

# Annual Report 2015/16



## CHAIRMAN'S REPORT

My intent on becoming the Chairman of the Townsville Turf Club was to continue the good work Alan Parry had performed, but more importantly to achieve the construction of the New Track, On Site Stables and the Upgrade to the Clubs Facilities with the emphasis on external financial income to support the racing operation and the Clubs survival. The end result of this intent would improve our racing standards plus provide increased TAB turnover.

The entire Business Case defined above was approved by the Queensland Government and Racing Queensland, but limited to the track and supporting infrastructure by budget control and funding limitations. Even with health problems and frustrations with the Administration of Racing in Queensland I am determined to complete the track up-grade and infrastructure support.

Racing Queensland are the Control Body of the racing industry in Queensland. All other Australian States have been very supportive of the Racing Industry by increasing prize money and investing in a capital works programme to attract participants and the general public. Racing Queensland unfortunately has the total racing industry in a non-buoyant mode where loss of prize money, transfer of race dates to mid-week meetings are denying the Clubs the opportunity to create income to further support the Clubs viability. Saturday Race dates have proven there is sufficient income to support the Clubs financial position.

In contrast to prize money cuts, Administration costs such as licencing, nominations and acceptance fees along with registration fees have been raised to no doubt support the deficits Racing Queensland appear to have or have created. Is this due to the "DO NOT MENTION" the UBet deal being a failure or lack of Racing at Eagle Farm whilst in reconstruction mode? Perhaps it may be assisted by the fact the bureaucratic system at Racing Queensland has grown dramatically which pushes up costs whether necessary or unnecessary.

We are advised:

Compliance staff has been increased by 300%. (Non-compliance by Clubs administration staff is utilised to withhold administrative funding).

Promotion staff is in excess of five (5). Results?

Maybe this has been created by the Greyhound live baiting dilemma? Or is it an overkill at great cost to the overall Industry.

One has to query how it all works in Queensland considering:

- (a) The Racing Industry is controlled by the Queensland Government via;
- (b) The Racing Minister via;
- (c) The Office for Racing a Queensland Government Statutory Body via;
- (d) The Racing Queensland Board via;
- (e) The Three Codes Boards via,
- (f) The Bureaucratic System of Racing Queensland via;
- (g) The Racing Queensland Licenced Clubs the majority who are Incorporated bodies under the Australian Corporation Laws where the Directors are held personally responsible under its laws.  
Or like the Townsville Turf Club is an Incorporated Association and not an Incorporated Company under Australian Corporation Laws.

The Question

How can a State Government Statutory Body who controls the Clubs racing dates, the prize money levels, Club compliances, Club funding via administration subsidies etc indemnify the Directors of any Club when the threat of insolvency is created by the system and not of their doing?

Now it has been announced Racing Queensland has incurred a loss of \$21 million plus for the previous financial year with a budgeted loss of \$12 million plus for 2016/2017 financial year. What chance has Clubs surviving when the administration has obvious financial problems.

It is common knowledge Mackay is a good example where Racing Queensland took over the Club from the Committee who were moved aside. Racing Queensland incurred the Clubs loss to \$300,000.00 plus then threatened to close the Club down if the Committee did not return to take over control. Racing Queensland left the debt with the newly formed Club Committee.

## Track Up-grade

I must congratulate the Evergreen Company on the end result of the new track. Their professionalism cannot be queried. There is no doubt the Townsville track is the superior of all race tracks in Queensland. However the non-completion of external infrastructure works and rectification of defect works associated with the overall contract is very concerning, the new track is nearly a year old. Denial of responsibility sanctioned by specific people from Racing Queensland is not considered appropriate nor acceptable. The professional competence of these people is very questionable.

Finance approved for construction of sealed roads, float car park etc were deleted so as to comply with the budget which was blown due to variations by the main contractor and approved for payment by Racing Queensland and not necessarily supported by S.M.C.E. the Project Superintendents. The Townsville Turf Club removed all existing rails, fences, irrigation and went on to refurbishing the total rail system inclusive of purchasing plant, painting utensils and painting of rails etc to finalise the new track and a quick return to Racing.

As mentioned in my previous Chairman's report the Townsville Turf Club were debating the problem of Racing Queensland not paying for the Clubs Staff costs plus all materials having to be purchased. This cost to the Townsville Turf Club amount to approximately \$230,000.00 - \$240,000.00 which was rejected by Racing Queensland. In addition to this expenditure the Townsville Turf Club arranged an injection of a \$270,000.00 contribution from a neighbouring property owner for drainage improvements. This was absorbed in the overall costings. Racing Queensland instructed a Racing Queensland purchasing officer to issue a purchase order to the Townsville Turf Club for \$60,000.00 plus GST. Unfortunately this has not been received; in fact the purchase order was never created.

## Directors (Committee)

It is with pleasure I welcome Scott McElligott's nomination to the Committee. Scott is from the Pickering Group of Companies. I confirm that no further nominations were received at the close of nomination period.

I am very appreciative of the effort and support I have encountered with previous Directors and those currently in office. This role is not a simple one when considering the obstacles mentioned elsewhere. This Committee are devout supporters of Racing and spend endless hours with nothing in return apart from frustration with the system and the adverse criticism from a minority group of Licencees. The Committee is still very frustrated with the lack of support shown by those in the south as Clubs Rockhampton south continue to be given preferential treatment in their allocations. I again must ask the question, The South East syndrome? We in the North should not be penalised because of where we choose to reside.

My sincere thanks go to all the Committee with emphasis on the Chairs of Promotion Jason Collins, Finance Dino DiBella and Works Jeff Davis. Your Committee continues to remain united in its endeavours to get the best result for Townsville and North Queensland Racing.

## Sponsors & Partnerships

On behalf of the Townsville Turf Club Board, Members, industry participants and the public racing supporters I consider an extreme privilege to have enjoyed the support and company of Townsville RSL and the Parry NQ Group. Bill Whitburn and Karla Malouf from Townsville RSL and John and Lorrelle Doolan of Parry NQ, Thank you nice people.

Moving on with positivity for the 2016-2017 Racing year the Townsville Turf Club has proudly formed new sponsorship/partnerships with The Mater Heath Services represented by the well-known CEO Gerry Wyvill and Director Pat Brady. The success of the 2016 Mater Townsville Cup Day was indicative of the massive support the Mater enjoys.

The Directors were very fortunate in forming a new partnership with "The Ville Resort and Casino" Brad Morgan in the sponsorship of the Two Year Old Classic where prize money has exceeded \$100,000.00 on an annual basis for over 20 years. Jeff Davis was instrumental in this sponsorship.

Welcome New Partners and thanks for a Tremendous and Successful Winter Carnival 2016.

I have not forgotten our long term partners XXXX who have been major supporters of the exclusive \$100,000.00 Cleveland Bay Handicap. Our special thanks to Lion Beer (XXXX). The Ladies Day Coffee Club Marquee sell out and success story can only be attributed to Dave and Carolyn McManus "The Coffee Club Operators". Thanks Dave and Carolyn.

Again thanks to all other supporting sponsors and especially the 100 Club Members.

The Townsville Turf Club with the assistance of Mayor Jenny Hill had the pleasure of a visit from the Honourable Grace Grace the Racing Minister on Thursday 21<sup>st</sup> January 2016. This was a result of the unfortunate closure of Q.N.I. creating a major loss of jobs.

The ready to go construction of On Site Stables and Function Rooms was put on the table with the suggested intent of creating jobs for Townsville's unemployed. Obviously this has not occurred.

The Townsville Turf Club congratulates the new Board recently appointed by the State Government.

Hopefully the very qualified C.E.O Dr Eliot Forbes can guide the Industry and the Board to a positive outlook for Queensland Racing. A review of the existing process and bureaucracy is essential when compared to other States Racing Success.

The Townsville Turf Club was privileged to have the Deputy Chair of Racing Queensland as a guest on The Townsville Mater Cup Day. Deputy Chair Sharon Dawson is Cairns domiciled and is a Director of the Dawson Group, a North Queensland construction Company. Thanks Sharon for your company and the opportunity of airing the short comings in Queensland Country Racing.

### Finance

Due to the close down for track re-construction and loss of cash flow caused by external function income the Club continues to struggle financially. It is unfortunate a loss of \$8,000.00 plus is applicable on a daily basis when the Townsville Turf Club races on a mid-week race day. Unless the model of operation by Racing Queensland is amended all mid-week Race Clubs cannot survive financially. The Auditors report on the previous year's trading is very critical and self-explanatory. The Townsville Turf Club had external auditors i.e. McGrath Nicol provide a report on the viability of the Club. As of the 10<sup>th</sup> October 2016 that report has been provided to the Townsville Turf Club and supports the Townsville Turf Club's concerns. I refer to the Treasurers report.

### Staff

Special thanks for the efforts of our CEO Michael Charge, Operations Manager Darlene MacKenzie, and Office Manager Sue Wehlow, all are very great loyal workers and supporters of the Club.

I specifically must thank our ground staff of Greg Crispe, Andrew Paton, Glen Schultz, Phil Zumaran (now retired), Jason Field and Charlie Walker. These gentlemen all played a vital role during our upgrade works and I can vouch first hand that they have probably never covered such a diverse range of duties as they have in the last 12-18 months. Also thank to our ever reliable sand track curator Jason Cullen and morning Trackwork Supervisor Peter Neilson.

I thank all supporters whether they are Club Directors, administration staff, members, licencees and our loyal patrons.

**Kevin O'Keefe**  
CHAIRMAN

## FINANCE REPORT

The Club recorded a surplus of \$6,186,859 for the 2014/15 financial year, compared to a profit in the previous financial year of \$344,076. The surplus for this financial year includes the one of Capital Grant of \$6,920,084 for the Track and associated Infrastructure upgrades. This was a non-cash Grant and was facilitated through Racing Queensland and the Queensland Government through the Industry Infrastructure Funding. The Club and its Auditors also conducted a full detailed review of Assets resulting in the writing off/disposal of \$390,762 of previous listed assets.

The net surplus for the 2015/16 financial year removing the extraordinary items shows a loss of \$342,463. With the removing for the Depreciation of \$229,319 as this did not require a cash outlay, shows a net loss of \$113,144 for the financial year ended 30<sup>th</sup> June 2016.

The Club continues to experience significant challenges with its operations under the current Racing Queensland Funding and Racing Model. Without key Income Producing Infrastructure Upgrades the Club will continue to struggle financially under the current model, as supported by the draft independent report on behalf of Racing Queensland. We continue to be heavily reliant upon the ongoing support of Racing Queensland by way of Operational Subsidy and Loan Arrangement. For many years the Club has highlighted the major challenges in regards to the relatively unchanged Racing Queensland operational subsidy to the club measured against almost 80% of the annual allocated race meetings falling on mid-week days i.e. Tuesdays and Thursdays. The Club continues to highlight the difficulty faced with mid-week racing which generates very little to no revenue opportunity to the club, this is despite substantial expenditure and industry requirements to meet TAB club minimum standards. The major downturn in the local economy has posed further challenges for the Club directly impacting key race date revenue areas such as Gate, Sponsorship, Bar Sales, Membership and Function Income etc. It was well documented and reported last financial year the impacts on the Club from the track closure which continued to cause major revenue and expenditure implications, this was again felt heavily in the first quarter of the 2015/16 Financial Year with the return to racing and revamped 2015 Winter Racing Carnival being greatly impacted by its uncertain and revised September 2015 re-location.

The Club has engaged the services of Adam Carter on a contract basis to assist with a number of key areas that include Budget Forecasting, Financial Mapping and Planning, Strategic and Business Planning, as well as further addressing the ever increasing and demanding Racing Queensland Compliance requirements. He is the former Chief Financial Officer and Acting Chief Executive Officer of Racing Queensland with an intimate knowledge of both sides of the fence. Adam is now assisting many Queensland TAB Clubs with the challenges faced by the industry and has been a great support to the Club Management and Committee as we work fiercely on a current and ongoing Turnaround Strategy. The Committee and management are acutely aware that the Townsville Turf Club requires the support of Racing Queensland and State Government to assist the club with facilitating the approvals of on course stabling and a function centre that the club has the ability to earn alternative revenue streams on race days and non-race days throughout the year. The club needs to optimise the use of land and facilities for the benefit of all stakeholders in the Townsville Region.

The Clubs detailed Carnival review and summary highlighted major losses in revenue due to decreased attendances and functions in 2015, this was on top of increased costs due to the postponement of the Carnival from July to September 2015. The Club has completed a very detailed Winter Racing Carnival analysis summary back to 2011, we are pleased to confirm a greatly improved result from our 2016 Winter Racing Carnival which returned to its traditional July time slot. We can report early on major revenue improvements in particular in Function areas as a direct result of the very successful Club run Marquees and Events that included a tremendous Calcutta Luncheon. In addition stringent budget controls and reviews have and will continue to be in place and, reviewed to formulate the Clubs ongoing major race day modelling.

On behalf of the Committee I again thank our Contract Bookkeeper Natalie Keen who provides great assistance and professionalism to the Club. This support along with that provided by our Office Manager Sue Wehlow and CEO Michael Charge, helps keep a very tight and difficult ship in as good as financial order as possible.

I am very grateful for the ongoing and increased support on all matters relating to the Clubs finances from Chairman Kevin O'Keefe, Chris McMahon and our up and coming youthful Committee Member Brendan Cahill. I thank our entire Volunteer Committee for their hard work, tireless efforts, dedication and extreme loyalty to the Club and Racing Industry, despite its many and varied challenges.

Last but not least I thank all of our Club Members for your continued support, as we again look forward to very successful racing in the year ahead on without doubt the best racetrack in Queensland.

**Dino Di Bella**

Treasurer



## PROMOTIONS REPORT

The Promotions Committee was faced with a number of challenges in 2015 due to the 9 month construction phase of the \$7 million upgrade to the racing facilities at Cluden Park. The uncertainty of the completion date meant we missed out on the revenue from the lifestyle events held at Cluden. As well as difficulties with planning the Carnival without a return to "racing" date. A huge thank you goes out to all our sponsors for their patience shown throughout this period of construction.

It was with great anticipation we returned to racing at Cluden Park on the 19th September, 2015. The crowds returned to a "second to none" racing surface for the Townsville Windows and Screens Ladies Race Day. Desley Thomas and Ritchie Tighe have been strong supporters of the TTC 100 Club and were very popular winners this year. Special mention should be made of the ongoing enormous support from Carolyn McManus and the Coffee Club Townsville in hosting the very popular Ladies Day Marquee.

The Club with the wonderful support from major sponsors Townsville RSL hosted another very well attended Cup Calcutta. Special guest was Mr. Robbie Griffiths, President of the Australian Jockeys Association and very accomplished jockey/trainer, alongside him was legendary Queensland Rugby League Icon Gene Miles.

With a tight schedule of racing throughout North Queensland, the decision was made to hold a "Super Saturday" of racing at Cluden Park on Saturday 26th September, 2015. The massive Raceday offered a 10 race program with almost \$500,000 prize money on offer. The "Super Saturday" on a racing surface unseen in Regional Australia featured the \$100,000 RSL Townsville Cup, the time honoured XXXX Gold Cleveland Bay Handicap and for the year only the exciting \$112,000 Parry NQ 3 Year Old Classic.

Legendary local trainer Errol Sewell combined with jockey Robert Thompson when Valley Rose claimed the \$112,000 Parry NQ Classic. The well-bred daughter of Sebring is both owned and trained in the north and proved to be a very popular winner.

Meanwhile, former Victorian galloper Ladretto collected his second XXXX Gold Cleveland Bay Handicap in three years with a nose win over Mishani Gladiator. The win proved a remarkable training effort by Kerry Baumann who had brought the horse back from a cups campaign the previous year. Mention must also be made of jockey Graham Kliese's determined effort to return to partner Ladretto following his horrific race fall earlier in the year.

The RSL Townsville Cup once again assembled a capacity field of our best stayers over the reduced distance of 2000m. Toowoomba trainer Ben Currie celebrated one of his biggest wins when short priced favourite Honey Toast stormed home to win by the barest of margins. Paul Hammersley timed his run to perfection to come from near last on the turn to claim local horse Rock Vantage in the last bound.

It was certainly a proud day for Townsville thoroughbred racing with Racing Minister Bill Byrne officially opening the new track with a formal ribbon cutting ceremony. Several of the senior visiting jockeys declaring the new racing surface "world class".

Fashions on the Field again highlighted the tremendous support and interest amongst our race goers for this popular event. The fashions were again a huge success with a massive crowd assembling to watch the winners of each category announced on the main stage. A huge thank you to the generous sponsors of each category; Escape Travel, Daydream Resort & Spa, Audi Centre Townsville, Cheryl's Boutique, Jewellery By Design, Daisy Maisy Flowers. Well done to Cheryl Collins and helpers for their support with Fashions on the Field.

In conclusion, I would like to personally congratulate all these people who contributed to the delivery of the fantastic new facility on time, allowing the club to deliver a very successful spring carnival despite the impacts of its revised schedule. Club Chairman Kevin O'Keefe along with Michael Charge and his team should be singled out for their massive effort throughout this difficult period of transition. So many people worked outside their comfort zones and they should be very proud of their efforts.

As always, a huge thank you to all of the clubs sponsors and supporters.

Let's all look forward to our new racing season.

**Jason Collins**

Chairman - Promotions Committee

## TOWNSVILLE TURF CLUB PERMANENT STAFF

### Administration:

Chief Executive Officer .....	Michael Charge
Operations Manager .....	Darlene MacKenzie
Office Manager .....	Sue Wehlow
Tote Manager .....	Sheri Murphy

### Track & Grounds:

Racecourse Curator .....	Andrew Paton
Head Gardener .....	Greg Crispe
Trackwork Supervisor .....	Peter Neilson
Maintenance/Groundsman .....	Phillip Zumaran <i>*Retired</i>
Leading Hand .....	Glenn Schultz
Groundsman .....	Jason Field
Groundsman .....	Charlie Walker
Sand Track .....	Jason Cullen

## COMMITTEE

Attendance of Committee Members at ordinary meetings during the year was as follows:

### Of 8 Meetings:

K.J.O'Keefe (Chairman) .....	8
A.Dickinson (Vice Chairman) .....	7
D.M.Di Bella (Hon Treasurer) .....	8
J.Collins .....	8
J.Davis .....	8
C.McMahon .....	8
B.Cahill .....	7
S.Hillier <i>*Retired</i> .....	2/3

## SPONSORS



Heatley Family



**Townsville Turf Club Inc.**

ABN 75 509 244 921

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	2	<b>9,188,835</b>	2,924,260
Employee benefits expense		<b>(887,085)</b>	(866,926)
Depreciation and amortisation expense		<b>(229,319)</b>	(116,821)
Loss on Disposal of Assets		<b>(390,762)</b>	-
Other expenses		<b>(1,484,390)</b>	(1,585,642)
Finance costs		<b>(10,420)</b>	(10,794)
<b>Surplus (deficit) before income tax</b>		<b>6,186,859</b>	344,076
Income tax expense	1(c)	-	-
<b>Surplus (deficit) for the year</b>		<b>6,186,859</b>	344,076
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>6,186,859</b>	344,076

The accompanying notes form part of these financial statements.



## Statement of Financial Position

30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	4	114,305	480,468
Trade and other receivables	5	442,918	204,549
Inventories	6	53,246	55,441
Other assets	8	41,336	49,074
TOTAL CURRENT ASSETS		651,805	789,532
NON-CURRENT ASSETS			
Property, plant and equipment	7	10,632,260	4,275,553
TOTAL NON-CURRENT ASSETS		10,632,260	4,275,553
TOTAL ASSETS		11,284,065	5,065,085
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	408,416	191,197
Borrowings	10	14,714	23,421
Employee benefits	12	96,159	79,948
Other liabilities	11	151,091	328,844
TOTAL CURRENT LIABILITIES		670,380	623,410
NON-CURRENT LIABILITIES			
Borrowings	10	218,976	234,376
Employee benefits	12	1,939	4,327
TOTAL NON-CURRENT LIABILITIES		220,915	238,703
TOTAL LIABILITIES		891,295	862,113
NET ASSETS		10,392,771	4,202,972
<b>EQUITY</b>			
Asset revaluation surplus		2,375,907	2,372,968
Retained earnings	13	8,016,864	1,830,005
TOTAL EQUITY		10,392,771	4,202,972

The accompanying notes form part of these financial statements.

**Townsville Turf Club Inc.**

ABN 75 509 244 921

**Statement of Changes in Equity****For the Year Ended 30 June 2016****2016**

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2015</b>	<b>1,830,005</b>	<b>2,372,968</b>	<b>4,202,972</b>
Surplus attributable to members of the entity	<b>6,186,859</b>	<b>2,939</b>	<b>6,189,799</b>
<b>Balance at 30 June 2016</b>	<b>8,016,864</b>	<b>2,375,907</b>	<b>10,392,771</b>

**2015**

	<b>Retained Earnings</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2014</b>	<b>1,485,929</b>	<b>2,372,968</b>	<b>3,858,897</b>
Surplus attributable to members of the entity	<b>344,076</b>	<b>-</b>	<b>344,076</b>
<b>Balance at 30 June 2015</b>	<b>1,830,005</b>	<b>2,372,968</b>	<b>4,202,972</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 30 June 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		2,419,111	2,887,965
Payments to suppliers and employees		(2,696,076)	(2,664,354)
Finance costs		(10,420)	(10,794)
Interest received		2,034	1,140
Net cash provided by operating activities	18	<u>(285,352)</u>	<u>213,956</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		<u>(56,704)</u>	<u>(188,996)</u>
Net cash used by investing activities		<u>(56,704)</u>	<u>(188,996)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(24,107)</u>	<u>(21,028)</u>
Net cash used by financing activities		<u>(24,107)</u>	<u>(21,028)</u>
Net increase (decrease) in cash and cash equivalents held		(366,163)	3,932
Cash and cash equivalents at beginning of year		<u>480,468</u>	<u>476,535</u>
Cash and cash equivalents at end of financial year	4	<u><u>114,305</u></u>	<u><u>480,468</u></u>

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2016**

The financial statements cover Townsville Turf Club Inc. as an individual entity. Townsville Turf Club Inc. is a not-for-profit association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*).

The principle activity of the Association for the year ended 30 June 2016 was the provision of horse racing.

#### **1 Summary of Significant Accounting Policies**

##### **(a) Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

##### **(b) Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

##### **(c) Income Tax**

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

##### **(d) Leases**

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

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 or over the term of the lease.

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

##### **(e) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

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

#### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### **Grant revenue**

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

#### **Interest revenue**

Interest is recognised using the effective interest method.

#### **Subscriptions**

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

#### **(f) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(g) Inventories**

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

#### **(h) Property, Plant and Equipment**

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets excluding freehold land, are depreciated over their useful lives to the Association.

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **(h) Property, Plant and Equipment continued**

##### **Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to Townsville Turf Club Inc. commencing from the time the asset is held ready for use.

##### **Land and buildings**

Land and buildings are measured using the revaluation model.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Building improvements	1.5 - 22.5%
Plant and Equipment	7.5 - 40.0%
Motor Vehicles	20.0 - 22.5%
Office furniture & equipment	7.5 - 40.0%
Bar improvements, plant and fittings	7.5 - 40.0%
Irrigation and water scheme	7.5 - 25.0%
Track	3.0 - 15.0%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### **(i) Financial instruments**

##### **Initial recognition and measurement**

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

Financial instruments are initially measured at fair value plus transactions 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.

##### **Classification and subsequent measurement**

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Association does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### **(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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

#### **(iii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Impairment of financial assets**

At the end of the reporting period the Association assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **Financial assets at amortised cost**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

#### **(j) Impairment of non-financial assets**

At the end of each reporting period the Association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### **(k) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### **(l) Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

#### **(m) Critical accounting estimates and judgments**

##### **Key estimates - impairment**

The Association assesses impairment at the end of each reporting year by evaluating conditions 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **1 Summary of Significant Accounting Policies continued**

#### **(n) Going concern**

The club recorded a surplus of \$6,186,859 for the financial year compared to a profit in the previous financial year of \$344,076. The surplus for the current financial year included a one off Capital Grant of \$6,920,084 for the Track Infrastructure upgrade. This was a non-cash Grant and was facilitated through Racing Queensland and the Queensland Government through the Industry Infrastructure funding. The working capital ratio at 30 June 2016 is 0.97 (2015:1.27).

At the commencement of the 2013 financial year the club received a loan of \$211,268 from Racing Queensland (refer Note 16). The club still held this loan at 30 June 2016 and made interest only payments during the year in accordance with the agreement with Racing Queensland. This loan is classified as non-current liabilities in the financial report. The club also receives operational funding from Racing Queensland on an annual basis. The operational funding from Racing Queensland has remained relatively unchanged for over 10 years and the club operates over 80% of mid-week race meetings as a service to the industry. The Townsville Turf Club meetings contribute to the overall Queensland wagering revenue return through bets placed on racing at Townsville Turf Club through Wagering Service providers including Ubet, Corporate Bookmakers and Totes. The club is dependent on Racing Queensland for continued financial support in maintaining its operations.

During the 2016 financial year the club did not start trading until September 2015 due to the delay in the track upgrade. The club lost on revenue opportunities and additional events during this period. The track closure subsidy for lost meetings provided by Racing Queensland during this period did not offset the additional costs or lost revenue incurred by the club. There was a significant impact on the 2015 Townsville Carnival which is normally held in July which moved to September. There was a significant downturn in revenue and the carnival ran at a deficit for the period. Attendance at the 2015 carnival was significantly down by over 26% compared to the prior year which affected the operating result.

The club incurred additional costs for the track upgrade as directed by Racing Queensland and included in the debtors are two amounts totalling \$131,956 excluding GST due by Racing Queensland and the Principal Contractor in the upgrade works due for the track upgrade which the club considers due and payable. These amounts are currently in dispute and these amounts if not paid will affect the club's ability to continue to trade and affect operating cashflow.

The club is currently reviewing all operations and working on a turnaround strategy to ensure the club trades to the end of the 2017 financial year. If there is not a change in operations and a cash injection during 2017 the club will have significant difficulty for the club to trade.

At the date of this report the committee had no reason to believe that Racing Queensland would not continue providing support to the club in the future.

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 2 Revenue and Other Income

#### Revenue from continuing operations

	2016	2015
	\$	\$
Sales revenue		
- Bar sales	420,340	499,071
	<u>420,340</u>	<u>499,071</u>
Other revenue		
- interest income	2,034	1,140
- membership subscriptions	40,805	48,782
- administration subsidy	674,735	650,684
- insurance recoveries	68,603	70,265
- settlement – Infield Lake Case	-	650,000
- Racing Queensland – Reimbursement of Swabbing Stall facility cost	-	114,074
- Racing Queensland – Track upgrade grant	6,920,084	-
- sundry income	1,062,224	890,244
	<u>8,768,485</u>	<u>2,425,189</u>
<b>Total Revenue</b>	<u><b>9,188,835</b></u>	<u><b>2,924,260</b></u>

### 3 Result for the year

The result for the year includes the following specific expenses:

	2016	2015
	\$	\$
Other finance costs	10,420	10,794
Impairment of receivables:		
- Provision for doubtful debts expense	16,099	(16,009)
Total impairment of receivables	<u>16,099</u>	<u>(16,009)</u>

### 4 Cash and cash equivalents

	2016	2015
	\$	\$
Cash on hand	1,840	3,545
Cash at bank	112,465	476,923
	<u>114,305</u>	<u>480,468</u>

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	114,305	480,468
<b>Balance as per statement of cash flows</b>	<u><b>114,305</b></u>	<u><b>480,468</b></u>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 4 Cash and cash equivalents continued

#### Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	114,305	480,468
<b>Balance as per statement of cash flows</b>	<b>114,305</b>	<b>480,468</b>

### 5 Trade and other receivables

#### CURRENT

Trade receivables

Provision for impairment

**Total current trade and other receivables**

	2016	2015
	\$	\$
Trade receivables	464,017	209,549
Provision for impairment	(21,099)	(5,000)
<b>Total current trade and other receivables</b>	<b>442,918</b>	<b>204,549</b>

### 6 Inventories

#### CURRENT

At cost:

Finished goods

	2016	2015
	\$	\$
Finished goods	53,246	55,441
<b>Finished goods</b>	<b>53,246</b>	<b>55,441</b>

Write downs of inventories to net realisable value during the year were \$ NIL (2015: \$ NIL).

### 7 Property, Plant and Equipment

#### LAND AND BUILDINGS

Freehold land

At independent valuation

At cost

Total freehold land

Total Land

Buildings

At cost

Accumulated depreciation

Total buildings

Total land and buildings

	2016	2015
	\$	\$
Freehold land		
At independent valuation	2,400,000	2,400,000
At cost	21,139	21,139
Total freehold land	2,421,139	2,421,139
Total Land	2,421,139	2,421,139
Buildings		
At cost	2,038,622	1,592,006
Accumulated depreciation	(530,659)	(483,182)
Total buildings	1,507,963	1,108,824
Total land and buildings	3,929,102	3,529,963

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 7 Property, plant and equipment continued

	2016 \$	2015 \$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	813,013	691,621
Accumulated depreciation	(481,636)	(547,698)
Total plant and equipment	331,377	143,923
MOTOR VEHICLES		
At cost	118,631	158,148
Accumulated depreciation	(75,542)	(93,411)
Total motor vehicles	43,089	64,737
OFFICE EQUIPMENT		
At cost	82,408	111,478
Accumulated depreciation	(56,800)	(79,684)
Total office equipment	25,608	31,794
BAR IMPROVEMENTS, PLANT AND FITTINGS		
At cost	119,463	138,353
Accumulated depreciation	(88,282)	(109,901)
Total Bar improvements, plant and fittings	31,181	28,452
IRRIGATION AND WATER SCHEME		
At cost	508,160	82,933
Accumulated depreciation	(52,259)	(68,348)
Total Irrigation and water scheme	455,901	14,585
TRACK		
At cost	5,899,599	1,077,834
Accumulated depreciation	(83,597)	(615,735)
Total Track	5,816,002	462,099
Total plant and equipment	6,703,158	745,590
<b>Total property, plant and equipment</b>	<b>10,632,260</b>	<b>4,275,553</b>



## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 7 Property, plant and equipment continued

#### (a) Movements in carrying amounts of property, plant and equipment

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

	Land	Building improvements	Plant and equipment	Motor vehicles	Office furniture & equipment	Bar improvements, plant and fittings	Irrigation and water scheme	Track	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>									
Balance at the beginning of the year	2,421,139	1,108,824	143,923	64,737	31,794	28,452	14,585	462,099	4,275,553
Additions	-	448,306	226,875	-	-	5,995	506,000	5,789,611	6,976,787
Disposals	-	(1,315)	(7,265)	(12,725)	(2,348)	(958)	(14,040)	(352,111)	(390,762)
Depreciation expense	-	(47,853)	(32,156)	(8,923)	(3,838)	(2,308)	(50,644)	(83,597)	(229,319)
<b>Balance at the end of the year</b>	<b>2,421,139</b>	<b>1,507,963</b>	<b>331,377</b>	<b>43,089</b>	<b>25,608</b>	<b>31,181</b>	<b>455,901</b>	<b>5,816,002</b>	<b>10,632,260</b>
<b>Year ended 30 June 2015</b>									
Balance at the beginning of the year	2,421,139	963,565	163,618	73,957	37,874	29,911	16,027	497,288	4,203,379
Additions	-	180,274	8,722	-	-	-	-	-	188,996
Depreciation expense	-	(35,015)	(28,417)	(9,220)	(6,080)	(1,459)	(1,442)	(35,189)	(116,822)
<b>Balance at the end of the year</b>	<b>2,421,139</b>	<b>1,108,824</b>	<b>143,923</b>	<b>64,737</b>	<b>31,794</b>	<b>28,452</b>	<b>14,585</b>	<b>462,099</b>	<b>4,275,553</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

### 8 Other non-financial assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	41,336	49,074
	<u>41,336</u>	<u>49,074</u>

### 9 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	364,453	102,809
Sundry payables and accrued expenses	43,963	88,388
	<u>408,416</u>	<u>191,197</u>

### 10 Borrowings

	2016	2015
	\$	\$
CURRENT		
Secured liabilities:		
Other financial liabilities	14,714	23,421
	<u>14,714</u>	<u>23,421</u>
<b>Total current borrowings</b>	<u>14,714</u>	<u>23,421</u>
NON-CURRENT		
Secured liabilities:		
Loan - Racing Queensland Ltd	211,268	211,268
Other financial liabilities	7,708	23,108
	<u>218,976</u>	<u>234,376</u>
<b>Total non-current borrowings</b>	<u>218,976</u>	<u>234,376</u>

### 11 Other liabilities

	2016	2015
	\$	\$
CURRENT		
Income received in advance	151,091	328,844
	<u>151,091</u>	<u>328,844</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
<b>12 Employee Benefits</b>		
Current liabilities		
Long service leave	45,501	36,825
Provision for annual leave	50,658	43,123
	<u>96,159</u>	<u>79,948</u>
Non-current liabilities		
Long service leave	1,939	4,327
	<u>1,939</u>	<u>4,327</u>

	2016	2015
	\$	\$
<b>13 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	1,830,005	1,485,929
Net profit attributable to beneficiaries of the trust	6,186,859	344,076
<b>Retained earnings at end of the financial year</b>	<u>8,016,864</u>	<u>1,830,005</u>

## 14 Financial Risk Management

The main risks Townsville Turf Club Inc. is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	114,305	480,468
Financial assets at fair value through profit or loss		
Trade and other receivables	442,918	209,549
	<u>442,918</u>	<u>209,549</u>
<b>Total financial assets</b>	<u>557,223</u>	<u>690,017</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
Trade and other payables	408,416	191,197
Borrowings	211,268	211,268
Other financial liabilities	22,422	46,529
<b>Total financial liabilities</b>	<u>642,106</u>	<u>448,994</u>

**Notes to the Financial Statements****For the Year Ended 30 June 2016****15 Contingencies**

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2016 (30 June 2015: None).

**16 Related Parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

At the commencement of the 2013 financial year the club had received a loan facility of \$700,000 which was guaranteed by a group of individual members of the club. The amount of the loan drawn down against this facility during the 2013 year was \$208,507. This loan was fully paid out by Racing Queensland during the 2013 financial year and the members were released of their guarantee. The club therefore now holds a loan with Racing Queensland which is interest only, paid monthly. The balance of the loan at 30 June 2016 was \$211,268 (2015:\$211,268).

**17 Track Cluden Contract**

The State government, through the Industry Infrastructure Strategy, provided funding for Racing Queensland to complete the above contract with all progress claims being paid directly to the contractor by Racing Queensland.

At 30 June 2016, the contract was completed with an amount of \$6,920,084 taken up as grant revenue and capitalised as an asset. The contract has been completed and ownership of the improvements is confirmed by Racing Queensland as being held by the club, with such improvements recorded in the club's financial records.

**18 Cash Flow Information****(a) Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Surplus (deficit) for the year	6,186,859	344,076
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	229,319	116,821
- reserve movements	(2,939)	-
- loss on disposal of assets	390,762	-
- capital grant	(6,920,084)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(238,368)	(35,156)
- (increase)/decrease in other assets	18,007	11,308
- (increase)/decrease in inventories	(2,195)	(3,941)
- increase/(decrease) in income in advance	(177,753)	(141,858)
- increase/(decrease) in trade and other payables	217,219	(304,780)
- increase/(decrease) in unexpended grants	-	272,727
- increase/(decrease) in provisions	13,822	(45,241)
Cashflow from operations	<u>(285,352)</u>	<u>213,956</u>

**Townsville Turf Club Inc.**

ABN 75 509 244 921

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2016**

### **19 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 12 October 2016 by the Committee of Management.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

### **20 Association Details**

The registered office of the association is:

Townsville Turf Club Inc.

Cluden Racecourse

Townsville QLD 4811

**Townsville Turf Club Inc.**

ABN 75 509 244 921

**Statement by Members of the Committee**

In the opinion of the committee the financial report as set out on pages 1 to 18:

1. Present fairly the financial position of Townsville Turf Club Inc. as at 30 June 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Townsville Turf 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 committee and is signed for and on behalf of the committee by:

President .....



Treasurer.....



Dated

12 / 10 / 2016



## **Independent Audit Report to the members of Townsville Turf Club Inc.**

### **Report on the Financial Report**

We have audited the accompanying financial report of Townsville Turf Club Inc., which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 management's assertion statement.

### *Management's Responsibility for the Financial Report*

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporations Act (QLD) 1981*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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

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

### *Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Townsville Turf Club Inc. as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Associations Incorporations Act (QLD) 1981*.

### *Emphasis of Matter*

We draw attention to Note 1(n) to the financial statements which describes that despite the surplus of \$6,189,797 for the year the club recorded a working capital position of 0.97 (2015:0.92). This represented an improvement from the previous year however the club remains dependent on the support of Queensland Racing. Should the conditions in Note 1(n) not be met there would be material uncertainty regarding the ability of the club continuing as a going concern.

Our opinion is not qualified in respect of this matter.

JESSUPS



R. Dunstan  
Director  
Townsville  
Dated:

12/10/16

**Townsville Turf Club Inc.**

ABN 75 509 244 921

## **Compilation Report**

**30 June 2016**

### **COMPILATION REPORT TO TOWNSVILLE TURF CLUB INC.**

We have compiled the accompanying special purpose financial statement of Townsville Turf Club Inc. as set out in the attached profit and loss account. The specific purpose for which the special purpose financial statement has been prepared is to provide financial information to the committee of management.

#### *The Responsibility of the Committee Of Management*

The committee of management is solely responsible for the information contained in the special purpose financial statement and have determined that the basis of accounting adopted is appropriate to meet the needs of the committee of management for the purpose of complying with the association's constitution.

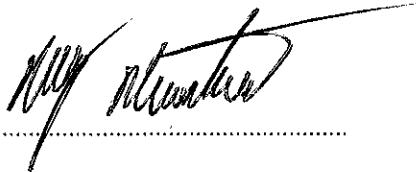
#### *Our Responsibility*

On the basis of the information provided by the committee of management we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting and APES 315: *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the committee of management provided, in compiling the financial statement. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statement was compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial statement.

JESSUPS



R. Dunstan  
Director  
Townsville

Dated:

12/10/16

**Townsville Turf Club Inc.**

ABN 75 509 244 921

**For the Year Ended 30 June 2016****Profit and Loss Account**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Sales</b>		
Bar sales	<b>420,350</b>	499,071
Barrier trials	<b>10,640</b>	5,708
Bookmakers club levies	<b>1,604</b>	1,978
Bookmakers fielding fees	<b>17,523</b>	18,026
Catering income	<b>7,306</b>	5,005
Function/Social club income	<b>187,969</b>	204,125
Gate receipts	<b>112,586</b>	104,307
Insurance recoveries	<b>68,603</b>	70,265
interest income	<b>2,034</b>	1,140
Memberships	<b>40,805</b>	48,782
On course tote	<b>38,027</b>	54,075
Racebook advertising	-	25
Racebook sales	<b>8,380</b>	9,342
Racing Queensland - Upgrade Works reimbursement	<b>60,000</b>	-
Racing Queensland - Administration subsidy	<b>674,735</b>	650,684
Racing Queensland - TT subsidy	<b>86,553</b>	63,204
SKY television rights	<b>182,988</b>	158,664
Sponsorship income	<b>186,906</b>	188,552
Sundry income	<b>106,992</b>	925
Training track fees	<b>33,131</b>	34,470
Venue hire	<b>21,619</b>	41,838
<b>Total sales</b>	<b>2,268,751</b>	2,160,186
<b>Less: Expenses</b>		
Advertising	<b>13,808</b>	10,456
Ambulance levies	<b>27,281</b>	28,226
Auditors remuneration	<b>10,200</b>	10,000
Bank charges	<b>7,297</b>	7,185
Bar compliance costs	<b>3,681</b>	-
Bar purchases	<b>220,825</b>	239,171
Bookkeeping services	<b>8,105</b>	8,739
Bookmaker's fluctuation service	<b>1,864</b>	2,386
Carnival expenses - Melbourne Cup	<b>16,097</b>	19,234
Carnival expenses - Parry Nissan	-	2,912
Carnival expenses - Winter racing carnival	<b>389,926</b>	358,755
Cleaning	<b>26,269</b>	24,422
Clerk's horse	<b>16,255</b>	14,291
Computer and clerical support	<b>3,665</b>	7,079

**Townsville Turf Club Inc.**

ABN 75 509 244 921

**For the Year Ended 30 June 2016****Profit and Loss Account**

Consumables	7,099	7,517
Depreciation	229,319	116,821
Electricity	65,803	77,280
Employee Provision Expense	13,822	(45,241)
Finance costs - external	10,420	10,794
Function/social club expenses	56,777	57,417
General expenses	2,196	35,778
Gifts and donations	508	2,217
Hire of equipment	43,622	38,477
Hire of equipment - Tote	9,724	5,680
Insurance	62,426	38,312
Internet expenses	709	789
Labour Hire Costs	-	3,330
Laundry	572	718
Legal fees	3,500	177,379
Licences and permits	1,309	1,566
Major Works Upgrade	24,316	22,429
Merchandise purchases	2,335	-
Miscellaneous Expenses	10,156	18,551
Other employee costs	4,150	5,384
Pest control	2,836	1,127
Plant and vehicle expenses	6,938	8,147
Postage and freight	5,898	13,596
Printing and stationery	15,052	20,337
Promotional expenses	152	2,988
Protective clothing	88	317
Provision for doubtful debts expense	16,099	(16,009)
Racebook costs	7,241	14,503
Raceday promotions	2,683	5,647
Rates – General	58,844	58,475
Rates – Water	103,508	80,612
Repairs and maintenance	144,701	163,438
Salaries	808,282	789,821
Security costs	42,305	22,934
Sponsorship expense	-	1,555
Subscriptions and fees	820	3,158
Superannuation contributions	67,300	64,094
Telephone and fax	14,501	14,022
Tote variance	-	45
Travel expenses	833	3,403
Trophies and sashes	8,002	8,567
Uniforms	1,206	889
Website costs	2,536	2,836
Workers compensation	7,353	7,627
	<b>2,611,214</b>	<b>2,580,184</b>
<b>Trading surplus (deficit)</b>	<b>(342,463)</b>	<b>(419,998)</b>

**Townsville Turf Club Inc.**

ABN 75 509 244 921

**For the Year Ended 30 June 2016****Profit and Loss Account****Other income:**

Racing Queensland – Track Upgrade Grant	<b>6,920,084</b>	-
Infield Lake Case Settlement	-	650,000
Racing Queensland – Reimbursement of Swabbing Stall facility cost	-	114,074

**Other expenses:**

Loss on Disposal of Asset	<b>390,762</b>	-
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**Surplus (deficit)**

<b>6,529,322</b>	<b>764,074</b>
<b>6,186,859</b>	<b>344,076</b>

## 2015-16 MEMBERS

Roy	Abel	Patrick	Brown	Adrian	Covell	Jeffrey	Doyle
Kerry	Adams	Robert	Brown	Errol	Covell	Bill	Dreger
Howard	Alford	Kate	Brown	Paul	Cox	Brian	Dwyer
Keith	Anderson	Pauline	Brown	Ken	Crane	Terry	Dwyer
Nyree	Anning	Ian	Brown	Brian	Cross	Lynda	Dwyer
Maisie	Anning	Nathan	Brown	Darrol	Crouch	Graham	Ede
Lorine	Aroney	John	Brownson	Mark	Cruickshank	Anthony	Elliss
Peter	Bainbrigge	Nicholas	Brownson	Kerry	Cullinane	Natalie	Embregts
John	Baird	Richard	Brownson	Kevin	Currie	Ken	Entriiken
Greg	Banks	Stephen	Brunker	Stephen	Daley	John (Jack)	Erichsen
Charlie	Barbagallo	Michael	Buck	Leanne	Dalley-Trim	Kathryn	Evans
Roslyn	Barker	Richard	Buckby	Jayne	Dalton	Michael	Faloon
Robert	Barnes	Michael	Bulley	George	Dalton	Brian	Fanning
Anthony	Bartram	Linda	Burdock	Trevor	Davies	Michael	Farr
Eileen	Baxter	Amy	Byrnes	Torrie	Davies	Brady	Farrell
Barry	Baxter	Bernard	Byrnes	Jeffery	Davis	Keith	Fenoglio
Chris	Bentley	Shaun	Byrnes	Ian	Davis	Rodney	Flowers
Robin	Beresford	Brendan	Cahill	Leah	Davis	Terence	Ford
Glen	Betts	Wayne	Campbell	Corey	Davis	Thomas	Forster
Graeme	Biggs	Duncan	Carmichael	Kellie	Davis	Lawerence	Frew
Raymond	Boneham	Berry	Carter	James	Dawes	Alan	Frewin
Cheryl	Boneham	Frank	Carter	Brett	Dawson	Natasha	Frost
Wayne	Born	Peter	Chamberlain	Fiona	Dempsey	Michael	Fusco
Leanne	Born	Rosslyn	Channon	Peter	Dempsey	Darren	Gardiner
Lorraine	Bowles	Jacquie	Chapman	Glenn	Dempsey	Christopher	Garrard
Mark	Bowyer	David	Clark	Ryan	Denniss	Glen	Garvey
Trevor	Bradtke	Michael	Clay	Greg	Deveney	Geoffrey	Gelling
Darrin	Bragg	David	Cohalan	Alexander	Dickinson	Tanya	Gilchrist
Todd	Bray	George	Colbran	Steven	Dillon	Anthony	Gilding
Kevin	Brease	George	Coleman	Josephina	Doak	Brian	Gofton
Phillip	Brennan	Karyn	Coleman	Pauline	Donnelly	Bernie	Goldie
Peter	Brewer	Cheryl	Collins	Erin	Donnelly	Darren	Goltl
Ceri-ann	Briant	Jason	Collins	John	Doolan	Anthony	Gordon
Troy	Bridges	John	Collins	Kylie	Dooley	Judith	Gordon
Danny	Brooks	Emily	Collins	Sheree	Dooley	Kaye	Gough
Lewis	Brooks	Hayden	Collins	Joshua	Dooley	Geoff	Gracie
Noel	Brosnan	Joe	Conlan	Anthony	Douglas	William	Grant
Kevin	Brown	Neil	Contzonis	Robert	Douglas	Paul	Grant
John	Brown	Carol	Cook	Bradley	Dowling	Ross	Greatrex



Brian	Green	Michael	Jacobs	Nardia	Larrazabal	Michael	Menkens
Jack	Greene	Bryan	James	Sneza	Lazarus	Brian	Milanovic
Robert	Gregg	Peter	Jepson	Johnston	Leake	Lloyd	Mitchell
Seimon	Griffiths	Neil	Johnson	Ross	Lehmann	Daryn	Mitchell
Robert	Griffiths	Kylie	Johnson	Reginald	Lillywhite	Paul	Molloy
Stephen	Guazzo	Mark	Johnson	Robert	Longarte	James	Monro
Rosalind	Guazzo	Peter	Johnson	Mark	Lovelady	Gary	Morgan
Eric	Guazzo	Robert	Jones	Marion	Lucey	Pat	Morrice
Kellie	Haller	Susan	Jones	Andre	Luciano	Carol	Moss
David	Hannah	Lee	Jones	George	Mackenzie	Hanna	Mueller
Perry	Hardy	Kirran	Jonsson	Peter	Madden	Christopher	Murray
Robert	Harms	Graham	Jordan	John	Maguire	Ryan	Nankervis
Jeffrey	Hart	Peter	Judge	Clarence	Maher	Teegan	Nash
Jennifer	Hartley	Ryan	Kane	Alan	Maher	Julie	Neiberding
Peter	Hawken	Greg	Kassneke	Karla	Malouf	Denise	Neilsen
Stephen	Hawker	Marino	Katsanevas	Peter	Malpass	Graham	Nicolls
Jason	Hay	Peter	Keen	Gregory	Marlow	Laurie	Nolan
Tom	Hedley	Anne	Keen	James N.	Mason	Allan	Oats
Tony	Hempsall	Vivian L.	Keen	James R.	Mason	Neville (Bruce)	O'Dea
Paul	Herman	Roslyn	Kelly	David	Matthews	Garry	O'Neill
Michael	Hickey	Abby	Kelly	Brian	McAtee	Ray	Osborne
Samone	Hickson	Zachary	Kelly	Debbie	McCarthy	Karen	O'Shea
Colleen	Hickson	Natalie	Kendall	Perry	McDonald	Robert	Pack
Terry	Hill	Jodie	Kennedy	Stephen	McDowell	Mark	Parkes
Paul	Hinton	Bernadette	Kersh	Scott	McElligott	Jeffery	Pascoe
Melinda	Holborn	Conor	Kersh	William	McGuffie	Kevin	Pashley
Thomas	Holden	Rosana	Kersh	Liam	McGuffie	William	Pashley
Sherilee	Honnery	Dean	Kiernan	Cameron	McGuffie	Andrew	Paton
Kayleen	Hooper	Ross	Kiernan	Tim	McHugh	Thomas W.	Pearce
Michael	Hooper	Raymond	King	John	McIlwraith	Bruce	Pearce
Michael	Hughes	Louis	Kinsey	Steve	McKenzie	John W.	Pearce
Wayne	Humbler	Tom	Kirkwood	Michael	McLellan	John	Pearson
Darren	Humphreys	Irene	Kirkwood	Chris	McMahon	Malcolm	Petrofski
Daniel	Humphreys	Marion	Lago	Christine	McMahon	Grace	Petrofski
Edward	Hurle	Laurence	Lancini	Benjamin	McMahon	Michelle	Petrofski
Peter	Ievers	Shane	Lancini	Lynette	McNaught	Madison	Petrofski
Belinda	Ingham	Peter	Langker	Frederick	McRobb	David	Pilcher
Cecil	Ivers	Gelorma	Lapico	Alan	Melvin	Nick	Pitiris
Leeza	Ivers	Jon	Larrazabal	Ben	Menkens	Andy	Platt

Kym	Poole	Shane	Statham	Suzanne	Winter		
Beverly	Preston-Stanley	Brad	Steele	Robert	Witty	<u>Honorary</u>	<u>Members</u>
Gregory	Price	Moya	Steele	Gerard	Wyvill	Bill	Byrne
Kim	Price	George	Stockham	Mel	Yelaska	Arthur	Barfield
Craig	Promnitz	Paul	Stoddart	Kara	Young	John	McIntosh
Gregory	Rains	Kelli-Ann	Stollnzow	Raymond	Young	Tony	Wode
Ron	Ramsbotham	Dave	Stretton	Gerard	Young		
Guiseppe	Rapisarda	Francesco	Succio	Brendon	Young		
Charles	Rasmussen	Russell	Syles				
William	Reid	Andrew	Symington			<u>Life</u>	<u>Members</u>
Leslie	Richardson	Graham	Symington			Doug	Bruce
Joseph	Ritson	Wayne	Tamblyn			Dino	Di Bella
Jim	Roberts	Joanne	Tapiolas			Ross	Donovan
Raymond	Rohweder	Barry	Taylor			K. T.	Heatley
Megan	Rosentretor	Desley	Thomas			Colin L.	Krogh
Carol	Ross	Donna	Toohey			John	Lyons
Kevin	Rowan	Judie	Townsend			Chris	Martinez
Karen	Rowe	Tasman	Townsend			Kevin	O'Keefe
Codie	Rowe	Michael	Tracey			Roderick	O'Neill
Stevie-Lee	Rowe	Jayne	Turnbull			Alan	Parry
Darryl	Ryan	Troy	Urquhart			John	Parry
Daryll	Scheffe	Glenda	Van Rynswoud			L.T	Quinlan
Steven	Schmidt	Brooke	Vass				
Donald	Scott	John	Veal				
Phillip	Scuderi	Melanie	Waldron				
Conway	Searle	Jason	Walduck				
Robert	Sellwood	Kerry	Walker				
Val	Sewell	Paul	Walsh				
Glenn	Sexton	Royalie	Walters				
John	Sexton	Rodney	Ward				
Tricia	Sharkey	George	Watkin				
John	Smith	Jennifer	Wheatley				
Rebecca	Smith	Peter	Wheeler				
Tony	Soden	Graham	Wheeler				
David J	Stafford	Larry	Wheeler				
Pamela	Stagg	Bill	Whitburn OAM				
Andrew	Stallan	Edward	Williams				
David	Stallan	Greg	Wilson				
Owen	Stanley	Bronwyn	Wilson				



# **RESULTS OF FEATURE RACES 2015-2016**

**Saturday 19<sup>th</sup> September 2015**

## **TOWNSVILLE RSL MAGNETIC ISLAND MILE HANDICAP - 1630 METRES**

2.60F	LADRETTO	60.0	NATHAN DAY
7.00	ALDREN	54.0	JEFFREY FELIX
3.00	CHATEAU DETTORI	54.0	SONJA WISEMAN

MARGINS: Half Length X 1 & Long Neck  
WINNER TRAINED BY: BILL KENNING  
TIME: 1.38.06

**Saturday 19<sup>th</sup> September 2015**

## **TOWNSVILLE WINDOWS & SCREENS BRACELET FILLIES AND MARES CLASS 6 HANDICAP – 1300M**

4.00E	ZINDZELA	56.0	DALE EVANS
4.80	HOYWEDGE	54.0	NATHAN DAY
4.00EF	SUNSET IN NEW YORK	54.0	FRANK EDWARDS

MARGINS: 1 & ¼ Lengths X Short Neck  
WINNER TRAINED BY: JOHN MANZELMANN  
TIME: 1.16.95

**Saturday 26<sup>th</sup> September 2015**

## **TOWNSVILLE VET CLINIC DOLLARS QTIS 3&4YO HANDICAP – 1400M**

10.00	PRETTY VACANT	54.5	DAVID HAYSE
3.50F	ELEMET OF CHANCE	59.5	WANDERSON D'AVILA
4.00	MAMSELLE CORDAY	54.0	NATHAN DAY

MARGINS: 1 Length X Short ½ Head  
WINNER TRAINED BY: GARY FARRELL  
TIME: 1.22.53

**Saturday 26<sup>th</sup> September 2015**

## **PARRY NQ CLASSIC QTIS 3YO PLATE – 1200M**

12.00	VALLEY ROSE	55.0	ROBERT THOMPSON
3.60	ME MYSELF AND I	57.0	SHANE MCGOVERN
4.00	WICKED CRIME	57.0	JUSTIN STANLEY

MARGINS: Long Head X 1 & ¾ Lengths  
WINNER TRAINED BY: ERROL SEWELL  
TIME: 1.10.59

## **Saturday 26<sup>th</sup> September 2015**

### **XXXX GOLD CLEVELAND BAY HANDICAP – 1300M**

5.00	LADRETTO	59.0	GRAHAM KLIESE
10.00	MISHANI GLADIATOR	54.0	MARTIN HALEY (A)
9.50	PLAYTIME	59.0	ROBERT THOMPSON

MARGINS: Nose X Short Neck  
WINNER TRAINED BY: KERRY BAUMANN

TIME: 1:16.45

## **Saturday 26<sup>th</sup> September 2015**

### **RSL TOWNSVILLE CUP HANDICAP – 2100M**

2.00F	HONEY TOAST	58.5	PAUL HAMMERSLEY
26.00	ROCK VANTAGE	54.0	ANDREW SPINKS
6.00	CASTLE EXPRESS	59.5	NATHAN DAY

MARGINS: Head X 1 & ¼ Lengths  
WINNER TRAINED BY: BEN CURRIE

TIME: 2.03.19

## **Saturday 24<sup>th</sup> October 2015**

### **RONALD MCDONALD HOUSE PALLARENDIA STAKES QTIS 2YO COLTS & GELDINGS MAIDEN PLATE – 1000M**

9.50	OURBOYBYRON	56.5	WANDERSON D'AVILA
1.50F	LOVE RED	56.5	DAVID SIMMONS
15.00	WATCH ME DAZZLE EM	56.5	FRANK EDWARDS

MARGINS: Short ½ Head X ½ Length  
WINNER TRAINED BY: FRED WIELAND

TIME: 1.00.49

## **Saturday 24<sup>th</sup> October 2015**

### **ADBRI MASONRY PALLARENDIA STAKES QTIS 2YO FILLIES MAIDEN PLATE – 1000M**

4.00	LIKER	56.5	MATTHEW MORRIS
17.00	SUPER ANNIE	56.5	JUSTIN STANLEY
2.90F	MUST BE OBEYED	56.5	PETER CULLEN

MARGINS: Neck X 3 & ½ Lengths  
WINNER TRAINED BY: GEORGE COLEMAN

TIME: 59.85

## **Friday 29<sup>th</sup> April 2016**

### **TALBOT HEATLEY LIGHTNING HANDICAP – 1000M**

41.00	MORE THAN A SONG	54.5	JEFFREY FELIX
6.00	ISA TALA	54.0	NICOLE VUILLE (A)
4.80F	ONE BAR NONE	54.0	BONNIE THOMSON

MARGINS: Long Neck X ½ Head  
WINNER TRAINED BY: BEN WILLIAMS

TIME: 57.04



A.E Smith	Gracie Signs	RSD Plumbing
A.L.B Distributors	Hurle Family Trust	Searles Garden Products
Across Floors	J & D Thoroughbreds	Sexton Developments
AGM Home Improvements	Jepson Media	She Creative Hair
Amusements Plus	Jim Roberts Locksmiths	Steve McKenzie Consultant Engineer
Ardent Office Equipment	Jodie Kennedy Event Management	Suncorp Bank
Arron Pope Excavation Hire	Key Motors	Sundown Support Services
Audi Centre Townsville	KordaMentha	Tackleworld Townsville
Azkeen Industries	Lloyd Mitchell	The Coffee Club
Blinds For You	Logistics NQ	The Rack'n'Stack Warehouse
Byrnes Holdings	Maccas Synthetic Grasses	Town Automatics
Caltex Yabulu	Mackey Wales Law	Townsville Bulletin
Cheryl's Boutique	Macs Amusments & Prestige Costume Hire	Townsville Diesel & Machinery Services
Classic Coffee Company	Magnetic Island Shopping Centre	Townsville Earthmoving
Coast to Coast The Golden Roast Townsville	Makk Electrical	Townsville RSL
Coca Cola Amatil	Mater Health Services Nth Qld Ltd	Townsville Vet Clinic
Colliers International	Mendi Constructions	Townsville Windows & Screens
Davis Family Group	Michels Restaurant & Catering	Tropical Containers
DCM Electrical	North Qld Custom Services	Tropical Ice
Dillon Architects	Northern Body Corporate Management	Verve Design
Ede Events	Northern Rural Group	Wacko's Entertainment
Elegant Kitchen & Joinery	NQ Consulting	Wedding Works
Emanate Legal	NQ Excavations	Weseal
Energy Power Systems Australia	Opteon Property Nth Qld	Zinc 100.7FM & 106.3FM
Epoca Constructions	Parry NQ	
Evergreen Turf	Pat Molloy Jewellers	
Feed 2 Go	Playmate Daycare & Kindergarten	
Forklift It	Queensland Rail	
Garrards Horse and Hound	Ritzco Homes	
Glenn Sexton	Rock Paper Scissors	
Global Welding Supplies	Rockpool Fresh	

**2015- 2016**



