

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247

# **FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2010

**GREYHOUNDS QUEENSLAND LTD**  
**ACN 128 067 247**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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The directors submit the financial report of the company for the year ended 30 June 2010.

**Directors**

The names of the directors in office at any time during or since the end of the year are:

Kerry Lee Watson	David Anthony Stitt
Christopher John Williams	Paul Douglas Felgate (Resigned 28 November 2009)
Jeremy Paul Turner (Appointed 28 November 2009)	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Company secretary**

Darren Michael Beavis has held the position of company secretary since his appointment on 18 October 2007.

**Principal Activities**

The company was established to take over and continue the operations of the Greyhound Racing Authority, effective from 1 July 2008. The principal activity of the company is the promotion of greyhound racing in Queensland and Australia. There were no significant changes in the nature of the company's activities during the period following commencement of business on 1 July 2008, until the close of the financial year.

**Operating Results**

The net loss for the financial year was \$24,188,250. This amount includes net assets of \$23,106,092 that are being transferred to Racing Queensland Ltd on 1 July 2010 for nil consideration.

**Review of Operations**

In its second year of operation the company continued the main activity of its predecessor in the promotion of the greyhound racing industry within its geographical sphere of influence.

**Significant Changes**

There were no significant changes to the state of affairs of the company during the financial year.

**Events Subsequent to Balance Date**

The Racing and Other Legislation Amendment Bill 2010 was introduced into Queensland Parliament on 13 April 2010. The Bill was passed by Parliament on 9 June 2010. This legislation has the effect of amalgamating the three QRCB's into one single control body for the thoroughbred, harness and greyhound racing industries. This legislation came into effect on 1 July 2010 and the company's operations and net assets were transferred to Racing Queensland Ltd for nil consideration at that date.

**GREYHOUNDS QUEENSLAND LTD**  
**ACN 128 067 247**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2010**

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**Qualifications, Experience and Special Responsibilities**

Ms Kerry Watson	30 years in the Greyhound Industry as Owner, Trainer, QGBOTA President, GRA Board Member 1995; 1999 - 2008.	Director Appointed 18 October 2007
Mr Christopher Williams	35 years' experience as Owner, Trainer, Club President & Club Manager. 1999 - Ipswich Businessman of the year. 2000 Australian Sports Medal. 1990-1993 & 2005-2008 GRA Board Member.	Director Appointed 18 October 2007
Mr David Stitt	Bachelor of Laws, Bachelor of Commerce, Associate of the Institute of Chartered Accountants, Solicitor, Justice of Peace, GRA Board Member 2003-2008	Director Appointed 29 May 2008
Mr Paul Felgate	30 years' experience as an Owner, Trainer, Breeder and Studmaster. Qualified Electrician. Company Director Felgate Holdings Pty Ltd, Company Director Faystar Pty Ltd trading as Brandons Electrical, Welding, Data, Air Conditioning & Refrigeration and Security.	Director Appointed 12 November 2008 Resigned 28 November 2009
Mr Jeremy Turner	Master of Business, Graduate Certificates in Management and Finance, Diploma Australian Institute of Company Directors, Associate - CPA Australia, Fellow Australian Institute of Company Directors. Chief Financial Officer Queensland Motorways Limited.	Director Appointed 28 November 2009
Mr Darren Beavis	General Manager Greyhound Racing Authority 1999 - 2008.	Company Secretary since 18 October 2007

**Meetings of directors**

During the financial year, twelve meetings of directors were held. Attendances by each director during the year were:

<b>Name</b>	<b>Number meetings held while a director</b>	<b>Number of meetings attended</b>
Kerry Watson	12	12
Christopher Williams	12	12
David Stitt	12	12
Paul Felgate	5	5
Jeremy Turner	7	7

**Indemnification of Auditors and Officers**

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or of a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successful defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer or auditor for the costs or expenses to defend legal proceedings.

GREYHOUNDS QUEENSLAND LTD  
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DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2010

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**Court Proceedings**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Environmental Issues**

The company's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found on page 4 of the financial report.

Signed at Brisbane on the *2nd* day of November 2010 in accordance with a resolution of the directors.

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Kerry Watson

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE CORPORATIONS ACT 2001

To the Directors of the Greyhounds Queensland Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- 1) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- 2) no contraventions of any applicable code of professional conduct in relation to the audit.

centneys  
Brisbane Partnership  
Chartered Accountants

P M Power - Partner

Dated: 2 November 2010

Brisbane

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>Income</b>			
Product and Program Fee Income		12,633,141	13,873,528
Registration and Licence Fees		164,131	146,200
Interest Received		108,184	121,381
Journal Advertising and Subscription		80,231	84,251
Fines		28,215	19,885
Other		60,775	71,567
Profit on Disposal of Non-Current Assets	2(a)	1,332	-
Joint Venture Profit on Disposal of Non-Current Assets	2(a)	(3,970)	297,499
Joint Venture Reversal of Provisions	2(e)	97,697	275,000
Joint Venture Income		465,121	161,750
<b>Total Income</b>		<b>13,634,857</b>	<b>15,051,051</b>
<b>Expenses</b>			
Product and Program Fee Expense	2(b)	10,956,547	10,595,698
Employee Expenses	2(c)	1,370,094	1,202,027
Administration		512,636	435,311
Printing and Stationery		161,816	157,492
Racing Expenses		123,812	117,955
Computer Expenses		84,669	98,505
Advertising and Promotion		88,561	84,031
Travel Expenses		59,067	72,915
Telephone Expenses		58,506	50,038
Insurance		36,822	20,278
Auditor's Remuneration	2(d)	25,160	17,920
Repairs and Maintenance		11,002	8,877
Bad Debts		392,521	-
Loss on Disposal of Non-Current Assets	2(a)	-	1,371
Joint Venture Expenses		561,189	463,066
Depreciation - Company	6(b);7(b)	72,660	29,711
Depreciation - Joint Venture	6(b)	201,953	197,491
<b>Total Expenses</b>		<b>14,717,015</b>	<b>13,552,676</b>
<b>Operating Loss</b>		<b>(1,082,158)</b>	<b>1,498,385</b>
Transfer of Net Assets to Racing Queensland Ltd	22	(23,108,092)	-
Discount on Acquisition -			
Transfer of Net Assets from Greyhounds Racing Authority		-	22,689,865
<b>Net (Loss) Surplus</b>		<b>(24,188,250)</b>	<b>24,188,250</b>
<b>Add:</b>			
<b>Other Comprehensive Income</b>			
Asset revaluation reserve movements,		-	-
Net of transfers to retained earnings			
<b>Total Other Comprehensive Income</b>			
<b>Total Comprehensive Income for the Year</b>		<b>(24,188,250)</b>	<b>24,188,250</b>

The accompanying notes form part of these financial statements

**GREYHOUNDS QUEENSLAND LTD**  
**ACN 128 067 247**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	-	3,788,836
Trade and other receivables	4	-	1,631,248
Other current assets	5	-	6,367
<b>Total Current Assets</b>		-	5,426,451
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6(a)	-	20,777,047
Intangibles	7	-	19,283
<b>Total Non-current Assets</b>		-	20,796,330
<b>Total Assets</b>		-	26,222,781
<b>Current Liabilities</b>			
Trade and other payables	8	-	762,906
Short term provisions	9	-	1,017,304
Other current liabilities	10	-	97,195
<b>Total Current Liabilities</b>		-	1,877,405
<b>Non-Current Liabilities</b>			
Long term provisions	9	-	157,126
<b>Total Non-Current Liabilities</b>		-	157,126
<b>Total Liabilities</b>		-	2,034,531
<b>Net Assets</b>		-	24,188,250
<b>Equity</b>			
Retained earnings	16	-	24,188,250
<b>Total Equity</b>		-	24,188,250

*The accompanying notes form part of these financial statements*

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
Balance 1 July		24,188,250	-
Total Comprehensive Income		(24,188,250)	24,188,250
		<hr/>	<hr/>
Balance, 30 June		<u>-</u>	<u>24,188,250</u>

*The accompanying notes form part of these financial statements*



**GREYHOUNDS QUEENSLAND LTD**  
**ACN 128 067 247**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Receipts from operations		14,667,754	15,753,536
Interest received		111,885	125,145
GST input tax credits		782,389	505,001
<i>Outflows:</i>			
Payments to suppliers and employees		(16,559,772)	(14,638,573)
GST remitted to ATO		(964,392)	(1,012,027)
<b>Net cash (used in) / provided by operating activities</b>	14	<u>(1,962,136)</u>	<u>733,082</u>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Cash received on transfer of assets		-	2,709,731
Proceeds of sale of plant and equipment		42,031	492,830
<i>Outflows:</i>			
Payments for plant and equipment		(1,668,602)	(146,808)
<b>Net cash (used in) / provided by investing activities</b>		<u>(1,626,571)</u>	<u>3,055,753</u>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Proceeds from Borrowings		1,666,191	-
<b>Net Cash provided from Financing Activities</b>		<u>1,666,191</u>	<u>-</u>
Net increase (decrease) in cash held		(1,922,516)	3,788,835
Cash at beginning of financial year		3,788,835	-
Transfer of cash to Racing Queensland Ltd		(1,866,319)	
<b>Cash at end of financial year</b>	3	<u>-</u>	<u>3,788,835</u>

*The accompanying notes form part of these financial statements*

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Greyhounds Queensland Ltd as an individual entity. Greyhounds Queensland Ltd is an unlisted public company, limited by guarantee, incorporated and domiciled in Australia.

**Basis of preparation**

The financial report of Greyhounds Queensland Ltd complies with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

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

**Accounting policies**

*Going Concern Basis of Accounting - Dissolution of Greyhounds Queensland Limited Operations*

The Racing and Other Legislation Amendment Bill 2010 was introduced into Queensland Parliament on 13 April 2010. The Bill was passed by Parliament on 9 June 2010. The legislation has the effect of amalgamating the three QRCB's into one single control body for the thoroughbred, harness and greyhound racing industries. The legislation came into effect on 1 July 2010, and has resulted in the operations, assets and liabilities of Greyhounds Queensland Limited being transferred to Racing Queensland Limited for nil consideration at that date.

Due to the operations of the company ceasing on 1 July 2010 and the company's net assets being transferred to Racing Queensland Limited, the company is no longer a going concern and the going concern basis of accounting is not applicable. Instead, assets are recognised in the statement of financial position at their realisable amounts and all liabilities are recognised as current liabilities.

Under the arrangements for dissolution of the company's operations, the net assets were transferred to Racing Queensland Limited on 1 July 2010 for nil consideration and no additional liabilities arose from the dissolution. Consequently, all the assets and liabilities have been recognised at nil values in the final statement of financial position as at 30 June 2010. The book value of the net assets transferred to Racing Queensland Limited (\$23,106,092) has been recognised as an expense in the Statement of Comprehensive Income. Details disclosures of the balances transferred to Racing Queensland Limited are included in Note 22.

**(a) Property, plant and equipment**

*Property*

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

*Plant and Equipment*

Plant and Equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cashflows have been discounted to their present values in determining recoverable amounts.

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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*Depreciation*

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Either the diminishing value or prime cost method may be used, as considered appropriate.

For each class of depreciable asset the following depreciation and amortisation rates are applied:

- Computer equipment hardware	22% - 33%
- Computer software	10% - 20%
- Plant and equipment	20% - 33%
- Furniture and fittings	20%
- Motor vehicles	23%
- Joint Venture buildings	5% - 10%
- Joint Venture Plant & equipment	5% - 33%

Land is not depreciated as it has an unlimited useful life.

All property, plant and equipment is depreciated so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, against revenue over its estimated economic life. As a general policy, only assets with a value of \$5,000 or more are capitalised, items under this value being charged as an expense in the year of purchase.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(b) Taxation**

The activities of the company are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable and GST payable from/to the Australian Taxation Office are recognised and accrued.

**(c) Financial instruments**

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*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 stated at amortised cost using the effective interest rate method.

*Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

*Impairment*

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**(d) Impairment of assets**

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the company determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the Statement of Financial

Deposits at call are recorded at cost, which also equates to market value.

**(f) Receivables**

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from end of month of invoice.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June.

**(g) Inventories**

Inventories, consisting of merchandising materials are valued at the lower of cost and net realisable value.

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(h) Employee Benefits**

*Annual Leave*

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to balance date using the remuneration rates the company expects to pay as at balance date plus related on-costs.

*Long Service Leave*

Long service leave entitlements payable are assessed at balance date having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment, future remuneration levels and experience of employee departure per year of service. Long service leave expected to be paid in the next 12 months is recorded as a current liability in the Statement of Financial Position at its nominal value. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for entitlements accrued to balance date and recorded as a non-current liability. Relevant Commonwealth Bond Rates are used for discounting future cash flows

*Superannuation*

Employees of the company are members of AMP Life Limited, AMP Super Leader Plan, Colonial Super Fund, MLC Super, Sun Super and Turner Super. Contributions to employee superannuation plans are charged as expenses as the contributions are paid or become payable.

The Company had 14 full time equivalent employees at 30 June 2010.

**(i) Payables**

Creditors are recognised for amounts payable in the future for goods and services received whether or not billed to the company. Creditors are generally unsecured and are normally settled within 30 days of receipt of supplier invoice.

**(j) Leases**

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

Incentives received on entering into operating leases are recognised as liabilities and lease payments are allocated between rental expense and reduction of the liability.

**(k) Revenue**

Revenue from membership subscriptions is recognised during the period to which the subscription relates.

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

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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 balance sheet 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.

**(m) Comparatives**

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

**(n) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial report 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 company.

*Key estimates — Impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of assets for the year ended 30 June 2010.

*Key judgments*

The company made no judgments or assessments which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**Albion Park Raceway Joint Venture**

In July 2003, ownership of the Albion Park Raceway asset was transferred from the State of Queensland to the Greyhound Racing Authority and Queensland Harness Racing Board as tenants in common in half share and an agreement was entered into by the parties confirming establishment of a joint venture relationship.

Both joint venture parties were dissolved on 1 July 2008 under the corporatisation arrangements and effective from that date, the joint venture's operations, assets and liabilities were transferred to a new joint venture established by the corporatised joint venture parties, namely Greyhounds Queensland Ltd and Queensland Harness Racing Ltd.

Accordingly, amounts representing 50% of the joint venture Statement of Comprehensive Income and Statement of Financial Position are incorporated into the financial report of the company. Had the Joint Venture amounts not been incorporated into the financial report, the company would have recorded an operating loss of \$877,864 for the year ended 30 June 2010.

**(o) Adoption of new and revised accounting standards**

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the company.

**AASB 101: Presentation of Financial Statements**

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

### Disclosure impact

**Terminology changes** — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

**Reporting changes in equity** — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

**Statement of comprehensive income** — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

**Other comprehensive income** — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>NOTE 2 - Statement of Comprehensive Income - Revenues and Expenses</b>		
<b>(a) Profit (Loss) on Sale of Non-Current Assets</b>		
Company:		
Proceeds from sale	33,877	7,091
Written down value of assets sold	(32,545)	(8,462)
Profit (Loss) on sale	<u>1,332</u>	<u>(1,371)</u>
Joint Venture:		
Proceeds from sale	8,154	486,739
Written down value of assets sold	(12,124)	(188,240)
Profit (Loss) on sale	<u>(3,970)</u>	<u>297,499</u>
<b>(b) Product and Program Fee Expense</b>		
Sky channel	62,500	27,107
Club capital works	78,457	147,867
Club distribution	10,741,540	10,420,714
QBIS	74,050	-
	<u>10,856,547</u>	<u>10,595,688</u>
<b>(c) Employee Expenses</b>		
Wages and salaries	1,124,367	892,968
Employer superannuation contributions	108,141	91,997
Long Service Leave	28,056	32,902
Annual Leave	102,129	85,263
Workers Compensation	2,353	2,642
Staff Training	7,046	(3,748)
	<u>1,370,094</u>	<u>1,202,027</u>
<b>(d) Auditors' Remuneration</b>		
External audit services	25,160	17,920
Other services	-	4,000
	<u>25,160</u>	<u>21,920</u>
<b>(e) Provision for Demolition</b>		
Reversal of provision for demolition	<u>97,697</u>	<u>275,000</u>



GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
<b>NOTE 3 - Cash and Cash Equivalents</b>		
Cash at bank - company operating account	-	241,105
Cash at bank - welfare fund	-	10,400
Cash on hand	-	300
Queensland Treasury Corporation - deposits at call	-	3,099,549
Joint Venture	-	437,482
	<u>-</u>	<u>3,788,836</u>

Cash deposited at call with the Queensland Treasury Corporation earned interest at rates between 3.3 % and 5.6%

**NOTE 4 - Trade and Other Receivables**

Trade Debtors	-	181,197
Sundry Debtors	-	1,407,289
Less Provision for impairment	-	-
	<u>-</u>	<u>1,588,486</u>
Joint Venture	-	42,762
	<u>-</u>	<u>1,631,248</u>

**Movement in the Provision for Impairment:**

Balance at beginning of the year	-	-
Amounts written off during the year	-	-
	<u>-</u>	<u>-</u>
Increase (Decrease) recognised in Income Statement	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

Included in receivables is \$133,323 of debtors relating to commercial wagering operators, invoiced under the Race Field Information legislation, which at the date of this report is past due.

Queensland has enacted race information legislation which allows Greyhounds Queensland Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown a reluctance to pay the required fees. Greyhounds Queensland Limited is actively pursuing all outstanding debtors in this regard and will continue to do so in line with the Race Information legislation.

As such there is uncertainty over the quantum of monies taken up and its recoverability which is subject to legal proceedings. If these legal proceedings are unsuccessful the realisable value of these debts may be different to the carrying value as estimated at 30 June 2010.

**NOTE 5 - Other Current Assets**

Prepaid expense	-	5,303
Joint Venture	-	1,064
	<u>-</u>	<u>6,367</u>

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
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	2010 \$	2009 \$
<b>NOTE 6(a) - Property, Plant and Equipment</b>		
<b>Company:</b>		
Office furniture and equipment	-	34,848
At fair value	-	(30,232)
Accumulated depreciation	-	4,616
Motor Vehicles	-	128,975
At fair value	-	(42,455)
Accumulated depreciation	-	86,520
<b>Total Company:</b>	-	163,823
At fair value	-	(72,687)
Accumulated depreciation	-	91,136
<b>Joint Venture:</b>		
Land	-	18,565,300
At fair value	-	-
Buildings and improvements	-	2,186,078
At fair value	-	(172,502)
Accumulated depreciation	-	2,013,576
Work in progress	-	57,204
	-	2,070,780
Plant and equipment	-	74,154
At fair value	-	(24,323)
Accumulated depreciation	-	49,831
<b>Total Joint Venture</b>	-	20,882,736
At fair value	-	(196,825)
Accumulated depreciation	-	20,685,911
<b>Total</b>	-	20,777,047

At 30 June 2008, the land and buildings owned by the old Joint Venture were independently valued by Propell National Valuers. Land values were based on the market values at the time, and the directors continue to consider these values appropriate.

GREYHOUNDS QUEENSLAND LTD  
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NOTE 6(b) - Property, Plant and Equipment - Reconciliation

Company	Office Furniture & Equipment \$	Work in Progress	Motor Vehicles \$	Total \$
Balance Brought Forward 1 July 2009	4,818	-	86,620	91,438
Acquisitions	448,966	456,540	81,943	987,449
Disposals	-	-	(32,545)	(32,545)
Depreciation	(45,135)	-	(24,153)	(69,288)
Carrying amount as at 30 June 2010	408,447	456,540	111,765	976,752
Transfer of Assets to Racing Queensland Limited	(408,447)	(456,540)	(111,765)	(976,752)
Carrying amount as at 30 June 2010	-	-	-	-

Joint Venture	Land \$	Buildings & Improvem'ts \$	Work in Progress \$	Plant and Equipment \$	Motor Vehicle \$	Total \$
Balance Brought Forward - 1 July 2009	18,565,300	2,013,576	57,205	49,831	-	20,685,911
Acquisitions	-	1,115,923	-	8,296	13,475	1,137,693
Transfers	-	57,205	(57,205)	-	-	-
Disposals	-	(5,255)	-	(6,860)	-	(12,124)
Depreciation	-	(183,898)	-	(16,357)	(1,698)	(201,953)
Carrying amount as at 30 June 2010	18,565,300	2,997,540	-	34,910	11,777	21,609,527
Transfer of Assets to Racing Queensland Limited	(18,565,300)	(2,997,540)	-	(34,910)	(11,777)	(21,609,527)
Carrying amount as at 30 June 2010	-	-	-	-	-	-

	2010 \$	2009 \$
NOTE 7(a) - Intangibles		
Computer software	-	185,726
Accumulated amortisation	-	(166,443)
	-	19,283

	Computer Software	Total
NOTE 7(b) - Intangibles - Reconciliation		
Balance Brought Forward - 1 July 2009	19,283	19,283
Acquisitions	22,160	22,160
Disposals	-	-
Depreciation	(3,372)	(3,372)
Carrying amount as at 30 June 2010	38,071	38,071
Transfer of Assets to Racing Queensland Limited	38,071	38,071
Carrying amount as at 30 June 2010	-	-

NOTE 8 - Trade and Other Payables

Trade Creditors	-	298,493
Accrued Expenses	-	149,241
GST Payable	-	112,098
Joint Venture	-	60,632
Recreation leave - Company	-	120,948
- Joint venture	-	21,494
	-	762,906

GREYHOUNDS QUEENSLAND LTD  
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NOTE 9 - Provisions

Company	Long Service Leave	Total
	\$	\$
Opening Balance at 1 July 2009	157,126	157,126
Additional provisions raised during the year	45,691	45,691
Amounts used	(78,199)	(78,199)
Balance at 30 June 2010	124,618	124,618
Transfer of Provisions Racing Queensland Limited	(124,618)	(124,618)
Carrying amount as at 30 June 2010	-	-

Joint Venture	Long Service Leave	Provision for Demolition	Total
	\$	\$	\$
Opening Balance at 1 July 2009	42,304	975,000	1,017,304
(Reversal) additional provisions raised during the year	350	(97,697)	(97,347)
Amounts used	-	(877,303)	(877,303)
Balance at 30 June 2010	42,654	-	42,654
Transfer of Provisions to Racing Queensland Limited	(42,654)	-	(42,654)
Carrying amount as at 30 June 2010	-	-	-

	2010	2009
	\$	\$
<b>Analysis of Total Provisions</b>		
<b>Current</b>		
Long Service Leave - Company	-	-
- Joint venture		42,304
		42,304
Demolition - Russ Minze Stand		975,000
	-	1,017,304

The provision for demolition of the Russ Minze Stand at Albion Park is based on the value of demolition contracts.

<b>Non-Current</b>		
Long Service Leave - Company	-	157,126
Carrying amount as at 30 June 2010	-	157,126

NOTE 10 - Other Current Liabilities

<b>Unearned income</b>		
Licence and Registration	-	84,622
Joint Venture	-	12,573
	-	97,195

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 - Commitments for expenditure**

**Non-Cancellable Operating Leases**

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

Not later than one year	-	24,518
Later than one year and not later than five years	-	-
	<u>-</u>	<u>24,518</u>

Operating leases are entered into as a means of acquiring office equipment. Lease payments are fixed.

No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

**NOTE 12 - Key Management Personnel Compensation**

Remuneration received by key management personnel (inclusive of Board Members) for the management of affairs

	Short Term Benefits	Post Employment Benefits	Total
	\$	\$	\$
2010 Total Compensation	234,405	-	234,405

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 13 - Financial instruments**

**(a) Financial Management**

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable. Details of the classification and carrying value of those financial instruments is disclosed in the Balance Sheet and Note 1.

The company does not have any derivative instruments at 30 June 2010.

**Financial Risks**

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

*Interest Rate Risk*

For details on interest rate risk see 13(b).

*Foreign Currency Risk*

The company is not exposed to fluctuations in foreign currencies.

*Liquidity Risk*

The company manages liquidity risk by monitoring forecast cash flows and ensuring cash funds are maintained.

*Credit Risk*

For details on credit risk see 13(d).

*Price Risk*

The company is not exposed to any material commodity price risk.

**(b) Interest Rate Risk**

The company's exposure to interest rate risk is limited to the variability of future cash flows from the entity's cash and cash equivalents resulting from changes in market interest rates.

**(c) Maturity analysis of financial assets and financial liabilities**

	At Call		Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash & cash equivalents		3,788,836	-	3,788,836
Trade & other receivables		1,631,248	-	1,631,248
	-	5,420,084	-	5,420,084
<b>Financial Liabilities</b>				
Trade & Other Payables		762,906	-	762,906
	-	762,906	-	762,906
<b>Net Maturity Position</b>	-	4,657,178	-	4,657,178

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 13 - Financial instruments (cont'd)**

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Comprehensive Income and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments which it has entered into.

(e) Net Fair Values

The carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements. Fair values are materially in line with carrying values.

(f) Sensitivity analysis - interest rate risk

The impact on the net surplus (deficit) resulting from a 25 basis point increase/decrease in deposit rates applicable to cash and cash equivalents is immaterial to the company.

	2010 \$	2009 \$
<b>NOTE 14 - Cash Flow Information</b>		
<b>(a) Reconciliation of Net (Loss) / Surplus to Net Cash Provided by Operating Activities</b>		
Net (Loss) / Surplus	(24,188,250)	24,188,250
Discount on Transfer of Net Assets from Greyhound Racing Authority	-	(22,689,865)
Transfer of net assets to Racing Queensland Limited	23,106,092	-
Depreciation	274,613	227,202
(Decrease) Increase in Impaired Debts	-	-
(Profit) Loss on sale of Non-Current assets	2,538	(296,128)
Change in operating Assets and Liabilities -		
(Increase) Decrease in Receivables	(62,657)	(592,622)
(Increase) Decrease in Prepayments	(246)	1,193
Increase (Decrease) in Payables	(63,688)	111,145
Increase (Decrease) in Provisions	(1,007,158)	(230,003)
Increase (Decrease) in Unearned Income	(3,280)	13,908
Net Cash Provided by Operating Activities	<u>(1,962,137)</u>	<u>733,081</u>

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$	2009 \$
<b>(b) Acquisition of Entities</b>		
On 1 July 2008, the company took over the operations, assets and liabilities of the Greyhound Racing Authority. Details of this transaction are:		
Purchase consideration	-	-
Cash consideration	-	-
Amount due	-	-
Cash paid (received) on acquisition	-	(2,709,731)
Cash outflow (inflow)	-	(2,709,731)
Assets and Liabilities held at acquisition date:		
Cash and cash equivalents	-	2,709,731
Receivables	-	1,038,625
Prepayments	-	7,560
Property, plant and equipment	-	21,073,428
Payables	-	(889,479)
Provision for demolition costs	-	(1,250,000)
	-	22,689,865
Discount on acquisition	-	(22,689,865)
Minority equity interests in acquisitions	-	-
	-	(22,689,865)

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to its carrying amount.

**NOTE 15 - Contingent liabilities**

There are no estimated maximum amounts of contingent liabilities that may become payable.

**NOTE 16 - Equity**

**(a) Retained Earnings**

Balance 1 July		
Company	4,531,454	3,106,761
Joint Venture	19,656,796	19,563,104
Net result for the reporting period -		
Company	(677,864)	1,424,693
Joint Venture	(204,294)	73,692
Transfer to Racing Queensland Limited	(23,106,092)	-
Balance 30 June	-	24,188,250
Comprising		
Company	-	4,531,454
Joint Venture	-	19,656,796
	-	24,188,250



GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

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**NOTE 17 - Segment Reporting**

The company operates predominately in one industry that being of greyhound racing in Queensland.

**NOTE 18 - Company Details**

Greyhounds Queensland Ltd is a not for profit company limited by guarantee. If the company is wound up, the articles state that the members are required to contribute to a maximum of \$10.00 each towards meeting any outstanding obligations of the company.

The registered office of the company is:  
Albion Park Raceway  
Arny Street  
Albion Qld 4010

**NOTE 19 - New Accounting Standards for Application in Future Periods**

There are a number of Australian Accounting Standards that have been issued or amended and which are applicable to the company but are not effective and have not been adopted in preparation of the financial statements at the reporting date. Having considered each of the new reporting requirements, but without detailing same herein, the company does not anticipate early adoption of any of such requirements and does not expect them to have any material effect on its financial statements.

**NOTE 20 - Post Balance Date Events**

Queensland Parliament has enacted race information legislation which allows Greyhounds Queensland Limited to charge wagering operators fees for the use of racing information. Other States of Australia have enacted similar (but not precisely the same) laws. There have been a number of legal challenges to the introduction of these charges throughout Australia and as some critical cases are yet to be resolved, a number of wagering operators have shown reluctance to pay the required fees. During the year and since balance date, Greyhounds Queensland Limited has been actively pursuing all outstanding debtors in this regard and will continue to do so in line with the legislation.

**NOTE 21 - Related Party Transactions**

There were no material transactions between the company and related parties during the period.

GREYHOUNDS QUEENSLAND LTD  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010

**Note 22 Transfer of Net Assets to Racing Queensland Limited**

As referred to in Note 1 Greyhounds Queensland Limited was dissolved on 1 July 2010 and the net assets were transferred to Racing Queensland Limited for nil consideration as at that date. Prior to making any accounting adjustments relating to the transfer, the book value of the net assets transferred was recorded in Greyhounds Queensland Limited as follows:

**BALANCE SHEET**  
as at 30 June 2010

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	1,806,319	3,788,836
Trade and other receivables	4	1,484,035	1,631,246
Other current assets	5	6,612	6,367
<b>Total Current Assets</b>		<b>3,356,966</b>	<b>5,426,451</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	6(a)	22,586,278	20,777,047
Intangibles	7(a)	38,072	19,283
<b>Total Non-current Assets</b>		<b>22,624,350</b>	<b>20,796,330</b>
<b>Total Assets</b>		<b>25,981,316</b>	<b>26,222,781</b>
<b>Current Liabilities</b>			
Trade and other payables	8	2,615,659	762,906
Short term provisions	9	42,655	1,017,304
Other current liabilities	10	92,292	97,195
<b>Total Current Liabilities</b>		<b>2,750,606</b>	<b>1,877,405</b>
<b>Non-Current Liabilities</b>			
Long term provisions	9	124,618	167,126
<b>Total Non-Current Liabilities</b>		<b>124,618</b>	<b>167,126</b>
<b>Total Liabilities</b>		<b>2,875,224</b>	<b>2,034,531</b>
<b>Net Assets</b>		<b>23,106,092</b>	<b>24,188,250</b>
<b>Equity</b>			
Retained earnings	16	23,106,092	24,188,250
<b>Total Equity</b>		<b>23,106,092</b>	<b>24,188,250</b>

GREYHOUNDS QUEENSLAND LTD  
ACN 128 067 247  
DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2010

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In the opinion of the directors of Greyhounds Queensland Ltd:

- 1) The financial statements and notes, as set out on pages 5 to 25 are in accordance with the Corporations Act 2001:
  - a. comply with Accounting Standards and the Corporations Regulations 2001; and
  - b. give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company; and
- 2) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Kerry Watson

Dated this 22 day of November 2010

## **Independent Audit Report**

### **Greyhounds Queensland Ltd ACN 128 067 247**

#### **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GREYHOUNDS QUEENSLAND LTD**

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

We have audited the accompanying financial report of Greyhounds Queensland Ltd, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2010, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

##### ***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

##### ***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. 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 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 judgment, 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 the directors, as well as evaluating the overall presentation of the financial report.

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

##### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

### **Auditor's Opinion**

In our opinion:

- a. the financial report of Greyhounds Queensland Ltd is in accordance with the Corporations Act 2001, including:
  - i. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International financial Reporting Standards as disclosed in Note 1.

### **Emphasis of Matter - Dissolution of Company Operations**

Without qualification to the opinion expressed above, attention is drawn to Note 1 (a) in the financial report which identifies that the operations of Greyhounds Queensland Limited were dissolved on 1 July 2010 and transferred along with the assets and liabilities of the Company to Racing Queensland Limited on that date.

The net assets were transferred for nil consideration. Consequently, all assets and liabilities have been recognised at nil values in the statement of financial position as at 30 June 2010.

Bentleys  
Brisbane Partnership  
Chartered Accountants

P M Power – Partner

Dated: 2<sup>nd</sup> November 2010

Brisbane