



South Australian Jockey Club



Annual Report
2008/09



David Peacock
Chairman



Ken Smith AM
Deputy Chairman



Sharon Forrester-Jones
Deputy Vice Chairman



Bill Spear



Kerry O'Brien



Harry Perks



Chris Sargent



Bob Robertson



Tony Newman



Brenton Wilkinson
Chief Executive Officer



**Patron - His Excellency
Rear Admiral Kevin Scarce
AC CSC RANR
Governor of South Australia**



Patron - Robert Gerard AO



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Chairman's Message

Dear Fellow Members,

Each year the Club's Chairman, on behalf of your Board, presents the Club's Annual Report and Statement of Accounts for the relevant year.

I now do so, but point out that the present Board first met on 15th June 2009 and held office for only six weeks of its 2008/2009 financial year.

This Report is essentially an overview, and is provided against a tumultuous background, the rehashing of which serves no real nor positive purpose.

CURRENT BOARD

Bill Spear and Sharon Forrester-Jones served on the previous Board. Bill and Sharon's stature amongst Members was compellingly vindicated by their strong 1-2 vote in the General Election in which seven other new Board Members were also elected.

This eclectic group of nine, quite simply, has shrugged off the past and got down to a lot of hard work.

Most serve on two Sub-Committees. Their output is impressive. Board meetings are lively and even passionate on some issues. I know there is a Board unity and cohesion which will serve us well.

FINANCIAL MATTERS

On 12th May 2009 the Club received from Urban Pacific \$21,681,663.59 as the first tranche of the Cheltenham sale process.

Within the fortnight all those monies were paid out as follows:

- (a) On 13th May – to Commonwealth Bank \$18,972,568.73
- (b) On 21st May – to Australian Taxation Office \$1,973,921.95
- (c) On 31st May – to ETSA \$128,340 (for transformer to Panasonic Pavilion and for Adelaide Cup potential)

Quickly the Club paid out, all for Cheltenham:-

- (a) \$535,000 to City of Charles Sturt (being 5 years backdated rates based on Cheltenham's rated value of \$54m)
- (b) \$176,000 to SA Water
- (c) \$10,000 to Emergency Services Levy

The Club, during the year, paid out its debts of \$24,317,553.68 including some other capital works.

Your Board was both unable and unprepared to engage in substantial capital works – simply because we would have had to borrow to do so. Similarly we need to conserve our future capital for investment returns and to secure the Club's future and viability.

Chairman's Message



Austerity has been the norm since mid-June 2009. It has to continue until our next Cheltenham payment and beyond.

We apologise to all Members with “wish list” hopes for certain projects. There was no money available. We had to be careful.

Financial analysis is not my strong suit. I am, however, confident that our Financial Controller (Michael Beviss) and the Board continue to stride towards and achieve an open presentation of the Club's financial affairs.

We will always give a genuine and accurate representation of the entire financial spectrum of Club activities, and so report to Members.

As at 12th November 2009 the Club is in debt for \$4m, and by December 2009 this figure may rise to \$5m during the usual cyclical “quiet period” of our racing. That sum will be immediately repaid upon the second \$20m tranche payment, contracted to be paid in February 2010.

OUR PATRONS

The State's Governor, His Excellency Kevin Scarce, AO CSC RAN and Robert Gerard AO are our Club Patrons.

We sincerely thank each for their important roles, support and encouragement.

COMPLETED PROJECTS

The Panasonic Pavilion budgeted for \$3m was completed two weeks late and about \$900,000 over budget.

A “temporary” vinyl marquee roof which seems to frequently lift up and crash down loudly has to be replaced by a solid, fixed and insulated roof to match the thermal heating needed to accommodate functions and seminars currently bringing in about \$350,000 yearly.

University exams held in the upgraded Panasonic Pavilion would likely bring in another \$350,000 yearly over several years. These improvements are currently estimated to cost about \$700,000 and need to be completed by February 2010.

The new Pro-Ride (artificial training track) was completed in December 2008 at a cost of \$3m with the undersurface drainage being about the same standard and efficiency of our two grass tracks.

The Parks (inner) Track planned at a cost of \$5m was first used on 17th June 2009. Good reports continue to flow in about the safety and evenness of this turf track which was completed about two months late after unseasonal rains.

We all remember the long stretch of 40° plus days earlier this year, yet Track Manager John Tonani and his staff did great work on this track at that time. John, at the September 2009 Australian Racecourse Managers Conference held at Allan Scott Park Morphettville was judged by his peers from Australia and overseas as Metropolitan Racing Manager of the Year 2009.

Chairman's Message

An Aquasizer, built at the cost of Tom Curnow, a Club Member, is now open. Essentially this is a state-of-the-art exercise machine with the horses walking 1.3 metres deep in the controlled watercourse. The land on which the Aquasizer has been built remains the property of the Club, with a substantial rental paid to the Club.

A new Bull Ring costing about \$65,000 is due to be completed by early December 2009.

POSSIBLE FUTURE PROJECTS

After receipt of monies from Cheltenham, the Club has these possible projects:

Horse Stalls

The current stalls are just adequate, and in the strong summer heat there is a crucial need for the stalls roof to be raised for better ventilation and relief. A non-slip rubberized surface (draining to each side) is being considered for the Parade Ring. Currently the estimate is about \$400,000.

2nd Floor Grandstand

A gutting and full refit is envisaged. Trackside Dining would go along the entire front, (and not encroach as presently) of Members' areas. A projected cost is about \$4m.

Morphettville Junction

The repositioning and upgrading of the Pokies Room and the creation of a TAB Agency is considered possible post Adelaide Cup 2010. Estimated costs are about \$550,000.

STAFF

Brenton Wilkinson (aged 47 years) was appointed as Chief Executive Officer on a contract basis until February 2011. He had previously been the Operations Manager for 6½ years. Brenton has all the necessary skills and attributes to be a top CEO.

We really do have a dedicated and hard working staff. During previous difficult and uncertain times they focused, did well and achieved solid results on our special feature race days. Your Board believes that significant improvements have occurred with our staff. We support them to achieve even better results, and thank them most sincerely for their efforts.

STATE GOVERNMENT

The Honourable Michael Wright, as the Minister for Recreation, Sport and Racing has been profoundly supportive of our Club. Minister since early 2002, he is now the nation's longest serving Minister for Racing.

In 2007 he initiated a visionary reform by eliminating the Betting Turnover Tax over a 4 year period. Already in July 2008 and 2009 two very significant revenue benefits have been available to the industry – with about \$8.4m annually the likely figure to be foregone by the Government.

Chairman's Message



The Minister, with bipartisan support from the Opposition, legislated in November 2008 for a betting fee charge of 10% of gross proceeds made by any TAB or corporate bookmaker on any South Australian race. This dramatic action now brings about 18% of TAB income paid to TRSA for the overall benefit of racing and the SAJC.

We all gratefully remember that the State Government provided the Club with \$5m which was used to complete the new Parks (turf) track, the Pro-Ride artificial training track, and the sand track at Morphettville.

Minister Wright officially opened the Parks track on 1st August 2009 – an important day for all racehorses.

His trusted Advisor, Denis Harvey, will retire in early January 2010, after serving these Ministers for 25 years. We have much to thank Denis for and intend honouring him by naming a race after him.

TAFE

An impressive Racing Industry TAFE campus opened by Minister Michael O'Brien, is now in full swing and will hopefully produce jockeys, farriers, and industry workers to stand the industry in good stead.

TRSA

Thoroughbred Racing South Australia is the Controlling Authority for the Statewide administration of Racing – with jurisdiction over Stewards, race dates, fixtures and TAB and the industry monies.

Although our Club technically is a half shareholder in TRSA, we have adopted and forged a relationship which is more akin to a partnership and one of common enterprise to best achieve for us and Racing synergies, savings and a clear future direction.

The seven person TRSA Board is progressive, and is led by the dynamic Philip Bentley with Jim Watters as CEO.

TRSA have taken up a two year trial of the carriage and conduct of marketing racing and the SAJC in the hope we will get good returns from this co-operative approach.

The February 2010 stakemoney increases of 24% across the board will have horses competing at Morphettville:

- (1) for Open races of \$50,000
- (2) for Open races for 2 and 3 year olds for \$40,000
- (3) for Open races for fillies and mares for \$40,000

From August 2010 important "Black Type" Races will increase as follows:

- (1) Listed Races from \$70,000 to \$85,000
- (2) Group 3 Races from \$100,000 to \$140,000
- (3) Group 2 Races from \$200,000 to \$250,000
- (4) Group 1 Races from \$300,000 to \$400,000

Chairman's Message

On Super Saturday (1st May 2010) each race will at least be worth \$100,000.

Our Club, in May 2009, contributed \$1m towards stakes increases and is committed to support further increases.

VICTORIA PARK

The clean-up is almost done and it is hoped to have the Deed of Release concluded with the Adelaide City Council soon. Contaminations including asbestos raised the costs to about \$1.2m.

The insurance proceeds of the long ago Victoria Park fire were finally paid to the Council in the sum of \$1.35m. These monies were not able to be used towards our exit costs, and only if the Club had redeveloped at Victoria Park could they have been so used by us.

So, sadly for many, it is "Vale Victoria Park."

CHELTENHAM

Our Club entered into a Land Facilitation Agreement with A.V Jennings Properties Ltd. And Urban Pacific Ltd on 20th November 2007.

For the purposes of security the Club insisted and obtained from the joint developers:

- (a) Corporate Guarantees from each of A V Jennings, Urban Pacific and Macquarie Bank Ltd each in the sum of \$10m (total of \$20m) as security for the second tranche payment towards the Initial Development Fees due on 11th February 2010.
- (b) Additional Bank Guarantees to secure outstanding Initial Development Fees by 11th February 2010.

By now you should have a letter dated 13th November 2009 setting out the facts and figures for the schedule of proposed payment changes to the Cheltenham Land Facilitation Agreement.

These alterations are not detrimental to the Club's financial position. Your Board takes the strong view that it should not impose its will upon Members – rather it seeks to properly and fully inform Members of all relevant materials and to give Members the role and opportunity of involvement and decision in an obviously important matter.

CHELTENHAM'S LEGAL ISSUES

On 25th September 2009 the Honourable Justice Bleby delivered his Judgement in the suit brought by the Cheltenham Park Residents' Association Inc. against the Minister for Urban Development and Planning, and the SAJC.

His Honour dismissed this Application for Judicial Review filed on 17th November 2008 finding that the Minister had followed due process in his 14th August 2008 decision pursuant to Section 26 (8) of the Development Act of 1993.

Chairman's Message



The Residents' Association has filed an Appeal against Justice Bleby's judgement. Your Board has instructed our Solicitors to obtain the earliest possible hearing of the Appeal.

These legal matters have an important impact upon our affairs and finances. Being sub-judice, and for the obvious reasons they are best left in the capable hands of our Solicitors and Queen's Counsel.

Similarly with the Ploubidis case against the Club, which is now set for Trial Hearing before the Honourable Justice Mansfield in the Federal Court in May 2010.

SPONSORS

We have had the good fortune to retain the majority of our sponsors. We try hard to maximize the mutual benefits of these important strategic alliances. Please, whenever possible, support our Sponsors.

Special mention, of course, goes to:

- our venue sponsor being the Scott Group of Companies
- Lion Nathan
- and Adelaide Casino (formerly Sky City) for their wonderful and generous support.

Schweppes are now our longest ever sponsor moving into their 29th consecutive year.

Without these, and all our other sponsors, we would be in the mulligatawny.

So, in summary, the Club has a \$3.9m deficit – but we have cleared the decks and, as a Board, believe with good luck that the Club will move on.

David Peacock
Chairman

UPS AND DOWNS BUT RACING IS ON TARGET

In a year where we have gone through more ups and downs than a kid on a trampoline racing still managed to have a highly successful year culminating with arguably the best sprinter in the world, Takeover Target, lining up in our showcase sprint The Distinctive Homes Goodwood.

The first Group race of the year was the Spring Gully Spring Stakes which was taken out by the evergreen El Maze. Running third in the event was Niconero who would go on to multiple Group 1 success during the course of the season.

The running of the PD Excavations Christmas Handicap for the last time at the historic Port track at Cheltenham saw the Michael O'Leary trained Royal Ida claim the event for a record third time.

Saturday 21 February drew a huge crowd to Cheltenham as we said farewell to the course with our two features of the day, the HC Nitschke Stakes and the Hill Smith Redelva Stakes. Both races went to interstate raiders, but the most memorable victory was saved for Lady Avacan in the last event on the program as jockey Craig Robertson showed his jubilation by celebrating like he had won the Adelaide Cup, as the crowd gave their last goodbyes.

For those with a sweet tooth Miss Pavlova proved to be an omen when winning the Group 2 Toohey's New Stakes and guaranteeing itself a start on the second Monday in March. Lee Freedman produced the filly Colour to win the Marsh Breeders' Stakes while Taos Pleasure gave apprentice jockey Tillie Neve the thrill of her life winning the listed Pro-Ride Matrice Stakes on the same program.

Adelaide Cup Day once again was a popular event with a great crowd in attendance and the weather basking everyone in sunshine. Anthony Cummings followed in the footsteps of his father Bart and grandfather Jim by training a winner of the staying test. Zavite was beautifully ridden by top jockey Nash Rawiller to win by 2 ½ lengths from Kerdem, with Banana Man third making an interstate trifecta.

A small but select bunch of three year olds made it to the start line for the Yalambee Classic. Dual state trainer Mark Kavanagh, in the middle of his best season to date, added to his CV with Champagne Harmony proving too good for local flyer Cerberus Gal while new SAJC Chairman David Peacock cheered home his smart filly Very Discreet for third.

There was drama before the start of the 2009 edition of the Magic Millions Classic as the power went out as the light went on meaning the race was not seen or heard by anyone outside the track. Lee Freedman once again provided the winner with Pluralism leading all the way holding off a couple of locals in Show Bling and River's Lane.

Diplomatic Force took out the Partrick's Dunes RN Irwin Stakes 12 months after winning the Yalambee Classic. Diplomatic Force defeated a former Goodwood winner Let Go Thommo by ¾ of a length.

Ladies Day this year was March 21, and big fields were the norm for the day. Leading local trainer Leon Macdonald produced Majestic Music to win the Group 3 The Jansz, but the day belonged to Victorian Mick Price. Mick saddled up the winners of both the Schweppes Oaks and Robert Sangster Stakes. Gallica had already proved herself above average when winning the 1000 Guineas in the Spring but stepping up to 2000m she treated her rivals with contempt winning by 2 ½ lengths over Estee. In the Sangster the four year old mare Bel Mer boosted her stud credentials with a fast finishing victory to taste success at the highest level for the first time.



After finishing an eye catching fourth in the Schweppes Oaks, Jim Conlon's Zabeel filly Zapurple relished the 2500m of the SA Fillies Classic to break her maiden status and turned the tables on Miss Lily Rose who finished ahead of her in the Schweppes Oaks.

The Group 3 evright.com stakes may have unearthed a new top line sprinter in I Am Invincible, who ran his rivals ragged over the 1100m dash leading the whole way. Former top two year old Augusta Proud ran valiantly to finish second with Blahnik third. In the main event on the program, Panasonic Queen of the South Stakes, Bird Of Fire comfortably held off the opposition in the run to the line to win by 2 ½ lengths with a wall of horses battling out the minors with Amberino given second by the judges over Mount Gambier mare Autumn Jeuney.

A fine May day greeted the thousands of people who attended Morphettville for the 124th running of The Distinctive Homes Goodwood, with arguably the biggest name in racing to grace the turf since Tulloch, fairytale horse Takeover Target, here to show just why he is held in such regard. Sent out the \$1.40 favorite, and ridden by regular jockey Jay Ford, the superstar was having what turned out to be his last ever race on Australian soil, and the champ didn't disappoint, with the crowd roaring him home Takeover Target defeated the gallant I Am Invincible by a length on the line.

In the other feature of the day, Rebel Raider claimed his second Derby of the season in taking out the betfair.com SA Derby. Trained by Leon Macdonald and with Clare Lindop in the saddle, Clare showed why she is one of the best in the business taking the favorite to the lead on the back of a slow pace and against his normal racing pattern but beautifully rated to run away with the classic by 4 lengths.

The Darley Sires Produce Stakes gives the two year olds a chance to show their staying prowess, as highlighted by Rebel Raider being the previous year's winner. This year however Silent Surround showed its class by taking the honours and in the process being the first Group winner for local stallion Face Value. Silent Surround defeated another local horse and the race favorite Imacruiser by a long head.

The final Group race of the year belonged to the Gerard Corporation Stakes, and the Group 3 event over a mile saw a welcome return to form for Serious Speed who had not won for over 12 months prior to the event. Serious Speed is another from the strong Leon Macdonald yard and won the event by ¾ of a length over Chasm with Pinnacles third.

Group & Listed Winners

	Race Name	Winner (& Trainer)	Distance	Rider	Time
GROUP 1					
\$300,000	Schweppes Oaks	GALLICA (Mick Price)	2005m	Craig Newitt	2-03.85
\$300,000	Robert Sangster Stakes	BEL MER (Mick Price)	1200m	Craig Newitt	1-09.51
\$300,000	The Distinctive Homes Goodwood	TAKEOVER TARGET (Joe Janiak)	1200m	Jay Ford	1-10.78
\$300,000	betfair.com SA Derby	REBEL RAIDER (Leon Macdonald)	2500m	Clare Lindop	2-40.39
GROUP 2					
\$400,000	SKYCITY Adelaide Cup	ZAVITE (NZ) (Anthony Cummings)	3200m	Nash Rawiller	3-22.71
\$200,000	Yallambee Classic	CHAMPAGNE HARMONY (Mark Kavanagh)	1200m	Steven King	1-09.12
\$150,000	Panasonic Queen of the South Stakes	BIRD OF FIRE (Tony Vasil)	1600m	Daniel Moor	1-37.31
GROUP 3					
\$200,000	Gerard Corporation Stakes (R A Lee Stakes)	SERIOUS SPEED (Leon Macdonald)	1600m	Clare Lindop	1-37.88
\$125,000	Tooheys New Stakes (Lord Reims Stakes)	MISS PAVLOVA (Bill Smart)	2600m	Matthew Neilson	2-43.48
\$100,000	Spring Gully Foods Spring Stakes	EL MAZE (Leon Macdonald)	1200m	Clare Lindop	1-13.23
\$100,000	Marsh Breeders' Stakes	COLOUR (Lee Freedman)	1200m	Chad Lever	1-10.38
\$100,000	Patricks/Dunes R N Irwin Stakes	DIPLOMATIC FORCE (Wayne Nichols)	1100m	Jason Benbow	1-02.45
\$100,000	The Jansz (National Stakes)	MAJESTIC MUSIC (Leon Macdonald)	1200m	Clare Lindop	1-10.48
\$100,000	Feltex Carpets SA Fillies Classic	ZAPURPLE (NZ) (Jim Conlan)	2500m	Nicholas Ryan	2-39.27
\$100,000	evright.com Stakes (D C McKay Stakes)	I AM INVINCIBLE (Peter Morgan)	1100m	Jason Benbow	1-03.09
\$100,000	Darley Sires' Produce Stakes	SILENT SURROUND (William Smart)	1600m	Simon Price	1-39.68
\$100,000	Finniss Lodge Auraria Stakes	PRINCESS PULSE (NZ) (Michael Moroney)	1800m	Glen Boss	1-51.80
LISTED					
\$70,000	Penny Edition Stakes	ST TRINIANS (Phillip Stokes)	1350m	Matthew Neilson	1-22.89
\$70,000	Oakside Stud W H Wylie Handicap	BLAHNIK (Jon O'Connor)	1100m	Dom Tourneur	1-03.47
\$70,000	Lindsay Park Guineas (M/ville Guineas)	SPARKS FLY (Michael Kent)	1600m	Michelle Payne	1-38.25
\$70,000	Macmont Tokyo City Cup	CAPECOVER (NZ) (Alexander Fieldes)	1600m	Michelle Payne	1-37.52
\$70,000	Hill Smith Stakes	DUAL HEMISPHERE (David Hayes)	1800m	Paul Gatt	1-51.02
\$70,000	Patricks/Dunes Durbridge Stakes	BELLA VALENTINA (NZ) (Michael Moroney)	1200m	Michelle Payne	1-10.36
\$70,000	City of Marion Stakes	SATARA (Barry Dunn)	1200m	Chris Bryant	1-10.48
\$70,000	P D Excavations Christmas Handicap	ROYAL IDA (Michael O'Leary)	1450m	Dom Tourneur	1-26.09
\$70,000	Holdfast Insurance Birthday Cup	CENTURYTWENTYONE (Dennis O'Leary)	1800m	Ryan Plumb	1-48.42
\$70,000	Blue Sky Thoroughbreds Stakes (Queen Adelaide Stakes)	PERGRAM (Mick Price)	1000m	Dale Smith	57.85
\$70,000	Veolia Port Adelaide Cup	FOOLISH LAD (Shane Oxlade)	2250m	Justin Potter	2-20.02
\$70,000	Hill Smith Redelva Stakes	CARDINAL VIRTUE (Lee Freedman)	1000m	Matthew Allen	56.99
\$70,000	H C Nitschke Stakes	PRICKED (NZ) (Mick Price)	1450m	Dale Smith	1-27.13
\$70,000	Pro-Ride Matrice Stakes	TAOS PLEASURE (John Hickmott)	1200m	Tillie Neve	1-08.99
\$70,000	Pewsey Vale Stakes (Cinderella Stakes)	BABY CORN (Lee Freedman)	1050m	Nash Rawiller	1-00.11
\$70,000	Schweppervescence Stakes (Centaurea Stakes)	MISS MAREN (NZ) (Mick Price)	2005m	Craig Newitt	2-03.58
\$70,000	Adelaide Airport T1 Shopping Guineas	ESTEE (Lee Freedman)	1600m	Kerrin McEvoy	1-36.15
\$70,000	Holdfast Insurance City of Adelaide Stakes	DR DOUTE'S (Mark Kavanagh)	1600m	Steven King	1-38.18
\$70,000	Betfair.com Manihi Classic	BLAHNIK (Jon O'Connor)	1200m	Chad Lever	1-08.79
\$70,000	Sloan Sands Laelia Stakes	IMPRESSIVE EAGLE (Leon Macdonald)	1600m	Clare Lindop	1-36.09
\$70,000	St Clair Port Adelaide Guineas	EXCELLTASTIC (Peter G Moody)	1800m	Nicholas Hall	1-49.76
\$70,000	C S Hayes Memorial Cup	PRINCESS MARIZZA (Patrick Payne)	1600m	Matthew Neilson	1-35.64
\$70,000	Chairman's TAB Stakes	REBEL RAIDER (Leon Macdonald)	2000m	Clare Lindop	2-02.88
\$70,000	Betfair.com Proud Miss Stakes	BURGEIS (Tony Vasil)	1200m	Jason Benbow	1-11.61
\$70,000	Distinctive Homes Oaklands Plate	CUSTARD (David Hayes)	1507m	Michael Hoppo	1-34.47
\$70,000	Sporting Bet Dequetteville Stakes	SPEEDY NATALIE (Peter G Moody)	1100m	Linda Meech	1-06.66
\$70,000	Dermody Stakes (Lightning Stakes)	AUGUSTA PROUD (Leon Macdonald)	1050m	Chad Lever	1-01.82

Group & Listed Winners



Zavite winning the 2009 SKYCITY Adelaide Cup (\$400,000, Group 2, 3200m)



Takeover Target winning the 2009 Group 1 Distinctive Homes Goodwood (\$300,000, 1200m)



Bel Mer winning the 2009 Group 1 Robert Sangster Stakes (\$300,000, 1200m)



Gallica winning the 2009 Group 1 Schweppes Oaks (\$300,000, 2000m)



Rebel Raider winning the 2009 Group 1 betfair.com SA Derby (\$300,000, 2500m)



Pluralism winning the 2009 BMW Magic Millions Adelaide 2YO Classic (\$200,000, 1200m)

SAJC Financial Overview 2008/09

The Club recorded a deficit before depreciation of industry funded assets of \$3,199K which consisted of some significant “non-recurring” items during the 2008/09 financial year, including:

Revenue	(000's)
Balance of Track Grant	\$1,995
Expenses	
Back-charges for water rates at Cheltenham	\$176
Various legal fees associated with the recent inquiry	\$320
Balance of insurance funds: Victoria Park	\$370
Back-charges for council rates at Cheltenham	\$535
Restoration costs at Victoria Park	\$1,185
Total	<u>\$2,586</u>

It should be noted that the SAJC's contribution to prizemoney exceeded \$1M for the year and is included in the overall deficit.

Other Items

Revenue

Catering Turnover increased by \$594K.
Sponsorship and Television Rights have reduced by over \$1M.

Expense

Salaries, Superannuation and Taxes up by \$537K.
Catering Expenditure increased by \$359K.
Promotion and Sponsorship increased by \$240K.



Segmented Overview of the Group's Performance 2008/09

	Racing		Catering		Gaming		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Income	19,035	19,235	6,197	5,493	8,264	8,284	33,496	33,012
Expenses	(21,041)	(18,857)	(6,703)	(5,778)	(5,990)	(5,849)	(33,734)	(30,484)
Normalised Operating Surplus/(Deficit)	(2,006)	378	(506)	(285)	2,274	2,435	(238)	2,528
Add/(Subtract) Other Items								
							Interest	(763) (732)
							Depreciation	(1,607) (1,442)
							Non-Recurring Revenue (see above)	1,995 3,005
							Non-Recurring Expenses (see above)	(2,586) (1,315)
							Total	(3,199) 2,044

Note: For 2009/10 a more detailed summary will be provided to further assist members in reviewing the financial performance of the Club.

Net Debt

The Net Debt of the Group (interest-bearing liabilities less cash assets and investments) has decreased from \$5.934M to \$2.247M.

Total capital expenditure for the year was \$12.20M for 2008/09. Significant items of capital expenditure include:

Item	Spend \$000's
Winning Posts	289
Cheltenham Land (additional for new venue)	321
New Power Feed	506
Cabling for Audio/Video	734
New Pro-ride Track	2,582
Panasonic Pavilion	2,753
Second Grass Track	4,772

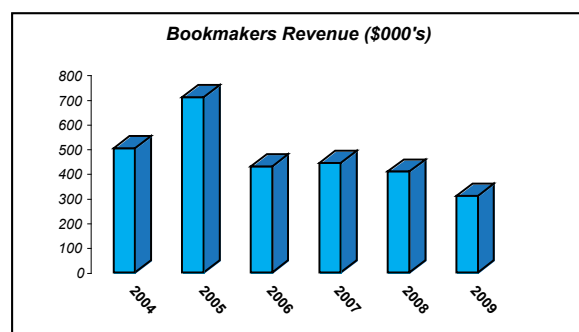
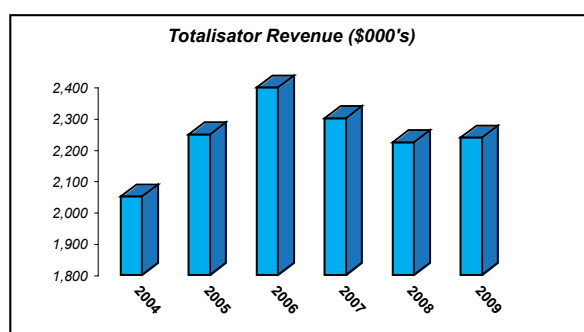
STATISTICAL DATA

Year Ended	2009	2008	2007	2006	2005	2004
RACING						
Race Meetings	63	65	66	64	65	65
Races Run	508	520	530	518	528	537
Nominations	7,728	7,877	8,409	8,262	8,600	8,811
Starters	5,082	5,375	5,643	5,461	5,688	5,952
ON-COURSE TURNOVER (\$000)						
Totaliser	15,103	14,725	15,464	15,838	17,695	16,355
Bookmakers	35,703	46,435	50,355	48,757	84,459	57,000
Total Turnover	50,806	61,160	65,819	64,595	102,154	73,355

Norwood Community Club

- The Norwood Community Club ceased operations on 28 February 2006 and reported a deficit of \$32K being for the write-off of unrecovered stolen money, legal fees (gaming entitlements), storage charges and depreciation of the gaming machines. The Norwood Community Club's results form part of the Group's accounts.
- The 26 Gaming Machines have been scrapped and the Gaming Machine Entitlements have been suspended until a future location for their use has been identified. The \$975K value of the Gaming Machine Entitlements has not been affected.

The following graphs and statistical data highlight some specific areas of the Group's performance.



Please note impact of Corporate Bookmakers on reduction in Bookmakers revenue.

Michael Beviss
FINANCIAL CONTROLLER



SOUTH AUSTRALIAN JOCKEY CLUB INC AND ITS CONTROLLED ENTITY BALANCE SHEETS AS AT 31 JULY 2009

	NOTE	SAJC		Consolidated	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
CURRENT ASSETS					
Cash and Cash Equivalents		743	5,251	747	5,261
Investments - Interest-bearing Deposits		6	5	6	5
Inventories		226	226	226	226
Trade and Other Receivables	2	7,390	1,662	7,379	1,676
Assets Held For Sale	3	3,270	-	3,270	-
Prepayments		1,266	381	1,266	381
TOTAL CURRENT ASSETS		12,901	7,525	12,894	7,549
NON-CURRENT ASSETS					
Property, Plant & Equipment	3	36,991	30,230	36,991	30,233
Intangible Assets	4	3,000	3,000	3,975	3,975
TOTAL NON-CURRENT ASSETS		39,991	33,230	40,966	34,208
TOTAL ASSETS		52,892	40,755	53,860	41,757
CURRENT LIABILITIES					
Trade and Other Payables		9,650	2,843	9,650	2,844
Interest-bearing Liabilities	5	3,000	5,300	3,000	5,300
Employee Benefits	6	451	408	451	408
Deferred Income	7	21,025	3,721	21,025	3,721
TOTAL CURRENT LIABILITIES		34,126	12,272	34,126	12,273
NON-CURRENT LIABILITIES					
Interest-bearing Liabilities	5	-	5,900	-	5,900
Employee Benefits	6	339	255	339	255
TOTAL NON-CURRENT LIABILITIES		339	6,155	339	6,155
TOTAL LIABILITIES		34,465	18,427	34,465	18,428
NET ASSETS		18,427	22,328	19,395	23,329
EQUITY					
Reserves	8	12,892	13,594	13,867	14,569
Retained Earnings	8	5,535	8,734	5,528	8,760
TOTAL EQUITY		18,427	22,328	19,395	23,329

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN JOCKEY CLUB INC AND ITS CONTROLLED ENTITY INCOME STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	SAJC		Consolidated	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
REVENUE					
REVENUE FROM OPERATING ACTIVITIES					
Prizemoney & Administration Grants		15,070	14,991	15,070	14,991
Catering Turnover		8,284	7,690	8,284	7,690
Totalisator Revenue		2,238	2,223	2,238	2,223
Gaming Revenue		6,180	6,141	6,180	6,141
Sponsorship & Television Rights		1,597	2,901	1,597	2,901
Members Subscriptions & Admissions		935	841	935	841
Bookmakers Commission & Fees		321	408	321	408
Nominations & Acceptance Fees		907	983	907	983
Racebook Revenue		39	33	39	33
Training Fees		322	292	322	292
Financial Revenue		69	36	69	36
Auditorium Wagering Activities		64	151	64	151
Sundry Revenue		545	577	545	577
Government Grants		1,995	3,005	1,995	3,005
Promotional Grants		500	572	500	572
INCOME FROM OUTSIDE OPERATING ACTIVITIES					
Net Gain on Disposal of Non-Current Assets		86	-	85	-
TOTAL REVENUE		39,152	40,844	39,151	40,844
EXPENDITURE					
Prizemoney		15,707	14,952	15,707	14,952
Cost of Goods Sold		2,380	2,248	2,380	2,248
Catering Expenditure		4,737	4,378	4,737	4,378
Gaming - General Expenditure		3,954	3,919	3,959	3,924
Auditorium - Wagering activities		46	269	46	269
Salaries, Superannuation & Taxes		1,849	1,312	1,849	1,312
Totalisator Operation & Maintenance		835	836	835	836
Raceday Wages and Payroll Tax		1,983	2,098	1,983	2,098
General Maintenance		4,588	3,695	4,588	3,695
Promotion and Sponsorship		907	667	907	667
Racebook Costs		60	55	60	55
Depreciation - Buildings & Improvements		1,170	1,096	1,170	1,096
Depreciation - Property, Plant & Equipment		437	346	439	349
Financial Expenses		841	766	841	766
Insurance & Professional Fees		774	752	785	752
Postage, Stationery & Telephone		123	93	123	93
Travel & Conferences		92	35	92	35
Sundry Administration		313	275	327	274
Loss on Disposal of Non-Current Assets		-	28	-	28
Victoria Park Restoration		1,555	980	1,555	980
TOTAL EXPENDITURE		42,351	38,800	42,383	38,807
OPERATING SURPLUS/(DEFICIT) BEFORE DEPRECIATION OF INDUSTRY FUNDED ASSETS		(3,199)	2,044	(3,232)	2,037



SOUTH AUSTRALIAN JOCKEY CLUB INC AND ITS CONTROLLED ENTITY INCOME STATEMENTS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	SAJC		Consolidated	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
Industry Capital Grants		-	-	-	-
Depreciation of Funded Assets	8	(702)	(783)	(702)	(783)
Loss on Disposal of Industry Funded Assets		-	(10)	-	(10)
OPERATING SURPLUS/(DEFICIT)		(3,901)	1,251	(3,934)	1,244
TOTAL CHANGES IN EQUITY		(3,901)	1,251	(3,934)	1,244

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN JOCKEY CLUB INC AND ITS CONTROLLED ENTITY STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2009

	NOTE	SAJC		Consolidated	
		2009 \$000	2008 \$000	2009 \$000	2008 \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from operating activities		41,603	42,206	41,603	42,206
Payments to suppliers and employees		(44,841)	(38,967)	(44,847)	(38,971)
Interest received		69	36	69	36
Interest paid		(842)	(766)	(842)	(766)
Proceeds from government grant		-	5,000	-	5,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	12(ii)	(4,011)	7,509	(4,017)	7,505
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant & equipment		(12,202)	(4,220)	(12,202)	(4,220)
Proceeds from sale of property, plant & equipment		96	21	96	21
Proceeds under Land Facilitation Agreement		19,729	-	19,729	-
Proceeds from sale of investments		-	-	-	-
NET CASH (USED IN) INVESTING ACTIVITIES		7,623	(4,199)	7,623	(4,199)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		10,700	1,100	10,700	1,100
Reduction in borrowings		(18,900)	-	(18,900)	-
Proceeds from industry grants		81	228	81	228
NET CASH PROVIDED BY FINANCING ACTIVITIES		(8,119)	1,328	(8,119)	1,328
NET INCREASE/(DECREASE) IN CASH HELD		(4,507)	4,638	(4,513)	4,634
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		5,256	618	5,266	632
CASH AT THE END OF THE FINANCIAL YEAR	12(i)	749	5,256	753	5,266

The accompanying notes form part of these financial statements.



SOUTH AUSTRALIAN JOCKEY CLUB INC AND ITS CONTROLLED ENTITY STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2009

	SAJC			Consolidated		
	Retained Earnings \$000	Reserves \$000	Total \$000	Retained Earnings \$000	Reserves \$000	Total \$000
BALANCE AT 1 AUG 2007	6,690	14,387	21,077	6,723	15,362	22,085
Surplus/(Deficit) for the year	1,251	-	1,251	1,244	-	1,244
Revaluation increments/(decrements)	-	-	-	-	-	-
Transfers to and (from) reserves	793	-	793	793	-	793
Capital grants	-	-	-	-	-	-
Depreciation of industry funded assets	-	(783)	(783)	-	(783)	(783)
Loss on Disposal of Industry Funded Assets	-	(10)	(10)	-	(10)	(10)
BALANCE AT 31 JULY 2008	8,734	13,594	22,328	8,760	14,569	23,329
Surplus/(Deficit) for the year	(3,901)	-	(3,901)	(3,934)	-	(3,934)
Revaluation increments/(decrements)	-	-	-	-	-	-
Transfers to and (from) reserves	702	-	702	702	-	702
Capital grants	-	-	-	-	-	-
Depreciation of industry funded assets	-	(702)	(702)	-	(702)	(702)
Loss on Disposal of Industry Funded Assets	-	-	-	-	-	-
BALANCE AT 31 JULY 2009	5,535	12,892	18,427	5,528	13,867	19,395

The accompanying notes form part of these financial statements.

Notes to the Financial Report for the year Ended 31st July 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The South Australian Jockey Club Incorporated ('Club') is an association domiciled in Australia. The consolidated financial report of the Club for the year ended 31 July 2009 comprises the Club and its controlled entity, the Norwood Community Club Incorporated (together referred to as the 'Group').

The financial report was authorised for issue by a resolution of the Directors on the 12th day of November 2009.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Associations Incorporation Act 1985.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). A statement of compliance with International Financial Reporting Standards cannot be made due to the Group applying the not for profit sector specific requirements contained in the AIFRS.

Basis of Preparation

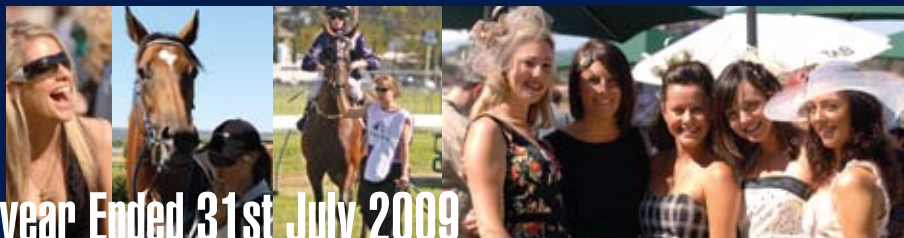
The financial report is prepared in Australian Dollars.

The financial report is prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: intangible assets.

The Group has disclosed rounded amounts in the financial report and Directors' Report to the nearest thousand dollars, unless otherwise stated.

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.



1.1 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Club's financial statements, investments in subsidiaries are carried at cost.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.2 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment losses (see note 1.12).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation

In arriving at the operating surplus/(deficit) for the year, depreciation is provided on all Club funded property, plant and equipment, but excluding freehold land, and assets funded by the Industry, so as to write off the assets progressively over their economic lives, using the straight line method.

The depreciation rates used for each class of asset are as follows:-

	2009	2008
Buildings and Improvements	2.5% - 10%	2.5% - 10%
Plant & Equipment	5% - 25%	5% - 25%

1.3 Revenue and Other Income

Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods. The following specific recognition criteria must also be met before revenue is recognised:-

Notes to the Financial Report for the year Ended 31st July 2009

Prizemoney & Administration Grants

SAJC received distributions from TRSA to fund prizemoney and administration. These amounts are reported on an accruals basis.

Deferred Income

Deferred income represents rent, membership and sponsorship monies for future years received in the current financial year and initial funding received for Cheltenham Racecourse, under the Land Facilitation Agreement.

Sale of Non-current Assets

The net gain or loss of non-current asset sales are included in the Income Statement at the date control passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Government Grants

Grants constituting non-reciprocal transfers received from the Government are recognised as income when the Club takes control of the benefit. A non-reciprocal transfer is one which the Club receives assets and services or has liabilities extinguished without giving approximately equal value in exchange to the other party or parties to the transfer. Grants in which the Club is required to repay unutilised funding are treated as reciprocal transfers and income is recognised by reference to the stage of completion of the transaction.

Grants

Revenue is recognised when control of the contribution or right to receive the contribution is obtained.

Grants for major capital projects are recognised in the year of approval and any balance due in future years are recorded as a receivable.

Grants for non-capital purposes are recognised as revenue in accordance with the specific terms of the approval.

Funding

From 1 August 2006 grants received, or receivable from Thoroughbred Racing SA (TRSA) for capital purposes are treated as operating income. The depreciable component of such items are recognised as an operating expense.



Donations

Revenue is recognised when the monies are received by the Group. In kind donations or donations of assets are recorded at fair value.

Rental Income

Rental income is recognised in the income statement on a straight line basis over the term of the lease.

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

1.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.5 Employee Benefits

Defined Contribution Superannuation Fund

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Income Statement as incurred.

Long-term Service Benefits

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

Wages, Salaries and Annual Leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Notes to the Financial Report for the year Ended 31st July 2009

1.7 Income Tax

The Group is exempt from Income Tax.

1.8 Goods and Services Tax

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

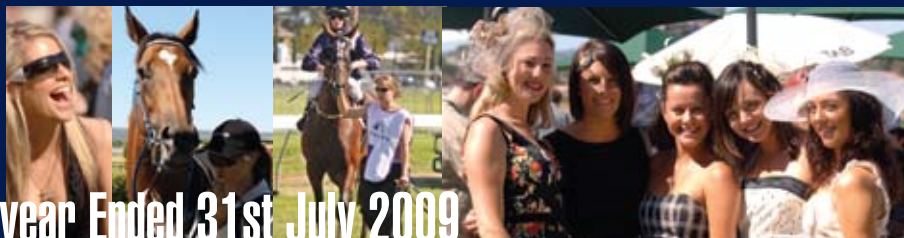
1.9 Interest-bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest basis.

1.10 Auditorium Wagering Activities

Revenue from the Morphettville wagering auditorium is shown as part of the Group's revenue. The expenses from the Morphettville wagering auditorium include the costs associated with the SAJC operating the business together with distributions made to other industry participants as follows:-

	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Revenue	64	151	64	151
Expenses	(46)	(161)	(46)	(161)
Profit	18	(10)	18	(10)
Profit Distributions				
Harness Racing	-	(8)	-	(8)
Greyhound Racing	-	(5)	-	(5)
Provincial Clubs	-	(15)	-	(15)
SARCC	-	(80)	-	(80)
Total Distributions	-	(108)	-	(108)
Surplus/(Deficit)	18	(118)	18	(118)



1.11 Acquisition of Assets

All assets acquired, including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Borrowing costs are capitalised to qualifying assets as set out in note 1.16.

1.12 Impairment

The carrying amounts of the Group's assets, other than inventories (see accounting policy 1.6) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For assets that have an indefinite useful life the recoverable amount is estimated at each balance sheet date.

Calculation of recoverable amount

The recoverable amount of the Group's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use.

Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy 1.12).

1.14 Payables

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

Notes to the Financial Report for the year Ended 31st July 2009

1.15 Operating Leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.16 Borrowing Costs

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets.

1.17 Norwood Community Club Inc

On 1 December 2004 the Norwood Community Club ("NCC") adopted the constitution of the SAJC, giving the SAJC effective control over NCC. The trading of the NCC from this date has been consolidated into the results of the SAJC.

Effective 28 February 2006 the Norwood Community Club ceased operations and these Gaming Machine Entitlements are not in use, however, remain the property of the SAJC.

1.18 Intangible Assets

In February 2005 the State Government of South Australia amended the Gaming Machines Act (1992) ("Act") inserting Division 3A into the Act. The act provides a mechanism for gaming machine entitlements to be sold at a fixed legislated value. SAJC controlled gaming machine entitlements are recorded at their fair value. This class of non-current assets, measured at fair value, is assessed annually to ensure the carrying amount does not materially differ from its fair value. Revaluation increments, on a class of assets basis, are recognised in the Asset Revaluation Reserve except that, amounts reversing a decrement previously recognised as an expense are recognised as revenues. These intangible assets have not been internally generated and have indefinite useful lives.

Revaluation decrements are only offset against revaluation increments relating to the same class of asset and an excess is recognised as an expense.

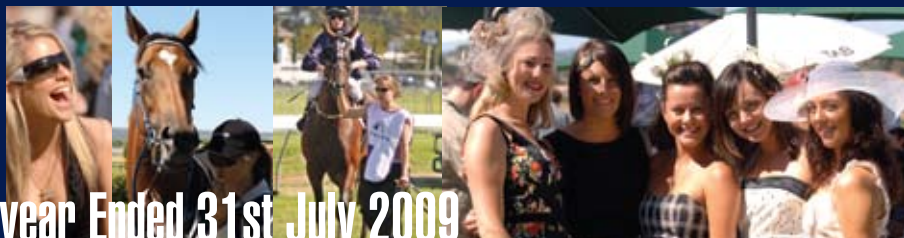
1.19 Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. These are measured at the lower of their carrying amount and fair value less cost to sell.

1.20 Going Concern

Despite the deficiency in working capital of \$21.225m as at 31 July 2009 and the operating deficit for the year ended on that date of \$3.901m, the financial report has been prepared on a going concern basis because of the expected future profitability of the Club, and associated positive cash flows, including the settlement of the sale of Cheltenham Racecourse as discussed in Note 3 which will result in a recognition in the Income Statement of the deferred income of \$19.9m included in current liabilities, and the receipt of additional proceeds.

Notes to the Financial Report for the year Ended 31st July 2009



NOTE	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
2. RECEIVABLES				
Current				
Prizemoney & Administration Grants	-	432	-	432
Other Receivables	7,390	1,230	7,379	1,244
Impairment Losses	-	-	-	-
	7,390	1,662	7,379	1,676

Impairment are recognised in respect of receivables for which recovery is unlikely.

3. PROPERTY PLANT & EQUIPMENT

Freehold Land at cost				
Morphettville	357	357	357	357
Cheltenham	321	65	321	65
	678	422	678	422
Buildings & Improvements at cost				
Morphettville	48,075	35,414	48,075	35,414
Victoria Park	-	-	-	-
Cheltenham	-	12,445	-	12,445
Lucky Horse Shoe	1,581	1,581	1,581	1,581
Less: Accumulated Depreciation	(19,077)	(26,161)	(19,077)	(26,161)
	30,579	23,279	30,579	23,279
Plant & Equipment at cost				
Morphettville	9,654	7,385	9,654	7,385
Victoria Park	-	-	-	-
Cheltenham	-	735	-	735
Norwood Community Club	-	-	-	66
Less: Accumulated Depreciation	(4,530)	(4,772)	(4,530)	(4,835)
	5,124	3,348	5,124	3,351
Capital Works in Progress	610	3,181	610	3,181
TOTAL PROPERTY PLANT & EQUIPMENT	36,991	30,230	36,991	30,233
Included in the above total of Property, Plant & Equipment are the written down values of assets funded by industry grants to the extent of	7,196	10,594	7,196	10,594

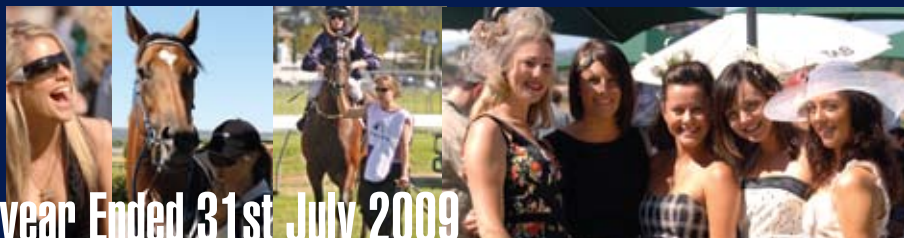
Notes to the Financial Report for the year Ended 31st July 2009

		SAJC		Consolidated	
	NOTE	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Reconciliations of the carrying amounts of each class of Property, Plant & Equipment					
Freehold Land at cost					
Carrying Amount at the beginning of year		422	422	422	422
Additions		321	-	321	-
Disposals		-	-	-	-
Transfer to Assets Held for Sale		(65)	-	(65)	-
Carrying Amount at the end of year		678	422	678	422
Buildings & Improvements					
Carrying Amount at the beginning of year		23,279	24,606	23,279	24,606
Additions		-	-	-	-
Transfers from Capital Works in Progress		12,272	547	12,272	547
Disposals		(5)	(27)	(5)	(27)
Transfer to Assets Held for Sale		(3,126)	-	(3,126)	-
Depreciation		(1,841)	(1,847)	(1,841)	(1,847)
Carrying Amount at the end of year		30,579	23,279	30,579	23,279
Plant & Equipment					
Carrying Amount at the beginning of year		3,348	2,520	3,351	2,526
Additions		-	-	-	-
Transfers from Capital Works in Progress		2,321	1,236	2,321	1,236
Disposals		-	(30)	(1)	(30)
Transfer to Assets Held for Sale		(77)	-	(77)	-
Depreciation		(468)	(378)	(470)	(381)
Carrying Amount at the end of year		5,124	3,348	5,124	3,351
Capital works in progress					
Carrying Amount at the beginning of year		3,181	433	3,181	433
Additions		12,022	4,531	12,022	4,531
Transfer to Buildings & Improvements		(12,272)	(547)	(12,272)	(547)
Transfer to Property, Plant & Equipment		(2,321)	(1,236)	(2,321)	(1,236)
Carrying Amount at the end of year		610	3,181	610	3,181
TOTAL PROPERTY PLANT & EQUIPMENT		36,991	30,230	36,991	30,233

NON-CURRENT ASSETS HELD FOR SALE

Agreement has been reached with a third party for the sale of Cheltenham Racecourse. At 31 July 2009, \$3.270m of land and assets relating to the Cheltenham Racecourse have been reclassified as assets held for sale. Subject to the satisfaction of the contract requirements of the Land Facilitation Agreement that relates to the Cheltenham Racecourse disposal, it is expected that the sale will occur during the year ended 30 July 2010.

Notes to the Financial Report for the year Ended 31st July 2009



NOTE	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
4. INTANGIBLE ASSETS				
Gaming Machine Entitlements				
Morphettville	1,500	1,500	1,500	1,500
Cheltenham	1,500	1,500	1,500	1,500
Norwood Community Club	-	-	975	975
Total Licences & Entitlements	3,000	3,000	3,975	3,975

The Club's Gaming Machine Entitlements and Gaming Licences are held in accordance with the Gaming Machine Act (1992). In the event of the SAJC breaching a provision of the Act, the State Government has the authority under this Act to revoke a gaming licence. Legislative changes could also vary the terms of the current gaming licences. Fair value of these entitlements was calculated as the current published value by the State Government.

5. INTEREST-BEARING LIABILITIES

Current				
Commercial Bills-Secured	3,000	5,300	3,000	5,300
	3,000	5,300	3,000	5,300
Non-current				
Commercial Bills-Secured	-	5,900	-	5,900
	-	5,900	-	5,900

Commercial Bills are secured over registered mortgage of non residential property of the SAJC located at Camden Park

6. EMPLOYEE BENEFITS

Current				
Employee Provisions	451	408	451	408
Non-Current				
Employee Provisions	339	255	339	255

7. OTHER LIABILITIES

Provision	370	980	370	980
Deferred Income	20,655	2,741	20,655	2,741
	21,025	3,721	21,025	3,721

8. RESERVES & RETAINED EARNINGS

Retained Earnings

Balance Brought Forward	8,734	6,690	8,760	6,723
Add: Operating Surplus/(Deficit)	(3,901)	1,251	(3,934)	1,244
Add: Disposal of Industry Funded Assets	-	-	-	-
Less: Transfers to Reserves (net)	702	793	702	793
Balance at Year End	5,535	8,734	5,528	8,760

Notes to the Financial Report for the year Ended 31st July 2009

NOTE	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Industry Capital Grants Reserve				
Balance Brought Forward	10,594	11,387	10,594	11,387
Add: Capital Grants	-	-	-	-
Less: Depreciation of Industry Funded Assets	(702)	(783)	(702)	(783)
Less: Disposal of Industry Funded Assets	-	(10)	-	(10)
Balance at Year End	9,892	10,594	9,892	10,594
Asset Revaluation Reserve				
Balance Brought Forward	3,000	3,000	3,975	3,975
Add: Revaluation Increments	-	-	-	-
Less: Revaluation Decrements	-	-	-	-
Balance at Year End	3,000	3,000	3,975	3,975
Total Reserves	12,892	13,594	13,867	14,569

Capital Grants Reserve

The nature of the capital grants reserve is disclosed in note 1.1.

Asset Revaluation Reserve

The Asset Revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of intangible assets measured as fair value, in accordance with Note 1.18.

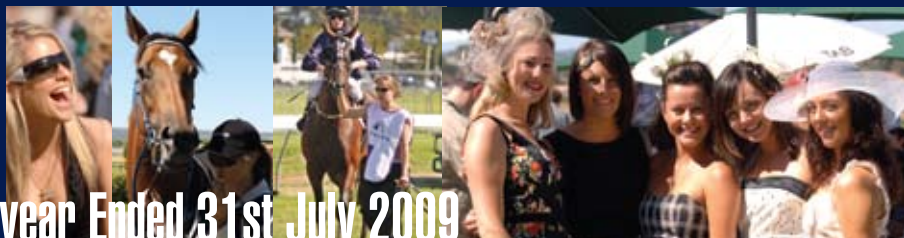
9. LOANS AND BORROWINGS

Terms and conditions of outstanding loans were as follows:

Consolidated

In thousands of AUD				31 July 2009		31 July 2008	
	Currency	Nominal Interest Rate	Year of Maturity	Face Value	Carrying Amount	Face Value	Carrying Amount
Secured bank facility	AUD	4.08%	2009	3,000	3,000	700	700
Secured bank facility	AUD			-	-	1,600	1,600
Secured bank facility	AUD			-	-	2,000	2,000
Secured bank facility	AUD			-	-	1,000	1,000
Secured bank facility	AUD			-	-	5,900	5,900
				3,000	3,000	11,200	11,200

The Club and consolidated entity has access to a bank overdraft facility as at 31 July 2009 of \$500,000 (2008 - \$500,000) and a commercial bill facility of \$5,900,000 (2008 \$12,900,000). The unused facilities as at 31 July 2009 were \$500,000 (2008 - \$500,000) and \$2,900,000 (2008 - \$1,700,000) respectively.



10. SUPERANNUATION FUND

With the introduction of Super Choices all employees may nominate their preferred fund for employer contributions.

The Club contributed \$562k in the year ended 31/7/09 (2008: \$553k)

The consolidated entity contributed \$562k in the year ended 31/7/09 (2008: \$553k)

As at year end the number of full-time employees working for the club was 53 (2008: 61).

11. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel

The Board Members receive no remuneration for their services.

Other transactions of the Board:

- The Chairman is entitled to an allowance of \$18,000 to assist with costs incurred in representing the Club during the year.
- Some Members of the Board, either directly or through corporates in which they have a substantial financial interest, provide certain goods or services in the normal course of the Club's activities.
- The terms and conditions of those transactions with Members of the Board were no more favourable than those available to other entities on an arm's length basis.
- There were no amounts receivable from and payable to the Board at reporting date arising from the above transactions.
- Members of the Board, or their relatives, may from time to time receive prizemoney from the Club following the success of horses owned or trained by them. This prizemoney is paid by the Club on the same terms and conditions as apply to any other owner or trainer.
- Various transactions with the Norwood Community Club Inc. were undertaken on commercial terms, during the period.

Goods and services were provided by the following board members' related entities:

Name	Business	Nature	2009 \$000	2008 \$000
J Naffine	NTP Pty Ltd	Equipment Sales/Service	8	7
S Forrester-Jones	Contract Engineering SA P/L	Engineering Services	-	18
T McLeay	McLeay & Sons Carpets P/L	Floor Coverings	34	4

Notes to the Financial Report for the year Ended 31st July 2009

Name	Business	Nature	2009 \$000	2008 \$000
M Beviss	Bellevue Studios Pty Ltd	Website Services	29	9
A Lee	Sumo Station	Hospitality	4	8

Key Management Personnel Compensation

	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Short-term employee benefits	1,066	659	1,066	659

Loans to Key Management Personnel

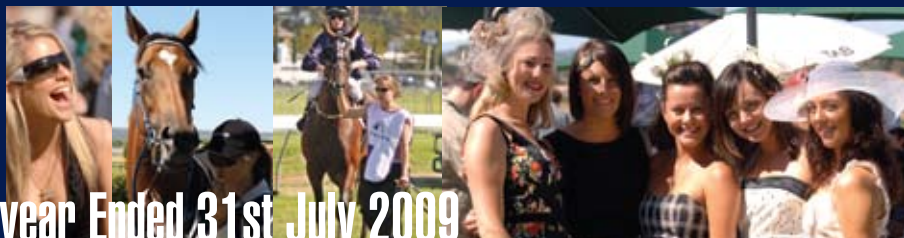
Details regarding the aggregate of loans made, guaranteed or secured by any entity in the group to key management personnel are as follows:

	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Loans to key management personnel	-	39	-	39

A loan totalling \$39,000 was made to Mr S Ploubidis during 2008 and was secured against Mr Ploubidis' long service leave pro-rata entitlement. The loan was not interest bearing and was classified as current. The outstanding amount has now been settled.

- There were no other transactions with Key Management Personnel.
- Key Management Personnel, or their relatives, may from time to time receive prizemoney from the Club following the success of horses owned or trained by them. This prizemoney is paid by the Club on the same terms and conditions as apply to any other owner or trainer.
- There were no other amounts receivable from and payable to Key Management Personnel at reporting date arising from the above transactions.

Notes to the Financial Report for the year Ended 31st July 2009



12. CASH FLOW INFORMATION

	SAJC		Consolidated	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
(i) RECONCILIATION OF CASH				

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:-

Interest Bearing Cash	6	5	6	5
Cash and Cash Equivalents	743	5,251	747	5,261
Bank Overdraft	-	-	-	-
	749	5,256	753	5,266

(ii) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES

Surplus/(Deficit) from ordinary activities	(3,199)	2,044	(3,232)	2,037
Proceeds from Industry Grants	(81)	(228)	(81)	(228)
Non-Cash Items				
Depreciation	1,607	1,442	1,609	1,445
(Profit)/Loss on sale of property, plant and equipment	(86)	27	(85)	27
Fair value gain on acquisition of property, plant and equipment	(143)	(312)	(143)	(312)
Change in assets and liabilities				
(Increase)/decrease in receivables	(5,728)	545	(5,703)	545
(Increase)/decrease in inventory	-	(20)	-	(20)
(Increase)/decrease in prepayments	(885)	15	(885)	15
Increase/(decrease) in payables	6,807	861	6,806	861
Increase/(decrease) in provisions	127	13	127	13
Increase/(decrease) in other liabilities	(2,430)	3,122	(2,430)	3,122
NET CASH PROVIDED BY OPERATIONS	(4,011)	7,509	(4,017)	7,505

13. OPERATING LEASE COMMITMENTS

The lease agreement at Victoria Park ceased on 30 April 2008 and the SAJC has since vacated the premises. The Group holds no other leases.

14. FINANCIAL INSTRUMENTS

Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk and, the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Finance Sub-Committee is responsible for developing and managing risk management policies. The Finance Sub-Committee reports regularly to the Board of Directors its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect market conditions and the Group's activities. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Finance-Sub Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation the risks faced by the Group.

Credit Risk

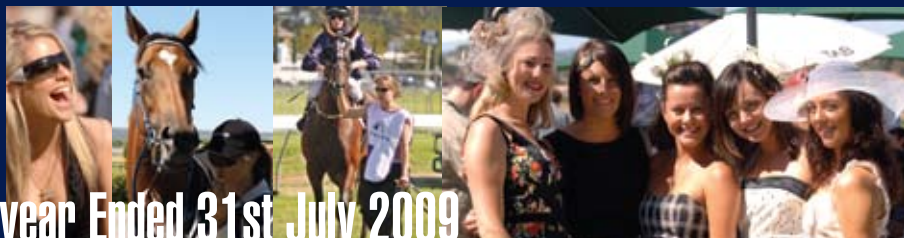
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and rises principally from the Group's receivables from customers and investment securities.

Trade and other Receivables

The Group's exposure to credit risk is minimal due to the Group operating on a prepayment basis with its customer base.

The Finance Sub-Committee has established a credit policy where credit may be provided from time to time on a limited basis. For example, unforeseen charges in relation to a function which may be invoiced at the completion of the function.

Notes to the Financial Report for the year Ended 31st July 2009



Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

SAJC

	Carrying Amount	
	2009	2008
Cash and cash equivalents	743	5,251
Investments - interest-bearing deposits	6	5
Trade and other receivables	7,390	1,662
Prepayments	1,266	396
	<u>9,405</u>	<u>7,299</u>

Consolidated

	Carrying Amount	
	2009	2008
Cash and cash equivalents	747	5,261
Investments - interest-bearing deposits	6	5
Trade and other receivables	7,379	1,676
Prepayments	1,266	396
	<u>9,398</u>	<u>7,323</u>

Impairment Losses

The ageing of the Club's trade receivables at the reporting date was:

SAJC

	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Not past due	7,358	-	1,623	-
Past due 0-30 days	29	-	36	-
Past due 31-120 days	2	-	3	-
Past due 121 days	1	-	-	-
	<u>7,390</u>	<u>-</u>	<u>1,662</u>	<u>-</u>

Notes to the Financial Report for the year Ended 31st July 2009

The ageing of the Group's trade receivables at the reporting date was:

Consolidated

	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Not past due	7,347	-	1,623	-
Past due 0-30 days	29	-	36	-
Past due 31-120 days	2	-	3	-
Past due 121 days	1	-	14	-
	7,379	-	1,676	-

At 31 July 2009, the Group had written off receivables to the value of \$14k (2008: Nil).

Liquidity Risk

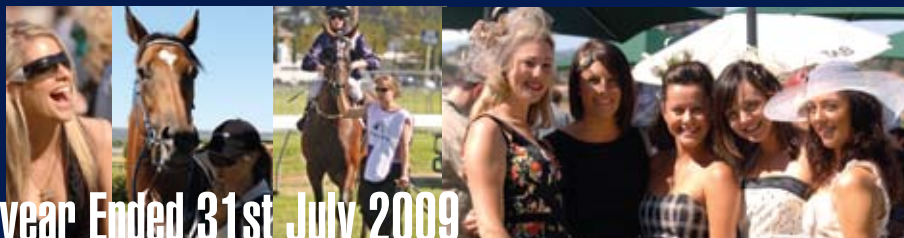
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group's reputation.

The Group monitors its cash flow requirements and optimises its cash return on investments. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains the following lines of credit:

- \$500,000 overdraft facility. Interest is payable at the overdraft rate set by the bank;
- \$5,900,000 commercial bill facility to meet short-term financing needs. Interest is payable at market rates;

both secured by a First Registered Bill of Sale & Equitable Mortgage over all the assets of the South Australian Jockey Club Inc and a First Registered Mortgage over the Morphettville Junction.

Notes to the Financial Report for the year Ended 31st July 2009



The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

SAJC

31 July 2009

	Carrying Amount	Contractual Cash Flows	6 months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Secured Bank Facility	3,000	(3,030)	-	(3,030)	-	-	-
Trade and Other Payables	9,650	(9,650)	(9,650)	-	-	-	-

31 July 2008

	Carrying Amount	Contractual Cash Flows	6 months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Secured Bank Facility	11,200	(11,821)	(4,544)	(1,211)	(6,066)	-	-
Trade and Other Payables	2,843	(2,843)	(2,843)	-	-	-	-

Consolidated

31 July 2009

	Carrying Amount	Contractual Cash Flows	6 months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Secured Bank Facility	3,000	(3,030)	-	(3,030)	-	-	-
Trade and Other Payables	9,650	(9,650)	(9,650)	-	-	-	-

31 July 2008

	Carrying Amount	Contractual Cash Flows	6 months or Less	6-12 Months	1-2 Years	2-5 Years	More than 5 Years
Secured Bank Facility	11,200	(11,821)	(4,544)	(1,211)	(6,066)	-	-
Trade and Other Payables	2,844	(2,844)	(2,844)	-	-	-	-

Notes to the Financial Report for the year Ended 31st July 2009

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Group has no currency risk.

Interest Rate Risk

The group adopts a policy of ensuring that between 50% and 70% of its exposure to changes in interest rates on borrowings is on a fixed rate basis.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument was:

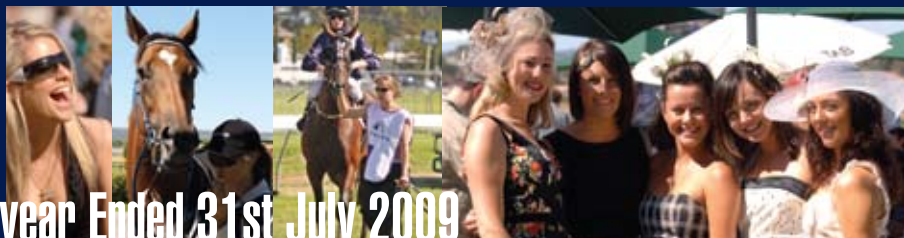
	Carrying Amount	
	2009	2008
Fixed Rate Instruments		
Financial Assets	-	4,100
Financial Liabilities	-	(6,900)
	-	(2,800)
Variable Rate Instruments		
Financial Assets	749	928
Financial Liabilities	(3,000)	(4,300)
	(2,251)	(3,372)

Cash Flow Sensitivity Analysis For Variable Rate Investments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes all other variables remain constant. The analysis is performed on the same basis for 2008.

	Profit or Loss	
	100bp increase	100bp decrease
31 July 2009		
Variable Rate Instruments	(21)	21
Cash flow sensitivity	(21)	21
31 July 2008		
Variable Rate Instruments	(34)	34
Cash flow sensitivity	(34)	34

Notes to the Financial Report for the year Ended 31st July 2009



Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities are equal to the carrying amounts shown in the balance sheet.

15. ROUNDING OFF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars, unless specifically stated to be otherwise.

16. COMMITMENTS AND CONTINGENCIES

- i. With the Club vacating Victoria Park in April 2008 there remains a future obligation to the Adelaide City Council to assist in the clean-up of the premises. At this point in time a provision of \$803,000 has been included in the accounts.
- ii. The accounts include a provision relating to legal proceedings instituted by the former CEO, Steven Ploubidis, for an alleged breach of contract.
- iii. The Cheltenham Residents Association ('CRA') has applied for leave to appeal to the Supreme Court of the Full Court the decision in relation to the State Governments' re-zoning of Cheltenham Racecourse. In the event of a successful appeal by the CRA, the future sale of Cheltenham Racecourse may not proceed.

17. SEGMENT REPORTING

The Club operates predominately in one business and geographical segment being the entertainment and hospitality industry in South Australia.

18. AUDITORS REMUNERATION

KPMG earned the following remuneration from the Club and consolidated entity during the year:

	SAJC		Consolidated	
	2009 \$000	2008 \$000	2009 \$000	2008 \$000
Audit Services				
Audit or review of financial reports	33	36	34	41
Other assurance services	1	-	1	-
	34	36	35	41

Report and Statement by the Board for the Year Ended 31 July 2009

REPORT BY BOARD

During the financial year, no officer of the Club and its controlled entity, or any firm of which an officer is a member, or any corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate and the Club, other than:

- (a) an allowance of \$18,000 payable to the Chairman to assist with costs incurred in representing the Club during the year;
- (b) benefits arising from the provision of certain minor goods or services in the normal course of the Club's activities; and
- (c) prizemoney paid by the Club on the same terms and conditions as apply to any other owner or trainer.

During the financial year, no officer of the Club and its controlled entity has received directly or indirectly from the Club any payment or other benefit of a pecuniary value, other than in the case of officers employed by the Club, approved salaries which have been determined in accordance with general market conditions.

Dated at Adelaide this 12th day of November, 2009.

Signed in accordance with a resolution of the Board.

A handwritten signature in black ink that reads 'David Peacock'.

David Peacock
Chairman

A handwritten signature in blue ink that reads 'Bill Spear'.

Bill Spear
Chairman of Finance Subcommittee

STATEMENT BY BOARD

The attached financial statements and notes of the South Australian Jockey Club Inc. and its controlled entity as set out on pages 16-40 for the year ended 31 July, 2009, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Club and its controlled entity as at 31 July, 2009 and the results and cash flows for the year then ended;
- (b) in accordance with the provisions of the Club Rules; and
- (c) in accordance with Australian Accounting Standards and the Associations Incorporation Act 1985.

As 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.

Dated at Adelaide this 12th day of November, 2009.

Signed in accordance with a resolution of the Board.

A handwritten signature in black ink that reads 'David Peacock'.

David Peacock
Chairman

A handwritten signature in blue ink that reads 'Bill Spear'.

Bill Spear
Chairman of Finance Sub-Committee



Independent auditor's report to the members of the South Australian Jockey Club Inc

We have audited the accompanying financial report of the South Australian Jockey Club Inc (the Club), which comprises the balance sheets as at 31 July 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 18 and the statement by the board of the Group comprising the Club and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Club 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 *Associations Incorporation Act 1985*. 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.

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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Associations Incorporation Act 1985* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Club's and the Group's financial position and of their performance.

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 followed applicable independence requirements of Australian professional accounting bodies.

Auditor's opinion

In our opinion the financial report of the South Australian Jockey Club Inc presents fairly, in accordance with the *Associations Incorporation Act 1985* and Australian Accounting Standards (including the Australian Accounting Interpretations), the financial position of the Club and the Group as at 31 July 2009 and their financial performance for the year ended on that date.



KPMG



Neil Faulkner
Partner

Adelaide

12 November 2009



South Australian Jockey Club