5kg	Steve Tregua
\$250,000	Spirit Of Boom Classic	Prince Of Boom	Ben Thompson	1200m	57kg	Robert Heathcote
\$250,000	ANZ Bloodstock News The Rosess	Only Words	Craig Williams	2000m	56.5kg	Chris Waller
\$1m	James Squire Sires Produce Stakes	Tiger Of Malay	Craig Williams	1400m	57kg	Richard and Michael Freedman
\$200,000	Ascot Green Moreton Cup	Baller	Glen Boss	1200m	55.5kg	Tony Gollan
\$200,000	Magic Millions Dane Ripper Stakes	Odeum	James McDonald	1300m	58kg	Mick Price and Michael Kent Jnr
\$400,000	Lexus Brisbane Cup	Knights Order	Tim Clark	3200m	55.5kg	Gai Waterhouse and Adrian Bott
\$1.2m	Sky Racing Q22	Zaaki	James McDonald	2200m	59kg	Annabel Neasham
<b>GROUP 3</b>						
\$250,000	Canadian Club Rough Habit Plate	Criminal Defence	Michael Rodd	2000m	57kg	Peter and Will Hulbert
\$150,000	JRA Chairman's Trophy	Warning	Jim Byrne	2000m	58kg	Anthony and Sam Freedman
\$150,000	Magic Millions Pam O'Neill Stakes	Nudge	Kerrin McEvoy	1600m	56kg	Chris Waller
\$175,000	TAB BRC Sprint	Emerald Kingdom	Robbie Fradd	1350m	55.5kg	Robert Heathcote
\$250,000	Mullins Lawyers Fred Best Classic	Apache Chase	Jim Byrne	1400m	57kg	Desleigh Forster
\$150,000	Sky Racing Lord Mayor's Cup	Reloaded	James McDonald	1800m	57kg	Chris Waller
\$200,000	Brisbane for 2032 Premier's Cup	Spirit Ridge	Joshua Parr	2400m	57kg	Mark Newnham
\$200,000	James Squire Gunsynd Classic	Ayrton	James McDonald	1600m	57kg	James McDonald
<b>NEW FEATURE</b>						
\$500,000	Magic Millions National Classic	Nudge	Kerrin McEvoy	1600m	57kg	Chris Waller



# Master Plan Report

“The purpose of the Master Plan for the Brisbane Racing Club is to diversify the Club’s income. This will provide stable, long-term revenue independent of the racing industry.”

The Brisbane Racing Club has been made more resilient to trying times by continuing to carry out the Master Plan and diversifying the Club’s income. This will help ensure the financial sustainability of the BRC so that we can continue to expand on its rich history. The financial resilience that has been displayed by the Club throughout the COVID-19 pandemic is a testament to the effectiveness of the Master Plan. The income from Racecourse Village Shopping Centre, Bernborough Ascot, Ascot Green, Ascot Aquatics Centre and Ascot Childcare & Kindy has contributed significantly to the revenue of the BRC during the year and will continue to do so in years to come.

During the year, the Master Plan contributed over \$6.7 Million in revenue which resulted in \$5.75 Million in EBITDA. This contribution will continue to grow with an exciting pipeline of projects in coming years.

After more than three years of operation, Racecourse Village Shopping Centre continues to thrive as a retail hub and shopping centre of choice for the local community. COVID -19 lockdowns during the year impacted some of our tenants but the majority have bounced back and continue to grow their sales. Two of the takeaway food

shops were unfortunately overly affected and were unable to continue trading however these shops have been re-leased to new retailers. The Centre finished ahead of budget for the year and ahead of last year’s result. Anchored by a long-term lease to Woolworths, this is a gilt-edged, ongoing investment for the Club.

Throughout the last year, Mirvac has continued with the construction of Tulloch House – the second tower of the Ascot Green project. This tower comprises 83 apartments over eight stories and stands impressively next to Ascot House. Completion of this tower is planned for October this year. We are also happy to advise that all apartments in Tulloch House have been sold and we look forward to welcoming the new residents into the BRC community. We commend our partners Mirvac for their expertise and tenacity in commencing the construction of this building in April 2020. That decision has certainly proved correct. We are also excited to advise that the Development Application for the next two towers has been lodged with Council with approval expected imminently. The marketing for the next tower will commence in the coming months. We expect construction to commence on the next tower in mid-2022. Looking to the future, a further four residential buildings (making eight in total) are set to be constructed trackside at Eagle Farm. These buildings will provide a unique and desirable residential offering in this prestigious and prized location.

Bernborough Ascot is a joint venture with Lendlease Retirement Living, the largest owners of retirement villages in Australia. We enjoy a strong relationship with the Lendlease team. Located trackside at Doomben, Bernborough Ascot completed stage one of its development in late 2020. This stage comprises a tower with 69 independent living units and includes a café, cinema room, arts room and library. Due to high interest in these apartments and a large amount of positive feedback, units are being sold at a rate of about



*Racecourse Village Shopping Centre, Eagle Farm*



*Ascot Green project - artist impression*



*Bernborough Ascot Retirement Living*



one per week. A Development Application for the second of four buildings in this project was lodged with Council in October 2021 and construction is expected to commence mid-2022. Additionally, we are in advanced negotiations with a highly regarded national aged-care owner/operator for them to construct a five-level aged-care facility adjacent the Retirement Village.

Ascot Aquatics Centre and Ascot Childcare & Kindy are both open and operating successfully and form an important part of our Master Plan community.

Looking ahead, we are working on several exciting projects that are in varying stages of development. The Club lodged a Development Application for St Leger House in June last year. This five-storey office building will be located directly adjacent the main straight at Eagle Farm on the vacant land between St Leger Grandstand and Ascot Green. The application was approved by Council in January 2021 and we are currently in the market seeking tenants. We have strong interest in the premium trackside office building. Our first tenant signed up in September and we are in advanced negotiations with others. St Leger House features north-facing trackside views of Eagle Farm Racecourse, close proximity to an exciting retail precinct, significant on-site car-parking, a 100m walk to Ascot Railway Station and a 5 star-green star design from award-winning architects BVN. This high quality and distinctive building has caught the interest of companies looking for a remarkable office space in a unique location. The Club will require a significant level of lease commitment prior to commencing construction of this building.

Standing next to the proposed office building will be an edgy and vibrant food and beverage precinct located within the heritage-listed St Leger Grandstand. This precinct will be anchored by a micro-brewery and fabulous beer garden under the shade of the impressive fig trees.



*St Leger House Office Building - artist impression*

We have a world-class micro-brewery signed up and are currently finalising the design with the tenant. We expect to commence construction in mid-2022 and open mid-late 2023. This precinct will operate seven days a week and will provide the heart of the Eagle Farm Master Plan – a place where everyone can meet under the shade of the fig trees and enjoy a drink, great food and great company.

We are also looking at options to move the current BRC administration offices and converting that space to a track-facing premium dining facility. This will greatly enhance the raceday offering for Members.

In May this year the Club ran a design competition with three internationally respected sports architectural firms to provide a design for a new community events centre at Eagle Farm. Hassell + RWA Architects won the competition with an impressive design. There's a long way to go on this project but, if successful, it will become a game-changer on race days and non-race days alike.

Further developments at Eagle Farm include the restoration of the entrance gates. The entrance buildings and gates that stand at the top of Racecourse Road hold great historical



*Gallopers Sports Club*

significance and act as the face for Eagle Farm Racecourse. For these reasons, the BRC has assigned great importance to restoring this area to its former glory. We recently received a grant from the State Government to assist with the cost of restoring these important structures.

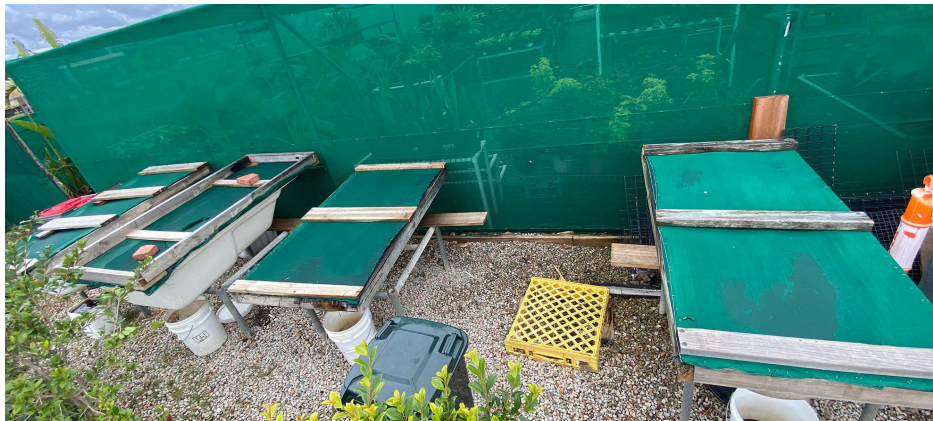
And finally we have commenced a thorough review of the Gallopers Sports Club. While the club is currently trading well, it is clear that the buildings are rapidly reaching their use-by date and so over the next 12 months we will investigate options to ensure this business continues to thrive in the future.

## “The BRC will continue to look for new ways to be a positive contributor to both the community and the environment”.

We recognise the importance of actively addressing the environmental, social and governance responsibilities of our organisation. As a long-standing and responsible member of the Brisbane community, the Club aims to lead by example with the practices and procedures we use to fulfil these responsibilities.

Headed by the BRC Board and Sustainability Committee, we have been able to gain a number of sustainability-focused achievements. The most notable of these include:

- The installation of solar panels which have now saved over 770 Tonnes of CO2 from being released in the atmosphere
- A waste management program that divert over 2,500 Tonnes of organic waste from landfill each year
- A 6-star Green Star rating for Bernborough Ascot. This indicates world leadership in sustainable design and building and is the first retirement village in Australia to be awarded this rating.
- Banning the use of plastic straws at both racecourses and repurposing the remaining straws into a statue of Black Caviar
- A significant reduction in emissions resulting from an upgrade in light fittings and refrigeration equipment
- Maintaining our tracks with water harvested from the roofs of the in-field stables



*Doomben Racecourse Infield Nursery and Worm Farm*

In addition to these achievements, the Club has been consulting with an environmental research entity to create a roadmap to carbon neutrality. While this is still in its early stages, the steps to Net Zero emissions are becoming more clear and achievable than ever. The Club has also partnered with a waste management consultant. This is to help pursue superior waste separation and divert as much waste from landfill as possible. Looking forward, BRC will continue to explore ways to help mitigate climate change and to service our community.

Some additional commitments from the BRC include:

- Exploring more solar options
- Continue collecting bottle caps for Envision Hands who recycle them to make prosthetic hands
- Continuous staff education on waste minimisation
- On-site worm farm and composting facilities

**Jeff Kahler**  
General Manager  
Property and Asset Management



*Black Caviar sculpture - recycling plastic straws*





# Sponsorship

## MAJOR PARTNERS

## VEHICLE PARTNER



## PARTNERS & SUPPLIERS

ADSS  
 AICLA  
 ANZ Bloodstock News  
 Ariat  
 Astro Jump  
 Authentic Security  
 Aquis Farm  
 Boomer Bloodstock  
 Bouquet Boutique  
 Brisbane Marketing  
 City Property Services  
 Coca-Cola Europacific Partners

Diageo  
 Eureka Stud  
 Hampton Event Hire  
 Innovative Hiring  
 impressu Print Group  
 IPCQ  
 Just Country  
 LED Super Screens  
 LendLease  
 Men of League  
 Mirvac  
 Mitty's

Mullins Lawyers  
 National Jockeys Trust  
 National Electrical & Communications Association  
 Nova 106.9  
 Nuturf  
 Oscar Oscar Salons  
 Padua College  
 Qld Hotels Association  
 Racecourse Road Business Group  
 R.M. Williams

Sporting Chance  
 Cancer Foundation  
 St Joseph's College Nudgee  
 St Rita's College  
 Thoroughbred Breeders Qld Association  
 Valiant Hire  
 Widden Stud  
 WILKO Painting  
 4 Aussie Heroes Foundation



# Directors' Report and Financial Statements

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Treasury Casino J J Atkins winning combination Tim Clark and Converge during the 2021 TAB Stradbroke Season. 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 2021.

## **DIRECTORS**

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

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

Directors have been in office since 1 July 2020 to the date of this report unless otherwise stated above. The qualifications and experience of the Directors are outlined later in this report.

## **COMPANY SECRETARY**

The Company Secretary at the end of the year was Mr James Versace, the Chief Financial Officer. Mr Versace holds a Commerce degree majoring in Accounting, Finance and Law, and is a member of the Institute of Chartered Accountants Australia and a GAICD. He has over 22 years' experience in finance, gaming and hospitality. He has previously held similar positions in companies including Star Entertainment Group Ltd and Credit Suisse First Boston.

## **CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer at the end of the year was Mr Tony Partridge who holds Degrees in Commerce and Law from the University of Sydney and is a Solicitor admitted to practice in Queensland.

For the past 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. Mr Partridge has experience managing elite level racing venues from his time as Chief Operating Officer for the Australian Turf Club from 2013 to 2017. The Australian Turf Club manages Royal

Randwick, Rosehill Gardens, Canterbury Park and Warwick Farm race courses.

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

## **PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year to 30 June 2021 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 Company recorded a total comprehensive profit for the year of \$9,387,045. (2020: \$918,135).

## **DIVIDENDS PAID OR RECOMMENDED**

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

## **LIMITED BY GUARANTEE**

The Company is limited by guarantee by the members of the Company. If the Company is wound up the articles of association state that each member of the Company is required to contribute a maximum amount of \$10 each towards meeting any outstanding obligations. As at balance date there are 3,305 (2020: 3,043) racing members, so the total amount that members of the Company are liable to contribute if the company is wound up is \$33,050 (2020: \$30,430).

# | Directors' Report

## REVIEW OF OPERATIONS

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

## DIVERSITY

The Company is proud of its progress and achievements thus far in promoting gender diversity throughout all levels of its workforce and will continue to develop and implement initiatives in this area.

## ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory. However, the Eagle Farm and Doomben racecourses are listed on the Environmental Management Register which is regulated by the Environmental Protection Act 1994.

## AFTER BALANCE DATE EVENTS

Disclosed in the notes are matters or circumstances since 30 June 2021 that have significantly affected, or may significantly affect:

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

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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



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



# | Directors' Report

## INFORMATION ON DIRECTORS

### NEVILLE BELL OAM (AGE 73)

#### Chairman

Qualifications and Experience - GAICD. 30 years' experience in banking, finance and property development. Chairman 7 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 Sub-committee and Member of New Business Development Sub-Committee.

### RICHARD MORRISON (AGE 47)

#### Vice-Chairman

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

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

### DAVID DAWSON (AGE 74)

#### Director

Qualifications and Experience - BAppSc (Med Tech). David is a medical scientist by profession. Now retired, he was formerly Chief Scientist with Queensland Health Pathology Services and a consultant to the World Health Organization. He has racing interests, and was a former Director Queensland Turf Club 2005-2009 (Treasurer 2007-2009).

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

### STEVE GAGEL (AGE 49)

#### 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 and Member of New Business Development Sub-Committee.

### SIMON GLEESON (AGE 43)

#### Director

Qualifications and Experience - BAgEcon, 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 Racing Product and Training Sub-Committees.

### CURT SCHATZ (AGE 62)

#### Director

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

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

# Directors' Report

## TERRY SVENSON (AGE 50)

### 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 raced horses with trainers across Brisbane and Sydney.

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

## JENNIFER CREATON (AGE 52)

### Director

Qualifications and Experience - Jennifer has worked in the financial services industry for over 22 years. Jennifer currently works as an Executive Manager for an ASX-listed banking and insurance group in the implementation of risk frameworks and ensuring that decisions, processes and procedures are performed within legislative and regulatory requirements.

Special Responsibilities - Member of Finance, Governance and Risk Management, Master Planning, Membership and BRC Foundation 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 <sup>1</sup>		Finance Governance & Risk Management		Master Planning		Membership		BRC Foundation		Racing, Product & Training Operations	
	A	B	A	B	A	B	A	B	A	B	A	B
N D Bell	11	11	-	-	9	8	-	-	-	-	-	-
R H Morrison	11	11	-	-	9	8	-	-	1	1	3	3
D J Dawson	11	11	-	-	-	-	3	3	-	-	3	3
S M Gagel	11	11	11	11	-	-	-	-	-	-	-	-
S P Gleeson	11	10	11	10	9	8	-	-	-	-	3	3
C M Schatz	11	11	-	-	9	6	-	-	-	-	-	-
T J Svenson	11	9	11	10	-	-	3	3	-	-	-	-
J N Creaton	11	11	11	11	9	8	3	3	1	1	-	-

A = Number meetings eligible to attend

B = Number attended

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

The New Business Development Sub-committee did not meet during the 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 Company has not, during or since the financial year, in respect of any person who is, or has been, an officer or auditor of the Company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in successfully defending legal proceedings; or
  - paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings;
- with the exception of the following:

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

The Company 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 2021 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Directors made pursuant to Section 298 (2) of the Corporations Act 2001 on behalf of the Directors.



**N D BELL** OAM  
Chairman

01 October 2021



**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 2021 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  
01 October 2021



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- ▶ Advisors
- ▶ Accountants
- ▶ Auditors



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

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

	Note	2021 \$	2020 \$
Revenue	2	66,003,035	52,794,396
Expenses	3	(56,656,126)	(51,844,545)
Profit/(Loss) from ordinary activities		9,346,909	949,851
Other comprehensive income/(loss)	24	40,136	(31,716)
<b>Total comprehensive income/(loss) for the year</b>		<b>9,387,045</b>	<b>918,135</b>
<b>Summary</b>			
Racing Revenue		47,788,782	35,816,764
Licensed Clubs and Business Events Revenue		11,526,387	9,443,240
Property Revenue		6,687,866	7,534,392
<b>Total Revenue</b>		<b>66,003,035</b>	<b>52,794,396</b>
Racing Expenses		(37,945,465)	(33,624,414)
Licensed Clubs and Business Events Expenses		(9,626,621)	(8,584,570)
Property Expenses		(935,614)	(1,059,237)
<b>Total Expenses</b>		<b>(48,507,700)</b>	<b>(43,268,221)</b>
Profit/(Loss) before Depreciation and Interest		17,495,335	9,526,175
Depreciation and Interest		(8,148,426)	(8,576,324)
Other comprehensive income/(loss)		40,136	(31,716)
<b>Total comprehensive income/(loss) for the year</b>		<b>9,387,045</b>	<b>918,135</b>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

	Note	2021 \$	2020 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	5,669,141	2,016,019
Trade and other receivables	6	5,128,661	3,459,782
Inventories	7	588,773	373,698
Prepayments		289,512	232,855
<b>Total Current Assets</b>		<b>11,676,087</b>	<b>6,082,354</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	170,091,315	169,429,039
Investment properties	9	786,000	788,000
Intangible assets	10	914,604	914,604
Right of use assets	11	996,877	914,466
Defined benefit plan	24	104,289	100,925
<b>Total Non-Current Assets</b>		<b>172,893,085</b>	<b>172,147,034</b>
<b>Total Assets</b>		<b>184,569,172</b>	<b>178,229,388</b>
<b>Current Liabilities</b>			
Trade and other payables	12	9,328,722	8,715,031
Employee entitlements	13(a)	1,833,427	1,552,434
Provisions	14	115,953	108,782
Income received in advance		7,366,194	3,752,616
Borrowings	15(a)	12,299,284	6,881,689
Financial Liabilities	16(a)	636,457	-
<b>Total Current Liabilities</b>		<b>31,580,037</b>	<b>21,010,552</b>

	Note	2021 \$	2020 \$
<b>Non-Current Liabilities</b>			
Employee entitlements	13(b)	215,732	83,125
Borrowings	15(b)	52,680,509	65,100,938
Financial Liabilities	16(b)	-	1,328,924
<b>Total Non-Current Liabilities</b>		<b>52,896,241</b>	<b>66,512,987</b>
<b>Total Liabilities</b>		<b>84,476,278</b>	<b>87,523,539</b>
<b>Net Assets</b>		<b>100,092,894</b>	<b>90,705,849</b>
<b>Equity</b>			
Members' funds		99,896,427	90,509,382
Asset revaluation reserve		196,467	196,467
<b>Total Equity</b>		<b>100,092,894</b>	<b>90,705,849</b>

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

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

	Members' Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>89,591,247</b>	<b>196,467</b>	<b>89,787,714</b>
<b>Comprehensive Income</b>			
Profit attributable to the entity	949,851	-	949,851
Other comprehensive income for the year	(31,716)	-	(31,716)
Total Comprehensive Income	918,135	-	918,135
<b>Balance at 30 June 2020</b>	<b>90,509,382</b>	<b>196,467</b>	<b>90,705,849</b>
<b>Comprehensive Income</b>			
Profit attributable to the entity	9,346,909	-	9,346,909
Other comprehensive income for the year	40,136	-	40,136
Total Comprehensive Income	9,387,045	-	9,387,045
<b>Balance at 30 June 2021</b>	<b>99,896,427</b>	<b>196,467</b>	<b>100,092,894</b>

## Members' Funds

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

## Asset Revaluation Reserve

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

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

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

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

	Note	2021 \$	2020 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers		61,378,663	50,655,823
Payments to suppliers and employees		(47,837,962)	(44,597,612)
Interest received		4,182	3,892
Interest paid		(2,829,884)	(3,211,356)
Net Cash provided by Operating Activities	18(a)	10,714,999	2,850,747
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment		(5,420,398)	(3,342,858)
Net Cash (used in) Investing Activities		(5,420,398)	(3,342,858)
<b>Cash Flows From Financing Activities</b>			
Proceeds from borrowings		654,759	913,279
Repayments of borrowings		(1,165,228)	(1,647,786)
Proceeds from lease borrowings		61,946	174,944
Repayments of lease liabilities		(1,192,956)	(859,789)
Net Cash provided by Financing Activities	18(b)	(1,641,479)	(1,419,352)
<b>Net Increase / (Decrease) In Cash Held</b>		3,653,122	(1,911,463)
Cash at beginning of financial year		2,016,019	3,927,482
<b>Cash At End Of Financial Year</b>		<b>5,669,141</b>	<b>2,016,019</b>

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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***

The 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 Club:

- 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 2021

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

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

### (b) Revenue (cont'd)

#### **Revenue Recognition**

If a contract liability is recognised as a related amount above, the Club 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 realisable 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.

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.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (e) Financial Instruments (cont'd)

#### *Classification and subsequent measurement*

##### *Financial liabilities*

A financial liability is held for trading if it is:

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

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

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

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

A financial liability cannot be reclassified.

##### *Financial guarantee contracts*

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

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

and subsequently measured at the higher of:

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

##### *Financial assets*

Financial assets are subsequently measured at:

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

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.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (e) Financial Instruments (cont'd)

#### **Classification and subsequent measurement (cont'd)**

##### *Financial Assets (cont'd)*

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

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

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

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

#### **Derecognition**

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

#### *Derecognition of financial liabilities*

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

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

#### *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.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (e) Financial Instruments (cont'd)

#### *Derecognition (cont'd)*

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

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

#### *Impairment*

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

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

Loss allowance is not recognised for:

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

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

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

- the general approach; and
- the simplified approach;

#### *General approach*

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

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

#### *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).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (e) Financial Instruments (cont'd)

#### Impairment (cont'd)

*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.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of comprehensive income during the financial year which they are incurred.

### Capital Works in Progress

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

### Depreciation

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (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.

### (i) Impairment

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

Where it is not possible to estimate the recoverable amount of an asset's class, the 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:

- fixed 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;

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (k) Leases (cont'd)

#### The Group as lessee (cont'd)

- 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

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.

#### Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Group to further its objectives (commonly known as peppercorn/concessionary leases).

#### 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.

### (m) Comparatives

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

### (n) Critical Accounting Estimates and Judgements

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

### Impairment

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (o) Going Concern

At 30 June 2021, the Group's current liabilities exceeded current assets by \$19,903,950 (2020: \$14,928,198). The deficiency in current assets is primarily caused by the following:

#### Loans

*Loans classified as current liabilities given expected to be settled within 12 months:*

Mirvac	\$5,252,106
ANZ Infield development	\$3,452,000

*Loans classified as current liabilities given is due for renegotiation within 12 months:*

ANZ Childcare	\$2,356,192
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The treatment of the above loans is in accordance with the Australian Accounting Standards.

#### Income received in advance

Income received in advance	\$7,366,194
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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, BRC generated significant positive operating cashflows in 2021 and is expected to continue this in 2022. Given these circumstances the Directors are satisfied the Group can pay their debts as and when they fall due.

On this basis the directors have determined that the consolidated financial report should be prepared on a going concern basis, noting also that the group has a consolidated net asset position of \$100,092,894 (2020: \$90,705,849).

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

<b>2. REVENUE</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
- Racing Queensland subsidy	3,223,527	3,897,080
- Catering and admissions revenue	16,375,318	14,252,014
- Broadcast, television rights and sponsorship	16,489,025	12,209,025
- Wagering and gaming revenue	7,012,549	4,969,706
- Stable, track and barrier trial fees	3,849,287	4,034,874
- Member subscriptions	959,812	1,052,029
- Rentals	1,052,462	803,617
- Property revenue	4,441,775	5,600,954
Total Operating Revenue	53,403,755	46,819,299
<b>Non-Operating Activities</b>		
- Grants - Racing Queensland	3,316,688	3,871,782
- Loan Forgiveness - Racing Queensland	6,000,000	-
- Subsidy - JobKeeper	2,196,000	1,873,500
- Profit/(Loss) on sale of assets	(67,475)	(50,991)
- Gain on recognising interest rate swaps at fair value	692,467	136,982
- Interest and other income	461,600	143,824
Total Non-Operating Revenue	12,599,280	5,975,097
<b>Total Revenue</b>	<b>66,003,035</b>	<b>52,794,396</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

3. EXPENSES	2021 \$	2020 \$
<b>Racing and Non-Racing Expenses</b>		
- Catering and raceday salaries and associated costs	16,714,316	14,440,657
- Equipment hire	2,171,153	1,934,861
- Trophies	90,998	24,192
- Totalisator expenses	842,021	750,455
- Racing service providers	2,989,166	3,090,484
- Gaming and sports club expenses	2,160,679	1,527,369
- Other expenses	1,069,209	868,667
<b>Total Racing and Non-Racing Expenses</b>	<b>26,037,542</b>	<b>22,636,685</b>
<b>Maintenance Expenses</b>		
- Salaries, contractors and associated costs	5,541,660	5,581,429
- Materials and services	7,279,078	6,075,996
- Other maintenance expenses	233,449	217,110
<b>Total Maintenance Expenses</b>	<b>13,054,187</b>	<b>11,874,535</b>
<b>Administration Expenses</b>		
- Salaries, contractors and associated costs	4,140,612	3,631,581
- Legal and compliance costs	207,686	344,857
- Marketing, promotions and branding	1,919,734	1,541,560
- Information technology and communications costs	483,291	522,091
- Other administration costs	2,627,876	2,684,117
<b>Total Administration Costs</b>	<b>9,379,199</b>	<b>8,724,206</b>

3. EXPENSES (CONT'D)	2021 \$	2020 \$
<b>Depreciation Expense</b>		
- Depreciation – property, plant and equipment	4,692,647	4,835,531
- Depreciation – right of use assets	556,234	529,437
<b>Total Depreciation Expense</b>	<b>5,248,881</b>	<b>5,364,968</b>
<b>Other Expenses</b>		
- Interest – borrowings	2,829,884	3,145,659
- Interest – leases	69,661	65,697
- Defined Benefit Plan	36,772	32,795
<b>Total Other Expenses</b>	<b>2,936,317</b>	<b>3,244,151</b>
<b>Total Expenses</b>	<b>56,656,126</b>	<b>51,844,545</b>

4. AUDITORS' REMUNERATION	2021 \$	2020 \$
Remuneration of the auditors of the Company for:		
- auditing and reviewing the financial report	75,000	75,000
- other services*	19,725	15,230
	<b>94,725</b>	<b>90,230</b>

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



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

<b>5. CASH &amp; CASH EQUIVALENTS</b>	<b>2021 \$</b>	<b>2020 \$</b>
Cash on hand	903,555	96,962
Cash at bank	4,765,586	1,919,057
<b>Total Cash</b>	<b>5,669,141</b>	<b>2,016,019</b>

<b>6. TRADE &amp; OTHER RECEIVABLES</b>	<b>2021 \$</b>	<b>2020 \$</b>
Trade debtors	3,172,316	1,803,070
Other receivables	1,956,345	1,656,712
	<b>5,128,661</b>	<b>3,459,782</b>

<b>7. INVENTORIES</b>	<b>2021 \$</b>	<b>2020 \$</b>
Catering food and beverage - at cost	580,664	366,039
Maintenance materials - at cost	8,109	7,659
	<b>588,773</b>	<b>373,698</b>

<b>8. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2021 \$</b>	<b>2020 \$</b>
<b>Freehold Land</b>		
At cost	28,783,179	28,789,553
<b>Total Freehold Land</b>	<b>28,783,179</b>	<b>28,789,553</b>
<b>Racetracks</b>		
At cost	16,728,420	16,728,420
Less: Accumulated Depreciation	(963,162)	(795,878)
<b>Total Racetracks</b>	<b>15,765,258</b>	<b>15,932,542</b>

<b>8. PROPERTY, PLANT &amp; EQUIPMENT (CONT'D)</b>	<b>2021 \$</b>	<b>2020 \$</b>
<b>Buildings &amp; Improvements</b>		
At cost	134,424,401	132,664,322
Less: Accumulated Depreciation	(22,389,974)	(19,085,600)
<b>Total Buildings</b>	<b>112,034,427</b>	<b>113,578,722</b>
<b>Plant and Equipment</b>		
At cost	15,242,981	1,183,436
Less: Accumulated Depreciation	(9,503,024)	(937,016)
<b>Total Plant and Equipment</b>	<b>5,739,957</b>	<b>4,790,864</b>
<b>Furniture and Fittings</b>		
At cost	3,287,815	2,445,424
Less: Accumulated Depreciation	(2,008,793)	(1,821,853)
<b>Total Furniture and Fittings</b>	<b>1,279,022</b>	<b>623,571</b>
<b>Capital Works in Progress</b>		
At cost	6,489,472	5,713,787
<b>Total Capital Works in Progress</b>	<b>6,489,472</b>	<b>5,713,787</b>
<b>Total Property, Plant and Equipment</b>	<b>170,091,315</b>	<b>169,429,039</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### Movements in Carrying Amounts

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

	FREEHOLD LAND	RACETRACKS	BUILDINGS & IMPROVEMENTS	PLANT & EQUIPMENT	FURNITURE & FITTINGS	CAPITAL WORKS IN PROGRESS	TOTAL
<b>Balance at beginning of year</b>	<b>28,789,553</b>	<b>15,932,542</b>	<b>113,578,722</b>	<b>4,790,864</b>	<b>623,571</b>	<b>5,713,787</b>	<b>169,429,039</b>
Additions	-	-	748,642	1,982,141	842,391	1,847,224	5,420,398
Transfers	-	-	1,011,437	-	-	(1,011,437)	-
Disposals	(6,374)	-	-	(999)	-	(60,102)	(67,475)
Reversal of Impairment Losses	-	-	-	-	-	-	-
Depreciation expense	-	(167,284)	(3,304,374)	(1,032,049)	(186,940)	-	(4,690,647)
<b>Carrying amount at the end of the year</b>	<b>28,783,179</b>	<b>15,765,258</b>	<b>112,034,427</b>	<b>5,739,957</b>	<b>1,279,022</b>	<b>6,489,472</b>	<b>170,091,315</b>

## 9. INVESTMENT PROPERTIES

	2021 \$	2020 \$
Balance at beginning of year	788,000	790,000
Acquisitions/(Disposals)	-	-
Transfer to assets held for sale	-	-
Depreciation	(2,000)	(2,000)
Balance at Year End	786,000	788,000

The remaining investment properties have a valuation of \$1,650,000 (2020: \$1,430,000) based on independent valuation obtained by the Directors as at 30 June 2021.

## 10. INTANGIBLE ASSETS

	2021 \$	2020 \$
Gaming Machine 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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

11. RIGHT OF USE ASSETS	2021 \$	2020 \$
<b>i) AASB 16 related amounts recognised in the statement of financial position</b>		
Leased equipment	1,932,030	1,350,868
Accumulated depreciation	(969,252)	(451,564)
Leased motor vehicles	122,616	93,035
Accumulated depreciation	(88,517)	(77,873)
<b>Total Right of use asset</b>	<b>996,877</b>	<b>914,466</b>

## Movement in carrying amounts

### Leased equipment:

- Opening Balance	899,304	-
- Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	-	1,026,420
- Opening balance transferred from property, plant and equipment on initial application of AASB 16	-	69,971
- Addition to right-of-use asset	609,064	254,477
- Depreciation expense	(545,590)	(451,564)
<b>Net carrying amount</b>	<b>962,778</b>	<b>899,304</b>

11. RIGHT OF USE ASSETS (CONT'D)	2021 \$	2020 \$
<b>Leased motor vehicles:</b>		
- Opening Balance	15,162	-
- Recognised on initial application of AASB 16 (previously classified as operating leases under AASB 117)	-	93,035
- Addition to right-of-use asset	29,581	-
- Depreciation expense	(10,644)	(77,873)
<b>Net carrying amount</b>	<b>34,099</b>	<b>15,162</b>

## ii) AASB 16 related amounts recognised in the statement of profit or loss

Depreciation charge related to right-of-use assets	556,234	529,438
Interest expense on lease liabilities	61,946	57,662
Short-term leases expense	-	-
Low value asset leases expense	-	-

12. TRADE AND OTHER PAYABLES	2021 \$	2020 \$
Trade creditors	4,636,482	3,012,225
Other creditors	4,692,240	5,702,806
<b>Total</b>	<b>9,328,722</b>	<b>8,715,031</b>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

13. EMPLOYEE ENTITLEMENTS	2021 \$	2020 \$
(a) Current		
- Annual Leave	1,120,940	919,142
- Long Service Leave	712,487	633,292
	1,833,427	1,552,434
(b) Non-Current		
- Long Service Leave	215,732	83,125
	215,732	83,125

14. PROVISIONS	2021 \$	2020 \$
Other Provisions	115,953	108,782
Total Provisions	115,953	108,782

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

Provision Movements		
Opening balance	108,782	132,340
Additional provisions	267,437	112,706
Amounts used	(260,266)	(136,264)
Closing Balance	115,953	108,782

15. BORROWINGS	2021 \$	2020 \$
(a) Current		
- Lease liability secured	994,920	1,025,981
- Lease liability unsecured	-	-
- Loan	11,304,364	5,855,708
	12,299,284	6,881,689
(b) Non-Current		
- Lease liability secured	915,752	1,377,056
- Loan	51,764,757	63,723,882
	52,680,509	65,100,938

Lease liabilities secured are secured by the underlying leased assets.

Details of the loan borrowings are as follows:

- A loan funded by The Queensland State Government through Racing Queensland under the Racing Infrastructure Fund for the development of the Eagle Farm Racecourse Tunnels. During the year, Racing Queensland in conjunction with the State Government forgave \$6m of this loan. As at reporting date, the balance was \$6,333,161 in principal and interest.
- \$5,252,106 in principal and interest. This loan is provided by Mirvac Treasury Ltd for working capital requirement. The principal amount is repayable from the monies received from future apartment sales and is therefore not required to be repaid from existing cash reserves.
- \$25,021,925 in principal and interest. This loan is provided by the ANZ Bank for the Eagle Farm Infield Development.
- \$2,356,192 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.
- \$24,105,738 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 2021

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

16. FINANCIAL LIABILITIES	2021 \$	2020 \$
(a) Current		
At fair value through Profit and Loss		
- Interest Rate Swaps	636,457	-
	636,457	-
(b) Non-Current		
At fair value through Profit and Loss		
- Interest Rate Swaps	-	1,328,924
	-	1,328,924

To mitigate the variable interest rate risk, the BRC has entered into Interest Rate Swaps with the ANZ bank. The Fair Valuation of \$636,457 is based on a Mark-to-Market valuation provided by the ANZ bank.

## 17. EQUITY

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

18. CASH FLOW	2021 \$	2020 \$
(a) Reconciliation of cash flows from operations with profit from ordinary activities:		
<b>Profit/(Loss) from Ordinary Activities</b>	9,346,909	949,851
<b>Non-cash flows in operating profit:</b>		
- Depreciation and amortisation	5,248,881	5,364,968
- Grants - Racing Queensland	-	(2,673,695)
- Loan forgiveness - Racing Queensland	(6,000,000)	-
- (Profit)/Loss on the disposal of assets	67,475	50,991
- (Profit)/Loss on recognising interest rate swap at fair value	(692,467)	(136,982)
- Defined Benefit Plan	36,772	32,795
<b>Changes in assets and liabilities:</b>		
- (Increase)/decrease in trade and other receivables	(1,668,879)	215,909
- (Increase)/decrease in prepayments	(56,657)	243,141
- (Increase)/decrease in inventories	(215,075)	276,777
- Increase/(decrease) in trade payables and accruals	4,234,440	(1,417,096)
- Increase/(decrease) in provisions and other liabilities	413,600	(55,912)
<b>Cash flows from Operations</b>	<b>10,714,999</b>	<b>2,850,747</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

## 18. CASH FLOW (CONT'D)

(b) Changes in liabilities arising from financial activities

	2020	Cash Flows	Non-Cash Flows		2021
			Acquisition	Loan Forgiveness	
	\$	\$	\$	\$	\$
Borrowings	69,579,590	(510,469)	-	(6,000,000)	63,069,121
Lease liabilities	2,403,037	(1,131,010)	638,645	-	1,910,672
Total Liabilities from financing activities	71,982,627	(1,641,479)	638,645	(6,000,000)	64,979,793

## 19. FINANCIAL RISK MANAGEMENT

The financial instruments of the Company consist mainly of cash and cash equivalents, trade receivables and payables, financial liabilities and borrowings. There are no complex financial instruments however the Company does use derivatives in the form of an interest rate swap to hedge interest rate risk. All assets and liabilities are denominated in Australian dollars and there is no foreign currency risk either in terms of the consolidated statement of comprehensive income and consolidated statement of financial position.

### **Financial Risk Management Policies**

The Finance, Governance and Risk Management Committee has been delegated responsibility by the Board of Directors for, amongst other issues, to monitor the Company's financial performance and review the effectiveness of internal financial controls. The Committee meets at least eleven (11) times per annum and the minutes of the Committee are reviewed by the Board.

### **Specific Financial Risk Exposures and Management**

(a) Credit Risk

Credit risk relates largely to trade and other receivables included in note 6 to the financial report and the risk is that a loss would be recognised if counter-parties failed to perform as contracted. The credit risk on financial assets of the Company, which have been recognised in the consolidated statement of financial position, is the carrying value net of any provision for impairment. The Company is not materially exposed to any individual third party except for cash and cash equivalents with bank and financial institutions. These institutions all have an investment grade credit rating from a recognised rating agency.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### a) Credit Risk (cont'd)

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt

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

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>							
Trade receivables	3,172,316	-	640,421	109,507	68,772	24,478	2,329,138
Other receivables	1,956,345	-	-	-	-	-	1,956,345
Total	5,128,661	-	640,421	109,507	68,772	24,478	4,285,483
<b>2020</b>							
Trade receivables	1,803,070	-	98,975	82,218	22,638	73,698	1,525,541
Other receivables	1,656,712	-	-	-	-	-	1,656,712
Total	3,459,782	-	98,975	82,218	22,638	73,698	3,182,253

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### (b) Market Risk

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

Interest rate risk is managed using a mix of fixed and floating rate debt and the Company enters into interest rate swaps to convert the majority of debt to fixed rate. At the end of the reporting period, the details of outstanding contracts, all of which are to receive floating/pay-fixed interest rate swaps, are as follows:

Consolidated Group Maturity of notional amounts	Effective Average Fixed Interest Rate Payable		Notional Principal	
	2021 %	2020 %	2021 \$	2020 \$
Less than 1 year	2.71	-	28,910,000	-
1 to 2 years	-	2.71	-	29,230,000
2 to 5 years	-	-	-	-
			28,910,000	29,230,000

### Sensitivity analysis

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

	Profit \$	Equity \$
<b>Year ended 30 June 2021</b>		
+/-1% in interest rate	280,289	280,289
<b>Year ended 30 June 2020</b>		
+/-1% in interest rate	210,809	210,809

### (c) Liquidity Risk

The Company manages liquidity risk by monitoring cash flow and ensures that sufficient cash is available to meet all liabilities on a timely basis.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### Financial Liability and Financial Asset Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
<b>Financial Assets</b>								
Cash and cash equivalents	5,669,141	2,016,019	-	-	-	-	5,669,141	2,016,019
Trade and other receivables	5,128,661	3,459,782	-	-	-	-	5,128,661	3,459,782
Total expected inflows	10,797,802	5,475,801	-	-	-	-	10,797,802	5,475,801
<b>Financial Liabilities</b>								
Trade and other payables	9,328,722	8,715,031	-	-	-	-	9,328,722	8,715,031
Borrowings	12,299,284	6,881,689	52,680,509	65,100,938	-	-	64,979,793	71,982,627
Interest Rate Swaps	636,457	-	-	1,328,924	-	-	636,457	1,328,924
Total expected outflows	22,264,463	15,596,720	52,680,509	66,429,862	-	-	74,944,972	82,026,582
Net inflows/ (outflows) from financial instruments	(11,466,661)	(10,120,919)	(52,680,509)	(66,429,862)	-	-	(64,147,170)	(76,550,781)



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

## 20. DIRECTORS' AND EXECUTIVES' DISCLOSURES

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

### **Non-Executive Directors**

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

### **Executive Officers**

T Partridge  
*Chief Executive Officer*  
J Versace  
*Chief Financial Officer*

### **Related Party Disclosures**

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

Directors and staff either individually or through related entities may participate in the

thoroughbred racing industry by means of sponsorship and/or ownership of racehorses. This involvement is on terms and conditions no more favourable than other participants in the thoroughbred racing industry.

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

The CEO has made 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 2021, total fees of \$107,353 (2020: \$96,446) 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:

	2021 \$	2020 \$
Short term benefits	1,195,545	1,236,243
Post - employment benefits	75,297	74,061
Termination benefits	-	-
Total	1,270,842	1,310,304

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

## 21. SEGMENT REPORTING

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

## 22. ECONOMIC DEPENDENCY

The Company is economically dependent on Racing Queensland for the funding of prizemoney and other distributions. Total General Prizemoney paid on races conducted by the Company in 2021 was \$47,347,179 (2020: \$35,013,558) and a further \$1,990,187 (2020: \$2,477,092) bonus prizemoney from the Queensland Thoroughbred Investment Scheme (QTIS).

## 23. CONTROLLED ENTITIES

(a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned	
		2021 \$	2020 \$
BRC Venue Management Services Pty Ltd	Australia	100%	100%

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

(b) Parent Entity Results

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

## 24. RETIREMENT BENEFITS OBLIGATIONS

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

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

### *Description of the regulatory framework in which the Plan operates*

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### Description of any Plan amendments and settlements

None

Reconciliation of Net Defined Benefit (Liability)/Asset	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Net Defined Benefit (Liability)/Asset at Beginning of Year	100,925	165,435
Defined Benefit (Cost)/Credit Recognised in the P&L	(36,772)	(32,795)
Total Remeasurements Recognised in OCI gain/(loss)	40,136	(31,716)
Employer Contributions*	0	0
Benefit Payments Directly from Employer	0	0
Other Significant Events		
(i) Net Transfer (in)/out (including the effect of any business combinations/divestitures)	0	0
(ii) Effect of changes in foreign exchange rates	0	0
<b>Net Defined Benefit (Liability)/Asset at End of Year</b>	<b>104,289</b>	<b>100,925</b>

\*The Employer is on a contribution holiday.



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

Reconciliation of Fair Value of Plan Assets	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Fair Value of Plan Assets at Beginning of Year	675,327	700,381
Interest Income on Plan Assets	13,950	17,610
Remeasurements:		
- Return on Plan Assets (excluding amount in interest income) gain/(loss)	94,542	(33,083)
Employer Contributions**	0	0
Employee Contributions	6,692	22,691
Benefit Payments from Plan	(280,381)	0
Payments for Settlements	0	0
Administrative expenses paid	(24,258)	(32,532)
Taxes paid***	3,283	2,444
Insurance premiums for risk benefits	(1,577)	(2,184)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
<b>Fair Value of Plan Asset at End of Year</b>	<b>487,528</b>	<b>675,327</b>

\*\* 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 2021

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

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

Reconciliation of Present Value of Defined Benefit Obligation	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Defined Benefit Obligation at Beginning of Year	574,402	534,945
Current Service Cost	13,477	15,199
Past Service Cost/(Credit)	0	0
(Gain)/Loss on Settlements	0	0
Interest Expense on DBO	12,050	13,636
Tax allowance in P&L	2,614	2,632
Administrative expenses allowance in P&L	22,581	18,938
Employee Contributions and Rollover	6,692	22,691
Benefit Payments from Plan	(280,381)	0
Benefit Payments Directly from Employer	0	0
Payments for Settlements	0	0
Administrative expenses paid	(24,258)	(32,532)
Taxes paid	3,283	2,444
Insurance premiums for risk benefits	(1,577)	(2,184)
Remeasurements:		
- Effect of changes in demographic assumptions (gain)/loss	0	0
- Effect of changes in financial assumptions (gain)/loss	3,195	6,705
- Effect of experience adjustments (gain)/loss	51,211	(8,072)
Increase/(decrease) due to effect of any business combinations / divestitures	0	0
Effect of changes in foreign exchange rates	0	0
<b>Defined Benefit Obligation at End of Year</b>	<b>383,289</b>	<b>574,402</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

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

### Reconciliation of the effect of the asset ceiling

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 2021
<b>Cash and cash equivalents</b>	
- Cash	26,789
<b>Equity</b>	
- Australian Shares	144,386
- International (currency hedged)	43,178
- International (currency unhedged)	100,176
<b>Fixed Income</b>	
- Australian Fixed Interest	47,943
- Global Fixed Interest	38,282
<b>Real Estate / Property</b>	
- Australian Property	12,294
- International Property	12,678
<b>Other types of Investment</b>	
- Alternative Asset (Growth)	34,938
- Alternative Asset (Defensive)	26,913
<b>Total</b>	<b>487,578</b>

\*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 2021 \$
Discount Rate plus 0.50%	381,095
Discount Rate minus 0.50%	387,557
Salary increase rate plus 0.50%	386,954
Salary increase rate minus 0.50%	381,144

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 2021

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

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

### *Description of any asset-liability matching strategies*

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

### *Description of Funding Arrangement and Funding Policy that affect Future contributions*

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

Expected contributions to the Plan in the next reporting period	Year Ending 30 June 2022 \$
Expected Employer contributions*	0
Expected Employee contributions	2,098

\*It is assumed that the Employer contributions for the year ending 30 June 2021 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	25,860
Next Year + 1 year	38,142
Next Year + 2 years	31,334
Next Year + 3 years	25,116
Next Year + 4 years	23,844
Sum of Next Year + 5 ~ 9 years	144,160

### **Defined Contribution Plan**

For those employees who are not members of the Defined Benefit Plan, the Company participated in an employer sponsored defined contribution plan during the year. The total contribution made was \$1,460,525 (2020: \$1,216,553). Employees contribute various percentages of their gross income and the Company contributes at the rate necessary to satisfy its superannuation guarantee contribution obligations.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

## 25. RACING ACT

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

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

	Board \$	Executive \$	Total \$
Entertainment	8,410	18,792	27,202
Travel and Accommodation	27,455	17,467	44,922
Total	35,865	36,259	72,124

## 26. CAPITAL AND LEASING COMMITMENTS

- (a) Capital commitments as at 30 June 2021 amounted to \$Nil (2020: \$984,436).
- (b) Lease Commitments

The Group does not have any leases that are not recognised in the statement of financial position.

## 27. CAPITAL MANAGEMENT

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

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

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

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

In 2016, the Company introduced a cash quarantine procedure whereby if either one of the three criteria are not met, the Finance, Governance and Risk Management sub-committee is to be notified of the breach with an explanation as well as the action(s) taken to remedy the breach. The three criteria are that the interest cover ratio must be no less than required by the bank, the working capital ratio to be no less than 1x and total cash at any point in time should not be below \$3 million.

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

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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

## 28. AFTER BALANCE DATE EVENTS

The financial results for the year have been influenced by the impacts of COVID-19 and the resulting changes in government legislation relating to matters such as limited physical contact between staff and with clients, temporary closure of some businesses that the Group would otherwise have traded with, changes to the welfare system and various stimulus payments. As at the date of signing, the Company continues to be impacted by the virus.

With the exception of the above, the board of directors are not aware of any events of a material nature that have occurred subsequent to balance date that require disclosure in the financial statements.

The financial report was authorised for issue on the 1st October 2021 by the Board of Directors.

## 29. COMPANY DETAILS

### The registered office of the Company is:

Eagle Farm Racecourse  
230 Lancaster Road  
Ascot QLD 4007

### The principal places of business of the Company are:

- |  |  |  |  |
|--|--|--|--|
| 1) Eagle Farm Racecourse<br>230 Lancaster Road<br>Ascot QLD 4007 | 2) Doomben Racecourse<br>75 Hampden Street<br>Ascot QLD 4007 | 3) Gallopers Sports Club<br>Corner of Nudgee Road & Lancaster Road<br>Ascot QLD 4007 | 4) Souths Sports Club<br>Brandon Reserve, Mortimer Road<br>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 Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
2. In the Directors' opinions, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**N D BELL** OAM  
Chairman

01 October 2021



**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 2021, 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 2021 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

### Basis for Opinion

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

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

### Responsibilities of the Directors for the Financial Report

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

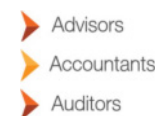
In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group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

### Auditor's Responsibilities for the Audit of the Financial Report

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



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



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

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

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

Bentleys Brisbane (Audit) Pty Ltd  
Chartered Accountants

Stewart Douglas  
Director

Brisbane  
01 October 2021



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BRISBANE  
RACING CLUB

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