



**BRISBANE GREYHOUND**  
RACING CLUB INC

# Annual Report



Notice of Meeting together with the  
Forty-Ninth Annual Report and  
Financial Statements for the year ending  
30th June, 2020





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## Notice of Annual General Meeting

Notice is hereby given that the Forty-Ninth Annual General Meeting of the Brisbane Greyhound Racing Club Inc. will be held on Wednesday, 28<sup>th</sup> October 2020, at 7.00pm in Pacers and Chasers, Albion Park Raceway, Amy Street, Breakfast Creek.

Business to be transacted shall be:

- (i) Apologies.
- (ii) To confirm the Minutes of the previous Annual General Meeting held 30<sup>th</sup> October 2019.
- (iii) To receive the report of the Board.
- (iv) To receive the audited Statement of Accounts of the Club for the year ended 30<sup>th</sup> June 2020.
- (v) To elect members of the Board.
- (vi) To appoint Auditors for the ensuing year.
- (vii) To consider a recommendation of the Board for changes to Section 23 of the Club's Constitution.
- (viii) General Business.

### Election of the Board:

The three retiring members are Mr R Lambert, Ms E Wallis and Mr D Wallis. Nominations for Board positions are to be in writing, duly signed by two financial members. Every such nomination shall be lodged with the CEO, not later than 5.00pm on **Wednesday 21<sup>st</sup> October 2020.**

By order of the Board  
**Luke Gatehouse**  
Chief Executive Officer

### **Proposed changes to the Club's Constitution.**

The extract from the Club's Constitution which is provided below has the proposed changes within the document. The sub-section that the Board has proposed to be removed is in red with a strike-through. The sub-sections that are proposed to be added are in blue underline.

The current sub-section provides for surplus assets of the Club to be transferred to (at the present time) Racing Queensland. With the impending development of the Greater Brisbane Greyhound Centre, the Board wish to ensure that the assets of the Club and members' interests are protected by specifying that in the event of the Club winding up, surplus assets will be distributed to an appropriate entity as described below.

The proposed additions to the Constitution are taken from the Queensland Office of Fair Trading Models Rules for Incorporated Associations.

#### **23. DISSOLUTION OF CLUB:**

- (i) The members of the Club may at an Extraordinary General Meeting duly convened for that purpose, resolve upon the dissolution of the Club provided that such Resolution, being a Special Resolution, be passed by at least three quarters of the votes of such members entitled under the Rules to be present at such Meeting and vote, and be subsequently confirmed by a similar majority at a second Meeting held not less than fourteen days nor more than twenty-eight days after the first Meeting.
- (ii) If such Resolution shall be duly passed and confirmed the members present at the second Meeting shall appoint two or more members of the Club to be Trustees for the purpose of winding up the business of the Club.
- (iii) Thereafter the Club shall be deemed to exist only for the purpose of winding up the business of the Club and distributing the assets thereof as hereinafter provided.
- (iv) ~~Upon the dissolution the real and personal property of the Club shall be held by the Trustees so appointed and shall be applied by them firstly in payment of the essential costs and expenses of dissolution, secondly in payment of all just debts and liabilities of the Club and the balance (if any) shall be transferred to the Principal Racing Authority or to such other Authority or body or person appointed in the place of or performing the functions of the said Authority.~~
- (iv) The surplus assets must not be distributed among the members of the Club.
- (v) The surplus assets must be given to another entity—
  - (a) having objects similar to the Club's objects; and
  - (b) the rules of which prohibit the distribution of the entity's income and assets to its members.
- (vi) Surplus assets means, in relation to the Club, the assets after payment of the debts and liabilities remaining on winding up of the Club and the costs, charges and expenses of the winding up.



## Chairman's Report


It is my privilege to provide the Brisbane Greyhound Racing Club Chairman's report for the 2019/20 racing season.

The financial year commenced positively on Thursday 4 July, where the Club hosted our Super Night with over \$500,000 in prizemoney distributed across the program – including the \$375,000 Sky Racing Brisbane Cup, the richest greyhound race ever held in Queensland. The team at BrisGreys also put on a great event with the off-track entertainment as scorching as that seen on the track. Sennachie took the honours in the Brisbane Cup, breaking the track record with a run of 29.38 sec, a time that he would go close to equalling a further two times.

In September, the Club opened Pacers and Chasers Bar and Grill following a significant renovation funded by the Club in conjunction with Racing Queensland and the Albion Park Harness Racing Club. We can now proudly bring people to the facility knowing that you receive high quality food in comfortable surroundings. This brings to an end six years of countless meetings with Racing Queensland and the Albion Park Harness Club. During this period we had to deal with four different Racing Queensland CEO's, but I think what we have achieved is the ultimate rewards for our efforts.

The Greater Brisbane Greyhound Centre (GBRC) was officially announced in October with \$39m of funding provided by the Queensland Government for the project. The world-class venue will feature three tracks - a straight track, a two-turn track and a much needed one-turn track. There is still a long way to go, but it is pleasing that the funding has been approved and consultation on the design requirements of the facility has commenced. The GBRC will see both the Brisbane and Ipswich Clubs relocate from their respective venues. The governance model and structure of the entity to run the complex is still to be discussed, and I assure you that Brisbane Club members will be consulted throughout the process.

December and January saw an increased focus on Queensland Greyhound Racing with the revamped Summer Carnival - The Golden Greys. The introduction of a number of innovations around the Summer Carnival added to the national interest in our racing. The Golden Ticket is a unique event on the racing calendar, with the heats held under shootout format, the final under speed star format and with the overall winner gaining direct entry into the Group 1 Gold Bullion Final. I'm sure this innovation will see further interest this year, following Sennachie's trailblazing success in the Golden Ticket Event followed by his emphatic victory in the Gold Bullion.



The tide changed quickly following the conclusion of the Summer Carnival, and I'm sure none of us could have foreseen the impacts that a virus could have on the world in such a short space of time. On the 12<sup>th</sup> March 2020, as it became apparent that the situation had escalated very quickly, the Board and management moved quickly over the weekend to put in place an initial COVID19 Strategy with a number scenarios accounted for. It was this proactivity at the Club and more widely across the racing industry that ensured the continuity of racing throughout the crisis. As an industry we have had our share of serious crises over the years – which ironically prepared us well for how to manage this crisis.

We now operate our racing under our “new normal”, which I believe will remain in place until such a time as there is a vaccine developed for COVID19.

I am pleased to report that the Brisbane Club recorded a surplus of \$271,045 in 2019/20, up from \$183,913 in the previous year. The Board has continued its focus on long-term financial stability of the Club including the incorporation of investment strategies to build club equity.

The Club's Statement of Comprehensive Income shows that the Club's Net Asset position decreased by 1.7% over the year, with the Club posting a Net Asset position in excess of \$4.86m. The decrease represented the impacts of the COVID19 crisis on financial markets, though the balanced investment approach that the Club follows ensured that the impacts were minimised.

During the year, the Club lost two long serving and committed Committee/Board members in Albert “Bunny” Hewton and Harrie “Hedley” White. Both gentlemen served the Club with distinction going back to the Gabba days and ultimately when we relocated to Albion Park. More recently, another long serving Board member of the Club, Neil Beaton passed away in September 2020. The Club wishes to recognise these three men for their dedicated service to the greyhound racing industry and their efforts have led to the Club being in the great shape that it is today.

Finally, on behalf of our Board I wish to sincerely thank our management team for the continued efficient and hard work they display year in year out. As a Board it is our job to set the strategies and direction the club should follow and it's our management team's job to make sure this is achieved as they have done. To our many staff members who are responsible for making Australia's busiest racetrack function as a well-oiled machine we also say thank you.



## **Feature Racing**

Congratulations are extended to the winners of the Group and Listed races conducted during 2019/20:

### **Group 1**

Garrard's Gold Bullion (520m)

Sennachie (Steven White)

Sky Racing Brisbane Cup (520m)

Sennachie (Steven White)

### **Group 2**

Bogie Leigh Queensland Futurity (520m)

Zippering Cosmo (Barry Kitchener)

Thirty Talks @ Stud Queensland Derby (520m)

Simon Told Helen (David Burnett)

### **Group 3**

Asset Body Corporate Golden Ticket (520m)

Sennachie (Steven White)

Box 1 Photography Golden Sands (600m)

Velocity Bettina (Kevin Ellis)

TAB Flying Amy Classic (520m)

Kiss And Spin (Jeff Crawford)

Orson Allen @ Stud Superstayers (710m)

Velocity Bettina (Kevin Ellis)

### **Listed**

Garrard's Winter Chase (600m)

Infrared Lad (Joanne Price)

TAB Gold Cup (710m)

True Detective (Jeffrey Britton)

TAB Dashing Corsair (710m)

Velocity Bettina (Kevin Ellis)

TAB Super Sprinters (520m)

Shakey Diesel (Peter O'Reilly)

RQ Young Guns (Spring) (520m)

Zippering Cosmo (Barry Kitchener)

RQ Young Guns (Autumn) (520m)

Oh Mickey (Selena Zammit)

### **2019 National Championships – State Winners**

National Sprint Queensland Final (520m)

Silver Stunner (Travis Elson)

National Distance Queensland Final (710m)

Miss Gingin (Tom Tzouvelis)

### **Track Records**

395m – Magical Bill (Cyndie Elson) – 22.28

27/05/2020

395m – Canya Cruise (Serena Lawrance) – 22.25

03/06/2020

520m – Sennachie (Steven White) – 29.38

04/07/2019



## Sponsors

On behalf of the Club we thank our sponsors for their participation and support of our race meetings

Aspley Leagues Club  
Asset Body Corporate Bribie Island  
Carina Leagues Club  
Expat Lodge  
Garrards Horse & Hound  
Greyhound Performance Products  
Hamilton Hotel  
The Harris Family  
Kedron Wavell Services Club  
Marburg Hotel  
Meticulous Lodge  
Michael McInally Photography  
Motorhub  
Psaltis Operations  
Racing Queensland  
Norths St Josephs JRLC  
Tabcorp  
The Manly Hotel  
Thirty Talks @ Stud  
Tony Gallagher



## Brisbane Greyhound Racing Club at a Glance

Number of race meetings conducted	207
Number of races held	2,182
Percentage QLD races held (all codes)	18%
Number of starters	16,004
Percentage of starters (all codes)	16%
Avg starters per meeting	77.3
Injury rate	3.09%
Wagering Turnover	440,351,871
% QLD Wagering Turnover (all codes)	9%
Prizemoney and appearance fees	10,722,320
% QLD Prizemoney (all codes)	6%

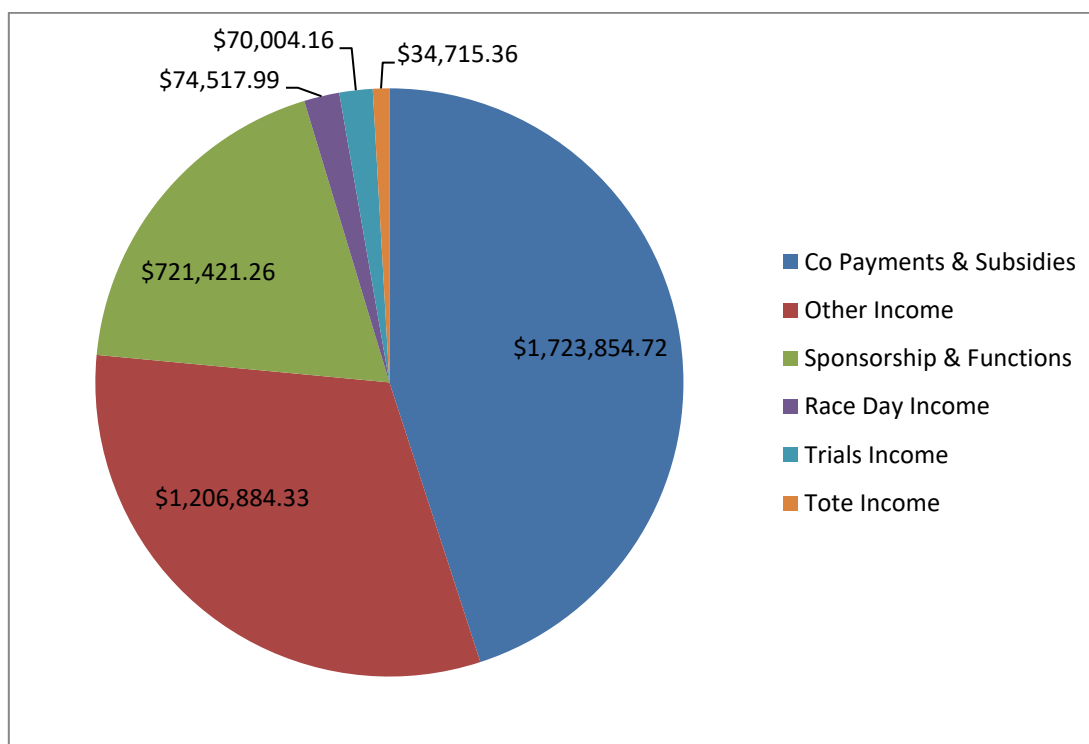
# Treasurer's Report

The Brisbane Greyhound Racing Club posted an operating profit of \$271,045 and a Total Comprehensive Income of (\$74,150) for the 2019/20 year.

The Club's Total Comprehensive Income for the 2019/20 year of (\$74,150) is comprised of:

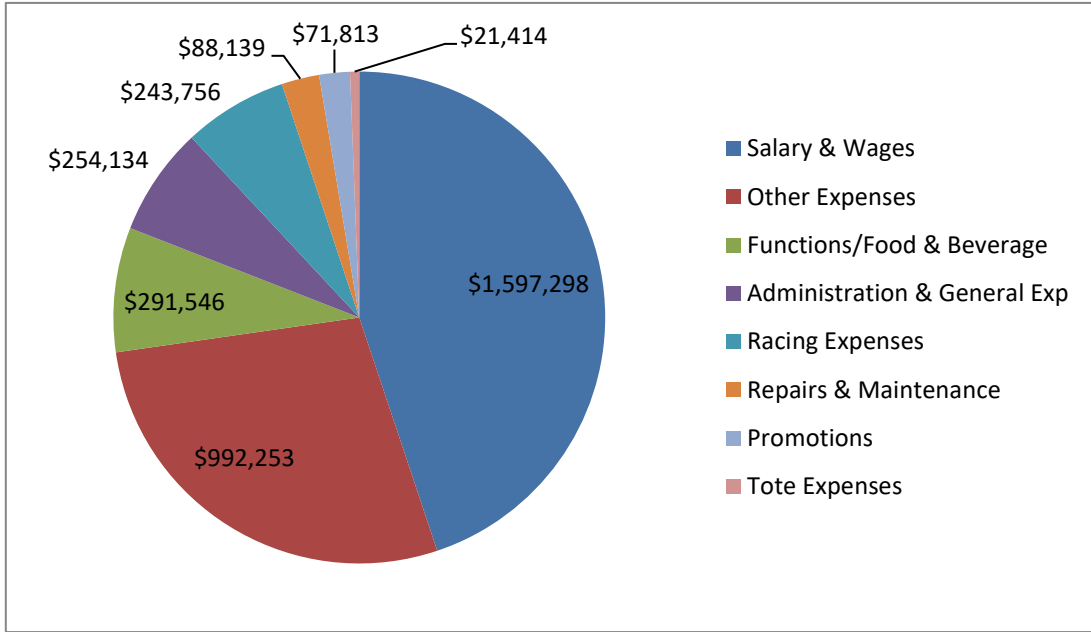
- A profit from normal operating activities of \$31,787;
- Investment income of \$134,225;
- Net Other Comprehensive Income of \$105,033
- Asset revaluation decrease of \$345,195

## Sources of Income

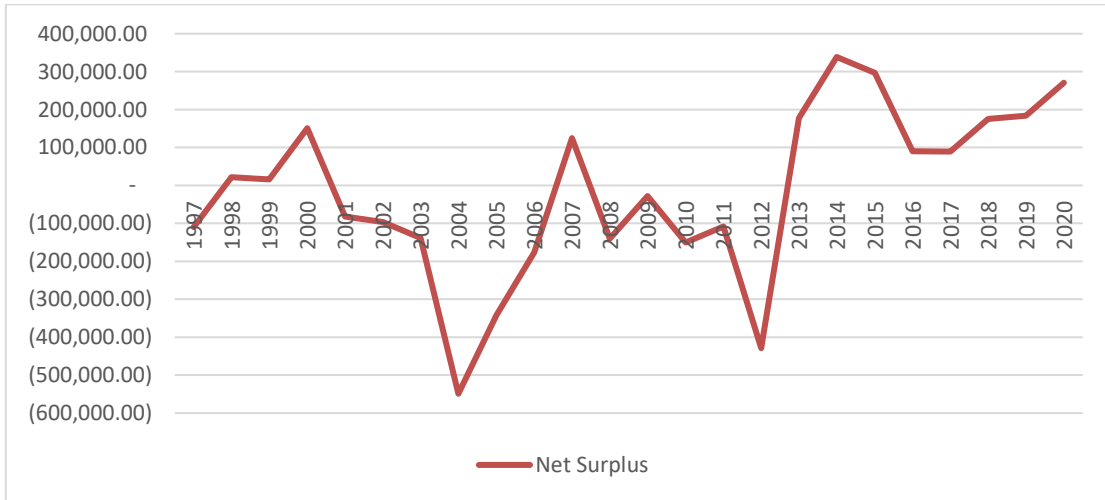




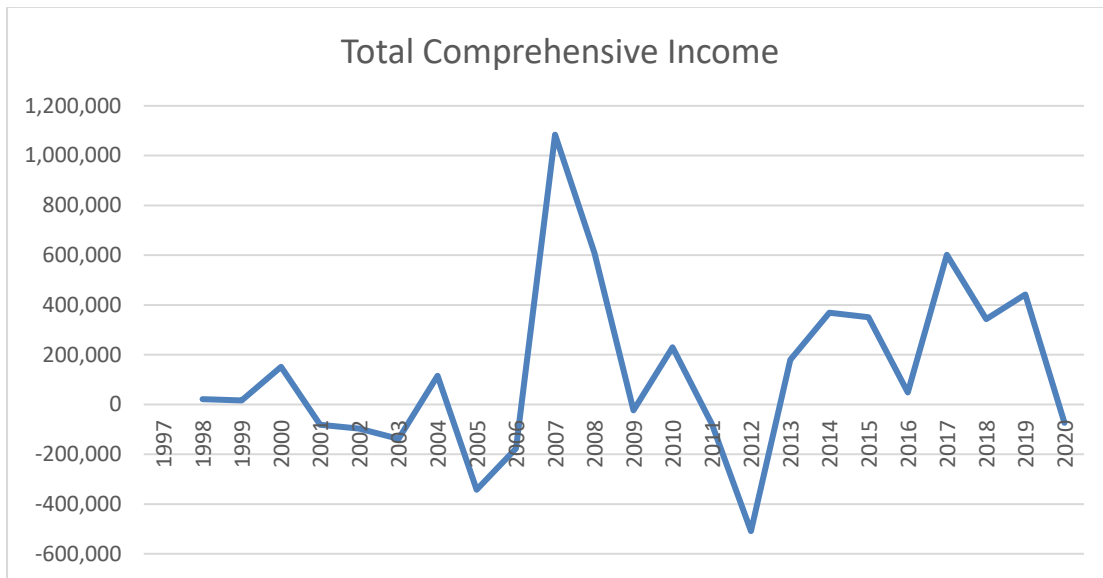
## Expenditure



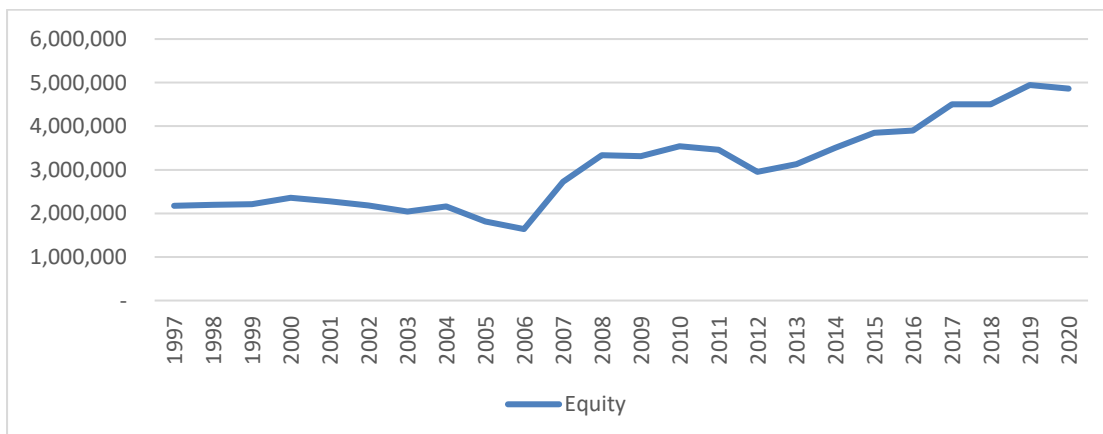
## Historical Net Profit/Loss



## Historical Total Comprehensive Income



## Historical Total Equity





## Board Meetings

Under Clause 7 (iv) of the Club Constitution, at the first meeting of the Board held after the 2019 Annual General Meeting, Mr L Bein was appointed Chairperson, Mr. R. Lambert was appointed Deputy Chairperson, and Ms E Wallis was appointed Hon. Treasurer for the ensuing year.

During the period under review, twelve General Meetings of the Club Board were held.

Attendances at these Meetings were as follows:

N. Beaton	10
L. Bein	12
R. Lambert	12
D. Pegg	11
E Wallis	12
D Wallis	12





**Brisbane Greyhound Racing Club Inc**

**ABN 84 193 096 124**

**Financial Report for the Year Ended 30 June 2020**



# BRISBANE GREYHOUND RACING CLUB INC

## TABLE OF CONTENTS

	Page No.
<b>BOARD REPORT</b>	<b>3</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>4</b>
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>5</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>6</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>7</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>8</b>
<b>STATEMENT BY MEMBERS OF THE BOARD</b>	<b>27</b>
<b>INDEPENDENT AUDIT REPORT</b>	<b>28</b>

# BRISBANE GREYHOUND RACING CLUB INC

## BOARD REPORT

The Board members submit herewith the annual report of the Brisbane Greyhound Racing Club Inc for the financial year ended 30 June 2020.

### Board Members

The names of the Board members during the year or since the end of the financial year are:

Les Bein – Chairman

Robert Lambert – Deputy-Chairman

Neil Beaton

Eleanor Wallis - Treasurer

David Wallis

Dennis Pegg

### Principal Activities

The principal activities of the association during the financial year were:

- Host race meetings throughout the year; and
- To provide social facilities to members of the association.

### Significant Changes

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

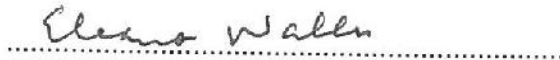
### Operating Result

The profit after providing for income tax amounted to \$271,045 (2019:\$ 183,913)

Signed in accordance with a resolution of the Members of the Board.



L Bein - Chairman



E Wallis - Treasurer

Dated this 23<sup>rd</sup> day of September 2020

# BRISBANE GREYHOUND RACING CLUB INC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue	2	3,831,398	3,282,836
Accounting and audit fees	4	(15,141)	(15,847)
Committee expenses		(10,357)	(17,294)
Cost of food and beverage sales		(85,315)	-
Cost of merchandise sold		(2,232)	(2,406)
Depreciation and amortisation expense		(112,352)	(40,728)
Employee benefits expense	3	(1,732,163)	(1,493,234)
Equipment hire		-	(27,324)
Finance costs	3	(6,862)	(153)
Function expenses		(82,098)	(125,667)
Grants expense		(163,595)	-
Insurance		(19,316)	(17,025)
Investment expenses		(6,075)	(7,059)
Loss on sale of financial assets		-	(10,531)
Motor Vehicle expenses		(8,841)	(8,448)
Promotions expense		(58,892)	(57,545)
Racing expense		(191,844)	(199,457)
Repairs and maintenance		(61,714)	(69,565)
Restaurant expenses		(83,274)	-
Telephone expenses		(10,927)	(14,110)
Tote expenses		(21,414)	(30,569)
Trainer fee		(715,071)	(793,410)
Travel expenses		(46,258)	(49,376)
Other expenses		(126,612)	(119,175)
<b>Current year surplus before income tax</b>		<b>271,045</b>	<b>183,913</b>
Income tax expense	1a	-	-
<b>Net current year surplus</b>		<b>271,045</b>	<b>183,913</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value gains/(losses) on financial assets at fair value through other comprehensive income, net of tax		(345,195)	257,695
<b>Total other comprehensive income for the year, net of tax</b>		<b>(345,195)</b>	<b>257,695</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>(74,150)</b>	<b>441,608</b>
Net current year surplus attributable to members of the association		271,045	183,913
Total comprehensive income attributable to members of the association		(74,150)	441,608

The accompanying notes form part of these financial statements.

**BRISBANE GREYHOUND RACING CLUB INC**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	5	638,671	725,740
Accounts receivable and other debtors	6	361,808	296,665
Inventories on hand	7	16,516	6,110
Other	8	26,039	16,283
<b>TOTAL CURRENT ASSETS</b>		<b>1,043,034</b>	<b>1,044,798</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	9	3,819,520	3,997,373
Property, plant and equipment	10	552,532	418,434
Right of use assets	13	172,115	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,544,167</b>	<b>4,415,807</b>
<b>TOTAL ASSETS</b>		<b>5,587,201</b>	<b>5,460,605</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and other payables	11	313,104	322,508
Employee provisions	12	189,226	160,433
Lease Liability	13	54,001	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>556,331</b>	<b>482,941</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee provisions	12	41,622	32,837
Lease Liability	13	127,737	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>169,359</b>	<b>32,837</b>
<b>TOTAL LIABILITIES</b>		<b>725,690</b>	<b>515,778</b>
<b>NET ASSETS</b>		<b>4,861,511</b>	<b>4,944,827</b>
<b>EQUITY</b>			
Reserves	14	300,623	645,818
Retained surplus		4,560,888	4,299,009
<b>TOTAL EQUITY</b>		<b>4,861,511</b>	<b>4,944,827</b>

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Financial Asset Revaluation Reserve \$	Retained surplus \$	Total \$
<b>Balance at 1 July 2018</b>		388,123	4,115,096	4,503,219
<b>Comprehensive income</b>				
Net surplus for the year		-	183,913	183,913
Other comprehensive income for the year	14	257,695	-	257,695
<b>Total comprehensive income attributable to members of the association</b>		257,695	183,913	441,608
<b>Balance at 30 June 2019</b>		645,818	4,299,009	4,944,827
Retrospective adjustment for adoption of new accounting standard (AASB16)		-	(9,166)	(9,166)
Adjusted opening balance		645,818	4,289,843	4,935,661
<b>Comprehensive income</b>				
Net surplus for the year		-	271,045	271,045
Other comprehensive income for the year	14	(345,195)	-	(345,195)
<b>Total comprehensive income attributable to members of the association</b>		(345,195)	271,045	(74,150)
<b>Balance at 30 June 2020</b>		300,623	4,560,888	4,861,511

The accompanying notes form part of these financial statements.

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Grants (state) operating received		2,707,305	2,506,878
Receipts from customers		1,229,634	869,299
Payments to suppliers and employees		(3,730,887)	(3,308,651)
Interest paid		(6,862)	(153)
Net cash provided by operating activities	19	199,190	67,373
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(192,385)	(72,344)
Investment income received		127,075	141,313
Purchase of financial assets		(341,398)	(455,969)
Proceeds from sale of financial assets		174,056	364,202
Net cash used in investing activities		(232,652)	(22,798)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of leases		(53,607)	-
Net cash used in financing activities		(53,607)	-
Net increase in cash held		(87,069)	44,575
Cash on hand at beginning of financial year		725,740	681,165
Cash on hand at end of financial year	5	638,671	725,740

The accompanying notes form part of these financial statements.

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover Brisbane Greyhound Racing Club Inc as an individual entity. Brisbane Greyhound Racing Club Inc is an association incorporated in Queensland and operating pursuant to the *Associations Incorporation Act 1981*.

The financial statements were authorised for issue on 23<sup>rd</sup> September, 2020 by the members of the Board.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

Brisbane Greyhound Racing Club Inc applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 1981*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### a. Income Tax

The association is exempt from Income tax, by virtue of Section 50-45 of the Income Tax assessment Act 1997.

##### b. Inventories on Hand

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

##### c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment is measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### c. Property, Plant and Equipment (Continued)

#### Depreciation

The depreciable amount of all fixed assets are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5-10%
Motor Vehicles	22.5%
Plant and equipment	5-33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

### d. Leases

The association assess whether a contract is or contains a lease, at inception of the contract. The association recognises a Right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (less than \$5,000). For these leases, the association recognises the lease payments as an operating expense on a straight-line basis over the term of the leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the association's incremental borrowing rate. The association's incremental borrowing rate was determined by reference to borrowing rates available to the association from financial institutions for the purchase of assets similar to those being leased.

Lease payments made are split between the interest component (using the effective interest method) and a reduction in the lease liability. The lease liability is split between current and non-current, with the current portion representing the expected reduction in the lease liability in the next 12 months.

The Right-of-use assets is valued at the same value of the lease liability on inception and any initial direct costs. The right of assets is subject to depreciation using the straight line method over the shorter of the period of the lease or the useful live of the underlying asset. The value of the Right-of-use asset is reduced by any accumulated depreciation and any impairment losses.

#### Finance 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 association, are classified as finance leases.

Finance leases are capitalised, recognising 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 association 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.

### e. Financial Instruments

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the association commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).



# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### e. Financial Instruments

#### Initial recognition and measurement

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in AASB 15.63.

#### Classification and subsequent measurement

##### *Financial liabilities*

Financial liabilities are subsequently measured at:

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

##### *Financial asset*

Financial assets are subsequently measured at:

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

on the basis of the two primary criteria, being:

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

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

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

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

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

##### *Equity instruments – shares and units in listed investments*

The association made an irrevocable election to measure the equity instruments – shares and units in listed investments, in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

#### Derecognition

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

##### *Derecognition of financial liabilities*

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

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

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### e. Financial Instruments

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

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

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

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

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

##### **Impairment**

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

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

Loss allowance is not recognised for:

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

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

The association uses the simplified approaches to impairment for its trade receivables, as applicable under AASB 9:

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

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

##### **Recognition of expected credit losses in financial statements**

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

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

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

#### f. Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**f. Impairment of Assets**

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

**g. Employee Provisions**

**Short-term employee benefits**

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and superannuation. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and superannuation are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits (including long service leave entitlements) are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

**h. Cash on Hand**

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

**i. Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods or services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**j. Revenue and Other Income**

Revenue from hosting race meetings are measured at the fair value of the consideration received or receivable under the terms of the agreement with Racing Queensland. Revenue is recognised when the specific performance obligations are satisfied. This is generally upon completion of a race meeting.

Revenue from rendering of services is recognised when the performance obligations have been satisfied.

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### j. Revenue and Other Income

Revenue from sale of goods is recognised at the point of delivery, as this corresponds to the completion of the performance obligations.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

For grants and other contributions of assets, that do not meet the enforceable and sufficiently specific performance obligations criteria under AASB 15: *Revenue from Contracts with Customers*, the revenue is recognised upon recognition of the financial asset as required under AASB 1058: *Income for Not-for-profit Entities*. This is generally upon receipt.

For grants received to acquire or construct a non-financial assets (Property, plant and equipment) that is retained by the association for its own use, the amounts received are recognised as unearned income and only recognised as income when the association has purchased or constructed the non-financial asset.

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

#### k. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### l. 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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

#### m. Comparative Figures

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

Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

#### n. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### o. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### p. Critical Accounting Estimates and Judgments

The Board evaluates 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 economic data, obtained both externally and within the association.

#### Key estimates

##### i) *Impairment – general*

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### Key judgments

##### i) *Provision for impairment of receivables*

The association reviews the receivables outstanding at the end of the year for any debtors that are unlikely to be collected. A provision for impairment of receivables is recognised for those debts that are considered uncollectable.

##### ii) *Investment in Shares in Publically listed entities*

The association has an investment in the shares of publically listed entities with a total value of \$3,819,520 (2019:\$3,997,373) at the end of the reporting period. Should share values decline to a level which is in excess of 50% below cost or should prices remain at levels below cost for a period in excess of 24 months, the association has determined that such investments will be considered impaired in the future.

##### iii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

### q. Fair Value of Assets

The association measures some of its assets at fair value on a recurring basis.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the association at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### r. New and amended Accounting standards adopted by the Association

#### AASB 16: Leases

In the current year the association has applied AASB 16: *Leases*, which is effective for annual periods that begin on or after 1 January 2019.

##### i) *Applying AASB 16: Leases*

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a Right-of-use asset and a lease liability at the commencement of all leases, except for short-term leases and leased of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 1d).

AASB 16 changes how the association accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except for low value leases), the association:

- Recognises Right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of Right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

The association applied the new accounting standard retrospectively from 1 July 2019 and has not restated the comparative figures reported for the 2019 financial year, as permitted under the specific transition provision in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening balances on 1 July 2019.

The adoption of the standard had the following impact on the financial statements.

##### ii) *Impact of adoption of the new standards to the Association*

<i>Measurement of the lease liability</i>	\$
Operating lease commitments disclosed at 30 June 2019	110,460
Leases recognised for the first time	62,677
Discount applied using the incremental borrowing rate at the date of initial recognition	(14,993)
Lease liability recognised as at 1 July 2019	<u>158,144</u>
Of which are:	
Current lease liabilities	39,266
Non-current lease liabilities	<u>118,879</u>
	<u>158,145</u>
 <i>Measurement of right-of-use assets</i>	
Right-of-use assets disclosed at 30 June 2019	-
Right-of-use assets to be recognised at the time of the leases	346,157
Less accumulated depreciation on the assets up to 30 June 2019	(197,178)
Right-of-use assets recognised as at 1 July 2019	<u>148,979</u>
 Adjustment to retained earnings on 1 July 2019	 <u>(9,166)</u>

The lease recognised under the new accounting standard are in relation to Photocopiers, Telephone, Wi-fi systems and Photo Finish Equipment.

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### r. New and amended Accounting standards adopted by the Association

The association has a commitment with Racing Queensland Limited with respect to its occupancy at the Albion Park Raceway. From 1 July 2011, no rent was payable by the association to Racing Queensland Limited for rent of the Albion Park facility. As allowed under AASB 16; *Leases* and AASB 1058; *Income for Not-for-profit Entities* this arrangement is considered a peppercorn lease and has not been accounted for under the new standards as it is considered to be immaterial.

### **AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-profit Entities**

In the current year the association has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-profit Entities*, which is effective for annual periods that begin on or after 1 January 2019.

#### i) *Applying AASB 1058: Income of Not-for-profit Entities*

AASB 1058 outlines the requirements for income recognition by not-for-profit entities (NFPs). Together with the new revenue standard, AASB 15: *Revenue from Contracts with Customers*, AASB 1058 supersedes all income recognition requirements for private sector NFPs, and most of the requirements for public sector NFPs previously contained in AASB 1004: *Contributions*.

The key principles of AASB 1058 follows:

- The standard only applies to income on transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable the NFP to further its objectives;
- Assets acquired with this objective are recognised in accordance with accounting standards for the relevant asset (e.g. AASB 116 for Property, Plant and Equipment or AASB 138 for Intangibles) at fair value, otherwise they are measured at 'cost';
- The credit entry is only recognised as income under AASB 1058 if it is not:
  - Related to an asset received in order to acquire or construct a recognisable non-financial asset,
  - A contribution by owners,
  - Revenue under AASB 15,
  - A financial instrument under AASB 9,
  - A provision under AASB 137, or
  - A lease liability under AASB 16;
- However, Right-of-use assets subject to peppercorn leases are recognised at 'cost', unless the NFP chooses to measure these at fair value under AASB 13 Fair Value Measurement;
- It is only mandatory for government entities to recognise and measure volunteer services if the fair value can be reliably measured and the services would have been purchased if they had not been donated; and
- If an NFP receives cash or a financial asset to acquire or construct a recognisable non-financial asset (Property, Plant and Equipment), the NFP recognises a liability which is recognised as income as or when the entity satisfies its obligation to purchase or construct the non-financial asset.

#### ii) *Applying AASB 15: Revenue from Contracts with Customers*

When all other possibilities for recognising the 'credit entry' have been exhausted, NFPs will lastly need to assess if the transaction can be accounted for as revenue from a contract with a customer under AASB 15.

In determining whether AASB 15 should be applied:

There must be a contract with a customer to provide goods or services, but these need not be provided to the customer directly, but instead can be provided to third party beneficiaries on the customer's behalf;

The contract must create enforceable rights and obligations; and

The contract must include promises to deliver goods and services that are 'sufficiently specific', which requires judgement.

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### r. **New and amended Accounting standards adopted by the Association**

Under the new standards elections can be made that will allow for retrospective adjustments with the cumulative effect of initially applying these standards to be made against the opening balance of accumulated surplus.

#### *iii) Impact of adoption of the new standards to the Association*

The adoption of the new standards has not had a material impact on the association's existing accounting policies. There were no retrospective changes made to the revenue recognised in previous financial years upon adoption of the new accounting standards.



# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>			
Racing revenue:			
– Dog Trials		70,004	61,689
– Grants (state) operating		2,434,640	2,305,526
		2,504,644	2,367,215
Other revenue:			
– Bar and catering commission		2,255	29,739
– Investment income		134,225	134,428
– Food and beverage sale		193,593	-
– Functions		40,127	45,926
– Management fees		1,920	1,710
– Government stimulus and subsidies		134,500	-
– Capital Grants		175,000	-
– Sales of merchandise		5,387	8,290
– Sponsorships		487,701	543,621
– Tote income		34,715	47,701
– Wages recovered		74,518	71,957
– Other Income		42,813	32,249
		1,326,754	915,621
Total revenue		3,831,398	3,282,836

## NOTE 3: EXPENSES

Employee benefit expense:			
– Salaries and wages		1,552,089	1,309,243
– Superannuation expense		121,702	115,308
– WorkCover		28,870	23,025
– Fringe benefits tax		20,326	24,236
– Payroll tax		9,176	21,422
		1,732,163	1,493,234
Interest expense:			
– Interest on credit cards		154	153
– Interest on leases		6,708	-
		6,862	153

## NOTE 4: AUDITORS' FEES

Remuneration of the auditor of the association for:			
– Auditing or reviewing the financial report		12,137	12,177
– Accounting and taxation services		3,004	3,670
		15,141	15,847

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>NOTE 5: CASH ON HAND</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
Cash at bank		620,859	680,048
Cash on hand		17,812	45,692
	20	638,671	725,740

**Reconciliation of cash**

Cash on hand at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank – unrestricted	620,859	680,048
Cash on hand – unrestricted	17,812	45,692
	638,671	725,740

**NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

**CURRENT**

Trade receivable	121,869	71,177
Provision for impairment	-	-
Other receivables	239,939	225,488
	20	361,808
		296,665

**NOTE 7: INVENTORIES ON HAND**

**CURRENT**

Promotional material (at lower of cost and net realisable value)	6,487	6,110
Food and beverage (at lower of cost and net realisable value)	10,029	-
	16,516	6,110

**NOTE 8: OTHER ASSETS**

**CURRENT**

Prepayments	26,039	16,283
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**NOTE 9: FINANCIAL ASSETS**

**NON CURRENT**

Investments in equity instruments designated as at fair value through other comprehensive income

Listed investments, at fair value:

– shares in listed corporations at fair value	20	3,819,520	3,997,373
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Investments in equity instruments are held for medium-to long-term planned purposes and are not held for trading. The association elected to designate investments in equity instruments as at fair value through other comprehensive income. The Board believe that recognising current shorter-term fluctuations in these investments' fair value in profit or loss would not be in line with the association's plan to hold them over a longer term.

## BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>			
Leasehold land improvements:			
At cost		302,486	159,403
Accumulated depreciation		(77,323)	(60,193)
		225,163	99,210
Leasehold improvements:			
At cost		12,288	12,288
Accumulated depreciation		(11,370)	(11,271)
		918	1,017
Plant and equipment:			
At cost		604,807	536,515
Accumulated depreciation		(317,164)	(295,745)
		287,643	240,770
Motor Vehicles:			
At cost		69,537	69,537
Accumulated depreciation		(30,729)	(25,187)
		38,808	44,350
Capital work in progress		-	33,087
Total property, plant and equipment		552,532	418,434

### 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 financial year:

	Leasehold land Improvements	Leasehold Improve- ments	Plant and Equipment	Motor Vehicles	Capital work in progress	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	104,721	1,117	230,294	50,686	-	386,818
Additions	-	-	39,257	-	33,087	72,344
Disposals	-	-	-	-	-	-
Depreciation expense	(5,511)	(100)	(28,781)	(6,336)	-	(40,728)
Balance at 30 June 2019	99,210	1,017	240,770	44,350	33,087	418,434
Additions	-	-	82,389	-	109,996	192,385
Disposals	-	-	-	-	-	-
Transfers	143,083	-	-	-	(143,083)	-
Depreciation expense	(17,130)	(99)	(35,516)	(5,542)	-	(58,287)
Balance at 30 June 2020	225,163	918	287,643	38,808	-	552,532

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>NOTE 11: ACCOUNTS PAYABLE AND OTHER PAYABLES</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT</b>			
Unsecured liabilities:			
Trade payables		126,689	113,199
Other payable		123,024	127,980
Unearned revenue		2,780	16,260
GST liability		60,611	65,069
		<b>313,104</b>	<b>322,508</b>

Financial liabilities at amortised cost classified as accounts payable and other payables

Accounts payable and other payables:			
– total current		313,104	322,508
– total non-current		-	-
		<b>313,104</b>	<b>322,508</b>
Less: Unearned revenue		(2,780)	(16,260)
Financial liabilities as accounts payable and other payables	20	<b>310,324</b>	<b>306,248</b>

### NOTE 12: EMPLOYEE PROVISIONS

<b>CURRENT</b>			
Employee provisions – annual leave entitlements		96,951	78,643
Employee provisions – long service leave entitlements		92,275	81,790
		<b>189,226</b>	<b>160,433</b>
<b>NON CURRENT</b>			
Employee provisions – long service leave entitlements		41,622	32,837
		<b>41,622</b>	<b>32,837</b>

### Analysis of Employee Provisions

	<b>Annual Leave Entitlements</b>	<b>Long Service Leave Entitlements</b>
	<b>\$</b>	<b>\$</b>
Opening balance at 1 July	78,643	114,627
Additional provisions	66,390	22,247
Amounts used	(48,082)	(2,977)
Balance at 30 June	<b>96,951</b>	<b>133,897</b>

### Employee Provisions – Leave Entitlements

The provision for employee benefits represents amounts accrued for annual leave and long service leave.

**BRISBANE GREYHOUND RACING CLUB INC**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>NOTE 12: EMPLOYEE PROVISIONS</b>		<b>\$</b>	<b>\$</b>

**Employee Provisions – Leave Entitlements**

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service and are expected. Based on past experience, the association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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 upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

**NOTE 13: LEASES**

**NON-CURRENT**

Right-of-use assets – Plant and equipment

At cost	289,436	-
Accumulated depreciation	(117,321)	-
	<u>172,115</u>	<u>-</u>

	Opening Balance	Adoption of the Accounting Standard	Additions	Disposals	Depreciation	Closing Balance
	\$		\$	\$	\$	\$
Plant and equipment	-	148,979	77,200	-	(54,064)	172,115
	-	148,979	77,200	-	(54,064)	172,115

Right of use assets are depreciated using the straight line method over the term of the lease. The lease terms range from 3 to 7 years.

The lease recognised under the new accounting standard are in relation to Photocopiers, Telephone and Wi-fi systems and Photo Finish Equipment.

The association has a commitment with Racing Queensland Limited with respect to its occupancy at the Albion Park Raceway. From 1 July 2011, no rent was payable by the association to Racing Queensland Limited for rent of the Albion Park facility. Under AASB 16; *Leases* and AASB 1058; *Income for Not-for-profit Entities* this arrangement is considered a peppercorn lease and has not been accounted for under the new standards as it is considered to be immaterial.

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>NOTE 13: LEASES</b>		<b>2020</b>	<b>2019</b>
<b>CURRENT</b>		<b>\$</b>	<b>\$</b>
Lease liability	20	54,001	-
<b>NON-CURRENT</b>			
Lease liability	20	127,737	-

	Opening Balance	Adoption of the Accounting Standard	Additions	Repayments	Interest	Closing Balance
	\$	\$	\$	\$	\$	\$
Lease Liability	-	158,145	77,200	(60,315)	6,708	181,738
	-	185,145	77,200	(60,315)	6,708	181,738

## NOTE 14: RESERVES

### Financial Asset Revaluation Reserve

The financial assets revaluation reserve represents the cumulative amount of fair value gains/losses recognised in other comprehensive income in remeasuring the investments in shares in listed companies.

## NOTE 15: LEASING COMMITMENTS (2019 ONLY)

**2019**  
**\$**

### Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements

Payable – minimum lease payments:

– not later than 12 months	57,972
– between 1 year and 5 years	52,488
– later than 5 years	-
	110,460

The lease commitment consists of the lease of two (2) photocopiers and a telephone system with a term of 5 years with payments made monthly in advance and a lease of photo finish camera equipment with a lease term of 6 years, paid monthly in arrears.

The association has a commitment with Racing Queensland Limited with respect to its occupancy at the Albion Park Raceway. From 1 July 2011, no rent was payable by the association to Racing Queensland Limited for rent of the Albion Park facility.

## NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities and contingent assets for the year ended 30 June 2020 (2019:\$nil)

## NOTE 17: EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events since the end of the reporting period.

# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>NOTE 18: RELATED PARTY TRANSACTIONS</b>			
<b>a. Key Management Personnel</b>			
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its Board members, is considered key management personnel.			
Key management personnel compensation:			
– short-term benefits		414,398	335,581
– post-employment benefits		38,110	31,678
		452,508	367,259

The association's Board members are not entitled to receive remuneration for the services provided to the association.

**b. Other Related Parties**

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

There were no transactions with a related party of the association or the key management personnel.

**NOTE 19: CASH FLOW INFORMATION**

**Reconciliation of cash flow from operating activities with net current year surplus**

Current year surplus/(deficit) after income tax	271,045	183,913
<i>Non-cash flows in current year surplus:</i>		
– depreciation expense	112,352	40,728
– Net (gain)/loss on sale of financial assets	-	10,531
– Interest and dividends recognised as Investing Activities	(127,076)	(141,313)
<i>Changes in assets and liabilities:</i>		
– (Increase)/decrease in accounts receivable and other debtors	(65,143)	(75,959)
– (Increase)/decrease in inventories	(10,406)	232
– (Increase)/decrease in other assets	(9,756)	4,083
– Increase/(decrease) in accounts payable and other payables	(9,404)	42,322
– Increase/(decrease) in employee provisions	37,578	2,836
	199,190	67,373

# BRISBANE GREYHOUND RACING CLUB INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>NOTE 20: FINANCIAL RISK MANAGEMENT</b>			
The association's financial instruments consist mainly of deposits with banks, local money market instruments, investments in listed shares, receivables and payables.			
The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: <i>Financial Instruments</i> as detailed in the accounting policies to these financial statements, are as follows:			
<b>Financial assets</b>			
<i>Financial assets at amortised cost:</i>			
Cash on hand	5	638,671	725,740
Accounts receivable and other debtors	6	361,808	296,665
<i>Financial assets designated as at fair value through other comprehensive income</i>			
– Investments in listed shares and units	9	3,819,520	3,997,373
<b>Total financial assets</b>		4,819,999	5,019,778
<b>Financial liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
– Accounts payable and other payables	11	310,324	306,248
– Lease Liability	13	181,738	-
<b>Total financial liabilities</b>		492,062	306,248

Refer to Note 21 for detailed disclosures regarding the fair value measurement of the association's financial assets and financial liabilities.

### Financial Risk Management Policies

The association's Board is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Board monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held by the Board.

The Board's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

### NOTE 21: FAIR VALUE MEASUREMENTS

The association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after initial recognition.

#### Valuation techniques

The association selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- the market approach, which uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- the income approach, which converts estimated future cash flows or income and expenses into a single discounted present value; and
- the cost approach, which reflects the current replacement cost of an asset at its current service capacity.



# BRISBANE GREYHOUND RACING CLUB INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
<b>NOTE 21: FAIR VALUE MEASUREMENTS</b>			
Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.			
The association does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.			

## Recurring fair value measurements

### Financial assets

*Investments in equity instruments designated as at fair value through other comprehensive income:*

– shares in listed entities	9	3,819,520	3,997,373
		<u>3,819,520</u>	<u>3,997,373</u>

For investments in listed entities, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

## NOTE 22: ECONOMIC DEPENDENCE

The association's activities are largely funded by operating grants received from Racing Queensland Limited. At the date of this report, the members of the Board had no reason to believe that Racing Queensland Limited would not continue to provide financial support to the Club.

## NOTE 23: IMPACTS OF COVID-19 ON THE ASSOCIATION

The Board of the association have assessed the association's ability to continue as a going concern in light of the impacts that the COVID-19 virus has had on the operations of the association and the community that the association operates in. Although some aspects of the association's operations have been impacted by the virus, the Board is of the opinion that the company is able to continue as a going concern.

Given the uncertainty of the potential future impacts of the virus on the economy, there is some uncertainty to the future impacts that the virus may have on the operations of the association.

## NOTE 24: ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Brisbane Greyhound Racing Club Inc.  
Albion Park Raceway  
Amy Street  
BREAKFAST CREEK QLD 4010

BRISBANE GREYHOUND RACING CLUB INC

STATEMENT BY MEMBERS OF THE BOARD  
FOR THE YEAR ENDED 30 JUNE 2020


In the opinion of the Board, the financial report as set out on pages 4 to 26:

1. Presents a true and fair view of the financial position of the Brisbane Greyhound Racing Club Inc. as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Association Incorporations Act 1981.
2. At the date of this statement, there are reasonable grounds to believe that the Brisbane Greyhound Racing Club Inc. will be able to pay its debts as and when they fall due.

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



L Bein  
Chairman



E Wallis  
Treasurer

Dated this 23<sup>rd</sup> day of September 2020

# BRISBANE GREYHOUND RACING CLUB INC

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISBANE GREYHOUND RACING CLUB INC

### Report on the Financial Report

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Brisbane Greyhound Racing Club Inc, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Board.

In our opinion, the accompanying financial report of Brisbane Greyhound Racing Club Inc is in accordance with the requirements of the *Associations Incorporation Act 1981 (Qld)*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

#### Basis for Opinion

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

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

#### Information Other than the Financial Report and Auditor's Report Thereon

The Board of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Board for the Financial Report

The Board of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1981 (Qld)* and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

# BRISBANE GREYHOUND RACING CLUB INC

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRISBANE GREYHOUND RACING CLUB INC

### Report on the Financial Report

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

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

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

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

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



**PRIESTLEYS**  
Chartered Accountants

*Liability limited by a scheme approved under Professional Standards Legislation*



**M C ANDRIASSEN**  
Partner

Signed at Brisbane on this 25<sup>th</sup> day of September 2020

