

**Annual Report**  
**Racing Queensland Limited**

**2012/13**







## Contents

Message from the chairman	1
Acting CEO's report	3
Key financial outcomes	•
After balance date events	4
Wagering	5
Race information fees	7
Racing Science Centre	•
Licensing	8
Insurance	•
Broadcast rights	9
Workplace Health and Safety	•
Industry infrastructure strategy	10
Country racing contribution	11
Synthetic track subsidy	14
Training track subsidy	•
Queensland Community Racing Scheme	•
Queensland Thoroughbred Investment Scheme	•
Country racing series	•
Financial statements	17

# Message from the chairman



I'm pleased to present the final annual report for Racing Queensland Limited (RQL). Racing Queensland Limited was replaced in this year as the Control Body and Principle Racing Authority for all three codes of racing by the Queensland All Codes Racing Industry Board (QACRIB) trading as Racing Queensland.

QACRIB came into being through an act of Queensland parliament on May 1, 2013. This new board is a statutory board under the oversight of the Minister for National Parks, Recreation, Sport and Racing.

This date marked a significant change to the administration of racing in Queensland with four boards being appointed to lead racing into the future. These boards comprise the overarching Queensland All Codes Racing Industry Board and one for each code of racing being; the Queensland Thoroughbred Racing Board, the Queensland Harness Racing Board, and the Queensland Greyhound Racing Board.

It is my firm view that the racing industries in Queensland will be better served into the future by this revised governance approach, which ensures all Stakeholders have a much more direct say in the plans and policies governing our industries.

While you will note that this report covers only the period up to April 30, 2013 I believe it is appropriate in my address, to provide commentary on the entire financial year, since this puts RQL's performance into perspective.

The body of this report though including financial reporting and CEO's report will deal specifically with the results of the

10 month operation of RQL in this year. In its 2011/12 financial report Racing Queensland Limited recorded a net operating loss of \$14 million. You will note that in this report Racing Queensland Limited for the 10 month period we report a profit of \$3.2 million.

However, this must be read in conjunction with the loss by QACRIB in the two months of May and June of \$7.7 million, which is largely due to this being the period of high cost through the Winter Carnivals. Therefore, I believe the combined result of a full year result of a \$4.5 million loss is a more accurate representation.

The result for this financial year, at the beginning of the year, was planned to be nearer to a \$1 million loss. However, the need to deliver on critical industry spending has meant that this goal could not have been achieved without damaging the forward progress we are making.

Notwithstanding this result, I am pleased to report that Racing Queensland is achieving encouraging results in some key areas across all codes. The following figures represent the change in the two years FY11/12 to FY12/13 across a number of significant indicators:

- Total Wagering Revenue has increased 9%
- Prize money actually paid has increased 8%
- Contribution/Subsidies to clubs has increased 38%
- Costs of RQL Administration has decreased 21%

We are very pleased with the progress made this year in relation to infrastructure projects, the first to be undertaken under the re-structured Industry Infrastructure Strategy.

This plan will ensure that the Government's commitment of \$110 million to fund critical industry infrastructure is appropriate to the needs of the industry and provides that best possible outcome. Projects have been completed or are close to completion at the Gold Coast, Cairns, Beaudesert, Mackay and Toowoomba. In addition preliminary work has been undertaken so that we can make further progress in this year toward establishing renewed infrastructure across all three codes.

An exciting rejuvenation of thoroughbred country racing was launched in September 2012 with new country racing programs; the Country Queensland Showcase Series (seven TAB status meetings with a "Showcase" race of \$20,000), Celebrate Country Series and Sustain Country Series. These new regionally focused programs are the key initiative in building a sustainable future for Queensland country racing.

They are funded by the Government's commitment to deliver an additional \$4 million over four years to help rebuild country racing. They have provided a much needed boost to country racing, allowing clubs to attract stronger race fields and entice more patrons to the track, but more importantly it has begun to rebuild the connection of the racing industry with Queenslanders throughout the state.

Improving returns to stakeholders both in terms of prize money, and the opportunities to earn prize money through enhanced meeting scheduling, added races, and field sizes has remained the primary focus of the board. We have worked hard to make increases and improvements where possible given the current constrained nature of our revenue.

July 2012 saw field sizes increase at the Albion Park and Parklands harness venues and also the introduction of a float rebate to harness trainers for unplaced starters at all TAB meetings.

In addition, substantial increases have been made to greyhound industry prize money including unplaced subsidies. September 2012 saw prize money increases and added races across all codes of racing totalling \$3.5 million. This was possible due to the Government's commitment to funding the Queensland Thoroughbred Investment Scheme and allowing funds previously used for this purpose to be redirected toward much needed prizemoney initiatives.

Racing in Queensland must also focus on putting its best foot forward to remain relevant on the national stage, and attract continuing interest in racing in Queensland. One such initiative, announced in April, was to raise the winner's prize for the Stradbroke, Queensland's premier thoroughbred race, cementing its place as one of the nation's top handicap races.

Detailed commentary on these and other significant financial items can be found in the CEO's report and notes to the financial statements.

I would like to thank my fellow members of the Interim RQL board, Greg Hallam, John Falvey and Warwick Stansfield, who have worked diligently toward the goals with which we were tasked.

I would also like to sincerely thank Adam Carter for his efforts in the challenging role of Acting CEO.

Finally to all the dedicated staff at Racing Queensland Limited, I extend my thanks for their hard work and commitment during the year.



Kevin Dixon

Chairman  
Racing Queensland Limited



# Acting CEO's report

Racing Queensland Limited (RQL) ceased to be control body for thoroughbred, harness and greyhound racing in the State of Queensland on April 30, 2013.

On May 1, 2013 the Queensland All Codes Racing Industry Board trading as Racing Queensland came into being through an act of parliament as a result of the Government's pre-election commitment to bring the administration of the racing industry under Government control and oversight.

Consequently the financial reports contained herein relate only to that period from July 1, 2012 to April 30, 2013.

For the period May 1, 2013 through June 30, 2013 the Queensland All Codes Racing Industry Board was the control body for all codes of racing in Queensland and the financial reports relating to that entity may be found in the Queensland All Codes Racing Industry Board annual report which is available on the Racing Queensland website [www.racingqueensland.com.au](http://www.racingqueensland.com.au).

## Key Financial Outcomes

For the period ended April 30, 2013, Racing Queensland Limited recorded a consolidated surplus of \$3,316,000.

This surplus is as result of retaining profits in the first three quarters to fund the increased payments of prizemoney during the Winter Racing Carnival as the prizemoney during this period exceeds the revenue received.

In the last two months of the financial year Racing Queensland pays out 25% of the annual allocation of prizemoney.

With regards to the Product and Program Fee revenue received by Queensland Race Product Co Ltd (a subsidiary of the group), it is worth noting that the company was charged \$22.240 Million for Race Information fees in the period to April 30, 2013 (12 months ended June 30, 2012: \$26.475 Million).

These fees have been charged by the Principal Racing Authorities to TattsBet and have been netted off the Product and Program Fee by TattsBet.





### *After Balance Date Events*

On May 1, 2013, the Queensland All Codes Racing Industry Board (the all-codes board) trading as Racing Queensland commenced as the new control body for thoroughbred, harness and greyhound racing.

Racing Queensland Limited ceased to act as the control body for thoroughbred, harness and greyhound racing at that time.

Under S447 (1) of the Racing and Other Legislation Amendment Bill 2012:

- (1) On the commencement—
  - (a) anything that was an asset or liability of a former control body immediately before the commencement becomes an asset or liability of the all-codes board;
  - (b) an agreement or arrangement in force immediately before the commencement between the former control body and another entity is taken to be an agreement or arrangement between the all-codes board and the other entity, and;
  - (c) any property that was, immediately before the commencement, held by a former control body on trust or subject to conditions continues to be held by the all-codes board on the same trusts or subject to the same conditions.
- (2) The registrar of titles or other person responsible for keeping a register for dealings in property must, if asked by the all-codes board, record the vesting of property under this section in the new control body.

The assets from Racing Queensland Limited were brought across to the all-codes board at carrying value as at May 1, 2013 from the former control body based on the April 30, 2013 audited annual financial statements.

# Wagering

For the period 10 months ending April 30, 2013 saw Queensland wagering decrease by 5.70%, on the previous period, to \$413 million.

Queensland wagering turnover for thoroughbreds was down 7.15% or \$25.5 million on the previous year with three less TAB meetings held than in the previous period. The average turnover per meeting was \$916,000.

Queensland wagering turnover for harness was up 7.80% or \$2.8 million on the previous year with 26 more TAB meetings being held than in the previous period. The average turnover per meeting was \$162,000.

Queensland wagering turnover for greyhounds was down 5.00% or \$2.2 million on the previous year with four less TAB meetings held than in the previous period. The average turnover per meeting was \$123,000.

Overall wagering turnover from thoroughbred, harness and greyhounds, from which commissions are derived, was 1.68% or \$31.6 million below the previous period, finishing at over \$1.855 billion.

Revenue from all wagering turnover finished up 1.20% on the previous year with better than expected returns from fixed odds wagering.

This is a better than expected result as fixed odds returns offset the softness in overall wagering for the period due to continued uncertainty as evidenced by low consumer and business confidence levels.

There has been a migration to fixed odds wagering on Queensland product from 26.9% in the 2011/12 financial year to 30.1% for the period ended April 30, 2013 coming largely at the expense of pari-mutuel wagering.

Forecasting the 2013/14 financial year's wagering outcomes remains a greater challenge given the combination of the current economic climate and increased competition from corporate bookmakers for market share.

Figure 1 highlights the level of wagering on Queensland racing through TattsBet

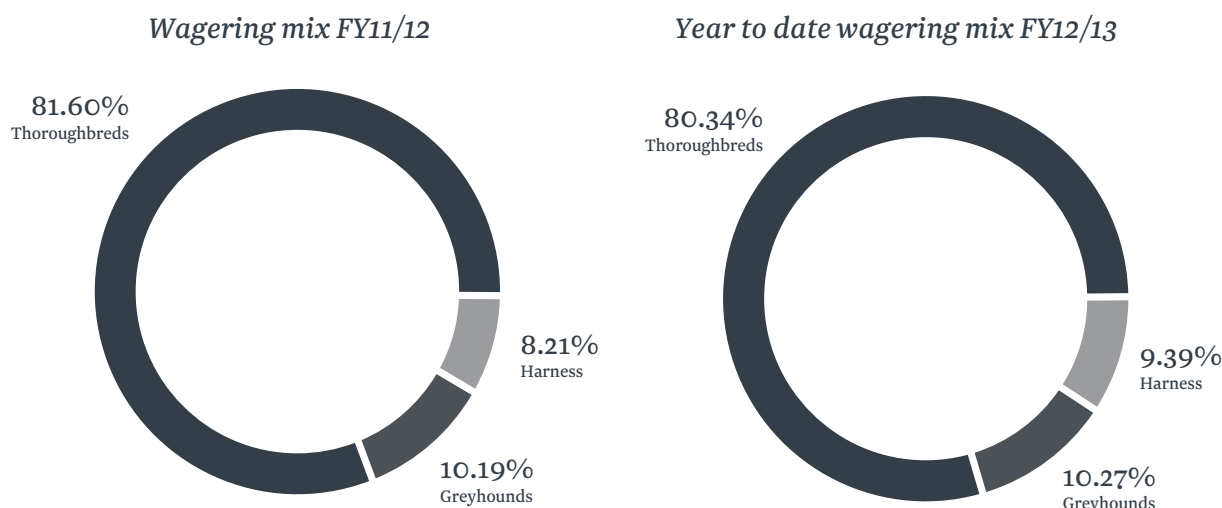




Figure 2 highlights the amount of wagering on All Product through TattsBet which is line with prior year.

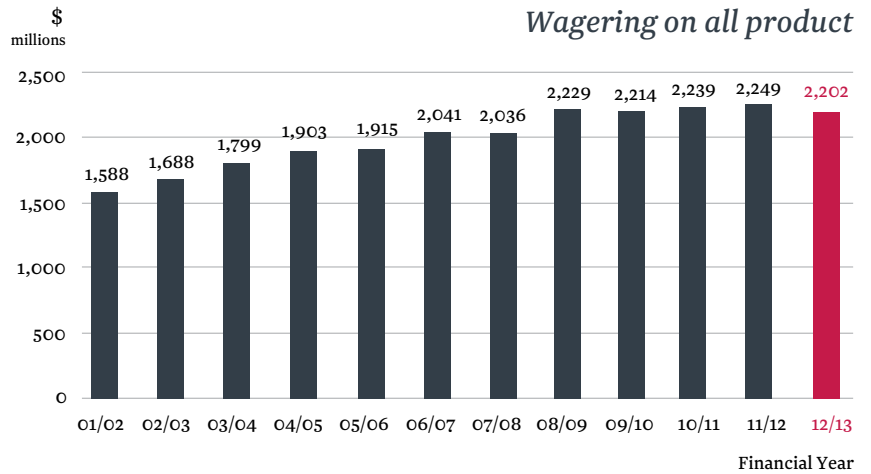


Figure 3 highlights the better return the Queensland Race industry has received as compared to relatively flat turnover.

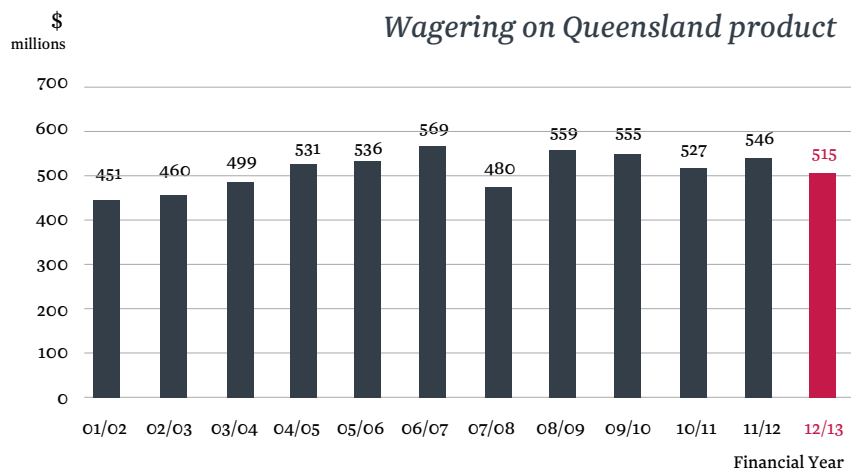
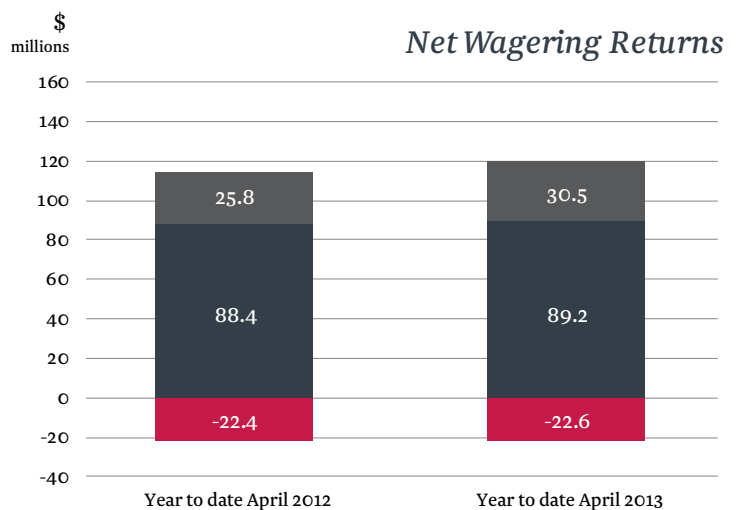


Figure 4 highlights the marginally increased Product Fees through TattsBet on prior year as well as the Race Information Fees (RIF).



RIF Exp

P&amp;P Net

RIF Rev



### *Race information fees*

Racing Queensland Limited continued to apply the gross revenue model throughout the financial year with the authorisation period for wagering operators ending on July 31, 2013.

RQL has analysed, compared and developed appropriate models to provide a platform to optimise the return on Queensland Race Product for the industry while seeking a balance so as not to inhibit or out price our resource.

Wagering operators were able to opt for either gross revenue or turnover model for the first time since legislation was introduced in September 2008. Both of these options provide a higher return for the industry than previous provisions. Racing Queensland Limited also employed a dedicated resource to facilitate compliance and capture of race information fees revenue from a state, national and international platform.

### *Racing Science Centre*

The Racing Science Centre costs continued to escalate in the 2012/13 financial year. This arrangement will be under review in 2013/14, with the assurance that future arrangements will in no way affect the integrity of Queensland's racing drug testing regime.

## Insurance

Insurance is a necessity in today's professional arena; the continual rising costs of adequate coverage are an ongoing concern for our industry. This has not been helped by the adverse weather conditions which have impacted significantly on many of our clubs.

Racing Queensland Limited continued to work with National bodies and Insurance providers to ensure industry participants are adequately insured to cope with the varying environment conditions and adverse risk that can be associated with our dynamic and vibrant industry.

Reducing risk and ensuring compliance are the key components to a safer industry. This will also provide a platform for a reduction in claims and therefore reducing costs to the industry.

## Licensing

Racing Queensland Limited continued to work on streamlining administrative processes with a view to minimising the administrative burden and costs to the industry wherever possible, whilst remaining compliant within the *Racing Act 2002* and associated Rules of Racing.

### Thoroughbreds

Industry Participants	FY11/12	FY12/13
Bookmakers	99	75
Bookmaker Clerks	424	402
Jockeys including apprentices	231	171*
Riders agents	18	23
Trainers	1,035	1024
Stable Hands	2,728	2788
Visiting Licensees	112	163
<b>TOTAL</b>	<b>4,647</b>	<b>4,646</b>

\* The FY12/13 number skewed due to the license renewal period. Jockeys including apprentices totalled 229 at the end of the renewal period (July 31, 2013).

### Harness

Industry Participants	FY11/12	FY12/13
Trainer / Drivers	219	213
Drivers	42	37
Trainers	143	150
Stablehands	187	151
<b>TOTAL</b>	<b>591</b>	<b>551</b>

### Greyhounds

Industry Participants	FY11/12	FY12/13
Stud Masters	33	48
Track Operators	6	7
Trainers	826	959
Breeders*	n/a	380
Attendants	366	438
<b>TOTAL</b>	<b>1,231</b>	<b>1,832</b>

\* Breeders license came into effect in October 2012.

## *Broadcast Rights*

This was the third year of the TAB thoroughbred broadcast rights deal with Sky Racing, which has delivered benefits overall to the clubs.

RQL continued to work with Sky Racing and the clubs to maximise the returns under the Broadcast agreement at the following tracks:

- Eagle Farm
- Doomben
- Gold Coast
- Sunshine Coast
- Ipswich
- Toowoomba
- Rockhampton
- Mackay
- Townsville

## *Workplace Health and Safety*

Following a research and development program run through 2011 using two suppliers of plastic running rail (Mawsafe & Fornell), RQL undertook the installation of plastic running rail at the following TAB thoroughbred tracks:

- Doomben
- Eagle Farm
- Sunshine Coast Turf Club
- Ipswich Turf Club
- Rockhampton Jockey Club
- Mackay Turf Club
- Townsville Turf Club
- Cairns Jockey Club
- Gold Coast Turf Club

It should be noted that Toowoomba Turf Club will receive plastic running rail as part of the Industry Infrastructure Strategy redevelopment.

During the financial year RQL conducted a steward and broadcast tower assessment. This assessment outlined the state of towers used for stewards and race vision camera broadcasting at Queensland TAB venues and the safety issues that need to be addressed.

As a result new towers were installed at the Sunshine Coast, Doomben and Ipswich with safety upgrades being made at other clubs.

RQL also upgraded the roofing at Redcliffe Paceway and will continue to address Workplace Health and Safety (WH&S) items at this venue and ensure the club and RQL are working closely together to ensure compliance and safety.

RQL continues to invest in its Albion Park venue and the following WH&S actions were addressed during the financial year to April 30, 2013.

- First aid and fire warden training for all staff
- Upgrades to maintenance machinery to ensure compliance
- Removal of asbestos fencing along Cooksley Street boundary
- Demolition of old semaphore board
- Thermo scanning of major electrical boards and light towers
- Upgrade of two grandstand switch boards

With regards to greyhound racing venues a number of WH&S items were completed and these including strengthening of the lure posts at Albion Park, starting box and kennel roofing installations at Bundaberg, replacement of air-conditioning units at the Cairns and Townsville kennel blocks, and track lighting and gate upgrades at the Rockhampton venue.

## Industry infrastructure strategy

The basis for the Industry Infrastructure Strategy (IIS) is to ensure that all spending is appropriate to the needs of the industry and provides that best possible outcome in terms of the growth and sustainability of the industry.

Infrastructure investment is needed not only to support the actual race day delivery of racing, but also the infrastructure investments needed to ensure the long-term viability of the extended industry and, in particular, infrastructure that will stimulate industry growth.

During the financial year the Beaudesert, Mackay and Cairns projects were completed and the Brisbane, Gold Coast and Toowoomba projects commenced.

The purchase of multi-use race day infrastructure including big screen and marquees will also be finalised in the first half of FY13/14. All other projects are being reviewed and applications for funding being made on a case by case basis.

Venue Location	Funds received to date from Government for approved projects for the life of the project to 30/06/13†	Actual project costs for the life of the project to 30/06/13	Approval per funding deed	% Complete
Beaudesert	3,949,287	3,726,706	3,949,287	94%
Cairns <sup>1</sup>	1,859,339	1,859,379	1,859,339	95%
Gold Coast	10,897,541	4,101,456	15,461,696	27%
Mackay <sup>2</sup>	7,443,426	8,358,834	7,443,000	100%
Multi Use Race Day Event Infrastructure	1,462,537	0	1,462,537	0%
Toowoomba	4,328,380	252,150	6,990,200	4%
Reimbursement of consultant costs	2,796,291	2,796,291	2,796,291	100%
<b>TOTAL</b>	<b>\$32,736,801</b>	<b>\$21,094,816</b>	<b>\$39,962,350</b>	

† Excluding GST  
<sup>1</sup> Immaterial difference funded by RQ. Project is operationally 95% complete  
<sup>2</sup> Application for additional funding has been made and is awaiting consideration.  
The \$426 difference between the funding received and the funding deed is due to a rounding variation.





## Country racing contribution

Section 68M of the *Racing Act 2002* requires RQL to pay 5.32% of its net Tattsbet Product and Program fee for a year as prizemoney for non-TAB races conducted by non-TAB clubs in the year.

For the 2012/13 season this amounted to \$4.76 million of net Tattsbet Product and Program fees, after race information charges from principal racing authorities to Tattsbet had been taken into account.

RQL, in the 2012/13 season, paid prizemoney of \$6.85 million, which included Queensland Thoroughbred Incentive Scheme payments. This figure excludes additional prizemoney contributed by clubs from sponsorship arrangements. RQL therefore paid \$2.09 million more than its 5.32% net Tattsbet Product and Program fees obligation.

In addition, RQL provided funding of \$3.43 million for the purpose of supporting non-TAB racing in accordance with the *Racing Act 2002*.

*Country racing contribution (July – April)*

	Year to date Apr 12/13	Year to date Apr 11/12
	RQL	RQL
Product and Program fee	\$ 112,066,470	\$ 110,615,982
Race Information fee deducted by TattsBet excluding accruals	-\$ 22,581,751	-\$ 22,412,727
Net Product & Program fee paid to RQL for YTD1213	\$ 89,484,719	\$ 88,203,255
5.32% of Net TattsBet Product Fee as Prizemoney Obligation under the Act	\$ 4,760,587	\$ 4,692,413
Prizemoney paid excluding value add prizemoney by the clubs	\$ 6,242,700	\$ 5,936,400
QTIS Paid	\$ 442,700	\$ 394,000
QTIS 600 Paid	\$ 167,600	\$ 488,000
Total Prizemoney paid Incl QTIS & Excluding Value Add prizemoney	\$ 6,853,000	\$ 6,818,400
Additional prizemoney paid by RQL over and above the 5.32% under the Act	\$ 2,092,413	\$ 2,125,987

RQL continued its tradition of supporting country racing through the following unrecognised funding streams.

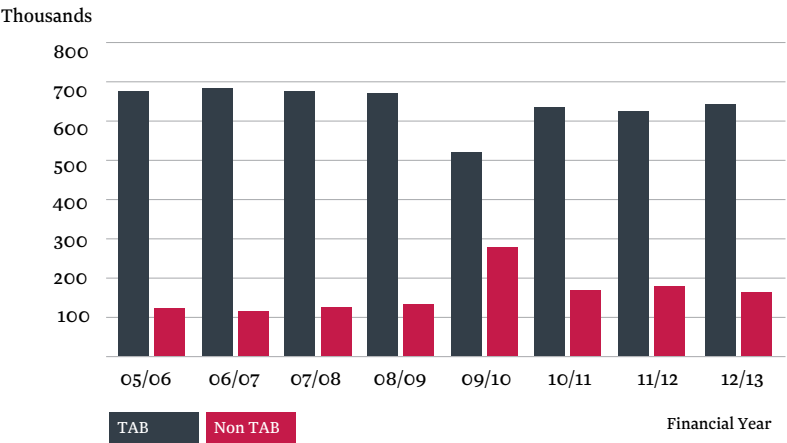
TAB prizemoney at Non-TAB clubs	\$ 661,300	\$ 290,000
Club Administration Payments	\$ 469,000	\$ 466,000
Jockeys Riding Fees	\$ 1,596,240	\$ 1,505,330
Jockey 1% prizemoney - Australian Jockey Association	\$ 68,530	\$ 80,500
* Subsidisation of Insurance	\$ 166,667	\$ 166,667
* Sky Channel Costs	\$ 66,667	\$ 66,667
Wages	\$ 243,377	\$ 277,564
QCRC	\$ 12,500	\$ 9,207
* Travel and Communications	\$ 83,333	\$ 83,333
* RISA Service Centre Costs	\$ 58,333	\$ 58,333
Total RQL paid out in unrecognised funding streams	\$ 3,425,947	\$ 3,003,600
Prizemoney paid Including QTIS & excluding value add prizemoney by the clubs	\$ 6,853,000	\$ 6,818,400
Total contribution to country racing	\$ 10,278,947	\$ 9,822,000
Less 5.32% of net TattsBet product fee as prizemoney obligation under the Act	\$ 4,760,587	\$ 4,692,413
RQL paid out in excess of obligation	\$ 5,518,360	\$ 5,129,587

Combination of TAB and Non TAB prizemoney paid for country racing	\$ 7,514,300	\$ 7,108,400
---	--------------	--------------

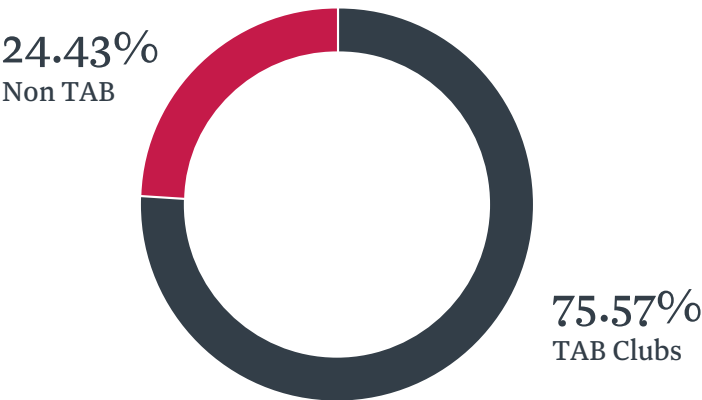
To be noted the Country Racing Contribution for FY1213 is 76% of 7% total P&P for all 3 codes fee i.e. 5.32%

\* Note approximations based on overall costs attributed to Country Racing

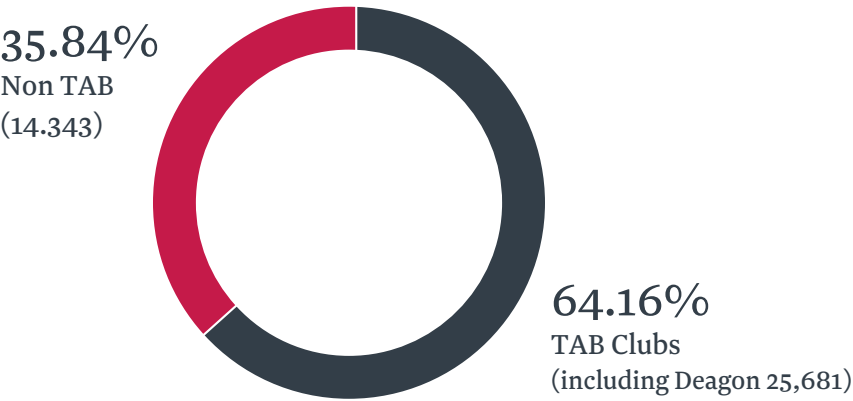
Training Track Subsidy paid



Racing starters FY 12/13



Training track starters FY 12/13



## Synthetic track subsidy

Previously the State Government provided grant funding of \$12 million for the synthetic tracks and in the 2012/13 financial year \$4.328 million of the remaining balance was transferred to the Toowoomba Industry Infrastructure Strategy project with the balance of funds as at June 30, 2013, of \$287,491.36 to be expended on the current synthetic tracks.

## Training track subsidy

In 2012/13, the State Government provided funding of \$2 million under the thoroughbred Code Training Track Subsidy Scheme, which is distributed to race clubs that provide much needed training facilities for the racing industry.

The funding is separated into two components. The first component, of \$1.2 million, is paid directly by the State Government to race clubs in accordance with the quality and extent of the training facilities provided by the individual club. The second component, consisting of \$800,000, is distributed by RQ to race clubs in accordance with a formula that recognises the number of starters produced annually from the race club for the Queensland industry.

The graphs on the preceeding page show the historical subsidy paid to thoroughbred race clubs and the distribution of starters between TAB and non-TAB clubs that were paid the subsidy. Total number of starters between TAB and non-TAB is shown for comparison.

## Queensland Community Racing Scheme

As part of the Queensland Government commitment to country racing, Racing Queensland Limited funded six race meetings that were conducted under the Queensland Community Racing Scheme (QCRS), during the 2012/13 racing season.

The scheme allows race clubs to access up to \$5,000 per race day for the conduct of race meetings and provides that up to a maximum of \$2,000 per race to be distributed as prizemoney.

Three two-day Amateur race meetings were conducted by three clubs: Oakley Amateur Picnic Race Club, Tower Hill Picnic Amateur Race Club and Western Picnic Race Club, during the 2012/13 racing season.

All six race meetings were conducted for trophy only prizes, with 259 starters contesting 46 races.

## Queensland Thoroughbred Investment Scheme

Racing Queensland entered into a funding deed with the Queensland Government for the provision of \$5 million of funding for the Queensland Thoroughbred Incentive Scheme (QTIS) over two years.

This critical scheme provides an incentive for Queensland bred race horses to be purchased and raced in Queensland through the provision of bonus prizemoney for QTIS eligible races. It involves all facets of the industry from breeding, purchasing, training and racing, the complete life cycle of the thoroughbred horse.

The Government's injection of \$2.5 million into the scheme for the financial year allowed prizemoney previously allocated to QTIS to be redirected to other areas in need of critical increases, most notably midweek metropolitan prizemoney increases and additional races, and non-strategic country racing prizemoney increases.

## Country racing series

During the 2012/13 financial year, the Queensland Government announced \$4million funding (\$1million per year over the next four years) for three new Country Racing Series to assist in rejuvenating country racing throughout Queensland.

This initiative, together with a funding injection from Racing Queensland Limited, resulted in an additional 20 race meetings being conducted throughout Queensland under the three banners of the Racing Series; Country Queensland Showcase, Celebrate Country, and Sustain Country during the 2012/13 racing season.

There were eight race meetings conducted in the Country Queensland Showcase Series – all of which attracted Sky Racing and TAB coverage. Seven meetings were conducted under the Celebrate Country Series which also featured a return to racing at the Alpha Jockey Club who had not raced previously since 2002. Five meetings were held under the Sustain Country Series.

Throughout the 20 race meetings conducted there were 1178 starters in 127 races with approximately \$1.4 million paid out in prizemoney and QTIS bonuses.

I would personally like to thank the board and management team, all of the dedicated staff and the passionate industry stakeholders for their contribution to racing in Queensland. Without their commitment there would be no racing. I look forward to the positive changes in the new structure going forward and wish the new Chief Executive Officer, Darren Condon and Board members all the best as we take the industry forward in a positive and professional manner.



Adam Carter  
Acting Chief Executive Officer







# Financial Statements



## Racing Queensland Limited ABN 52 142 786 874

### Directors' Report

10 month period ended 30 April 2013

Your directors present this report on the company and the controlled entities for the period 1 July 2012 to 30 April 2013.

#### Directors

The names of each person who has been a director during the period and to the date of this report are:

Name	Experience
Mr Kevin Dixon	Chairman – Racing Queensland Limited
Mr Greg Hallam	Deputy Chairman – Racing Queensland Limited
Mr Warwick Stansfield	Board Member – Racing Queensland Limited
Mr John Falvey	Board Member – Racing Queensland Limited
Mr Bradley Ryan	Board member – Racing Queensland Limited Resigned – 31 July 2012
Mr Wayne Milner	Board member – Racing Queensland Limited Resigned – 31 July 2012

Directors have been in office since the start of the period to the date of this report, unless otherwise stated.

#### Company Secretary

The following person held the position of the entity at the end of the period:

Mr Adam Carter	Company Secretary – Racing Queensland Limited.
----------------	--

#### Principal Activities and Objectives

The principal activity of the consolidated group is to encourage, control, supervise and regulate administration of thoroughbred, harness and greyhound racing in Queensland.

The company's short-term / interim objectives are to:

- Enable, Assist and Regulate the racing industry;
- Work closely and seek feedback from industry stakeholders and participants both in the city and the country to ensure racing is viable and sustainable in the future;
- Decentralise the running of racing and the management of racing assets;
- Enhance our partnerships with stakeholders and maintain a consistently high quality level of customer service; and
- Ensure a high standard of safety, integrity, risk management and environmental sustainability.

## Racing Queensland Limited ABN 52 142 786 874

### Directors' Report

10 month period ended 30 April 2013

#### Meetings of directors

12 board meetings were held during the period. The board members who attended the meeting are as follows:

Member	Board meetings		Audit committee meetings		Remuneration and nomination committee meetings	
	No. Held	No. Attended	No. Held	No. Attended	No. Held	No. Attended
Kevin Dixon	12	12	-	-	-	-
Greg Hallam	12	12	4	1	-	-
Warwick Stansfield	12	12	4	3	-	-
John Falvey	12	12	4	4	-	-
Brad Ryan	12	2	4	1	-	-
Wayne Milner	12	1	-	-	-	-

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states upon the winding up or dissolution of the company if any property remains after satisfaction of all its debts and liabilities, that property shall not be paid to or distributed among the members of the company, but shall be given or transferred to a control body or bodies for thoroughbred, harness or greyhound racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then an institution having similar objects of the company as determined by a Judge of the Supreme Court of Queensland.

In the event that the company ceases to be a control body under the *Racing Act 2002*, the board will call a general meeting of members to resolve to wind up the company and will deal with the assets of the company as above.

Every member of the company undertakes to contribute to the assets of the company to a maximum of \$10 in the event the company being wound up while he or she is a member or with one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.



## Racing Queensland Limited ABN 52 142 786 874

### Directors' Report

10 month period ended 30 April 2013

#### Review of Operations

The financial result of Racing Queensland Limited for the 10 month period ended 30 April 2013 was a surplus of \$3.3M, this surplus is as result of retaining profits in the first three quarters to fund the increased payments of prizemoney during the winter racing carnival as the prizemoney during this period exceeds the revenue received. In the last two months of the financial year Racing Queensland pays out 25% of the annual allocation of prizemoney.

With regards to the Product and Program fee revenue received by Queensland Race Product Co LTD (a subsidiary of the group), it is worth noting that the company was charged \$22.240M for Race Information fees in the period to 30 April 2013 (12 months ended 30 June 2012: \$26.475M). These fees have been charged by the Principal Racing Authorities to TattsBet and have been netted off the Product and Program Fee by TattsBet.

#### After Balance Date Events

On 1 May 2013, Queensland All Codes Racing Industry Board (QACRIB) commenced as the new control body for thoroughbred, harness and greyhound racing. Racing Queensland Limited ceased to act the control body for thoroughbred, harness and greyhound racing.

Under section 447 (1) of the *Racing and Other Legislation Amendment Bill 2012*:-

(1) On the commencement—

- (a) anything that was an asset or liability of a former control body immediately before the commencement becomes an asset or liability of the all-codes board; and
- (b) an agreement or arrangement in force immediately before the commencement between the former control body and another entity is taken to be an agreement or arrangement between the all-codes board and the other entity; and
- (c) any property that was, immediately before the commencement, held by a former control body on trust or subject to conditions continues to be held by the all-codes board on the same trusts or subject to the same conditions.

(2) The registrar of titles or other person responsible for keeping a register for dealings in property must, if asked by the all-codes board, record the vesting of property under this section in the new control body.

The assets were brought across to the all-codes board at carrying value as at 1 May 2013 from the former control body based on the 30 April 2013 audited annual financial statements.

#### Auditors Independence Declaration

The lead auditor's independence declaration for the period ended 30 April 2013 has been received and can be found on page 5 of the director's report.

**Racing Queensland Limited ABN 52 142 786 874****Directors' Report**10 month period ended 30 April 2013

---

**Rounding of Amounts**

The company is an entity to which ASIC Class Order 98/100 applies and accordingly, amounts in the financial statements and director's report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the board of directors.

**KEVIN DIXON****CHAIRMAN**

Brisbane  
Dated this 27 day of August 2013





Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

#### DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF RACING QUEENSLAND LIMITED

As lead auditor of Racing Queensland Limited for the period ended 30 April 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Racing Queensland Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'D P Wright', is written over a light blue horizontal line.

D P Wright  
Director

BDO Audit Pty Ltd  
Brisbane, 26 August 2013

## Racing Queensland Limited ABN 52 142 786 874

### Consolidated Statement of Comprehensive Income

For the period ended 30 April 2013

	Note	10 months ended 30 April 2013 \$'000	12 Months ended 30 June 2012 \$'000
Revenue from continuing operations	2	136,022	160,240
Other income	2	752	1,439
Prizemoney and other distributions		(87,783)	(110,247)
Racing expenses		(7,167)	(9,058)
Race day expenses		(1,839)	(1,271)
Local breeders incentive schemes		(5,240)	(7,517)
Grant – training track subsidy		-	(608)
Grant – industry infrastructure plan	3	(1,085)	(2,137)
Grant – club sustainability		(223)	(1,393)
Grant – other		(779)	(128)
Industry insurances		(2,435)	(2,793)
RISA expenses		(312)	(364)
Vet expenses		(316)	(364)
Greyhound Adoption Program		(37)	(32)
Venue expense		(2,305)	(2,750)
Capital works expense		(831)	(1,708)
Employee benefits expense		(10,669)	(16,288)
Administration expense		(4,474)	(5,228)
Operating lease expense	18	(291)	(610)
Marketing expense		(424)	(694)
Auditor's remuneration		(163)	(205)
Board expenses		(172)	(461)
Motor vehicle and travel expense		(621)	(715)
Borrowing costs		-	(870)
Bad debts		(61)	(909)
Depreciation expense		(2,927)	(3,539)
Impairment loss on assets		(308)	(4,393)
Loss on disposal of assets		(1,821)	(445)
Transfer duty		(663)	-
Other expenses		(512)	(777)
<b>Profit/(Loss) before income tax</b>		<b>3,316</b>	<b>(13,825)</b>
Income tax expense		-	-
<b>Profit/(Loss) for the period</b>		<b>3,316</b>	<b>(13,825)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Change in fair value of land and buildings		(56)	53
Tax on items that will not be reclassified to profit and loss		-	(119)
Items that will be reclassified to profit and loss			
Change in fair value of available-for-sale financial asset		800	-
<b>Other comprehensive income net of income tax</b>		<b>744</b>	<b>(66)</b>
<b>Total comprehensive income for the period</b>		<b>4,060</b>	<b>(13,891)</b>

The above Statement should be read in conjunction with the accompanying notes.

**Racing Queensland Limited ABN 52 142 786 874**  
**Consolidated Statement of Comprehensive Income (continued)**  
For the period ended 30 April 2013

	Note	10 months ended 30 April 2013 \$'000	12 Months ended 30 June 2012 \$'000
Profit/(Loss) attributable to members of Racing Queensland Limited		3,629	(13,566)
Profit/(Loss) attributable to non-controlling interests	16	(313)	(259)
		<b>3,316</b>	<b>(13,825)</b>
Total comprehensive income/(loss) for the period attributable to members of Racing Queensland Limited		4,440	(13,577)
Total comprehensive income/(loss) for the period attributable to non-controlling interests	16	(380)	(314)
		<b>4,060</b>	<b>(13,891)</b>

The above Statement should be read in conjunction with the accompanying notes.

**Racing Queensland Limited ABN 52 142 786 874****Consolidated Statement of Financial Position**

As at 30 April 2013

	Note	April 2013 \$'000	June 2012 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	36,544	30,014
Trade and other receivables	6	14,633	18,669
Other current assets	7	1,192	437
<b>Total Current Assets</b>		<b>52,369</b>	<b>49,120</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial assets	8	2,086	1,286
Property, Plant and Equipment	9	105,724	110,303
Other non-current assets	10	211	-
<b>Total Non-Current Assets</b>		<b>108,021</b>	<b>111,589</b>
<b>TOTAL ASSETS</b>		<b>160,390</b>	<b>160,709</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	10,987	15,940
Provisions	12	432	848
Other liabilities	13	18,428	12,781
<b>Total Current Liabilities</b>		<b>29,847</b>	<b>29,569</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and Other Payables	11	18	348
Provisions	12	526	448
Other Liabilities	13	2	4,438
Deferred Tax Liabilities	14	119	119
<b>Total Non-Current Liabilities</b>		<b>665</b>	<b>5,353</b>
<b>TOTAL LIABILITIES</b>		<b>30,512</b>	<b>34,922</b>
<b>NET ASSETS</b>		<b>129,878</b>	<b>125,787</b>
<b>EQUITY</b>			
Contributed Equity		136,756	136,756
Retained Earnings		(15,373)	(19,002)
Other Reserves		800	(11)
<b>Capital and Reserves Attributable to the Owners of Racing Queensland Limited</b>		<b>122,183</b>	<b>117,743</b>
<b>Non-Controlling Interests</b>	16	<b>7,695</b>	<b>8,044</b>
<b>TOTAL EQUITY</b>		<b>129,878</b>	<b>125,787</b>

The above Statement should be read in conjunction with the accompanying notes.

**Racing Queensland Limited ABN 52 142 786 874****Consolidated Statement of Changes in Equity**

For the period ended 30 April 2013

	Retained Earnings	Contributed Equity	Revaluation Surplus	Available- for-sale Reserve	Total	Non- Controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2011</b>	<b>(5,436)</b>	<b>136,756</b>	<b>-</b>	<b>-</b>	<b>131,320</b>	<b>8,314</b>	<b>139,634</b>
<b>Comprehensive Income</b>							
Profit/(loss) for the period	(13,566)	-	-	-	(13,566)	(259)	(13,825)
Other comprehensive income for the period net of income tax	-	-	(11)	-	(11)	(55)	(66)
<b>Total comprehensive income for the period</b>	<b>(13,566)</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>(13,577)</b>	<b>(314)</b>	<b>(13,891)</b>
Contributions to sinking fund	-	-	-	-	-	44	44
<b>Balance at 30 June 2012</b>	<b>(19,002)</b>	<b>136,756</b>	<b>(11)</b>	<b>-</b>	<b>117,743</b>	<b>8,044</b>	<b>125,787</b>
<b>Comprehensive Income</b>							
Profit/(loss) for the period	3,629	-	-	-	3,629	(313)	3,316
Other comprehensive income for the period net of income tax	-	-	11	800	811	(67)	744
<b>Total comprehensive income for the period</b>	<b>3,629</b>	<b>-</b>	<b>11</b>	<b>800</b>	<b>4,440</b>	<b>(380)</b>	<b>4,060</b>
Contributions to sinking fund	-	-	-	-	-	31	31
<b>Balance at 30 April 2013</b>	<b>(15,373)</b>	<b>136,756</b>	<b>-</b>	<b>800</b>	<b>122,183</b>	<b>7,695</b>	<b>129,878</b>

The above Statement should be read in conjunction with the accompanying notes.



**Racing Queensland Limited ABN 52 142 786 874****Consolidated Statement of Cash Flows**

For the period ended 30 April 2013

	Note	10 months ended 30 April 2013 \$'000 Inflows (Outflows)	12 months ended 30 June 2012 \$'000 Inflows (Outflows)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Customers		156,893	181,802
Payments to Suppliers and Employees		(150,923)	(184,092)
Interest Received		453	1,320
Interest Paid		-	(870)
Receipts for Projects		8,976	19,439
Payments for Projects		(8,152)	(8,534)
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>22 (a)</b>	<b>7,247</b>	<b>9,065</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Loans issued		(211)	-
Purchase of Property, Plant and Equipment		(547)	(4,628)
Proceeds on disposal of Property, Plant and Equipment		41	-
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>		<b>(717)</b>	<b>(4,628)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of loans to related parties		-	12
Repayment of Borrowings		-	(12,482)
<b>Net Cash Inflow / (Outflow) from Financing Activities</b>		<b>-</b>	<b>(12,470)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>6,530</b>	<b>(8,033)</b>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>		<b>30,014</b>	<b>38,047</b>
<b>CASH AT THE END OF THE PERIOD</b>	<b>22 (b)</b>	<b>36,544</b>	<b>30,014</b>

The above Statement should be read in conjunction with the accompanying notes.

## Racing Queensland Limited ABN 52 142 786 874

### Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### Corporate Information

The financial statements of Racing Queensland Limited for the period ended 30 April 2013 were authorised for issue in accordance with a resolution of the directors on 26 August 2013 and covers the consolidated entity consisting of Racing Queensland Limited and its subsidiaries. The financial statements have been prepared in order to meet the requirements of the Board as it existed at 30 April 2013.

Racing Queensland Limited is a not-for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in the Australian currency.

##### Statement of Accounting Policies – Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The directors have determined that Racing Queensland Limited is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards – Reduced Disclosure Requirements) as set out in AASB 1053 *Application of Tiers of Australian Accounting Standards* because it is a not-for-profit private sector entity. As such, the directors have early adopted AASB 2010-2 *Amendments to Australian Accounting Standards Arising from Reduced Disclosure Requirements* from 1 July 2010. AASB 2010-2 only mandatorily applies to annual reporting periods commencing on or after 1 July 2013. The early adoption of AASB 2010-2 has had no impact on amounts recognised in the financial statements and related notes because it merely requires less disclosures for these general purpose financial statements, which have been prepared using Australian Accounting Standards – Reduced Disclosure Requirements, than if these financial statements were prepared using Australian Accounting Standards.

The financial statements have also been prepared on a historical cost basis.

The following significant accounting policies have been adopted by the consolidated group in the preparation and presentation of the financial statements:

##### (a) Principles of Consolidation

A controlled entity is any entity Racing Queensland Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

The consolidated financial statements of the entity include the financial statements of Racing Queensland Limited, being the parent entity, and its controlled entities being Queensland Race Product Co Limited, Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust and Rockhampton Racing Pty Ltd ("the consolidated entity").

A list of controlled entities is contained in Note 15 to the financial statements. All controlled entities have a June financial year end.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

# Racing Queensland Limited ABN 52 142 786 874

## Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (b) Valuation and measurement of Property, Plant and Equipment

Land and buildings are measured at fair value less accumulated depreciation. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated as the revalued amount of the asset. A revaluation surplus is credited to other comprehensive income (asset revaluation surplus) unless it reverses a revaluation decrease on the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss unless it directly offsets a previous revaluation surplus on the same asset in the asset revaluation surplus. On disposal, any revaluation surplus relating to sold assets is transferred to retained earnings. Independent valuations are performed regularly to ensure that the carrying amounts of land and buildings does not differ materially from that the fair value at the end of the reporting period. Property, plant and equipment are measured at cost less impairment less accumulated depreciation.

All other plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairments.

#### (c) Depreciation Rates

Depreciation rates used for the different classes of assets are as follows:

Buildings & Tracks	2%-10%
Plant and Equipment	5%-25%

As a general policy, fixed assets are depreciated using the straight-line method except for land for which depreciation is not calculated.

#### (d) Impairment of Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the profit or loss, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

#### (e) Employee Benefits

Wages and salaries and annual leave due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, work cover premiums and employer superannuation contributions. For unpaid entitlements expected to be paid within the next 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity.

Sick leave is non-vesting, and an expense is recognised for this leave as it is taken. The Board contributes to various accumulating Employee Superannuation Plans. The number of full time employees at 30 April 2013 is 117 (June 2012:134).



# Racing Queensland Limited ABN 52 142 786 874

## Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

---

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Unearned Income

Licence and Registration Fees, Course Fees and other income received at balance date, which relate to the next accounting period have been deferred in the Income Statement and will be brought to account as income during the period to which the amounts relate.

#### (g) Apprentice Jockeys' Trust Fund

The Board holds in trust and invests the earnings of Apprentice Jockeys. At the age of eighteen, each jockey receives his or her earnings and related interest less any approved withdrawals.

#### (h) Rounding

Unless otherwise stated amounts in the report have been rounded to the nearest thousand dollars.

#### (i) Taxation

Racing Queensland Limited is exempt from income tax under the provisions of section 50-45 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax and Goods and Services Tax (GST). As such, GST credits receivable from/ payable to the ATO are recognised and accrued.

Tax effect accounting procedures have not been applied to Racing Queensland Limited due to a private tax ruling for the purposes of Part IV AA of the *Taxation Administration Act 1953*. This ruling deems product fees paid pursuant to the Product & Program Agreement, as agent of the Queensland Racing Industry will not constitute assessable income under section 6-5 of the *Income Tax Assessment Act 1997*.

Income tax is only provided in Sunshine Coast Racing Pty Ltd ATF Sunshine Coast Racing Unit Trust to the extent that accumulated income is assessable to the trustee in accordance with Section 95 of the *Income Tax Assessment Act*. No income tax is payable by the trust since, in accordance with the trust deed, taxable income is fully distributed to the beneficiaries.

Income tax is only provided in Rockhampton Racing Pty Ltd to the extent that accumulated income is assessable to the company.

#### (j) Revenue Recognition

Revenue is recognised when Product and Program Fee monies are due and payable from TattsBet. Interest income is recognised as it accrues. Club Levies and Racing Fees are brought to account as income during the period to which the amounts relate. Grants are brought to account when they are received.

Race Information Fees are brought to account as income during the period to which the amounts relate.

#### (k) Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement generally required within 30 days from the invoice date. The collectability of receivables is assessed periodically with provision being made for impairment of debts.

Bad debts are written off in the period in which they are recognised.

Loan and advances are recognised at their face values.

**Racing Queensland Limited ABN 52 142 786 874**  
**Notes to and Forming Part of the Financial Statements**  
 For the period ended 30 April 2013

---

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) Payables**

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the consolidated entity. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

**(m) Cash and Cash Equivalents**

For the purpose of the Statement of Financial Position and the Statement Cash Flows, cash and cash equivalents include all cash and cheques receipted but not banked at 30 June as well as all deposits at call with financial institutions. It also includes investments with short periods to maturity that are readily convertible to cash on hand at the consolidated entity's option and that are subject to a low risk of changes in value.

**(n) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as an expense on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line bases over the lease term.



# Racing Queensland Limited ABN 52 142 786 874

## Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

---

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (o) Financial Instruments

##### *Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions cost where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

##### *Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised with the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

##### *Classification and Subsequent Measurement*

##### *(i) Financial assets at fair value through profit and loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### *(iii) Held to maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

# **Racing Queensland Limited ABN 52 142 786 874**

## **Notes to and Forming Part of the Financial Statements**

### **For the period ended 30 April 2013**

---

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **(p) Fair Value**

Fair value is determined on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for other financial instruments, including recent arm's length transactions, reference to similar instruments and option pricing models.

##### **(q) Government Grants**

The entity receives government grant monies to fund projects. It is the policy of the entity to recognise the contributions received immediately as revenue when the amount of the contribution can be measured reliably and the entity obtains control of the contribution.

During the financial year the entity received government grant funding under the Industry Infrastructure Program. As defined in the Funding Deeds Racing Queensland Limited is to undertake the project management of the program and as such acts only as an intermediary of the funds. For projects where the assets will be owned by separate entities Racing Queensland has recorded the funding received as a current liability, the work performed to date has been netted off this current liability and the balance as cash.

##### **(r) Parent Entity Financial Information**

The financial information for the parent entity, Racing Queensland Limited, included in Note 17, has been prepared on the same basis as the consolidated financial statements.

##### **(s) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economics data, obtained both externally and within the company.

## Racing Queensland Limited ABN 52 142 786 874

### Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

#### 2. REVENUE AND OTHER INCOME

	Note	10 months ended 30 April 2013 \$'000	12 months ended 30 June 2012 \$'000
<b>Revenue</b>			
Course Fees		173	194
Grants – Training Track Subsidy		-	1,065
Grants – Infrastructure	3	-	1,397
Grants – Other		2,792	-
Licence and Registration Fees		1,109	1,267
Racing Fees		4,194	5,167
Interest		380	1,296
Product and Program Fee	2a	93,019	108,827
Race Information Fees		30,546	34,550
Marketing Income		72	173
Fines and Late Fees		334	402
Nomination Fees		1,295	2,387
Local Breeder Nomination Fees		1,457	1,760
Club Income – Operational		197	333
Club Income – Commercial		-	28
Track Fee Income		39	487
Rental Income		415	907
<b>Total Revenue</b>		<b>136,022</b>	<b>160,240</b>
<b>Other Income</b>			
Distributions from investments		330	252
Flood Insurance Proceeds		-	668
Other		422	519
<b>Total Other Income</b>		<b>752</b>	<b>1,439</b>
<b>Total Revenue and Other Income</b>		<b>136,774</b>	<b>161,679</b>

#### 2a. PRODUCT AND PROGRAM FEE

Queensland Race Product Co LTD was charged \$22.240M for Race Information fees in the period to 30 April 2013 (12 months ended 30 June 2012: \$26.475M). These fees have been charged by the Principal Racing Authorities to TattsBet and have been netted off the Product and Program Fee by TattsBet.

#### 3. GRANTS

Grant Revenue – Industry Infrastructure Strategy	-	1,397
Grant Expense – Industry Infrastructure Strategy	(1,085)	(2,137)
<b>Grant Net Expense - Industry Infrastructure Strategy</b>	<b>(1,085)</b>	<b>(740)</b>

The net costs incurred by Racing Queensland Limited which were not claimable through the Industry Infrastructure Strategy are in relation to the Mackay Redevelopment, Brisbane Racing Club Development, and non-claimable costs associated with approved projects.

**Racing Queensland Limited ABN 52 142 786 874**  
**Notes to and Forming Part of the Financial Statements**  
For the period ended 30 April 2013

**4. KEY MANAGEMENT PERSONAL COMPENSATION INCLUDING BOARD MEMBERS REMUNERATION**

	10 months ended 30 April 2013 \$'000	12 months ended 30 June 2012 \$'000
Short Term Benefits	721	1,341
Post Employment Benefit	64	1,964
<b>Total</b>	<b>785</b>	<b>3,305</b>

Total income paid or payable, or otherwise made available, to key management personal and board members of each entity in the consolidated entity from the entities of which they are members or any related party.

Key management personal are involved in the strategic direction of Racing Queensland Limited including the board of directors, as well as the Chief Executive Officer, General Manager of Operations, General Manager of Corporate Services and Chief Steward.

**Note: 30 June 2012** The value of the termination payments resulting from the resignation of the for the Chief Executive Officer, Director of Integrity Operations, Directors of Product Development and Corporate Counsel on the 26<sup>th</sup> March 2012 was \$1.354M (excluding statutory entitlements). Other than the remuneration detailed in this note, there were no transactions with key management personnel in the period.

**5. CASH AND CASH EQUIVALENTS**

**Cash Assets**

Cash at Bank and on Hand *	6,694	3,821
Short term Deposits **	17,794	15,708
Cash held for infrastructure projects	12,056	10,485
	<b>36,544</b>	<b>30,014</b>

The value of cash available for use by the group for the period ended 30 April 2013 is \$17,493,500.

\* Amount includes \$6,789 held in Trust for Apprentice Jockeys by Racing Queensland Limited

\*\* Amount includes an amount in relation to synthetic track program of \$4,590,357 which will be used to fund Toowoomba redevelopment.

The effective interest rate on short-term bank deposits was 4.2%.

**Reconciliation of Cash**

Cash at the end of the period as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:

Cash and Cash Equivalents	36,544	30,014
	<b>36,544</b>	<b>30,014</b>

**6. TRADE AND OTHER RECEIVABLES**

**Current**

Trade Receivables	1,894	3,759
Product and Program Fee Receivables	9,231	9,702
Other Receivables	1,257	1,351
Race Information Fees Receivable	2,491	4,401
Less Provision for Doubtful Debts (refer to note (1) below)	(244)	(620)
Accrued Interest	4	76
	<b>14,633</b>	<b>18,669</b>



**Racing Queensland Limited ABN 52 142 786 874**  
**Notes to and Forming Part of the Financial Statements**  
For the period ended 30 April 2013

**6. TRADE AND OTHER RECEIVABLES (continued)**

**(1) Provision for Impairment of Receivables**

Current trade receivables are generally 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade or other receivable is impaired. These amounts have been recognised in the profit or loss.

	April 2013 \$'000	June 2012 \$'000
<u>Movement in the Provision for Impairment of Receivables</u>		
Balance at the beginning of the period	(620)	(507)
Provision for doubtful receivables	(61)	(909)
Amounts written off as uncollectible	437	796
Balance at the end of the period	(244)	(620)

**7. OTHER CURRENT ASSETS**

Prepayments	1,192	437
	<b>1,192</b>	<b>437</b>

**8. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Unlisted Securities		
- Equity Securities	2,086	1,286
	<b>2,086</b>	<b>1,286</b>

Unlisted securities comprise an 18% interest in the capital of Racing Information Services Australia Pty Ltd.

**9. PROPERTY, PLANT AND EQUIPMENT**

**Land**

Land at Valuation	49,760	49,510
	49,760	49,510

**Buildings and Tracks**

At Valuation	53,406	56,469
	53,406	56,469

**Plant and Equipment**

At Cost	3,944	5,020
Accumulated Depreciation	(1,626)	(1,471)
	2,318	3,549

**Work In Progress**

Cost	240	775
	<b>105,724</b>	<b>110,303</b>



## Racing Queensland Limited ABN 52 142 786 874

### Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

#### 9. PROPERTY, PLANT AND EQUIPMENT (continued)

Independent valuations of land and buildings were performed as at 30 April 2013 (with the exception of Rockhampton Racing, this was instead valued at 30 June 2013 and did not highlight any impairment of carrying values) by AON Valuation Services using 'fair value' principles. The valuation of land and buildings is based on current market values and replacement costs respectively. As a not-for-profit entity, the depreciated replacement cost method of valuation was utilised.

#### Movements in Carrying Amounts

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

#### Consolidated Group - 2013

Asset Name	Carrying amount 1/7/12 (\$'000)	Additions (\$'000)	Revaluation (\$'000)	Impairment Expense (\$'000)	Transfers (\$'000)	Disposals (\$'000)	Depreciation (\$'000)	Carrying amount 30/04/2013 (\$'000)
Land	49,510	-	-	250	-	-	-	49,760
Building & Tracks	56,469	-	-	(558)	922	(979)	(2,448)	53,406
Plant & Equipment	3,549	32	-	-	128	(912)	(479)	2,318
Work in Progress	775	515	-	-	(1,050)	-	-	240
	<b>110,303</b>	<b>547</b>	<b>-</b>	<b>(308)</b>	<b>-</b>	<b>(1,891)</b>	<b>(2,927)</b>	<b>105,724</b>

#### 10. OTHER NON-CURRENT ASSETS

	April 2013 \$'000	June 2012 \$'000
Funding Loan	211	-
	<b>211</b>	<b>-</b>

#### 11. TRADE AND OTHER PAYABLES

##### Current

Trade Payables	485	1,457
Trade Payables attributable to Industry infrastructure plan	205	469
Sundry Payables and accrued expenses	9,434	12,980
Employee Benefits	863	1,034
	<b>10,987</b>	<b>15,940</b>

##### Non-Current

Loan – Equity in RISA Investment	18	348
	<b>18</b>	<b>348</b>

**Racing Queensland Limited ABN 52 142 786 874**  
**Notes to and Forming Part of the Financial Statements**  
For the period ended 30 April 2013

**11. TRADE AND OTHER PAYABLES (continued)**

Trade payables include invoices payable in the future for goods and services received and invoiced as part of the normal operating cycles of Racing Queensland Limited.

Sundry payables and accrued expenses include amounts payable in the future for goods and services received and not yet billed to the consolidated entity. The balance includes \$3.559M of industry participant funds payable including prizemoney and swab payments, general operating accruals of \$3.698M, racing science centre accruals \$1.377M, \$0.678M transfer duty in relation to assets transferred into Rockhampton Racing Pty Ltd, and retrospective race information fee expenses \$0.122M.

Employee benefits are the accrued cost of annual leave for Racing Queensland Limited staff.

**12. PROVISIONS**

	April 2013 \$'000	June 2012 \$'000
<b>Analysis of Total Provisions - Current</b>		
Provision for Long Service Leave	432	541
Provision for Redundancy	-	127
Provision for Legal Settlements	-	180
	<b>432</b>	<b>848</b>
<b>Analysis of Total Provisions – Non Current</b>		
Long Service Leave: Non-Current	526	448
	<b>526</b>	<b>448</b>

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements related to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (e) to this report.

**Provision for Redundancy**

April 2013 - Nil to report

June 2012 - A provision has been recognised for employees who were impacted by the restructure of the organisation. The redundancies were as a result of a restructure plan and were communicated to the employees impacted prior to the 30<sup>th</sup> June 2012.

**Provision for Legal Settlements**

April 2013 - Nil to report

June 2012 - A provision has been recognised for the settlement an anti-discrimination matter.

	Redundancy \$'000	Legal Settlements \$'000
Balance at beginning of the year	127	180
Provisions used during the year	(127)	(180)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**Racing Queensland Limited ABN 52 142 786 874****Notes to and Forming Part of the Financial Statements**

For the period ended 30 April 2013

**13. OTHER LIABILITIES**

	April 2013 \$'000	June 2012 \$'000
<b>Current</b>		
Deferred Revenue - Fees in Advance	2,915	2,682
Industry infrastructure funds received in advance	10,923	10,099
Deferred Grants	4,590	-
	<b>18,428</b>	<b>12,781</b>
<b>Non-Current</b>		
Deferred Grants	-	4,428
Deferred Revenue - Fees in Advance	2	10
	<b>2</b>	<b>4,438</b>

**14. DEFERRED TAX LIABILITIES**

Deferred tax liabilities comprise temporary differences attributable to:

**Amounts recognised in other comprehensive income**

Revaluation of property, plant and equipment	119	119
	<b>119</b>	<b>119</b>

**Movements in deferred tax liabilities**

	Opening Balance at 1 July 2012 \$'000	Charged / (Credited) to other comprehensive income \$'000	Closing balance at 30 April 2013 \$'000
<b>Amounts recognised in other comprehensive income</b>			
Revaluation of property, plant and equipment	119	-	119
	<b>119</b>	<b>-</b>	<b>119</b>

**15. CONTROLLED ENTITIES**

	April 2013 %	June 2012 %
<b>Particulars in relation to controlled entities:</b>		
Racing Queensland Limited		
<b>Controlled entities:</b>		
Queensland Race Product Co Ltd	100.0	100.0
Sunshine Coast Racing Pty Ltd	84.6	84.6
Rockhampton Racing Pty Ltd	63.8	63.8

**Racing Queensland Limited ABN 52 142 786 874**  
**Notes to and Forming Part of the Financial Statements**  
For the period ended 30 April 2013

**16. NON-CONTROLLING INTERESTS**

Non-controlling interest relates to equity investments held by Sunshine Coast Turf Club Inc in Sunshine Coast Racing Unit Trust (15.4%) and Rockhampton Jockey Club Inc in Rockhampton Racing Pty Ltd (36.2%).

In relation to the Sunshine Coast Racing Unit Trust the non-controlling interests is held by way of units in the unit trust. It is the opinion of the Directors that these units are in the nature of equity and not a financial liability.

Non-controlling interests are reconciled as follows:

	April 2013	June 2012
	\$'000	\$'000
Retained Earnings/(Losses)	(676)	(363)
Capital Contributions	8,418	8,418
Revaluation Surplus	(122)	(55)
Sinking Fund Reserve	75	44
<b>Total Non-Controlling Interest</b>	<b>7,695</b>	<b>8,044</b>

**17. PARENT ENTITY INFORMATION**

The *Corporations Act* requirement to prepare parent entity financial statements where consolidated financial statements are prepared has been removed and replaced by regulation 2M/3/01 which requires the following limited disclosure in regards to the parent entity, Racing Queensland Limited. The consolidated financial statements incorporate the assets, liabilities and results of the parent entity in accordance with the accounting policies described in Note 1.

	Racing Queensland Limited	
	April 2013	June 2012
	\$'000	\$'000
Current Assets	49,613	46,486
Non-Current Assets	99,176	102,337
<b>Total Assets</b>	<b>148,789</b>	<b>148,823</b>
Current Liabilities	29,051	28,638
Non-Current Liabilities	546	5,234
<b>Total Liabilities</b>	<b>29,597</b>	<b>33,872</b>
<b>Net Assets</b>	<b>119,192</b>	<b>114,951</b>
Contributed Equity	132,304	132,304
Asset Revaluation Reserve	473	270
Available-for-sale Reserve	800	-
Retained Earnings	(14,385)	(17,623)
<b>Total Equity</b>	<b>119,192</b>	<b>114,951</b>
Profit/(Loss) for the period	<b>3,238</b>	<b>(12,742)</b>
Total Comprehensive Income for the period	<b>4,241</b>	<b>(12,472)</b>



**Racing Queensland Limited ABN 52 142 786 874****Notes to and Forming Part of the Financial Statements**

For the period ended 30 April 2013

**17. PARENT ENTITY INFORMATION (continued)****Guarantees**

No guarantees have been entered into by the parent entity in relation to debts of its subsidiaries.

**Capital Expenditure Commitments**

	April 2013 \$'000	June 2012 \$'000
Capital expenditure projects – property, plant and equipment	217	379
<b>Total</b>	<b>217</b>	<b>379</b>

**Contingent Liabilities**

The parent entity has no contingent liabilities.

**18. CAPITAL AND LEASING COMMITMENTS**

Operating lease payments are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Racing Queensland Limited.

**a) Operating Lease Expense**

Car Leasing	166	447
Computer Equipment	100	130
Office Equipment	25	33
<b>Total Leasing Expenses</b>	<b>291</b>	<b>610</b>

**b) Lease Commitments (Non-Cancellable Operating Leases–Future Minimum Lease Payments)**

Payable Within 1 Year	365	370
Payable 1 – 5 Years	197	244
<b>Total Lease Commitments</b>	<b>562</b>	<b>614</b>

**c) Capital Commitments**

Capital expenditure projects – property, plant and equipment	232	554
<b>Total Capital Commitments</b>	<b>232</b>	<b>554</b>



## Racing Queensland Limited ABN 52 142 786 874

### Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

---

#### 19. CAPITAL MANAGEMENT

Management control the capital of the entity to ensure that adequate cash flows are generated to fund its racing programs and that returns from investments are maximised. The board ensures that the overall risk management strategy is in line with this objective.

The audit committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the board on a regular basis. These include credit risk policies and future cash flow requirements.

The group's capital consists of financial liabilities supported by financial assets.

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

The strategy of the entity is to ensure that sufficient cash is on hand to meet trade and sundry payables.

#### 20. CONTINGENT ASSETS AND LIABILITIES

##### Contingent Assets - Group

Nil to report.

##### Claims

Nil to report.

##### Guarantees

Nil to report.

#### 21. POST BALANCE DATE EVENTS

On 1 May 2013, Queensland All Codes Racing Industry Board (QACRIB) commenced as the new control body for thoroughbred, harness and greyhound racing. Racing Queensland Limited ceased to act the control body for thoroughbred, harness and greyhound racing.

Under section 447 (1) of the *Racing and Other Legislation Amendment Bill 2012*:-

(1) On the commencement—

- (a) anything that was an asset or liability of a former control body immediately before the commencement becomes an asset or liability of the all-codes board; and
- (b) an agreement or arrangement in force immediately before the commencement between the former control body and another entity is taken to be an agreement or arrangement between the all-codes board and the other entity; and
- (c) any property that was, immediately before the commencement, held by a former control body on trust or subject to conditions continues to be held by the all-codes board on the same trusts or subject to the same conditions.

(2) The registrar of titles or other person responsible for keeping a register for dealings in property must, if asked by the all-codes board, record the vesting of property under this section in the new control body.

The assets were brought across to the all-codes board at carrying value as at 1 May 2013 from the former control body based on the 30 April 2013 audited annual financial statements.

**Racing Queensland Limited ABN 52 142 786 874****Notes to and Forming Part of the Financial Statements**

For the period ended 30 April 2013

**22. NOTES TO THE STATEMENT OF CASH FLOWS****a) Reconciliation of Profit/ (Loss) to Net Cash provided by / (used in) operating activities**

	April 2013 \$'000	June 2012 \$'000
<b>Profit/(Loss) for the period</b>	3,316	(13,825)
Depreciation	2,927	3,539
Impairment of Assets	308	4,393
Bad Debts	61	909
Disposal of WIP for nil consideration	-	2,079
Loss on gifting assets	1,819	-
<b>Changes in Operating Assets and Liabilities exclusive of Non- Operating Activities</b>		
(Increase) Decrease in Trade and Other Receivables	3,964	1,520
(Increase) Decrease in Accrued Interest	72	24
(Increase) Decrease in Prepayments	(755)	(237)
(Decrease) Increase in Industry Infrastructure Funds	824	10,905
(Decrease) Increase in Trade and Other Payables	(5,338)	409
(Decrease) Increase in Provisions	(338)	158
(Decrease) Increase in Deferred Revenue and Grants	387	(928)
(Decrease) Increase in Deferred Tax Liability	-	119
<b>Net Cash provided by / (used in) Operating Activities</b>	<b>7,247</b>	<b>9,065</b>

**b) Reconciliation of Cash**

For the purpose of the Statement of Cash Flows, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments.

Cash and cash equivalents	36,544	30,014
	<b>36,544</b>	<b>30,014</b>

**23. COMPANY DETAILS**

**The Registered Office & Principal Place of Business of the Company is:**

Racing Queensland Limited  
6 Racecourse Road  
Deagon, QLD 4017

## Racing Queensland Limited ABN 52 142 786 874

### Notes to and Forming Part of the Financial Statements

For the period ended 30 April 2013

---

#### 24. MEMBERS GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states upon the winding up or dissolution of the Company if any property remains after satisfaction of all its debts and liabilities, that property shall not be paid to or distributed among the Members of the Company but shall be given or transferred to a Control Body or Bodies for thoroughbred, harness or greyhound racing in Queensland approved by the Minister at or before the time of dissolution, but if no such approval is given then an institution having similar objects of the Company as determined by a Judge of the Supreme Court of Queensland.

In the event that the Company ceases to be a Control Body under the Racing Act, the Board will call a general meeting of Members to resolve to wind up the Company and will deal with the assets of the Company as above.

Every member of the Company undertakes to contribute to the assets of the Company to a maximum of \$10 in the event the Company being wound up while he or she is a member or with one year after he or she ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he or she ceases to be a Member, and of the costs, charges and expenses of winding up and for the adjustments of the rights of the contributories among themselves.

As at 30 April 2013 the number of members was 4.

**Racing Queensland Limited ABN 52 142 786 874****Directors Declaration**For the period ended 30 April 2013

---

The directors of the company declare that:

- 1 The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 April 2013 and of its performance for the period ended on that date.
- 2 In the directors opinion there are reasonable grounds to believe that 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 and is signed for and on behalf of the directors by



**Kevin Dixon**  
CHAIRMAN

Dated this 27 day of August 2013





Tel: +61 7 3237 5999  
Fax: +61 7 3221 9227  
www.bdo.com.au

Level 10, 12 Creek St  
Brisbane QLD 4000  
GPO Box 457 Brisbane QLD 4001  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Racing Queensland Limited

### Report on the Financial Report

We have audited the accompanying financial report of Racing Queensland Limited, which comprises the consolidated statement of financial position as at 30 April 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period.

#### Directors' Responsibility 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 - Reduced Disclosure Requirements 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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





### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Racing Queensland Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion the financial report of Racing Queensland Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 April 2013 and of its performance for the period ended on that date; and
- (b) Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO Audit Pty Ltd

D P Wright

Director

Brisbane, 27 August 2013

# 2015/13

Racecourse Road, Deagon Q 4017  
PO Box 63, Sandgate Q 4017  
T: (07) 3869 9777  
F: (07) 3269 6715  
E: [info@racingqueensland.com.au](mailto:info@racingqueensland.com.au)

Follow us on



[www.racingqueensland.com.au](http://www.racingqueensland.com.au)

RQCo32\_09/13