



Ipswichturfclub



ANNUAL REPORT
2018





IPSWICH TURF CLUB INC.

Annual Report

For the year ending 30 June 2018

To be presented to the members at the Annual General Meeting to be held at Ipswich Racecourse on Wednesday, 26 September at 10:30am.

Chairman's Report

On behalf of the Management Committee, I have pleasure in presenting the Annual Report of the Ipswich Turf Club (Inc.) (ITC) for the twelve (12) month period ending 30th June 2018.

General

Whilst I am pleased to report that the Club's financial and operational performance for 2017/2018 was generally in line with our budgetary and strategic objectives across the various facets of the Club's activities, those objectives were less than optimal and established having regard to a range of external constraints placed on the Club by the governing body.

The positive results outlined in this report are a significant achievement having regard to the ongoing economic and external pressures that continue to impact on many aspects of our business model.

As I have stated on many occasions in recent years the Club's heavy reliance on food and beverage revenue from race days and corporate/ social functions is simply not providing the revenue that the club requires to allow it to meet its full potential.

In the absence of significant non-racing revenue streams, the Club's profitability remains a year to year proposition with our fortunes reliant almost entirely on the success of the Ipswich Cup. That is not a sustainable strategy in the long term and has been recognised by the Board for over a decade. However, alternative strategies that we have long planned to implement have been thwarted by indecisive or obstructionist elements in racing's governing body.

Many of you will remember the 2007 launch of the ITC/Wingate joint venture to construct a tunnel under the track and commercially develop the Brisbane Road property which would have secured the Club's future sustainability. That project was enthusiastically embraced by members and the community at large but in the interests of the industry as a whole the board agreed to dissolve the joint venture at the request of Racing Queensland to facilitate its Strategic Plan which provided for both Harness and Greyhound tracks to be constructed on the infield of the Ipswich racetrack. That plan has also included a tunnel and facilitated

the commercial development of the Brisbane Road site.

As history tells us that Strategic Plan was dependent upon the redevelopment of both Albion Park and Deagon neither of which eventuated.

Since then two separate approvals have been granted by different Racing Queensland (RQ) Boards to fund a tunnel at the ITC neither of which have proceeded for political reasons.

In spite of the extensive engineering and hydrological work completed by two highly respected engineering firms giving the all clear for a tunnel there has been no proactive consideration by RQ to support the concept. This is in spite of them having funded the enabling engineering work.

The ITC Board has decided that enough is enough. Ten years of indecision and procrastination that directly prevents the Club from pursuing its primary strategy for sustainability and growth is simply beyond the pale. On behalf of the ITC, the Board intends to secure its own destiny and seek proposals from interested parties for the commercial development of the current car park site facilitated by a tunnel under the track.

Whilst on infrastructure I am delighted to inform members that tenders are currently being assessed with a contractor being selected and work to commence at the end of this month for a major revamp of the grandstand and viewing terrace external structures to ensure they are waterproof and fit for purpose regardless of weather conditions.

The existing buildings containing the Jockey's facilities, Steward's room, Loftus Foote lounge, and public bar and kitchen are in the process of being demolished and will be replaced with a two story building housing the Jockey's, Steward's and Media rooms, and new kitchen and bar facilities. The upper level will house a new state-of-the-art members' bar and function rooms.

This infrastructure project will now also see the demolition of the existing race day stalls and construction of a new stabling facility adjacent to the Viewing Terrace. This had originally been planned to be a separate phase of construction but due to delays in the initial construction phase RQ has agreed to have the works tendered and constructed simultaneously.

This project has overcome more hurdles than the Grand National at Aintree but finally it seems that we are at a point of no return.

The years of frustration will be well worth it when the project is completed mid next year and on behalf of the Board I thank members, licensees, and integrity officials for their years of patience and tolerance of substandard facilities.

I would also publicly like to thank Ministers Grace Grace and Stirling Hinchliffe for their personal support in ensuring that this project has finally become a reality.

As a supplementary aspect to this infrastructure project, the remedial work on the track is well under way. Due to the prolonged unavailability of the Eagle Farm track, it was decided to undertake the necessary work in a phased manner so as to avoid the need for a temporary track closure which would place additional pressure on the other SEQ tracks.

This project is progressing well with very positive signs already evident in the racing surface. The work is primarily being managed and undertaken by our own track staff in consultation with the RQ team. The new equipment and supplementary track products are being provided as part of the overall infrastructure funding and is greatly appreciated.

As I outlined to members last year consistent race date allocation and programming play a significant part in our capacity to market our product to both the public and the corporate sector. All other SEQ race clubs have established consistent niche race day allocations whether it be Saturday, Saturday night or Sunday.

Prior to the initial closure of Eagle Farm for track work in 2014/15, the established racing program had been developed after detailed data analysis over many years by previous racing control bodies in consultation with the race clubs with the clear objective of maximising wagering turnover and offering consistency in programming for promotion and marketing purposes as well as overseas product appeal.

That research clearly indicated that Ipswich was best placed to conduct Friday meetings for the benefit of the industry as a whole as turnover on Friday meetings at Ipswich was better than other alternatives.

On that basis Ipswich was allocated 48 Friday meetings prior to the Club stepping up to the plate to take on the metropolitan midweek meetings during the initial and protracted closure of Eagle Farm.

As you are all aware the latest closure of Eagle Farm has put paid to that racing program and Ipswich is once again providing the venue for many of the reallocated metropolitan meetings.

When the track at Eagle Farm is reopened and racing is back to normal members can be reassured that the ITC will be heavily focused on convincing Racing Queensland of the sound reasoning behind our case to reestablish Ipswich as Qld's principal Friday venue.

There is much talk about RQ developing race date and twilight racing strategies. The ITC is fully supportive of the development of these types of strategies, but only if the process is inclusive and consultative.

It is evident from publicly released infrastructure planning that decisions have already been endorsed by RQ in respect of new lighting infrastructure at particular SEQ venues even though neither race date nor twilight racing strategies have been developed. This is classic cart before the horse thinking that has plagued our industry for some years now.

The ITC and Toowoomba Turf Club have jointly and formally asked the Minister to wait for the relative strategic consultations to be undertaken prior to approving additional lighting infrastructure at any venue in SEQ.

The sustainability of clubs often gets forgotten in the big picture of increasing overall betting turnover for industry. Increasing betting turnover is vital for the growth of the racing product in Australia but the relationship between race club sustainability, race date allocation, product consistency, corporate sponsorship, international betting trends, heat policy, traffic congestion, animal and jockey welfare etc, cannot be ignored in the process. Each club has its own operational and economic sensitivities which if underestimated or ignored in any industry strategy can be fatal.

There is a very delicate balance in maintaining the sustainability of race clubs and as Sir Isaac Newton explained for every action there is an equal and opposite reaction. We will be actively watching this space to ensure that Ipswich gets a fair go and that decisions are based on merit.

Two further significant infrastructure projects that the Club completed during the year were the establishment of the racing museum and the installation of solar paneling on the roof of the viewing terrace.

As discussed earlier with funding assistance from the Queensland Government as the catalyst the ITC is about to embark on the most comprehensive infrastructure plan in the Club's very long history. So it's fitting that we recognise the proud racing history of well over a century in Ipswich and how we arrived at where we are today.

The Ipswich Racing Museum is a project that I believe is not only important for the racing community but also the wider Ipswich community. Our rich racing history dates back to the 1840s and it was once proposed that we should be the centre of racing because of our location. Those logistical advantages, which still prevail, seem to be lost on many in positions of power in the industry these days.

Housed in the old tote building that the Club built in 1950 the Museum now provides the community with a timeline of racing in the region including some of the great industry names.

Horses such as Tulloch and Fitzgraffton, jockeys like Mick Dittman and Noel "Digger" McGrowdie, as well as family names like Kruger and Bayliss have all contributed to our proud history. Not only does the venue showcase Ipswich's horse racing history but is also available for smaller function groups and receptions which is already proving to be popular.

Moving from the old to the new we have installed a 99KW solar system in a bid to significantly reduce the site's energy usage and grid demand.

In partnership with Planet Ark Power we are delighted to be integrating clean energy into our footprint. The solar system is expected to save the club over \$1M dollars over 25 years and produce environmental benefits equating to 121 tonnes of carbon offset or taking 1300 cars off the road annually.

The early evidence shows that we are saving over 50% on our traditional electricity accounts which is above our projections.

Finances

I am pleased to report that the ITC returned an operating profit of \$155,000 for 2017/18 before allowing for \$149,000 in depreciation and amortization.

The ITC remains in a very sound financial position and as I outlined earlier the Board will be vigorously pursuing strategies to stem the prospect of reporting trading losses into the future. Ongoing frugal cost management and improved revenue streams, particularly with our new focus on non-racing income strategies, should see the club continue to improve its fiscal position.

I refer members to the Treasurer's Report and Audited Financial Statements for further details.

Racing

Saturday, 16 June saw the running of the 2018 Channel Seven Ipswich Cup with over 20,000 residents and visitors attending the biggest day in Queensland racing.

Blessed with fantastic weather the Ipswich and neighboring communities turned out in their splendor to enjoy a day of great fashion, good racing and great fellowship.

The crowd was consistent with recent years' attendances which again significantly outweighed attendances elsewhere throughout the Winter Carnival in SEQ. Marquee ticket sales remained strong and the after party was again well supported by race goers.

Police and Liquor Licensing Officers reported very few incidents on the day with members and guests behaving well.

The Labour Day race meeting was again an outstanding success and the support of our major sponsor the CFMEU (Mining and Energy Division) was integral to that success.

The Club conducted 46 race meetings for the year. In all, the Club conducted 368 races, which resulted in 3254 starters averaging 8.9 per race.

Feature Race Winners for 2017/18

Channel Seven Ipswich Cup	Tradesman
City of Ipswich Eyeliner Stakes	I'm a Ripper
Sky Racing Gai Waterhouse Classic	Magic Alibi
Schweppes T.L. Cooney QTIS Handicap 3YO	Envy of All
Sirromet Bundamba Plate	Unconditional
Queensland Times Provincial Cup	I Feel Good
Carlton Draught Ipswich Mile	Zamex
Ray White Ipswich Dash Plate	Fit For Purpose
UBET Class 6 Plate	Of The Day

Premierships in all categories are as follows:

Jockeys:	Jeff Lloyd
Apprentice:	Emma Ljung
Trainer:	Tony Gollan

Prize Money

For the year 2017/2018 Ipswich racing resulted in distribution of \$8.025M in prize money including QTIS incentive payments. This represents an increase of almost \$1.5M to winning connections over the year due to the September 2017 Metropolitan meeting along with higher numbers of Wednesday Metropolitan meetings with higher purses.

Sponsorship

The Club's sponsors have been generous in their support during the year. Sponsorship continues to be fundamental to the success of the Club.

The quest for sponsorship dollars is becoming increasingly competitive particularly with packages of the quantum that we seek for Ipswich Cup Day naming rights.

On behalf of the Committee I express the Club's gratitude to all of the club's sponsors but particularly our major sponsors:

Channel Seven	Carlton United Breweries
Sky Racing	Schweppes
Sirromet Wines	Queensland Times
Ray White Ipswich	City of Ipswich
CFMEU (Mining&Energy)	Diageo
Grandview Stud	UBET

The Club will continue to actively pursue new sponsorship opportunities and ensure that current sponsors receive maximum value and exposure for their valuable sponsorship dollar.

Betting

During the year UBET punters invested more than \$30M on Ipswich with another \$240M being bet on Ipswich product by all other wagering service providers.

Capital Works and Expenses

During the year the Club invested \$240,000 in capital works and equipment. This expenditure included the following items:

Structural Improvements	\$134,000
• Museum Installation	
• Upgrade Lower Viewing Terrace	
• Electrical Upgrades	
Television Monitors	\$8,000
Plant & Equipment	\$10,000
Electrical & Electronic Equipment	\$16,000
Motor Vehicles	\$66,000
• People carrier van & GM car	

Management Committee Attendance

All members of the Management Committee were available for the 12 scheduled meetings for 2017/2018.

As Chairman, I would like to place on record my sincere appreciation for the exceptional level of commitment and support shown by the members of the Board during the year. There is no doubt that this cooperative and cohesive approach plays a pivotal role in the ongoing success of the Club and the commitment to setting and achieving targets and objectives has a significant positive impact on the staff.

In accordance with the Club rule in respect of age disqualification the Club's long-term Treasurer Liam Tansey can no longer continue to serve on the ITC Board.

Liam has made a great contribution to the Club and brought a level of financial expertise to the Club that has been a great assistance over many years. His loyalty and support during some difficult times has been unwavering and I would like to record my personal appreciation and that of the Board to Liam. We wish him well and expect to see him regularly at the Club.

Appreciation

The Management Committee would also like to record its appreciation to the Minister for Racing Stirling Hinchliffe, local Members of Parliament, former Ipswich City Councilors, Government Officials, Board members and staff of Racing Queensland Ltd, owners, licensees, club members and other supporters of the Ipswich Turf Club for their continued support during the year.

I would also like to record a sincere thanks to all club staff who have worked so diligently to achieve our goals and look forward to their support in the Club's endeavours in the future.

Conclusion

In conclusion, I can confidently say that the future of the ITC has never looked brighter.

Whilst the highly anticipated infrastructure project currently being undertaken is greatly appreciated and brings our facilities into the 21st century it provides little commercial benefit to the Club other than some improved bar and catering opportunities from the upgraded facilities.

These redevelopment works will make the venue highly attractive in terms of membership and corporate marketability. This aspect of our business has been difficult in the past and with the new facilities in place our team will be focusing heavily on promoting and marketing the new look ITC.

Our long established strategy for sustainability and growth is the commercial development and the stage is now set for us to move forward with this project which when finalised will ensure our future financial sustainability.

Although we keep our head above water financially it is extremely tough going and heavily reliant on things outside of our control. Had we proceeded with the Joint Venture a decade ago or had either of the previous RQ approvals for the construction of a tunnel proceeded the Club would now be one of the most sustainable regional racing venues in the country. That remains our primary goal and is the Club's major focus moving forward.

Unlike the revolving door management of the Government in Canberra and racing administration in Queensland, the ITC is renowned for its consistency in management, philosophy and product.

Sadly, the City of Ipswich has had its fair share of exposure to the CCC in recent times but it is those three letters that represent the ITC's greatest strengths. Consistency, Competence and Commitment.

Whilst we have always been and will continue to be an industry supportive club, the Board will no longer sit back and subserviently accept inequitable policies, inequitable infrastructure funding decisions or inequitable race date allocations.

As an organisation we are constantly on the lookout for new ideas in product, marketing, technology and social media. This strategy has successfully kept the ITC at the forefront of racing in Queensland for many years and the board will continue to embrace new concepts and ideas to ensure that we meet the challenges of generational change in the market place and within racing generally.

The ITC will continue to work closely and cooperatively with industry stakeholders to progress the Club's objectives. Everyone who participates in racing at Ipswich is aware of the significant part it plays in the racing industry in Queensland.

We have a proud history, a viable plan for the future, and a racing product that is second to none.

I commend the report to your attention.

A handwritten signature in black ink, appearing to read 'Wayne Patch B. Bus', written in a cursive style.

Wayne Patch B. Bus CTM
Chairman
Ipswich Turf Club Inc.



Treasurer's Report

It is with some sadness tinged with a sense of gratification that I present my final report as treasurer of your club. I was first elected to the committee in September 1997 and elected as treasurer on 11 September 2000. The net assets of the club were \$1,820,016 at that time and as I leave today are \$6,464,112 an increase of some \$4,644,096. This is not my doing but due to the consistency, competency and commitment of a dedicated management and a determined committee.

In the year ended 30 June 2018 the club made a profit of \$6,606 after absorbing depreciation and amortisation of \$148,817 thus creating a cash profit of \$155,423. Your chairman has adequately summarised the frustrations and programming difficulties the club has had to overcome and I will not reiterate these problems but look forward to a promising future.

It must be pointed out that an adjustment to the prior year profit was necessitated due to a shortfall of \$46,346 in the projected income from Sky Channel. The distribution from Sky Channel is basically beyond the control of your committee but the shortfall was below our projections and totally unexpected.

The audited financial statements presented to you today value the freehold property at a historical valuation of \$1,550,000. Next year (or so) with the completion of the \$13 million infrastructure improvements and the excision of the Brisbane Road property for investment purposes, the net assets of the club will increase to the order of \$35 to \$45 million and the club will be in an extremely viable position for future years.

My time as treasurer and as a committee person has been challenging, frustrating but most of all very enjoyable and gratifying. I have been honoured to have been involved with great people notably the late Jeffrey James McLean (legend) and Harry Burke. The great Gary Parcell. The prescient Bob Bentley and great blokes Keith Self, Dan Bowden, Alan (Dr Rocket) Byrnes as well as Ray Leschke and Jack Kelly. Paul Pisasale was of enormous help to the club and I have the greatest respect for our Chairman Wayne Paul Patch and my fellow board members, Deputy Chairman Brian North, Trent Quinn, Brian Dwyer and Brad Bulow. It truly has been a satisfying journey.

It has not been always fun and games. In 2004 our Sky Channel contract was cut by \$350,000 per annum and the negotiation of the contract was subsequently handled by Racing Queensland and we were further disadvantaged.

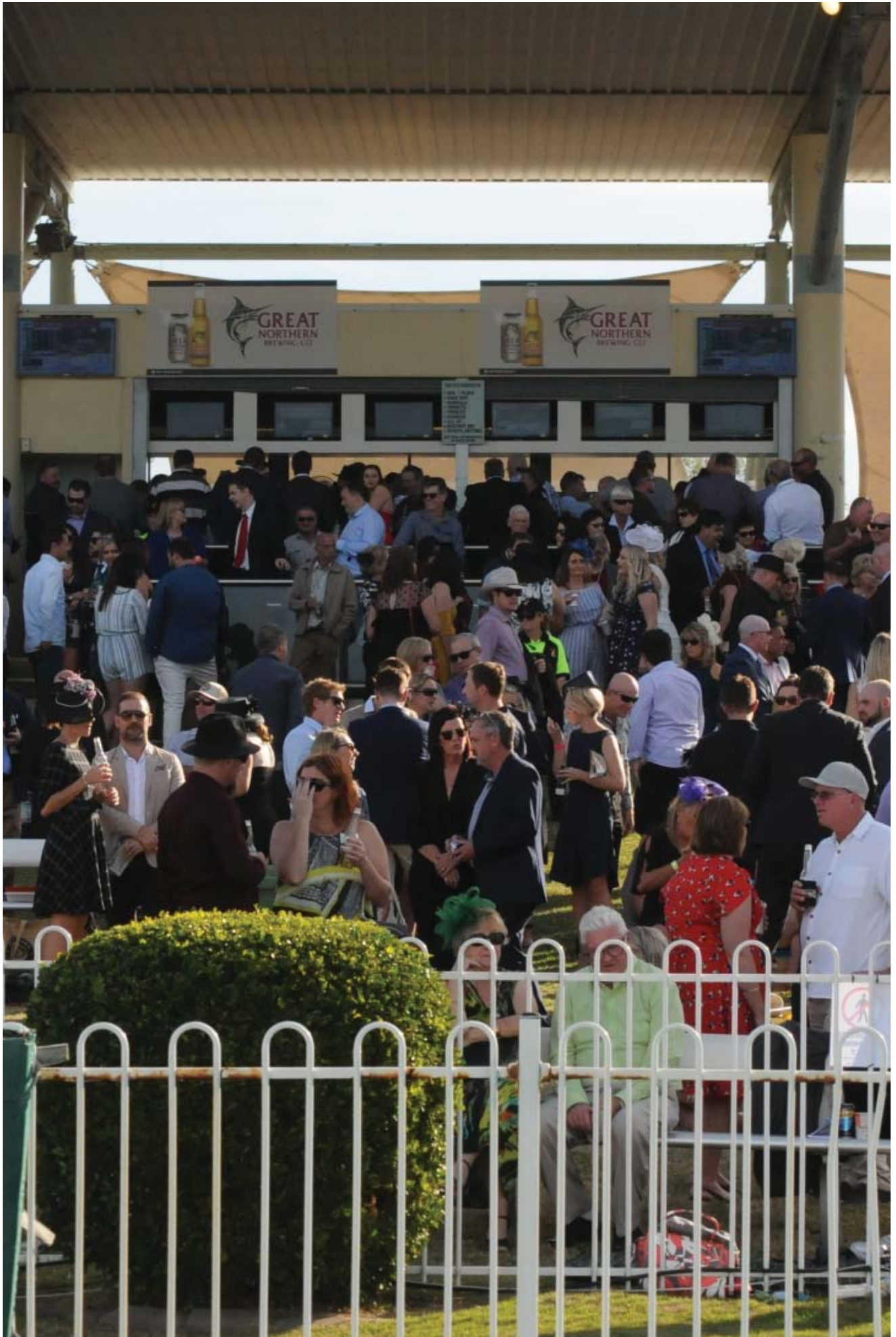
Our major sponsor in 2008, City Pacific, went bust and took \$300,000 of our hard earned down the gurgler. Origin Energy hit us with a bill for arrears of \$211,543 because of errors in their metering. We settle for a much reduced amount.

I have had the good fortune to have the assistance of very competent executive officers in Barry Hinton in the early days and the incredibly loyal and competent Brett Kitching. Brett has few shortcomings (apart from his romance with the world game) and has been a knowledgeable and trusty ally with the finances. Ken Dunlop was another manager I worked with blessedly for a short period.

In closing I would again thank Brett and his staff for their assistance during the year and I acknowledge the professional and timely assistance of our club auditor Lyn Papa. The dedication and professionalism of these people is essential to the effective management of the club. I wish the club every success into the future and I am confident that the CCC principles espoused by the chairman will consolidate the coming years.

A handwritten signature in black ink, appearing to read 'Liam Tansey', with a large, stylized flourish on the left side.

Liam Tansey B.Ec; FCPA
Treasurer
Ipswich Turf Club Inc.



IPSWICH TURF CLUB (INC.)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)

TRADING ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Trading Income			
Sales		<u>1,908,643</u>	<u>1,785,985</u>
Cost of Sales			
Opening Stock		69,487	71,026
Add:			
Purchases		692,203	637,482
Less:			
Closing Stock		<u>57,523</u>	<u>69,487</u>
Cost of Sales		<u>704,166</u>	<u>639,021</u>
Gross Profit from Trading		<u>1,204,477</u>	<u>1,146,964</u>

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IPSWICH TURF CLUB (INC.)

INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018	2017
Income			
Member Subscriptions		36,368	37,527
Meeting Payments		1,001,646	933,775
Racing Income		818,056	856,076
Bookmakers Income		28	2,790
Trading Profit		1,204,477	1,146,964
Training Income		96,995	93,242
Interest Received		6,484	8,120
Other Revenue		<u>8,443</u>	<u>64,686</u>
Total Income		<u>3,172,497</u>	<u>3,143,180</u>
Expenditure			
Administration Costs		157,969	187,065
Marketing & Promotion		74,172	59,619
Motor Vehicle Expenses		51,364	48,838
Occupancy Costs		546,958	542,506
Personnel Costs		107,369	99,614
Race Day Contractors		160,041	156,783
Race Day Expenses		122,752	117,352
Maintenance & Equipment		422,526	452,656
Totaliser Expenses		69,731	73,025
Travelling & Conferences		16,776	1,911
Wages & Salaries		<u>1,436,232</u>	<u>1,392,377</u>
Total Expenditure		<u>3,165,890</u>	<u>3,131,746</u>
Net Surplus/(Loss)		<u>6,606</u>	<u>11,434</u>

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IPSWICH TURF CLUB (INC.)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

		2018	2017
CURRENT ASSETS			
Cash Assets	2	1,598,433	1,641,689
Receivables	3	402,250	344,095
Inventories	4	57,523	69,487
Prepayments	5	<u>-21,009</u>	<u>11,020</u>
TOTAL CURRENT ASSETS		<u>2,037,198</u>	<u>2,066,291</u>
FIXED ASSETS			
Property, Plant & Equipmen	6	<u>5,457,970</u>	<u>5,372,869</u>
TOTAL FIXED ASSETS		<u>5,457,970</u>	<u>5,372,869</u>
TOTAL ASSETS		<u>7,495,168</u>	<u>7,439,160</u>
CURRENT LIABILITIES			
Payables	7	796,212	697,912
Provisions	8	<u>234,844</u>	<u>237,397</u>
TOTAL CURRENT LIABILITIES		<u>1,031,056</u>	<u>935,309</u>
TOTAL LIABILITIES		<u>1,031,056</u>	<u>935,309</u>
NET ASSETS		<u>6,464,112</u>	<u>6,503,851</u>
MEMBERS FUNDS			
Opening Balance		6,503,851	6,492,417
Less: Extraordinary Item	9	-46,346	0
Add: Surplus/(Deficit)		<u>6,606</u>	<u>11,434</u>
Closing Balance		<u>6,464,112</u>	<u>6,503,851</u>

These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from Trading	1,359,633	1,043,088
Receipts from Membership Income	36,368	37,527
Receipts from Meeting Payments	1,001,646	933,775
Receipts from Racing & Related Income	895,406	965,087
Payments to Employees	-1,246,677	-1,147,844
General Administration Expenses	-1,764,434	-1,303,366
Payment of GST	<u>-158,367</u>	<u>-155,099</u>
Net Cash Flows from operating activities	<u>123,575</u>	<u>373,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & Equipment	104,145	0
Payment for property, plant & equipment	-277,459	-101,866
Interest Received	<u>6,484</u>	<u>8,120</u>
Net Cash Flows from investing activities	<u>-166,830</u>	<u>-93,746</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Flows from financing activities	0	<u>0</u>
Net increase in cash and cash equivalents	-43,255	279,423
Cash and cash equivalents at the beginning of the financial year	<u>1,641,689</u>	<u>1,362,265</u>
Cash and Cash equivalents at the end of the financial year	<u>1,598,434</u>	<u>1,641,688</u>

The above statement of Cash Flows should be read in conjunction with the accompanying notes.

IPSWICH TURF CLUB (INC.)

CASH FLOW NOTES

FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
CASH AND CASH EQUIVALENTS		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank	909,367	843,907
Cash on Hand	42,850	55,271
Deposits Held	<u>646,216</u>	<u>742,511</u>
	<u>1,598,433</u>	<u>1,641,689</u>

RECONCILIATION OF NET SUPLUS TO NET CASH FLOWS FROM OPERATIONS

Profit	6,606	11,434
Adjustments		
Depreciation of Property, plant and equipment	148,817	146,885
Interest Received	<u>-6,484</u>	<u>-8,120</u>
	<u>148,940</u>	<u>150,199</u>
Changes in Working Capital		
Decrease/(Increase) in Receivables	-108,155	32,136
Decrease in Inventories	11,964	1,539
Decrease in Prepayments	32,029	13,850
Increase in Payables	41,351	157,175
Decrease in Provisions	<u>-2,553</u>	<u>18,269</u>
	<u>-25,365</u>	<u>222,969</u>
Net Cash Flows from Operating Activities	<u>123,575</u>	<u>373,168</u>

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

IPSWICH TURF CLUB (INC.)

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2018

Note 1 - Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements and the Association Incorporations Act.

The financial report covers the Ipswich Turf Club (Inc.) as an individual entity. The Ipswich Turf Club (Inc.) is an association incorporated in Queensland under the Incorporations Incorporation Act 1981.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

INCOME TAX

The Club is exempt from Income Tax and therefore no provision or expense has been raised in the financial report.

INVENTORIES

Inventories are measured at the lower of cost and new realisable value. Costs are assigned on a first-in first-out basis.

PROPERTY, PLANT AND EQUIPMENT

a) Property

Freehold land and buildings are measured on a cost basis. No increase in the value has been taken into account in the financial report.

b) Plant and Equipment

The carrying amount of the plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

c) Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis over their useful lives to the Club commencing from the time the asset is held ready for use.

These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)
NOTES TO AND FORMING PART OF THE ACCOUNTS
AS AT 30 JUNE 2018

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	10% - 30%
Motor Vehicle	15% - 20%
Structural Improvements	1% - 10%

EMPLOYEE ENTITLEMENTS

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

	2018	2017
Note 2 - Cash Assets		
Cash at Bank	909,367	843,907
Cash on Hand	42,850	55,271
Deposits Held	<u>646,216</u>	<u>742,511</u>
	<u>1,598,433</u>	<u>1,641,689</u>
Note 3 - Receivables		
Trade Debtors	<u>402,250</u>	<u>344,095</u>
Note 4 - Inventories		
Stock on Hand	<u>57,523</u>	<u>69,487</u>
Note 5 - Other Assets		
Prepayments	<u>-21,009</u>	<u>11,020</u>

These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2018

	2018	2017
Note 6 - Property, Plant & Equipment		
Bar & Catering Equipment	107,134	107,134
Less: Accumulated Depreciation	<u>-78,971</u>	<u>-70,268</u>
	28,163	36,866
Computer Equipment	31,295	30,475
Less: Accumulated Depreciation	<u>-26,205</u>	<u>-25,327</u>
	5,091	5,148
Electrical Installations	106,443	96,424
Less: Accumulated Depreciation	<u>-54,855</u>	<u>-47,075</u>
	51,588	49,349
Electronic Equipment	281,217	275,002
Less: Accumulated Depreciation	<u>-272,238</u>	<u>-269,963</u>
	8,979	5,039
Furniture & Fittings	62,240	62,240
Less: Accumulated Depreciation	<u>-41,315</u>	<u>-35,195</u>
	20,925	27,045
Motor Vehicles	178,006	173,265
Less: Accumulated Depreciation	<u>-70,603</u>	<u>-100,714</u>
	107,403	72,551
Office Equipment	14,959	14,959
Less: Accumulated Depreciation	<u>-11,638</u>	<u>-11,046</u>
	3,321	3,913
Plant & Equipment	254,794	250,814
Less: Accumulated Depreciation	<u>-190,607</u>	<u>-166,592</u>
	64,187	84,222
Television Monitors	42,352	34,222
Less: Accumulated Depreciation	<u>-27,213</u>	<u>-20,029</u>
	15,139	14,193
Structural Improvements	4,576,638	4,440,774
Less: Accumulated Depreciation	<u>-1,032,890</u>	<u>-975,658</u>
Capital Improvements	59,427	59,427
	<u>3,603,175</u>	<u>3,524,543</u>
Land	1,550,000	1,550,000
	<u>5,457,970</u>	<u>5,372,869</u>
Note 7 - Payables		
Trade Creditors & Accruals	780,402	668,175
GST Payable	0	-824
Income in Advance	15,810	30,561
	<u>796,212</u>	<u>697,912</u>
Note 8 - Provisions		
Provision for Employee Entitlements	<u>234,844</u>	<u>237,397</u>

These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)

NOTES TO AND FORMING PART OF THE ACCOUNTS

AS AT 30 JUNE 2018

2018 2017

Note 9 - Extraordinary Item

Income Adjustment - 2017	<u>-46,346</u>	<u>0</u>
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This income was recognised by way of accrued income in the 2017 Financial Statements. It was based on assurances given by Sky Channel as to the income that the Club was intended to receive after discussions with them. However, the Club actually received a lesser amount which is reflected in this adjustment.

These financial Statements are audited. They must be read in conjunction with the Attached Audit Report.

IPSWICH TURF CLUB (INC.)

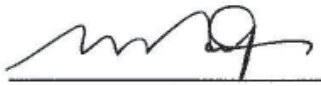
STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Committee:

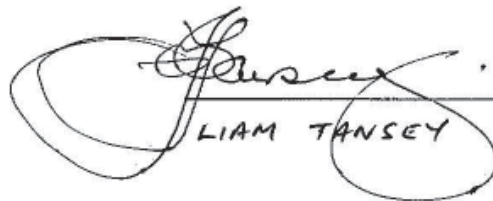
a) the financial statements as set out on the following pages are drawn up so as to give a true and fair view of the state of the Club's affairs as at 30 June 2018 and of its operating result for the year ended on that date;

b) at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due;

c) the financial statements have been compiled in accordance with Australian Accounting Standards and to comply with the Associations Incorporation Act (Queensland).



WAYNE PATCH



LIAM TANSEY

IPSWICH TURF CLUB (INC.)

AUDITORS INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Associations Incorporation Act (Queensland) in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct of professional conduct in relation to the audit.

Lyn Papa
Chartered Accountant



Signed at Brisbane this 22 day of August 2018.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
IPSWICH TURF CLUB (INC.)**

Scope

I have audited the financial statements of the Ipswich Turf Club (Inc.) for the financial year ended 30 June 2018 as set out on the following pages. The Management Committee is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these statements in order to express an opinion on them to the members of the Club.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures undertaken include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Club's financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of the Ipswich Turf Club (Inc.) are properly drawn up:

- a). so as to give a true and fair view of the state of affairs as at 30 June 2018, the excess of income and expenditure of the Club for the financial year ended on that date;
- b). in accordance with the provisions of the Associations Incorporation Act (Queensland); and
- c). in accordance with Australian Accounting Standards.

Lyn Papa
Chartered Accountant



Signed at Brisbane this 22 day of August 2018.



Race Statistics

2017/18 2016/17 2015/16 2014/15 2013/14 2012/13 2011/12 2010/11 2009/10 2008/09 2007/08 2006/07

Race Meetings	46	47	50	45	41	48	49	45	45	44	32	46
Abandoned Meetings	2	2	0	12	10##	2	4***	6	1	3	15**	1
Races	368	341	379	351	319	340	346	318	360	359	284	374
Starters	3254	3101	3565	3362	2996	3196	3702	3523	3972	3796	3022	3885
Average Starters per Race	8.84	9.09	9.41	9.58	9.39	9.40	10.70	11.08	11.03	10.57	10.64	10.39
Attendance	40540	41548	45225*#	39725	35930	39023++	46915	48445	53390	47,447	40,441	47,684
Number of Members	345	423	465	475	485	498	497	495	485	408	382	335
Nominations	5482	5334	6005	5663	4677	5736	6298	7376	7223	7452	5647	6612
Financial Result \$000s	\$ 6.6	\$ 11.4	\$ 16.3	\$ 15.8	\$ 3.1	-\$ 145.9	-\$ 276.5	\$ 21.6	\$ 4.7	\$ 108.4	\$ 102.7	\$ 15.8

+ Includes 1 from Gatton

Includes 2 from Doomben

* Includes 1 from Toowoomba

** Abandoned meetings due to Equine Influenza

*** Includes 1 transferred to Doomben

++ No Labour Day meeting in the financial year and Australia Day Sunday meeting abandoned.

Due to Track Closure for refurbishment 2014.

*# Included 2 Labour Day meetings in financial year.

Race Statistics

	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00	1998/99	1997/98	1996/97	1995/96	1994/95
Race Meetings	46*	45	45	41+	40	40	40	39	39	42#	38	38
Abandoned Meetings	1	Nil	1	Nil	Nil	Nil	Nil	1	1	Nil	2	2
Races	363	359	360	321	315	322	327	323	316	340	305	313
Starters	3847	3657	3499	3218	3160	3199	3224	3307	3085	3288	3352	3439
Average Starters per Race	10.60	10.19	9.72	10.02	10.03	9.93	9.86	10.24	9.76	9.67	10.99	10.99
Attendance	46,521	39,651	36,801	39,443	54,375	32,557	32,619	34,259	34,411	40,734	37,540	39,340
Number of Members	286	248	231	243	421	327	343	331	348	356	370	377
Nominations	6932	6706	6285	5685	5493	5840	6647	6852	6691	7126	8171	7657
Financial Result \$000s	\$ 10.3	\$ 0.2	-\$ 193.7	-\$ 121.8	\$ 151.5	\$ 21.2	\$ 23.3	\$ 79.2	\$ 93.5			

* Includes 1 from Gatton

Includes 2 from Doomben

* Includes 1 from Toowoomba

** Abandoned meetings due to Equine Influenza

*** Includes 1 transferred to Doomben

++ No Labour Day meeting in the financial year and Australia Day Sunday meeting abandoned.

Due to Track Closure for refurbishment 2014.

*# Included 2 Labour Day meetings in financial year.





OFFICIALS

(as at 30 June 2018)

Chairman

Mr WP Patch

Vice Chairman

Mr BF North

Treasurer

Mr LJ Tansey

Committee

Mr DJ Bowden

Dr AJ Byrnes

Mr BP Dwyer

Mr TM Quinn

Mr BD Bulow

Secretary/General Manager

Mr BS Kitching

Auditor

Ms Lyn Papa

Ipswich Turf Club Inc.

219 Brisbane Road, Bundamba

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