



TATTERSALL'S RACING CLUB INCORPORATED

215 Queen Street, Brisbane

Notice is hereby given that the fifty fifth Annual Meeting of Tattersall's Racing Club Inc will be held in the Club Rooms of Tattersall's Club, 215 Queen Street, Brisbane on Tuesday 27 September 2011, commencing at 5.30pm.

BUSINESS

1. To receive the Committee's Report for the year ended 30 June 2011.
2. To receive the Statement of Financial Position, Statement of Comprehensive Income, Statement of Recognised Income and Expense, Statement of Cash Flows and Auditor's Report for the year ended 30 June 2011.
3. To elect the following Office Bearers: President, Vice President and five Committeemen.
4. To elect the Treasurer from the members of the Management Committee.
5. To elect Messrs Grant Thornton Audit Pty Ltd as Auditor for 2011/12.
6. To transact any other business which may be bought before the meeting in accordance with the Rules of the Racing Club.

By Order of the Committee
Michael Paramor AM
Secretary
19 August 2011

COMMITTEE'S REPORT FOR THE YEAR ENDED 30 JUNE 2011

The Club conducted four race meetings in the 2010/2011 season ended 30 June 2011, viz 24 July 2010, 27 November 2010, 5 March 2011 and 25 June 2011. The following is a comparison of the key outcomes of the four race meetings held in the racing year.

Meeting		2007	2008	2009	2010	2011
July	Attendance	3615	3785	4686	4417	4,650
	Tote Investment	412,770	424,524	490,335	468,042	429,850
	Bookmakers' Turnover	1,296,284	1,479,044	1,262,149	1,530,363	2,841,582
November/ December	Attendance	3783	-	4434	4906	4,470
	Tote Investment	437,791	-	424,601	505,137	504,747
	Bookmakers' Turnover	1,158,400	-	1,919,849	1,360,597	860,328
March	Attendance	3203	3701	3811	-	2,464
	Tote Investment	471,031	558,619	441,309	-	610,193
	Bookmakers' Turnover	1,978,691	1,821,335	2,259,046	549,581	1,094,058
June	Attendance	4840	6708	7016	8109	8,317
	Tote Investment	615,696	703,460	707,527	626,539	580,467
	Bookmakers' Turnover	1,477,080	1,364,043	1,285,168	1,215,607	1,236,787

GENERAL

The 2010/2011 racing year has seen the Racing Club return a profit of \$74,809, a major improvement on that of the previous year which was affected by the cancellation of the March 2010 race day, as previously reported.

The Racing Club Committee is again pleased with the patronage during the year given the general trend of reduced attendances seen across the industry. The Committee sees this result as recognition of the broad appeal and status of Tattersall's Racing Club as a key contributor to the racing fraternity. The Committee recognises the challenge of improving attendances at race days and is examining the range of marketing and communications in order to ensure we are 'connecting' effectively with our Racing Club members and the public as we look to strengthen and contribute to the industry of which the Racing Club has been a part since 1865.

The Racing Club has, in this last racing year, benefited from the Racing Qld Ltd (RQL) led negotiation for improved value for the industry media rights that saw Sky Racing successful in that competitive process. These benefits have assisted the Racing Club in achieving the financial result and the longevity of the media rights agreement will be of benefit to the Racing Club going forward. Sky Racing has strengthened its relationship with the Racing Club by taking naming rights sponsorship of the recently renamed 'Tattersall's Tiara'. This renaming has drawn positive comment and attention to the premier fillies and mares race nationally.

The Racing Club members were advised of the dispute with the BRC regarding the costs associated with the cancellation, due to the effects of wet weather, of the March 2010 race meeting. The Racing Club has exercised the Dispute Resolution process in the Agreement between the Clubs but as at 30 June 2011, the matter is yet to be settled. The terms of a settlement offered by the BRC are not to the



Racing Club's satisfaction at this point and so the matter remains unresolved. In the interim, the Racing Club has absorbed the expense of insuring its four race meetings annually against cancellation due to weather and equine diseases in order to protect its financial position. The current Agreement with the BRC expires in December 2012 and the Racing Club will, once the current dispute relating the March 2010 cancellation is resolved, commence negotiations with the BRC to establish a new Agreement. This will be reflective of the Racing Club's status as a licensed metropolitan TAB racing club.

The Racing Club is committed to supporting the industry and in particular the country racing clubs. Members of the Racing Club again travelled to Gympie in late 2010 where a naming rights sponsorship and additional prize money were well received at the 2010 Gympie Cup meeting. The Racing Club has continued its sponsorship of thoroughbreds at the RNA and again sponsored a prize at the racing industry Awards Dinner hosted by RQL.

The Racing Club contributed \$10,000 to assist the Kilcoy, Esk and Ipswich Racing Clubs recover after the floods and heavy rains had done such damage in the New Year. This contribution also included a donation to the Foundation established to support the family of the RQL Steward, the late James Perry, who perished in the floods in the Lockyer Valley. This contribution across the industry has been well received.

The 2010/2011 racing year has been one of challenge. Racing Club members can be encouraged by the recognition of the Tattersall's Racing Club's role and contribution to the industry and its ongoing performance in growing racing and its appeal to the community from which it draws its strength.

FINANCE

Tattersall's Racing Club produced a net profit of \$74,809 in 2010/11, which was a significant increase from the net profit of \$977 in 2009/10, the reduction of which from previous and normal levels of achievement was due to the effect of the cancellation of the March 2010 race meeting.

The increase in revenues can be attributed to the more favourable Sky Media Rights Agreement signed in December 2010 which mitigated the loss of the Australia Post sponsorship. Operating expenditures for the year were higher due to increased patronage compared to last year (only three race meetings were held in 2010) and additional costs were incurred in relation to event cancellation insurance (noting the unresolved dispute with the BRC) and racecourse rent increases levied by the BRC. There were also a number of significant one-off expenses that included legal fees associated with the media rights agreement and donations to racing industry associates affected by the floods.

The cash balance increased from \$388,705 at 30 June 2010 to \$804,422 at 30 June 2011, an increase of \$415,717 due to improved revenues and a delay in receipt of the invoices relating to the June 2011 Race Meeting. After the current liabilities arising from the June 2011 Race Meeting were met, the cash balance was \$480,670, a useful increase emphasizing the significant reserves held by the Club through its strong cash base.

COMMITTEE

There were twelve ordinary meetings held during the year.

Attendances at Racing Club Committee meetings were as follows:

President Mr J L McCoy, 12 of 12; Vice President Mr S C McAlpine, 12 of 12; Hon Treasurer Mr S D J Fraser, 11 of 12; Mr D R Whybird, 9 of 12; Mr M P Purcell, 12 of 12; Mr M F Cassidy, 10 of 12; Mr A Paterson, 12 of 12; Mr R Sivyer, 10 of 12; Mr T Woolley, 6 of 8 (Note 1); Mr M Alcorn, 12 of 12 and Mr E Ward, 4 of 4.(Note 2).

Notes:

1. Mr Woolley resigned his appointment prior to the 22 March 2011 meeting.
2. Mr Ward was appointed to the 'casual vacancy' under Racing Club Rule 14 at the Racing Club Committee meeting on 22 March 2011.
3. Committeemen who did not attend meetings as noted above had approved Leaves of Absence.

In accordance with Rule 12, the President, Mr J L McCoy, and Vice President, Mr S C McAlpine, both retire from their appointments. Also retiring in accordance with Rule 12 are Messrs D R Whybird, MP Purcell, A Paterson and R Sivyer and these members offer themselves for re-election. Mr E. Ward has indicated he will stand for the position he has filled as a 'casual vacancy', as per Racing Club Rules.

Racing Club Members are reminded that as per Racing Club Rule 12, nominations for Racing Club Committee positions are to reach the Secretary no later than 14 days prior to the Annual General Meeting, viz 5.30pm Tuesday 13 September 2011.

SPONSORS

The Racing Club has been supported by a generous group of sponsors committed to support of racing and Tattersall's Racing Club. The major sponsors include Sky Racing, Foster's Group and Centenary Classic Mercedes Benz. Valuable sponsorship support has also been provided by Hardy Brothers Jewellers, Travel Associates, Total Sports Travel, IPG Print, Hamilton Hotel, Optiko and Paul Barry Menswear.

Tattersall's Racing Club wishes to record its appreciation of all sponsors for their generous assistance and to the Arcade businesses that have supported the Racing Club activities and its membership.

MEMBERSHIP

There were 1987 financial members of Tattersall's Racing Club at 30 June 2011.

Subscriptions for the 2011/2012 season are \$25 (incl GST) and were due on 1 July 2011. Membership badges have been released upon receipt of Subscription.

For and on behalf of the Committee

J L McCoy
President



TATTERSALL'S RACING CLUB INCORPORATED

COMMITTEE'S REPORT

Your Committee members submit the financial report of the Tattersall's Racing Club Inc. for the financial year ended 30 June 2011.

COMMITTEE MEMBERS

The names of Committee members throughout the year and at the date of this report are:

President. Mr J L McCoy.

Vice President. Mr S C McAlpine.

Hon. Treasurer. Mr S D J Fraser

Committee. Messrs D R Whybird, M P Purcell, M F Cassidy, A Paterson, R Sivyer, T Woolley and M Alcorn. Mr E Ward filled the 'casual vacancy' from 22 March 2011 after Mr Woolley resigned from the Racing Club Committee and after Mr Woolley's last meeting on 22 February 2011.

PRINCIPAL ACTIVITIES

The principal activity of the association during the financial year was Horse Racing.

SIGNIFICANT CHANGES

No significant change in the nature of these activities occurred during the year.

OPERATING RESULT

The profit from ordinary activities after providing for income tax amounted to \$74,809.

Signed in accordance with a resolution of the Board of Directors:

J L McCOY

President

S D J FRASER

Hon Treasurer

19 August 2011

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	804,422	388,705
Trade and other receivables	7	208,048	268,525
Other current assets	8	20,975	39,376
Total Current Assets		<u>1,033,445</u>	<u>696,606</u>
Non Current Assets			
Trade and other receivables	7	880,000	1,000,000
Property, plant and equipment	9	29,386	29,386
Total Non Current Assets		<u>909,386</u>	<u>1,029,386</u>
Total Assets		<u>1,942,831</u>	<u>1,725,992</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	323,752	181,722
Total Current Liabilities		<u>323,752</u>	<u>181,722</u>
Total Liabilities		<u>323,752</u>	<u>181,722</u>
NET ASSETS		<u>1,619,079</u>	<u>1,544,270</u>
EQUITY			
Retained earnings		1,619,079	1,544,270
TOTAL EQUITY		<u>1,619,079</u>	<u>1,544,270</u>

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Revenue	2	1,139,388	865,220
Other income	2	108,673	105,379
Expenses	3	(1,173,252)	(969,622)
Profit before income tax		<u>74,809</u>	<u>977</u>
Income tax expense	1a	-	-
Profit attributable to the association		<u>74,809</u>	<u>977</u>

The accompanying notes form part of these financial statements.

STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Retained Earnings	Total
Balance 1 July 2009		1,543,293	1,543,293
Profit attributable to the association		977	977
Balance 30 June 2010		<u>1,544,270</u>	<u>1,544,270</u>
Profit attributable to the association		74,809	74,809
Balance 30 June 2011		<u>1,619,079</u>	<u>1,619,079</u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
Cash Flow from Operating Activities			
Receipts from racing operations		1,378,130	1,140,694
Payments for racing operations		(1,141,086)	(1,516,762)
Interest received		108,673	105,379
Net cash provided by operating activities	13(b)	<u>345,717</u>	<u>(270,689)</u>
Cash Flows from Investing Activities			
Loans to related parties - proceeds from repayments		70,000	-
Net cash provided by investing activities		<u>70,000</u>	<u>-</u>
Net increase in cash held		<u>415,717</u>	<u>(270,689)</u>
Cash at the beginning of the year		388,705	659,394
Cash at the end of the year	13(a)	<u>804,422</u>	<u>388,705</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act 1981 (QLD).

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS).

The financial report covers Tattersall's Racing Club Inc. for the period from 1 July 2010 to 30 June 2011. Tattersall's Racing Club Inc. is an association incorporated in Queensland under the Associations Incorporation Act 1981 (QLD).

The following is a summary of the accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs. The fair value basis of accounting has been applied to selected assets and liabilities where applicable.

a. Income Tax

The Racing Club is exempt from income tax under the Income Tax Assessment Act.

b. Property, Plant and Equipment

Property, plant and equipment is brought to account at cost. Depreciation is not applied to these assets as they are considered to appreciate in value.

The carrying amount of property, plant and equipment is reviewed annually by the Committee to ensure it is not in excess of the recoverable amount of the asset. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

c. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term, highly liquid investments with original maturities of three months or less.

d. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to the customers. Revenue from the rendering of services is recognised on delivery of the service to the customer.

During the 2011 financial year the Racing Club negotiated and finalised its media rights agreement with Sky Racing to June 2020. The Racing Club received a significant one-off rights fee for entering into this agreement. Refer to Note 2. This sign on fee has been recognised in the sponsorship revenues in the current financial year. There has also been an increase to the annual rights fees paid to the Racing Club as a result of the negotiations.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Membership subscription revenue is recognised on a proportional basis.

All revenue is stated net of the amount of goods and services tax (GST).

e. Goods and Services Tax (GST)

Revenues, 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 a part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

f. Impairments of Assets

At each reporting date the Committee reviews the carrying values of its 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

g. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the association becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered with time frames established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as 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 association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or 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 or 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 or determinable payments, and it is the association'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.

(v) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

h. Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: REVENUE

	2011 \$	2010 \$
Operating activities		
Television broadcast rights and sponsorship (Note 1(d))	612,211	350,108
Corporate box sales	203,619	176,484
Catering income	81,200	93,664
Admission and race book income	78,217	80,572
Totalisator commission income	88,955	80,812
Bookmakers' fielding fees and turnover levy	30,495	30,127
Members' subscriptions	44,691	53,453
Total revenue racing operations	<u>1,139,388</u>	<u>865,220</u>

Other Income

Interest - Tattersall's Club (Note 12)	95,000	95,000
Interest - Other	13,673	10,379
	<u>108,673</u>	<u>105,379</u>

Note: Operating revenues are generally higher given increased patronage compared to 2010. Only three race meetings were held in 2010.

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

Expenses

Totalisator facilities	75,941	71,642
Racecourse rental	324,800	280,000
Employee benefits expenses	45,087	46,818
Racing services	46,222	32,410
Trophies	30,511	25,465
Advertising	77,590	76,181
Administration fee - Tattersall's Club (Note 12)	105,060	105,060
Corporate box expenses	123,357	99,186
Donations	10,000	-
Legal expenses	45,299	-
Marketing and entertainment expenses	62,589	27,393
Other racing expenses	174,572	165,420
Other expenses	52,224	40,047
	<u>1,173,252</u>	<u>969,622</u>

Note: Legal expenses includes one-off legal fees totalling \$29,668 associated with the Sky Racing media agreement.

NOTE 4: AUDITORS' REMUNERATION

Remuneration of the auditor for:

- Auditing the financial report	10,017	9,686
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NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	351,206	57,171
Money market deposit account	453,216	331,534
	(Note 13(a)) <u>804,422</u>	<u>388,705</u>

Note: The \$415,717 increase in cash from 2010 to 2011 is largely due to improved revenues and a delay in receipt of the invoices relating to the June 2011 Race Day.

NOTE 6: SEGMENT REPORTING

Tattersall's Racing Club Incorporated operates in one business segment, being the conduct of thoroughbred horse racing providing and in doing so facilities to Members, guests and the general public in one geographical segment, being Brisbane, Queensland, Australia.

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade receivables	155,387	253,964
Receivable from Tattersall's Club (Note 12)	52,661	14,561
	<u>208,048</u>	<u>268,525</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7: TRADE AND OTHER RECEIVABLES

Non Current

Receivable from Tattersall's Club (Note 12)	880,000	1,000,000
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NOTE 8: OTHER CURRENT ASSETS

Prepayments	20,975	39,376
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NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2011	2010
	\$	\$
Trophies and Memorabilia		
At cost	29,386	29,386
Accumulated depreciation	-	-
Total trophies and memorabilia	<u>29,386</u>	<u>29,386</u>
Total property, plant and equipment	<u>29,386</u>	<u>29,386</u>

Movements in Carrying Amounts

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

	Trophies and Memorabilia	Total
Balance at the beginning of the year	29,386	29,386
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Carrying amount at the end of the year	<u>29,386</u>	<u>29,386</u>

NOTE 10: TRADE AND OTHER PAYABLES

	2011	2010
	\$	\$
CURRENT		
Trade payables	245,448	53,400
Goods and services tax	9,786	906
Membership subscriptions in advance	42,556	42,568
Other income in advance	3,661	9,727
Other payables and accruals	<u>22,301</u>	<u>75,121</u>
Other payables and accruals	<u>323,752</u>	<u>181,722</u>

Note: Included in the Trade payables balance of \$245,448 as at 30 June 2011 were amounts owing to Unitab of \$120,494 and Brisbane Racing Club Ltd of \$51,580 in relation to the June 2011 Race Day. These amounts were paid in full on 13 July 2011. Other payables and accruals for 2010 included expenses owing to TAB Ltd for the June 2010 Race Day.

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION

The following Committee Members held office during 2010/11

Mr J L McCoy (President)
 Mr S C McAlpine (Vice President)
 Mr S D J Fraser (Treasurer)
 Mr D R Whybird
 Mr M P Purcell
 Mr M F Cassidy
 Mr R J Sivyer
 Mr A N Paterson
 Mr T Woolley
 Mr M Alcorn
 Mr E Ward

No emoluments were paid to members of the Committee or their associates for their services as Committeemen during the financial year.

Executives

Mr M F Paramor AM held the position of Secretary during the financial year.

No emoluments were paid to the Secretary or associates by Tattersall's Racing Club Incorporated for services during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

NOTE 12: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

	2011 \$	2010 \$
Administration fee charged by Tattersall's Club to compensate for administration expenses incurred on behalf of Tattersall's Racing Club Incorporated. (Note 3)	105,060	105,060
Total loans to Tattersall's Club at 30 June 2011 on an unsecured basis with no set repayment date. (Note 7)		
Current	50,000	-
Non-current	880,000	1,000,000
	<u>930,000</u>	<u>1,000,000</u>
Interest income on above loan at 9.5% per annum. (2010: 9.5%) (Note 2)	95,000	95,000
Amount receivable from Tattersall's Club at 30 June 2011 as a result of transactions conducted between the two entities. (Note 7)	2,661	14,561

NOTE 13: NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash

	2011 \$	2010 \$
Cash at bank (Note 5)	804,422	388,705

(b) Reconciliation of net cash provided by operating activities to profit attributable to the association

Profit attributable to the association	74,809	977
Changes in assets and liabilities		
- Decrease/(Increase) in Trade and other receivables	110,477	(102,968)
- Decrease/(Increase) in other current assets	18,401	(20,258)
- Increase/(Decrease) in Trade and other payables	142,030	(148,440)
	<u>345,717</u>	<u>(270,689)</u>

NOTE 14: PRIZEMONEY AND QTIS INCENTIVES

The following amounts were distributed in prizemoney and QTIS incentive payments by Queensland Racing on Tattersall's Racing Club events during the racing year.

	2011 \$	2010 \$
Prizemoney	2,479,000	2,135,000
QTIS Incentives	144,000	144,000
	<u>2,623,000</u>	<u>2,279,000</u>

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies

The Racing Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The Racing Club does not have any derivative instruments at 30 June 2011.

(i) Treasury Risk Management

A Finance Committee consisting of senior Committee Members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the association in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Finance Committee operates under policies approved by the senior Committee Members. Risk management policies are approved and reviewed by the committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

(ii) Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Foreign Currency Risk

The Racing Club is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The Racing Club manages liquidity risk by monitoring forecast cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security as at 30 June 2011.

Credit risk is managed and reviewed regularly by the Finance Committee. It arises from exposures to customers and deposits with financial institutions.

The Finance Committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an 'A' rating are utilised;
- all potential members are rated for credit worthiness taking into account their particular circumstance and financial standing; and
- customers that do not meet the Racing Club's strict credit policies may only purchase in cash or using recognised credit cards.

At year end the Racing Club does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

The Racing Club is not exposed to any material commodity price risk.

The trade receivable balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

(b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Non-Interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets												
Cash and cash equivalents	2.30	2.90	804,422	388,705	-	-	-	-	-	-	804,422	388,705
Trade and other receivables	-	-	-	-	-	-	-	-	208,048	268,525	208,048	268,525
Loan to related party	9.50	9.50	-	-	-	-	880,000	1,000,000	-	-	880,000	1,000,000
Total financial assets			804,422	388,705	-	-	880,000	1,000,000	208,048	268,525	1,892,469	1,657,230
Financial Liabilities												
Trade and other payables	-	-	-	-	-	-	-	-	323,752	181,722	323,752	181,722
Total financial liabilities			-	-	-	-	-	-	323,752	181,722	323,752	181,722

Trade and other payables are expected to be paid as follows:

	2011 \$	2010 \$
Less than 6 months	323,752	181,722
	<u>323,752</u>	<u>181,722</u>

The related party loan of \$930,000 to Tattersall's Club has no set date for repayment. From the 1st January 2010 the loan earned interest at a fixed rate of 9.50% per annum. Principal repayments of \$50,000 per annum are required to be made during the term of the loan. Refer to Note 12.

(c) Net Fair Values

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity analysis

Interest rate risk

The Racing Club has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2011, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Loan to Related Party	2011 \$	2010 \$
Change in profit		
- Increase in interest rate by 2%	(20,000)	(20,000)
- Decrease in interest rate by 2%	20,000	20,000
Change in equity		
- Increase in interest rate by 2%	(20,000)	(20,000)
- Decrease in interest rate by 2%	20,000	20,000

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign currency risk as the association is not exposed to foreign currency fluctuations.

NOTE 16: ACCOUNTING POLICY AMENDMENTS

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Club has decided not to early adopt. A discussion of those future requirements and their impact on the Club is as follows:

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 1053: Application of Tiers of Australian Accounting Standards (applicable for annual reporting periods commencing on or after 30 June 2014).

AASB 2010-05: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods commencing on or after 31 December 2011).

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 31 December 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Club has determined that there is no potential impact on the financial statements.

The Club has also considered the following new standards, and believe that they will have no impact on the Club's financial statements:

AASB 124: Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124 (applicable for annual reporting periods commencing on or after 31 December 2011).

AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced disclosure requirements (applicable for annual reporting periods commencing on or after 30 June 2014).

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 31 December 2011).

AASB 1054: Australian Additional Disclosures (applicable for annual reporting periods commencing on or after 30 June 2012).

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (AASB 1 & AASB 7) (applicable for annual reporting periods commencing on or after 30 June 2012).

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applicable for annual reporting periods commencing on or after 31 December 2012).

AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132, AASB 134, Interpretation 2, Interpretation 112, Interpretation 113] (applicable for annual reporting periods commencing on or after 30 June 2012).

AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project – Reduced disclosure regime [AASB 101, AASB 1054] (applicable for annual reporting periods commencing on or after 30 June 2014).

IFRS 10: Consolidated Financial Statements (applicable for annual reporting periods commencing on or after 31 December 2013).

IFRS 11: Joint Arrangements (applicable for annual reporting periods commencing on or after 31 December 2013).

IFRS 12: Disclosure of Interests in Other Entities (applicable for annual reporting periods commencing on or after 31 December 2013).

IFRS 13: Fair Value Measurement (applicable for annual reporting periods commencing on or after 31 December 2013).

NOTE 17: EVENTS AFTER BALANCE SHEET DATE

The Tattersall's Racing Club remains in dispute with Brisbane Racing Club relating to the \$80,000 lease fee incurred for the cancelled race meeting of 6 March 2010. The Club is in negotiation with the BRC seeking resolution to this dispute.

NOTE 18: ASSOCIATION DETAILS

The principal place of business of Tattersall's Racing Club Incorporated is:

C/- Tattersall's Club
215 Queen Street
BRISBANE QLD 4000

STATEMENT BY MEMBERS OF THE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2011

In the opinion of the Committee the financial report as set out on pages 3 to 12:

1. Presents a true and fair view of the financial position of Tattersalls' Racing Club Incorporated as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Tattersall's Racing Club Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

J L McCOY

President

Signed at Brisbane this 19th day of August 2011

S D J FRASER

Hon Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATTERSALL'S RACING CLUB INCORPORATED

We have audited the accompanying financial report of Tattersall's Racing Club Incorporated (the "Association"), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of recognised income and expense, and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial report and the statement by the Committee for Tattersall's Racing Club Incorporated.

Responsibility of the Committee of Management for the financial report

The Committee for Tattersall's Racing Club Incorporated is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Committee for Tattersall's Racing Club Incorporated also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Association's preparation and fair presentation of the financial report 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Audit Opinion

In our opinion,

- a the financial report of Tattersall's Racing Club Incorporated
 - i presents fairly, in all material respects, the Association's financial position as at 30 June 2011 and of its performance and cash flows for the year then ended; and
 - ii complies with Australian Accounting Standards; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

D J CARROLL

Director - Audit & Assurance

Brisbane, 19 August 2011