



ANNUAL REPORT

— 2012 —

NO RACING WITHOUT OWNERS

COMMITTEE MEMEBERS

President: Kerrina King
Vice-Presidents: Brett Mooney and Neville Stewart
Treasurer: Harold Hayes
Committee: Grant Morgan, Jenny Bartels, Alan Newcombe, Peter Rowe.

QROA LIFE MEMBERS

John Haseler
Peter Bath
Brian Connolly
Tim Kinivan
Bob Parr
Mary Lee Trevitt
Wayne Purchase
Wayne Milner
Grant Morgan

PRESIDENT'S REPORT 2011-2012

QROA INDEPENDENT ADMINISTRATIVE STATUS AND QROA BUSINESS PLAN

The year began in a challenging style with RQL advising QROA that the resource support that we had been receiving from RQL for many years valued at \$100,000 by RQL, would cease at the end of 2011. Such support included the services of our former secretary Sarah Weise for approximately 3 days a week, IT support, postage, printing and other sundries. Further, we were also advised of the loss of access to the RISA owner's data base which we had been utilising for e-blast advertising which had resulted in a \$15,000 income steam to QROA.

After providing RQL with a business plan for QROA, we did receive a parting one off subsidy of approximately \$30,000 after a GST and other deductions. We have preserved this money and other monies we had in the bank and still managed to pay our ongoing expenses. QROA ended the financial year with \$60,000 in cash assets.

QROA continued to employ Sarah on an independent basis for several months into the New Year on reduced hours however, Sarah eventually resigned and I have done the daily administrative work voluntarily. The membership renewal and AGM preparation was contracted out to Ladness Pty Ltd.

The challenges of independence however, have been far outweighed by the benefits of being able to provide an autonomous voice for owners.

QROA TRADE STALL AT THE JANURAY MAGIC MILLIONS YEARLING SALE

QROA held a trade stall for the first time over the four main days of the Magic Millions January Yearling Sale. The objective was both to promote the association and sign up new members. The trade stall was highly successful and resulted in a 15 % increase in membership. The stall was sponsored by Magic Millions and we thank them for their support.

RISA IFRAME

QROA successfully negotiated with RISA to provide daily current racing information in the form of the RISA iframe on the QROA website. The provision of this service has seen a marked increase in the number of unique visits to the QROA site thus making it a more lucrative advertising medium

and attracting better sponsorship opportunities. The visit report summaries show an average of approximately 300 visits a week with the figure rising to nearly 500 during the Winter Racing Carnival. Many new owners found the Racing Queensland website difficult to use and the provision of a one click racing information service has been popular with people new to the industry.

RACING FORUM

As part of the 2011 AGM, QROA held a highly successful Racing Forum which involved senior politicians from both sides, discussing their party's position on racing industry policies. A notable and important LNP pledge which was announced at the QROA Racing Forum was a commitment that industry stakeholders would once again have representation in Racing Queensland Ltd and be included in ongoing consultation. The industry is eagerly looking forward to the implementation of this policy hopefully in the near future.

PRIZEMONEY CAMPAIGN

Leading up to the state government election, QROA ran a campaign for increased prizemoney. The campaign comprised letters and phone calls to politicians and advertisements in The Courier-Mail. The campaign was successful and the LNP shifted its previous pre-election position from a stance of no money for prizemoney increases to money for increases in some classes of races.

SYNDICATION RACING PARTNER INCREASE

In his capacity as ATROC President, 2011 QROA President Grant Morgan worked hard to have the Australian Racing Board (ARB) change the number of registered syndicate owners from ten to twenty. Grant's work was rewarded this year with the increase in syndicate numbers being accepted by the ARB. This achievement is a notable gain for owners as it allows greater participation in the sport through a more cost effective option of owning a smaller percentage in a race horse. The committee voted to award Grant Morgan Life Membership to the QROA for his stirring endeavours and this notable achievement.

LAA CHARITY RACING DAY

As has been the case for a number of years now, QROA was a sponsor for the Licensee's Assistance Association (LAA) at the Sunshine Coast Turf Club. The LAA is committed to assisting past and present jockeys, trainers, bookmakers and other licensees in time of need.

QROA MEMBERSHIP AND RACE CLUB PRIVILEGES

QROA is pleased to have gained new race club privileges for its members with the addition of The Brisbane Racing Club and the Sunshine Coast Turf Club to the list of clubs offering benefits to QROA members. We would like to thank them for their support and also thank the following clubs for their ongoing support: Gold Coast Turf Club, Tattersall's Club, Ipswich Turf Club, Rockhampton Jockey Club, Mackay Turf Club and Townsville Turf Club. Members please be aware that these benefits are subject to blackout days.

QROA KRISTY BANKS WINTER RACING CARNIVAL BENEFIT

QROA held a highly successfully Winter Racing Carnival Cocktail Party with proceeds from auction items being donated to injured jockey Kristy Banks. Two hundred guests attended including the new Minister for Racing and the new Chairman of Racing Queensland. A cheque for \$20,100 was given to Kristy.

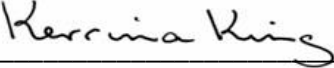
E-NEWSLETTER

This year saw the end of the very popular Owners' Oracle due to rising production and postage costs. In its place we have been producing a regular e-newsletter which has proved equally popular.

WITH THANKS

Thank you to all who served on the committee this year and made supportive contributions.
Thank you to the financial members who have continued to support QROA. To all our generous sponsors including: Magic Millions, RISA, BRC, Tattersall's, GCTC, ITC and Sky Racing.

NO RACING WITHOUT OWNERS

President 
Kerrina King (President)

QUEENSLAND RACEHORSE OWNERS' ASSOCIATION
MINUTES OF THE MEETING OF THE 2011 ANNUAL GENERAL MEETING

Date: 19 August 2011

At: Templeton Room, Tattersall's Club, Brisbane City.

Time: 5:00pm

Present: As per the Attendance Register

The Chairman (Mr. Grant Morgan) opened the meeting at 5:00pm and welcomed all attendees.

1. Minutes of previous Annual General Meeting

The minutes of the Association previous AGM held on 21 August 2010 were confirmed. Moved – Wayne Purchase, seconded – Kerrina King.

2. Matters arising from those Minutes

No matters arising.

3. President's Report

Mr Morgan tabled his report which was included in the Annual Report. Mr Morgan summarised each area of his report reconfirming the main issue for the QROA was the Prize money Review.

Moved – Simon Quinn, seconded – Bruce Campbell.

4. Treasurer's Report

Mr Matthew Stapleton confirmed due to the loss of the Queensland Owners Card subsequently a loss of sponsorship money. Mr Stapleton confirmed the QROA have found other means of income is advertising. The QROA reposted art \$16K loss. Moving forward, looking at increasing QROA membership and encouraged owners to invite owners to join the Association. Expenditure is fixed. Mr Stapleton would like to thank Racing Queensland for the financial support. Mr Stapleton moved that his report be approved. Seconded Simon Quinn.

5. Election of Office Holders

As per the constitution, the following committee members by rotation:

Mr Grant Morgan

Mr Simon Quinn

Mr Matthew Stapleton

Mr Eric Quinn

Mr Bruce Campbell

Mr Brett Mooney

Nominations were also received from Mr Dale Anderson and Ms Margherita O'Ryan.

(Ms Kerrina King assumed the role of Chairman at this point),

Each of whom offered themselves for election, and were so elected unopposed.

(Mr Grant Morgan resumed role of Chairman).

6. Appointment of Auditors

It was moved by Vince Pennisi and seconded by Brett Mooney that IAS Integrated Audit Services Pty Ltd be appointed as the Association's auditors. Motion Carried.

7. General Business

- a. Maxine Whittington asked if the QROA will now be holding the AGM at the Tattersall's Club or back at the Race Clubs? Mr Morgan replied the QROA wanted to try the Tattersall's Club as in the past the QROA have found with people attending are more interested in the races. This will be something the QROA Committee will decide for the future.
- b. Wayne Purchase enquired about the QTIS Review. There is no benefit to the Owner. Mr Morgan confirmed the bottom line, there is no money due to the betting turnover. The QROA achieved less 2 year old races with 3 year olds needing more racing. Helen Coughlan asked if the QTIS payment structure could be explained. Mr Morgan confirmed the yearling buyer contribute \$990 (inc GST). Different levels to understand.
- c. Paul Jones asked if the QROA could lobby the Brisbane Racing Club to put in Racehorse Scales and Water Walkers at Eagle Farm. Mr Morgan asked if Rob Heathcote may like to answer. Rob Heathcote expressed concern on how much you would get charged by the BRC. The Racehorse Scales are a good idea. Mr Morgan will talk to the BRC. Paul Jones expressed owners shouldn't be charged for the use of the Water Walkers. Wayne Wilson suggested lobbying the Racing Queensland Infrastructure Plan. Rob Heathcote confirmed the needs to be self-funding. Maxine Whittington asked if Trainers were moving from Eagle Farm. Rob Heathcote confirmed he is looking at moving out of the Hendra area due to the ongoing conflict with Racing Queensland and the Brisbane Racing Club.
- d. Bevan Laming would like to see the QROA lobby Racing Queensland for questions behind what they did with the \$6K from Sportingbet. Mr Morgan asked if Wayne Milner would like to address. Wayne Milner confirmed that there was no \$6K, Racing Horse Legislation NSW is the winner.
- e. Jim Cahill enquired about the affiliation between QROA and Tattersall's Club. Mr Morgan confirmed Tattersall's run about 3 – 4 significant race days and if the QROA could seek a membership opportunity with Tattersall's members going forward – Sharing Membership.

Meeting closed at 5:30 pm

(Minutes recorded by Sarah Weise)

INDEPENDENT AUDIT REPORT

SCOPE

We have audited the accompanying financial report, being a special purpose financial report, of Queensland Racehorse Owners' Association Incorporated (the association) which comprises the statement of financial position as at 30 June 2012 and the income statement, statement of changes in equity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

COMMITTEE'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporations Act (QLD) 1981 and are appropriate to meet the needs of the members. The committee's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of 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 judgment, including the assessment of the risks or 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 the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Associations Incorporations Act (QLD) 1981. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the financial reporting obligations under the Association's constitution. As a result, the financial report may not be suitable for another purpose.

INDEPENDENCE

In conducting our audit, we have complied with applicable independence requirements of Australian professional ethical pronouncements

QUALIFICATION

The Association, in common with other similar associations, only records amounts received relating to membership subscriptions and other fundraising activities when these amounts are banked as it is not practical to establish control over such income, prior to its initial entry in the accounting records. Our audit relating to such income was therefore limited to ensuring that the amounts banked are properly recorded in the financial report. Accordingly, I do not express an opinion on whether all receipts have been banked and we cannot determine the effects of such adjustments, if any, as might have been determined to be necessary had this limitation not existed.

The Association has recorded memberships receivable in advance for the year ended 30 June 2013. The total of this receivable account is \$20,757. The revenue component is detailed as deferred income. We are unable to verify the collectability of these funds in their total, and accordingly express no opinion in respect of this account balance.

QUALIFIED AUDITOR'S OPINION

Except for the above, in our opinion, the financial report of Queensland Racehorse Owners' Association Incorporated presents fairly in all material respects the financial position of the Association as of 31 July 2012 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Dallas Beauchamp
Chartered Accountant
Level 1
473 Lutwyche Road
LUTWYCHE QLD 4030




Auditor: Dallas Beauchamp

DISCLAIMER TO QUEENDLAND RACEHORSE OWNERS' ASSOCIATION INCORPORATED

The additional financial data presented on pages 9 & 10 is in accordance with the books and records of the Association which have been subjected to the auditing procedures applied in our statutory audit of the Association for the financial year ended 31 July 2012. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors of omissions herein however caused.

Audit Service Specialists Pty Ltd


Dallas Beauchamp
Director

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act (QLD) 1981. The committee has determined that the association is not a reporting entity. The financial statements have been prepared on an accruals basis and are based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

NOTE 2: ACCOUNTING POLICIES

(a) Income Tax

The Committee have determined that the Association is Income Tax Exempt in accordance with Section 50-10 of the Income Tax Assessment Act 1997.

(b) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(c) Trade and Other Payables

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

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

(E) Comparative Figures

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

(F) Critical Accounting Estimates and Adjustments

The committee members evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

STATEMENT OF CHANGES IN EQUITY AS AT 31 JULY 2012

	Retained Earnings \$	Total \$
Balance at 1 August 2010	45,182	45,182
Profit (loss) attributes to members	(16,699)	(16,699)
Balance as at 31 July 2011	<u>28,482</u>	<u>28,482</u>
Balance as at 1 August 2011	28,482	28,482
Profit attributable to members	31,834	31,834
Balance as at 31 July 2012	<u>60,316</u>	<u>60,316</u>

INCOME STATEMENT

	2012 \$	2011 \$
Revenue	80,322	92,967
Finance costs	(1,610)	(1,610)
Other expenses	(46,878)	(107,911)
Profit (loss) before income tax expenses for the year	2 <u>31,834</u>	<u>(16,700)</u>
Income tax expense	-	-
Profit (loss) for the year	<u>31,834</u>	<u>(16,700)</u>
Profit (loss) attributable to members of the entity	<u>31,834</u>	<u>(16,700)</u>

STATEMENT BY MEMBERS OF THE COMMITTEE

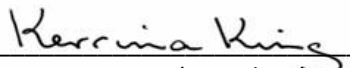
The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements. In the opinion of the committee the financial statements as set out on pages 3 to 8:

1. Presents a true and fair view of the financial position of Queensland Racehorse Owners'

Association Incorporated as at 31 July 2012 and its performance for the year ended on that date.

2. At the date of this statement there are reasonable grounds to believe that Queensland Racehorse Owners' Association Incorporated will be able to pay its debts as and when they fall due.

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

President 
Kerrina King (President)

INCOME AND EXPENDITURE STATEMENT FOR THE 12 MONTHS ENDING 31 JULY 2012

	2012	2011
	\$	\$
INCOME		
Donations	21,125	9,885
Interest Received	1,400	1,274
Other Revenue	31,829	14,020
QRL Industry Awards	1,950	1,782
Events Revenue	9,505	50,491
Membership Revenue	14,513	15,515
	<u>80,322</u>	<u>92,967</u>
LESS EXPENDITURE		
Accountancy fees	595	-
Advertising	3,191	8,949
Amortisation	1,610	1,756
AGM Expenses	-	58
ATROC Expenses	-	4,102
Auditor's remuneration	1,600	1,500
Bank charges	1,967	2,780
Consultancy Fees	1,373	5,400
Committee Meeting Expenses	43	423
Computer Expenses	1,660	-
Donations	20,100	9,885
Events	3,551	57,514
Insurance	1,605	1,330
Internet Website Expense	2,357	1,198
Membership Badges	876	1,877
Newsletter	336	4,578
Postage	252	78
Printing and stationery	3,231	3,078
QR Industry Awards Night	3,191	3,091
Race Day Sponsorship	-	500
Subscriptions	91	200
Sundry Expenses	859	1,370
	<u>48,488</u>	<u>109,667</u>
NET OPERATING PROFIT (LOSS)	31,834	(16,700)
Retained profits at the beginning of the financial year	28,482	45,182
TOTAL AVAILABLE FOR APPROPRIATION	<u>60,316</u>	<u>28,482</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR	<u><u>60,316</u></u>	<u><u>28,482</u></u>

BALANCE SHEET AS AT 31 JULY 2012

		2012	2011
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	66,995	35,289
Trade and other receivables	4	20,757	-
TOTAL CURRENT ASSETS		<u>87,752</u>	<u>35,289</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	1,610
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>1,610</u>
TOTAL ASSETS		<u>87,752</u>	<u>36,899</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	2,726	1,025
Other	7	24,710	7,392
TOTAL CURRENT LIABILITIES		<u>27,436</u>	<u>8,417</u>
TOTAL LIABILITES		<u>27,436</u>	<u>8,417</u>
NET ASSETS		<u>60,316</u>	<u>28,482</u>
MEMBERS' FUNDS			
Retained profits		<u>60,316</u>	<u>28,482</u>
TOTAL MEMBERS' FUNDS		<u>60,316</u>	<u>28,482</u>

NOTES TO THE FINANCIAL STATEMENTS

	2012	2011
	\$	\$
2. PROFIT (LOSS) FOR THE YEAR		
Expenses:		
Remuneration of Auditor :		
Auditor's Remuneration	1,600	1,500
	<u>1,600</u>	<u>1,500</u>
3. CASH AND CASH EQUIVALENTS		
BOQ Account 12049857	11,286	4,980
BOQ Investment Account 20085561	55,709	30,309
	<u>66,995</u>	<u>35,289</u>
4. TRADE AND OTHER RECEIVABLES		
CURRENT		
Membership Dues Receivable – 2013	20,757	-
	<u>20,757</u>	<u>-</u>
5. PROPERTY, PLANT AND EQUIPMENT		
Website at Cost	4,390	4,390
Less accumulated amortisation	(4,390)	(2,780)
	<u>-</u>	<u>1,610</u>
Total property, plant and equipment	<u>-</u>	<u>1,610</u>
6. TRADE AND OTHER PAYABLES		
CURRENT		
Good and services Tax	2,726	1,025
	<u>2,726</u>	<u>1,025</u>
7. OTHER LIABILITES		
CURRENT		
Deterred Income	24,710	7,392
	<u>24,710</u>	<u>7,392</u>

TREASURER'S REPORT

As Treasurer of the QROA, I am pleased to present the financial position for the 2011-2012 of the Association and the Auditor's Report as prepared by Integrated Audit Services Pty Ltd (IAS).

I would like to start by thanking the former treasurer Eric Quinn.

The past year has seen QROA move ahead financially with \$31,834 more in retained profits than 2011.

Member numbers remain steady with renewals still coming in and new members joining.

The Cocktail Benefit Evening for Kristy Banks raised \$20,100 for Kristy and was a highlight of the Winter Racing Carnival.

QROA has received a small income stream from advertising in the e-newsletter.

There have been no ATROC expenses this year.

Going forward to 2013 QROA will be renewing efforts to attract sponsorship money and will continue to be frugal in its expenditure.

Harold Hayes



