

SOUTH AUSTRALIAN JOCKEY CLUB

> ANNUAL REPORT 2014/15



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SOUTH AUSTRALIAN JOCKEY CLUB

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BOARD OF DIRECTORS

THE BOARD MEMBERS:

- Tony Newman (Chairman)
- Allan Burchard (Vice Chairman)
- Bodelle Francis (Deputy Vice Chairman)
- Chris Sargent
- Steve Kelton
- Greg Stewart (resigned October 2015)
- Olivia Nunnn
- Ronald Pratt
- Paul Kristoris

SAJC BOARD OF DIRECTORS

TONY NEWMAN











Chairman, ex-officio on all Board Committees Bachelor of Economics	May 2009 Business interests Chairman Alzheimer's South Australia, Board member Alzheimer's Australia	Racehorse owner Interests outside of racing Adelaide Football Club, Woodville West Torrens Football Club, Henley & Grange Baseball Club
ALLAN BURCHARD Vice Chairman, member of Finance & Investment, Strategic Initiatives and Performance Review & Remuneration Committees BA in Accounting, Fellow of the Institute of Chartered Accountants	Date joined Board November 2010 Business interests Chairman ES Wigg & Son Pty Ltd, Chairman Lang Foundation Pty Ltd, Private sector advisory services	Current racing interests Racehorse owner and breeder Interests outside of racing Family, golf
BODELLE FRANCIS Deputy Vice Chairman, member of Strategic Initiatives and Racing Committees Bachelor of International Hotel Management	Date joined Board November 2010 Business interests General Manager Francis Group, Director ICHM College Council, Director SipNSave	Current racing interests Racehorse owner Interests outside of racing Rugby, travelling, family
CHRIS SARGENT Member of Risk & Governance Committee Bachelor of Law	Date joined Board May 2009 Business interests Legal Manager Adelaide Casino, Consultant with Sparke Helmore	Current racing interests Racehorse owner Interests outside of racing Richmond Football Club, family
STEVE KELTON Member of Racing, Risk & Governance and Performance Review & Remuneration Committees BA Dip Ed, Cert Exec Mgt, Cert Bus & Fin Counselling, Justice of the Peace	Date joined Board November 2010 Business interests Member of State Council of Vinnies	Current racing interests Racehorse owner Interests outside of racing Tennis, swimming, golf

Date joined Board

Current racing interests



GREG STEWART Member of Master Plan and Finance & Investment Committees Diploma in Financial Services (Insurance Broking)

OLIVIA NUNN

RON PRATT

Committees BA Dip Ed, Dip TAA

Member of Racing, Risk &

Governance and Master Plan

Member of Finance & November Investment and Strategic Initiatives Committees Business Masters in Project Management Member of and Bachelor of Business of Project I (International), Bachelor of Arts (International Studies)





Date joine November Business i Executive



Investment and Strategic Initiatives Committees Diploma of Accounting

Leader Con

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Date joined Board November 2011 Business interests Director of numerous companies inlcuding Holdfast Insurance Brokers, Advance Car Rentals, Macquarie Premium Funding, Steadfast Conventions Pty Ltd, Greenhill Underwriting Pty Ltd, Advance Finance Pty Ltd	Current racing interests Racehorse owner and breeder Resigned 1 October 2015
Date joined Board November 2012 Business interests Member of Australian Institute of Project Management	Current racing interests SAJC and Moonee Valley Racing Club Member Interests outside of racing Project management, dancing, fashion, West Adelaide Football Club, travel
Date joined Board November 2013 Business interests Licensed Educational Leader, Teacher	Current racing interests SAJC Member Interests outside of racing Education, Family
Date joined Board November 2014 Business interests Executive Chairman of Leader Computers	Current racing interests Racehorse owner and breeder Interests outside of racing Adelaide Football Club, South Adelaide Football Club

CHAIRMAN & CHIEF EXECUTIVES REPORT 2014/15

The 2014/15 year has been a challenge and the resultant financial results are disappointing. We implemented several new initiatives during the year in an attempt to revitalise the product provided at Morphettville with some successes and some failures. The key here is to continue with the wins, as well as learn and improve in all areas of our business.

The Board and Executive team of the Club are not at all comfortable reporting losses, but note that many of the initiatives implemented during the year have provided the impetus to drive significant enhancements in the Club's operations, highlighted by the considerable improvements in the budget result for 2015/16.

As a race Club, the SAJC is not alone, with the majority of metropolitan race clubs around Australia also finding it increasingly difficult to generate acceptable returns on racing operations.

The full impacts of the closure of the Lucky Horseshoe at Cheltenham together with reduced returns from the Investment Fund were significant adverse factors.

In the second half of the year we have seen improved results from our Sales Team on Conference and Events and from The Junction. Continued development in these areas will lead to an improved, though still negative, result in 2015/16. Recently, TRSA have announced increases to Club funding which are most welcome and recognises the critical role played by clubs in developing and maintaining the expensive infrastructure on which our industry relies to generate revenue. We are continually working on opportunities for the Club to grow revenue streams external to racing to provide the necessary cash flow to underpin our Club in the long term. In doing so we are fully aware of the applicable requirements of the constitution.

As part of our program of continuous improvement we continue to work on and review our offerings with our Business Partners and Sponsors to achieve mutually beneficial growth.



FINANCIAL SUMMARY

Financial Summary	2015	2014
BUSINESS ACTIVITIES		
Racing	(1,414)	(880)
Hospitality	453	(11)
Licenced Venues -Junction	964	1,085
CONTRIBUTION FROM RECURRING BUSINESS ACTIVITIES	3	194
Licenced Venues – Cheltenham		832
Overhead Costs	(2,772)	(2,346)
Investment Earnings	3,155	4,786
SURPLUS FROM BUSINESS ACTIVITIES BEFORE NON-CASH ITEMS	386	3,466
Depreciation	(3,024)	(3,023)
(DEFICIT) / SURPLUS BEFORE PRIZEMONEY CONTRIBUTION	(2,638)	443
Prizemoney Contribution		(2,750)
(DEFICIT) FOR THE YEAR	(2,638)	(2,307)

The Club is reporting a profit before depreciation of \$0.4M (2013/14: \$3.5M). The results included an investment return of \$3.2M at an average weighted average return of 6.65% (2013/14: \$4.8M at 9.50%). At the end of the financial year the Investment Fund was maintained at \$48.5M, slightly down from the balance at the beginning of the year of \$49.4M.

The year also saw the final prizemoney payments to TRSA of \$2.1M this year, for a total contribution of \$11.35M over the last 6 years.

As stated last year with the closure of the Lucky Horseshoe venue at Cheltenham at the end of the 2013/14 financial year, 2014/15 was always going to be a difficult year financially.

The increased loss from Racing continues the trend of declining income streams and increasing costs relating to the racing product. A large component of this increased loss stems from the continuing slide in returns from on-course wagering, which is due to the impact of online betting, with many of our members and patrons using their electronic



devices on-course, and the shift from parimutuel to fixed odds betting, as indicated in the graph (above).

Compounding the issue of reduced income streams is the increased cost of maintaining the Morphettville property. The net cost of providing the racing surface and training facilities which exceeded \$0.9M in 2014/15 must be recovered from the industry. The Board and Executive are in continued discussions with TRSA on this issue to ensure the SAJC receives a fair return for the provision of these facilities. We are also reviewing the charging model for horses using these facilities.

The improved Hospitality result is attributed to an increased utilisation of the facility as a conference and events venue, along with initiatives and offerings to enhance customer race day experiences.

The Junction achieved a reasonable return for the year, and whilst this was down on prior year results, a management plan is in place and being monitored to improve the bottom line results. Changes to management and some new exciting initiatives are aimed at rejuvenating this venue and will lead to bottom line improvements.

An increase in marketing and sales costs aimed at driving revenue growth underpins the increase in overhead costs compared to the prior year. The increase in costs in sales and marketing result from the establishment of longer term strategies aimed at growing the profile of the venue and generating additional revenue. The Club is already experiencing the benefit of these strategies with the increment in revenue in the conference and events space.

Investments are managed in accordance with a Board approved Investment Strategy. Investment earnings are subject to the vagaries of the investment markets. Weighted average returns for the year of 6.65% were down on the prior year of 9.50%.

The investment funds as at 31 July 2015 are as follows: (see table above right)

After disappointing results, the allocation to Morgans was reduced during the year, and since 31 July 2015, the Morgans mandate has been terminated. The current intention is to retain only two fund managers, being Perpetual and Blackrock. It is the Club's intention to apply a portion of the investment funds towards the proposed development of the Cheltenham Sports and Community Club, and to the establishment and developments identified within the Master Plan.

A number of Capital Projects have been undertaken during the year. Total capital expenditure on those projects for 2014/15 was \$1.06M, with no individual project greater than \$100,000.

SAJC INVESTMENT FUNDS

Year Ended	2015 \$000	2014 \$000
Perpetual	19,648	14,730
Blackrock	14,268	10,184
Morgans	7,903	11,147
Term Deposits	4,004	14,000
Investment Cash Account	2,639	1,381
TOTAL INVESTMENT ASSETS	48,462	51,442
LESS: AMOUNT DUE TO TRSA	-	(2,062)
NET ASSETS	48,462	49,380





CHAIRMAN & CHIEF EXECUTIVES REPORT 2014/15



The above diagram reflects a subset of the overarching strategy of the Club to return the Club to a profitable position. Significant changes and improvements have been made and will continue to be made during 2015/16 to reduce the Club's loss before investments and depreciation (effectively EBITDA) from \$2.769M to \$0.886M (improvement of \$1.883M).

Develop Cheltenham

The Club remains committed to developing a Sports & Community Club at Cheltenham. The Club has completed the Social Effects Test, being the first entity in the State to undertake this legislative process. The results are now subject to the decision to be handed down by the Liquor and Gaming Commissioner and we envisiage this advice being received in

2016. The Club remains committed to doing all things required to secure the Gaming licences and then be in a position to build the new facility for our business at Cheltenham.

Over the last year, the Club has exerted significant efforts to obtain necessary licences for Cheltenham. This has included:

- Aug 14 Obtained the Club License for the new site on Cheltenham Parade
- Sep 14 Obtained extension to the Development Application until 30 November 2015
- Sep 14 Engaged Masterplan as consultant to produce the Baseline Document for the Social Certification application
- Jan 15 Held public consultation meeting with residents.

- Mar 15 Lodged the Baseline Document with the OLGC
- Apr 15 Application for the Social Effects certificate lodged
- May 15 Hearing for the Social Effects certificate
- May 15 First hearing held and adjourned until July 2015
- Jul 15 Second hearing held to confirm the terms of reference and witnesses to be called at the formal hearing
- Oct 15 formal hearing for Social Effects certificate held over four days, then adjourned for later sitting of five further days in late October and November

Get a Fair Return for our Facility

As referred to in previous years, Racing returns continue to be challenged by the combined pressures of declining income streams and increasing costs. The income streams are greatly affected by the decline in the commissions from on-course betting, whilst the costs continue to increase as the Club maintains a premium metropolitan racing and training facility of a safe and acceptable standard. The influx of corporate bookmakers, the ease of wagering on mobile devices, plus the impact of pub TAB facilities has eroded the wagering income earned by the SAJC. Much of this income has been redirected to TRSA.

We have continued to develop and refine our understanding of the costs associated with Racing & Training operations. These have been the subject of a number of discussions with Thoroughbred Racing South Australia, leading to the recent announcement of increased funding for the SAJC and other South Australian clubs from TRSA.

As appreciated as the increased funding is, the Club will continue to work with TRSA to

increase its funding in these areas to ensure a fair return for our facility.

The Club is also reviewing the charging model for horses using these facilities. For some time the Club has significantly under recovered the cost of providing the training facility. We are developing a true user pays model, mindful of the need to manage any adverse impact on owners and trainers.

Another way the Club is looking to seek a fair return for our facility is by increasing its utilisation. The Club has developed strong alliances with conference and events associations which have significantly enhanced the profile of Morphettville as a destination, and contributed strongly to revenue growth. The 2014/15 year saw a 26% increase in conference and events revenue. At the date of this report, bookings in hand for 2015/16 indicate continued strong growth in this area of our operations.

Investment Funds

One of the key strategies of the Board is to pursue business opportunities in conjunction with partners as appropriate. The Club has a structured disciplined approach to investigate and assess investment opportunities. We will act in accordance with the Constitution at all times.

Master Plan

The SAJC is undertaking a master plan and commercial assessment of potential future uses for surplus land around the Morphettville precinct. This assessment includes some specific project investigations regarding site history and potential development infrastructure demand and capacity. The aim of the master plan process is to present options to develop the surplus land consistent with the financial and long term benefit of the Club.

In addition to presenting positive outcomes for the SAJC, the master plan can deliver on many State targets and objectives, including:

- Underpins the sustainability of a 2,500 job industry in South Australia
- Creates 500 new jobs in SA over 20 years
- Delivers on the 30 year Growth Plan for Greater Adelaide with - Low infrastructure urban infill requirements
- Individual stand-alone project - Short term commencement Best practice urban development
- Creating vibrant city
- Significant expansion of SAJC's racing
- industry based infrastructure The next steps focus on:

• Partnering with the State Government to assist in re-zoning the master plan area

 Obtain support from the Government to actively progress and co-ordinate the procedural steps needed to progress the master plan

Efficiencies, Alliances and Partnerships

The Club has had a strong focus on efficiencies, alliances and partnerships over the last 18 months in particular. Initiatives undertaken in this area include:

- · Appointment of a Procurement Specialist, with review of existing contracts and tenders for services and goods thus far resulting in annual on-going savings of nearly \$500K per year
- · Continued streamlining of the supplier base with focus on sharing supplier and Club improvements to processes

- Tourism icon sustainability and growth

- Alignment of the provision of proposed Government infrastructure to support the transit oriented development (TOD), including investment in an upgraded tram station within the master plan's TOD activity node
- Co-ordinate with the State Government to bring forward investigations and investment of the sewer network to co-align with the master plan
- Further master planning investigations such as: - Determining the urban design forms of the development
- Addressing public access, built form and scale, approaches to site parking, relationship to the racetrack. context with the tram station and expected future residential population

It is expected that the Board will provide an update to members at a forum to be held in the first quarter of 2016.

- Comprehensive staff review to determine optimum business structure
- Working with suppliers to improve the product provided and the opportunities to the benefit of both parties

CONFERENCES & EVENTS

During the 2014/15 racing season the focus has been to increase the profile of Morphettville facilities to the Conference & Events segment both locally and nationally. The Sales team has executed an agile approach to be recognised as a new player in the Adelaide market with the following strategies:

- Tailor made events to meet the needs and budget
- Focus toward local SA produce
- Providing solutions using the positive aspects of the venue
- Using current business as referrals
- Testimonials to secure new business
- Participation in relevant exhibitions
- Using racing as our facility point of difference

- Using our strategic brand alliances, in particular Moet & Chandon
- Partnership with Adelaide Convention Bureau
- Key buying drivers for Morphettville, complimentary car parking, proximity to Airport and CBD, picturesque views and outlook
- Seasonal review of packages and offering
- Appointment of a dedicated sales professional based in Sydney through Great Southern Outbound, to drive sales and promotion of Morphettville

Increases in revenue in 2014/15 came from gala events for business and social groups/clubs, weddings, core conference and some exhibition business. The trends remain with often short lead times and ever increasing competition with both new and existing product in the Adelaide market. The team work closely with our competition to leverage opportunities into Adelaide.

In February we exhibited at AIME – the largest international exhibition for hosted buyers from the Asia-Pacific region, we co-exhibited with the Adelaide Convention Bureau and will continue to profile through this event. In July the Associations National event was held in Adelaide and we successfully exhibited here introducing many new opportunities for Morphettville.

We sincerely appreciate those Members who have already referred events to Morphettville. We would like to remind you that we have a fabulous facility that you can be an advocate and feel confident on the delivery of any referral, please review a few recent testimonials received.

ADELAIDE CUP AND STARTING GATE

We continue to work with TRSA on a joint proposal to be put to Government for the June Public Holiday to be moved three weeks to accommodate the UBET Adelaide Cup on the Monday following Darley Goodwood Day. Many meetings have been conducted with various businesses and associations that are integral to the support for this shift. The information gathered is being incorporated in to the presentation which will be made to Government in November 2015.

After many months of research, project planning and design between the SAJC, TRSA and an external creative agency, January 2015 saw the launch of Morphettville's brand new advertising campaign. Featuring a new-look television commercial, together with striking imagery on all advertising collateral, the new campaign launch received a very positive response from consumers and stakeholders alike.

Our new social precinct, The Starting Gate, which targeted event goers and social racing fans, was also launched on Adelaide Cup Day this year, and attracted a great result for its first appearance, with tickets selling out several weeks prior to the event day.

We were delighted to have Premier Jay Weatherill join us on Adelaide Cup Day.

The introduction of new initiatives for the 2015 TattsBet Adelaide Cup event resulted in a sell out in all function areas, which is a very pleasing result, and provides an encouraging platform for the 2016 activation.

Our post-event survey ratings also showed an improvement in all areas when compared against our 2014 results, including facilities, entertainment, food and service, and these positive results and consumer satisfaction reinforce the Club is heading in a positive direction.

MELBOURNE CUP DAY AND GUY SEBASTIAN

Targeted as Adelaide's biggest Melbourne Cup Party, 2014 Melbourne Cup Day at Morphettville experienced an increase in attendance on previous years, which could be attributed to the live after race concert by one of Australia's highest ever selling artists, Guy Sebastian. As a result, our hospitality packages sold out earlier than previous years and we generated increased interest from companies about cross leveraging.



ADELAIDE RACING CARNIVAL

The UBET Adelaide Racing Carnival saw some familiar faces back at Morphettville.

Schweppes Oaks Day opened the carnival on the first Saturday in May, and featured an entertaining luncheon in the Moët & Chandon Pavilion hosted by Triple M's Chris Dittmar and Mark Ricciuto, with special guest World Cup winning Australian Cricket Coach, Darren Lehmann.

On Derby Day, fashionistas were celebrating as the winner of the state-wide Fashion at The Races competition was announced in the finale luncheon and we were also pleased to welcome the Rotary Clubs of South Australia with their display showcase at Morphettville on the day. There was fun for families with free children's rides and amusements on offer on the day too.



The conclusion of the carnival on Goodwood Day was highlighted with one of South Australia's richest days of racing. In addition to the quality racing action on track, the sell-out Champion's Balcony Luncheon featuring the trainers of arguably the two greatest ever winners of the Goodwood in Black Caviar and Takeover Target, Peter Moody and Joe Janiak, was also a fantastic success, and the Club will be looking to offer another series of Champion's Balcony Luncheons again during next year's carnival.





CHAIRMAN & CHIEF EXECUTIVES REPORT 2014/15

RACING AT MORPHETTVILLE

During 2014/15 there were 56 (2013/14: 58) race meetings held at Morphettville with 463 (2013/14: 473) races run with 4,392 (2013/14: 4,390) starters, averaging 9.5 (2013/14: 9.3) starters per race. There were four Group One races held at Morphettville during the year, with the winners being:

Race Name	Wi
Darley Goodwood	Fla
William Hill South Australian Derby	De
William Hill Classic (Robert Sangster Stakes)	Mi
Schweppes Oaks (Australasian Oaks)	De



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EXECUTIVE LEADERSHIP TEAM



From Left: Mark Cooper (Executive Chef), Peta Southern-Ninnis (Manager, Marketing), Brenton Wilkinson (Chief Executive Officer), Rob Heinjus (Manager, Operations), Christine Ormsby (Manager, Sales & Sponsorship) and Michael Cox (Manager, Business & Financial Services). Photos: courtesy of Terry Hann, Atkins Photography.

STAFF RATIO

As at 31 July 2015, our staff consisited of:	Male	Female	Total
Permanent: Full-time	46	17	63
Permanent: Part-time	2	7	9
Casual	33	51	84*
TOTAL	81	75	156
% SPLIT	51.9%	48.1%	

* at its peak, the casual staffing levels reached 234 on Adelaide Cup Day. Please also note this refers to total staff, which differs from full-time equivalent staff as per note 11 of the financial statements

OUR PEOPLE

The Board of the SAJC is acutely aware that the success of the Club is dependent on our people and values. A positive work environment with a strong set of core values to enable our people to work closely and cohesively with each other, our business partners and our customers has been collaboratively established. The SAJC is focusing on developing our people to realise their potential, and acknowledge their contribution and achievements.

The majority of the permanent staff received no increases in pay rates during 2014/15, noting that this decision was made to reflect the financial status of the Club.

MEMBERSHIP

In 2014/15, there was a total of 1,769 SAJC Members, with 37 Life Members. A number of new initiatives were introduced this racing season, in addition to the continuation of some offerings from previous years, including the Winning Owners Membership and a new Members event at the Polo In The City. Over the next 12 months we will be increasing our engagement with Members by offering a monthly Members prize to drive more weekly attendance, and we will reintroduce the Members Referral Program with quarterly incentives. Early bird membership renewal prizes have also been implemented.

OUR PATRONS

Governor Hieu Van Le AO accepted the Club's invitation to be Patron and thus continues a long and proud tradition of vice regal patronage.

Robert Gerard AO continues to be a much valued supporter and Sponsor of our Club.

SPONSORS

The Club thanks all of its sponsors, many of whom have been long term partners. Our sponsors are acknowledged in this report and we ask that you support them wherever possible. The Club is also looking at initiatives to increase the exposure to sponsors on course, thereby increasing the value of the sponsorship offerings – maybe this is a good time to consider sponsoring the SAJC!

VALE

On a sad note, the Club acknowledges the passing during the year of Life Members Dr Rex Lipman AO, Bill Clarke and Ross Young, and Member for Life Mollie Rothe.

Along with the entire Australian racing industry we mourned the death of Bart Cummings. A true racing legend, his achievements will almost certainly never be equalled.

LIFE MEMBERS

The following have been members of our Club for fifty years, and are recommended for consideration and approval as Life Members of the SAJC:

- Mr Jeffrey Evans
- John Naffine
- Dr Jack Rogers
- Dr John Walsh
- Richard Walsh

THANKS

We acknowledge and thank Racing Minister, Leon Bignell, and Shadow Minister for Racing, Tim Whetstone, for their interest in and support of our Club.

PERSONAL NOTE

Tony Newman has advised that he will step down as Chairman post the 2015 AGM once a new Board is formed. He has also advised that it has always been his intention to not nominate for re-election on completion of his current term ending at the 2016 AGM.



BOARD OF DIRECTORS

BOARD OF DIRECTORS



THE BOARD AND ITS COMMITTEES

The Board members have all been heavily involved in contributing to both the Board meetings and Committee meetings. Due to the complex and specialised nature of certain aspects of the Clubs operations, the SAJC Board have established a number of committees, represented and chaired by Board members. During the year, the Board members continued to provide their voluntary commitment of expertise and time in support of our Club.



(Back row) from left: Allan Burchard (Vice Chairman), Steve Kelton, Greg Stewart, Ronald Pratt. (Front row) from left: Tony Newman (Chairman) and Bodelle Francis (Deputy Vice Chairman). Inset: Chris Sargent, Olivia Nunn and Paul Kristoris were absent from group photograph. Photos: courtesy of Terry Hann, Atkins Photography.

ATTENDANCE AT MEETINGS: 2014/15

		Board	Inves	nce & tment nittee	Initi	ategic atives nittee	Gover	Risk & nance nittee		acing nittee	Remune	iew &
	(a)	(b)		(b)		(b)	(a)	(b)		(b)		(b)
Tony Newman	12	12	*	12	*	6	*	5	*	5	7	7
Allan Burchard	12	12	14	14	3	3	-	-	-	-	7	6
Bodelle Francis	12	12	8	8	6	6	-	-	8	8	-	-
Chris Sargent	12	10	-	-	-	-	5	4	-	-	-	-
Steve Kelton	12	12	8	8	-	-	3	2	8	8	7	7
Greg Stewart	12	10	14	13	-	-	-	-	4	4	-	-
Olivia Nunn	12	11	14	8	6	4	-	-	-	-	-	-
Ronald Pratt	12	10	-	6	3	3	5	5	5	5	-	-
Paul Kristoris	7	7	5	4	3	1	-	-	-	-	-	-

(a) Number of meetings held whilst a director/committee member. (b) Number of meetings attended.

* Number of meetings attended in ex-officio capacity as Chairman or Deputy Chairman.

Note: A Masterplan Committee is also established and met on numerous ad hoc times during the year.

Note: There was a Finance Committee and an investment Committee which merged into the one Finance & Investment Committee during the year. Note: The Strategic Initiatives Committee replaced the Business Development Committee during the year.



BOARD OF DIRECTORS

THE SAJC BOARD IS COMMITTED TO:

- Providing facilities for the conduct of thoroughbred racing at Morphettville
- Providing facilities which encourage the enjoyment of thoroughbred racing by ou SAJC members, industry participants and members of the public
- Providing a safe and modern facility for the training of thoroughbred racehorses at Morphettville

To achieve these commitments we have adopted strategies to:

TED TO:						
nduct of	STRATEGIES	ACHIEVEMENTS 2014/15	PLANS 2015/16	STRATEGIES	ACHIEVEMENTS 2014/15	PLANS 2015/
nettville ourage the acing by our cipants and facility for racehorses	Improve and maintain facilities for our members, industry participants and members of the public at a level consistent with expected requirements as to presentation, comfort and safety.	Refurbished the link grandstand area to incorporate new timber deck over 3 levels with panoramic view of the Racecourse and Hills. Upgrades to the 2nd floor members area included a refurbishment of the main bar area.	Development of a comprehensive Preventative Maintenance program to assist in improving the budget process and enhancing the expected life-cycle of equipment. Ongoing refurbishments throughout venue. Introduced a Garden Planting	Manage the Clubs investment funds so as to generate income to contribute to the funds required to support capital and recurrent expenditure.	Returns of 6.65% for the year, with investment funds of \$48.5M at 31 July 2015.	Ongoing man funds of the O review of inv manager perf Identify and i opportunities in cash gener businesses.
we have			Guide for season 15/16. The Race Day experience for patrons will be enhanced through direct management and employment of entry gate staff.	Pursue business opportunities in conjunction with partners as appropriate that will provide long term recurring income for our Club.	Established an investment criteria to enable appropriate opportunities to be assessed. Reviewed a number of opportunities during the year.	Continue to i appropriate i opportunities of making an investment d
	Maintain racing and training facilities that meet the needs of our stakeholders.	Racing and training facilities continue to receive complimentary feedback. The quality of Racing facilities remained a priority, whereby major renovations were undertaken over 7 weeks on the main track and repairs to 1400m of drainage. Asset	Enhanced formal communication with the Trainers Association and Jockeys Association to understand their needs and effectively communicate the SAJC expectations and/ or position. Preventative Maintenance	Work with impacted stakeholders to develop a funding model which recognises the costs of providing a racing and training facility which meets stakeholder requirements.	Regular and ongoing discussions with TRSA to develop a sustainable funding model.	Continue disc TRSA to deter even and cons to funding to achieves a fai our facility. Implement a n fee model.
		replacement included tractors, Turf barber and harrows. New rubber installed through training facilities.	programs include the Race Course and Training facilities. The introduction of an online job register for requested and scheduled maintenance.	Generate additional income streams by identifying medium and long term options for the development of land excess to racing requirements.	Refer commentary on the Master Pan.	Preparation o Communicatio of plan at me Obtain suppo Government the plan.
	Profitably manage The Junction to provide a social and community venue for all patrons and to contribute to the funds required to support capital and recurrent expenditure.	Whilst not operated through 2014/15 at an optimum level, the Junctions still contributed a profit before depreciation of \$964K for the year, with these profits redirected back into the Racing Club.	Seasonal menus and special offers. The venue will also undergo some redevelopment to improve its profile which will contribute to the growth in revenue.	Develop our leaders and staff to deliver on the strategic objectives.	Developed departmental and individual KPI's linked directly to SAJC Strategic Plan. Strengthened performance management processes.	Launch of clu Monitoring of of departmen overal stateg
	Continue to investigate the viability of relocating the Sports and Community Club at Cheltenham.	Refer separate commentary on the Cheltenham development.	Achieve the receipt of appropriate licencing and commence the build process.	Develop a culture within the Club that delivers a high level of achievement.	Ongoing performance review and management process in place. Development of new set of Club Values.	Established str and KPI's, with provided to en Launch new C Introduction of staff surveys
	Profitably utilise the Clubs facilities when they are not required for racing.	Significant growth in revenue from Conference & Events, with revenue increasing by 26% in 14/15.	Participation in relevant exhibitions. Continued involvement in conferencing associations.			performance engagement, to be taken as

5/16

anagement of the e Club including nvestment erformance. d investigate ies for investment ierating

o investigate the e investment es with the intention an appropriate t decision.

iscussions with termine a more onsistent approach to ensure the SAJC fair return for

a new training

n of base plan. htion and discussion nembers' forum. port from ht to progress

club values. of achievement ental plans and egic plan.

strategic plans vith available tools o enable delivery. v Club Values. n of quarterly ys to measure ce and staff at, with action as required.



RISK & CORPORATE GOVERNANCE

The Board of the SAJC is responsible for the governance of the Club and remains committed to continuous improvement in this area. The Board members operate in accordance with a Code of Conduct, as well as within the rules set down in the Club's constitution and by-laws.

The Board consists of a minimum of seven members and a maximum of nine. The Board is elected by the members, with the intention being to elect Board members with a broad range of skills and experience to assist it in carrying out its fiduciary and strategic responsibilities.

Each Board member is elected for a three year term, with the Chairman, Vice Chairman and Deputy Vice Chairman elected annually by the Board.

COMMITTEES

The Board establishes sub-committees, as required, to assist in carrying out its primary functions. These sub-committees meet as required, and include representatives of the Board and management, acting in an advisory capacity to make recommendations to the Board.

Finance & Investment Committee

The Finance & Investment Committee meets on a monthly basis to provide oversight, assistance and advice on the financial activities (including financial results, budgets and forecasts, investment activities and strategies) of the Club to ensure the balance, transparency and integrity of financial information for the Board, Management and Members.

Risk & Governance Committee

The Risk & Governance Committee is tasked with ensuring that the Club has appropriate policies, processes and disciplines in place to maintain integrity in all critical areas of operation. This includes oversight of the risk management, safety, legal and compliance functions. It is important to note the keen focus the Club has on its safety obligations, ensuring that the Club provides a safe environment for staff, contractors, members, patrons and industry participants.

Strategic Initiatives Committee

The primary purpose of the Strategic Initiatives Committee is to provide a high level review of all new and significant proposals and initiatives that are likely to have an effect on members, commercial operations or business efficiencies.

Racing Committee

The primary purpose of the Racing Committee is to ensure that the Club's core business of racing is developed and maintained consistent with the established objectives of the Clubs Strategic Plan. All racing issues and initiatives are reviewed with recommendations made to the Board.

Master Plan Committee

The Master Plan Committee is responsible to manage the master plan process.

Performance Review & Remuneration Committee

The Performance Review & Remuneration Committee is responsible to review the Club's remuneration of the CEO, management and staff on an annual basis, as well as monitor and review the performance of the CEO.





FEATURE RACE WINNERS 2014/15

Stakes	Race Name	Winner	Trainer	Jockey
GROUP 1				
\$500,000	William Hill South Australian Derby	Delicacy	Grant Williams	Peter Hall
\$500,000	Darley Goodwood	Flamberge	Peter G Moody	Vlad Duric
\$400,000	William Hill Classic (Robert Sangster Stakes)	Miracles of Life	Peter & Paul Snowden	Hugh Bowman
\$400,000	Schweppes Oaks (Australasian Oaks)	Delicacy	Grant Williams	Peter Hall
GROUP 2				
\$400,000	TattsBet Adelaide Cup	Tanby	Mick Cerchi	Dean Holland
\$250,000	William Hill Stakes (Euclase Stakes)	Nicoscene	Lee & Anthony Freedman	Mark Zahra
\$175,000	Hughes Chauffeured Limousines Queen of the South Stakes	Atlantis Dream	Darren Weir	Nicholas Hall
GROUP 3				
\$150,000	Hughes Chauffeured Limousines R A Lee Stakes	The Bowler	Robert Smerdon	Mark Zahra
\$115,000	David Coles AM Spring Stakes (Spring Stakes)	Riziz	Ken Sweeney	Clare Lindop
\$115,000	Campolina Stud Breeders' Stakes	Last Bullet	John Hyam	Sigrid Carr
\$115,000	William Hill South Australian Sires Produce Stakes	The Grey Flash	Robbie Laing	Joe Bowditch
\$115,000	Hughes Chauffeured Limousines R N Irwin Stakes	Daytona Grey	Leon Macdonald & Andrew Gluyas	Clare Lindop
\$115,000	Schweppervescence Stakes (Auraria Stakes)	Fitocracy	Jon O'Connor	Todd Pannell
\$115,000	Quayclean Chairman's Stakes	October Date	Nick Smart	Shayne Cahill
\$115,000	Seven News D C McKay Stakes	Thermal Current	Peter G Moody	Dwayne Dunn
\$115,000	William Hill SA Fillies Classic	Okahu Bay	Phillip Stokes	Matthew Neilson
\$115,000	William Hill Proud Miss Stakes	Hazard	Lee & Anthony Freedman	Ben Melham
\$115,000	Seven News National Stakes	Prince of Brooklyn	Mick Price	Dale Smith
\$115,000	James Boag's Premium Lord Reims Stakes	Таіуоо	Darren Weir	Jye McNeil

Stakes	Race Name
LISTED	
\$100,000	Japan Trophy (Port Adelaide Cup)
\$100,000	Mittys Centaurea Stakes
\$80,000	Sportingbet Penny Edition Stakes
\$80,000	Express Colour Printing Morphettville Guineas
\$80,000	Sportingbet W H Wylie Handicap
\$80,000	Penang Trophy (Tokyo City Cup)
\$80,000	Hill Smith Stakes
\$80,000	Dominant Durbridge Stakes
\$80,000	City of Marion Stakes
\$80,000	Adelaide Galvanising Christmas Handicap
\$80,000	Holdfast Insurance Birthday Cup
\$80,000	William Hill Cinderella Stakes
\$80,000	Schweppes C S Hayes Memorial Cup
\$80,000	Adelaide Casino Matrice Stakes
\$80,000	Farmers Union Iced Coffee Manihi Classic
\$80,000	Mittys Laelia Stakes
\$80,000	Marsh Port Adelaide Guineas
\$80,000	Projections Graphics Redelva Stakes
\$80,000	Dequetteville Stakes
\$80,000	Holdfast Insurance City of Adelaide Handicap
\$80,000	H C Nitschke Stakes
\$80,000	Drink driving? GROW UP Queen Adelaide Stakes
\$80,000	Oaklands Plate
\$80,000	Adelaide Galvanising Adelaide Guineas
\$80,000	Lightning Stakes

Winner	Trainer	Jockey
Go Dreaming	Grant Kluske	Clare Lindop
Let's Make Adeal	Nigel Blackiston	Craig Williams
Justify That	Peter Moody	Libby Hopwood
Royal Ocean	Mick Price	Dom Tourneur
Karacatis	Richard Jolly	Jake Toeroek
Quayside	Peter G Moody	Regan Bayliss
Lotion	David Hayes & Tom Dabernig	Craig Robertson
Hucklebuck	Phillip Stokes	Dom Tourneur
Whitlam	Danielle Wilson	Ben Claridge
Boristar	John Macmillan	Jamie Kah
Eclair Samba (NZ)	Phillip Stokes	Matthew Neilson
Haybah	David Hayes & Tom Dabernig	Jason Holder
Dylanson	Phillip Stokes	Clare Lindop
Runway Star	Peter G Moody	Glen Boss
The Messina Nymph	Tony McEvoy	Matthew Neilson
Ondina	Gai Waterhouse	Blake Spriggs
Jim's Journey	Peter F Blanch	Ben Claridge
Eclair Choice	Phillip Stokes	Dom Tourneur
Pearl Star	Matt Laurie	Michelle Payne
Dylanson	Phillip Stokes	Noel Callow
Japhils	John Sadler	Dean Yendall
Strykum	Lee & Anthony Freedman	Ben Melham
Dead or Alive	Mick Price	Damien Oliver
Magic Boy	Jon O'Connor	Jason Holder
Wild Rain	Mark Kavanagh	Matthew Neilson



AUDITED FINANCIAL REPORT 2014/15

The South Australian Jockey Club presents its Audited Financial Statments for the year ended 31 July 2015.

AUDITED FINANCIAL REPORT 2014/15

SAJC AND ITS CONTROLLED ENTITY BALANCE SHEET

Balance Sheet as at 31 July 2015	Note	2015 \$000	2014 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	2	7,820	15,638
Trade and Other Receivables	3	614	1,706
Inventories		335	304
Investments	4	2,966	5,320
Prepayments		177	190
TOTAL CURRENT ASSETS		11,912	23,158
NON-CURRENT ASSETS			
Investments	4	38,854	30,742
Property, Plant & Equipment	5	35,782	37,785
Intangible Assets	6	2,790	2,790
TOTAL NON-CURRENT ASSETS		77,426	71,317
TOTAL ASSETS		89,338	94,475
CURRENT LIABILITIES			
Trade and Other Payables	7	1,818	4,540
Employee Benefits	8	1,111	1,050
Other Liabilities	9	1,247	1,089
TOTAL CURRENT LIABILITIES		4,176	6,679
NON-CURRENT LIABILITIES			
Employee Benefits	8	57	57
TOTAL NON-CURRENT LIABILITIES		57	57
TOTAL LIABILITIES		4,233	6,736
NET ASSETS		85,105	87,739
EQUITY			
Reserves	10	7,599	7,706
	10	77,506	80,033
Retained Earnings			

The accompanying notes form part of these financial statements.

SAJC AND ITS CONTROLLED ENTITY INCOME STATEMENT

Income statement for the year ended 31 July 2015	Note
REVENUE FROM OPERATING ACTIVITIES	
Hospitality Revenue	
Gaming Revenue	
Totalisator Revenue	
Sponsorship Revenue	
Nominations & Acceptance Fees	
Members Subscriptions & Admissions	
Industry Contributions	
Sundry Revenue	
TOTAL REVENUE	
EXPENDITURE FROM OPERATING ACTIVITIES	
Hospitality Expenditure	
Gaming - General Expenditure	
General Maintenance	
Raceday Wages & On Costs	
Salaries & On Costs	
Totalisator Operation & Maintenance	
Promotion and Sponsorship	
Insurance & Professional Fees	
Sundry Expenses	
TOTAL EXPENDITURE	
DEFICIT FROM OPERATIONS BEFORE DEPRECIATION & FINANCE INCOME	
Investment Income	
Finance Expenses	
Net Finance Income	
SURPLUS BEFORE DEPRECIATION & TRSA CONTRIBUTION	
Depreciation - Property, Plant & Equipment	
Depreciation of Funded Assets	10
Net Gain on Disposal of Non-Current Assets	
(DEFICIT) SURPLUS FOR THE PERIOD BEFORE TRSA CONTRIBUTION	
Prizemoney Contribution to TRSA	
DEFICIT FOR THE PERIOD	

The accompanying notes form part of these financial statements.

2015 \$000	2014 \$000
9,317	8,975
3,443	6,122
1,270	1,471
1,058	1,064
983	986
970	963
1,815	1,865
1,033	993
19,889	22,439
8,751	8,229
2,426	4,607
4,840	4,682
1,380	1,489
1,953	1,868
735	814
1,313	849
386	351
935	889
22,719	23,778
(2,830)	(1,339)
3,256	4,885
(102)	(99)
3,154	4,786
324	3,447
(2,684)	(2,688)
(339)	(335)
61	19
(2,638)	443
	(2,750)
(2,638)	(2,307)

AUDITED FINANCIAL REPORT 2014/15

SAJC AND ITS CONTROLLED ENTITY STATEMENT OF CASH FLOWS

Statement of cash flows for the year ended 31 July 2015 No.	ote 2015 \$000	2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operating activities	22,613	23,940
Payments to suppliers and employees	(25,009)	(24,670)
Prizemoney Contribution to TRSA	(2,062)	(2,838)
Interest paid	(102)	(99)
NET CASH USED IN OPERATING ACTIVITIES	13 (4,560)	(3,667)
CASH FLOWS FROM INVESTING ACTIVITIES	-	
Proceeds received under Land Facilitation Agreement		15,000
Interest received on investments	500	1,350
Proceeds from sale of property, plant & equipment		19
Payments for property, plant & equipment	(1,078)	(1,498)
Net acquisition of investments	(2,941)	(502)
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		14,369
CASH FLOWS FROM FINANCING ACTIVITIES	-	
Proceeds from capital grants	200	200
NET CASH GENERATED FROM FINANCING ACTIVITIES		200
NET (DECREASE) / INCREASE IN CASH HELD		10,902
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	15,638	4,736
CASH AT THE END OF THE FINANCIAL YEAR	2 7,820	15,638

The accompanying notes form part of these financial statements.

SAJC AND ITS CONTROLLED ENTITY STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income for the year ended 31 July 2015	Note	2015 \$000	2014 \$000
Deficit for the period		(2,638)	(2,307)
Revaluation of gaming entitlements to fair value			(795)
TOTAL COMPREHENSIVE (LOSS)		(2,638)	(3,102)

The accompanying notes form part of these financial statements.

SAJC AND ITS CONTROLLED ENTITY STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity for the year ended 31 July 2015	Retained Earnings \$000
BALANCE AT 1 AUG 2013	81,615
Deficit for the year	(2,307)
Depreciation of industry funded assets	-
Other comprehensive income – revaluation decrements	-
Transfers to and (from) reserves	725
BALANCE AT 31 JUL 2014	80,033
BALANCE AT 1 AUG 2014	80,033
Deficit for the year	(2,638)
Depreciation of industry funded assets	-
Other comprehensive income - revaluation decrements	-
Transfers to reserves	111
BALANCE AT 31 JUL 2015	77,506

The accompanying notes form part of these financial statements.

Reserves \$000	Total \$000
9,226	90,841
	(2,307)
(335)	(335)
(795)	(795)
(390)	335
7,706	87,739
7,706	87,739
	(2,638)
(111)	(111)
4	4
	111
7,599	85,105

NOTES TO THE FINANCIAL

STATEMENTS

The South Australian Jockey Club presents its Notes to the Financial Statments for the year ended 31 July 2015.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Dollars, which is the Group's functional currency.

The South Australian Jockey Club Incorporated ('SAJC or Club') is a not-for-profit entity domiciled in Australia. The consolidated financial report of the Club for the year ended 31 July 2015 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 Board on the 29th day of October 2015.

STATEMENT OF COMPLIANCE

The consolidated financial report of the Group and the financial report of the Club are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 1985, as amended.

BASIS OF PREPARATION

The financial report is prepared on the historical cost basis except for the following material items:

- · intangible assets are measured at fair value
- derivative financial instruments are
- measured at fair value; and
- financial instruments at fair value through the profit or loss are measured at fair value.

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

(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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1.1 Basis of Consolidation (i) Subsidiaries

in the Group.

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.



The financial report is prepared in Australian

The preparation of financial statements in conformity with AASB's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity

1.2 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Club has an obligation to remove the assets or restore the site, an estimate of such costs: and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the income statement.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Club. Ongoing repairs and maintenance is expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS

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 estimated useful lives, using the straight line basis.

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



Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The Board considers depreciation to be noncash expenses within the income statement, therefore are presented below the result from operations and finance income.

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 and memberships 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 revenue recognition policies are applied for specific revenue and other income streams:

Industry Grants

The SAJC received distributions from Thoroughbred Racing South Australia ('TRSA') to fund administration. These amounts are reported on an accruals basis. Grants received from TRSA for capital purposes are treated as operating income. The depreciation component of such items is recognised as an operating expense.

Deferred Income

Deferred income represents rent, membership, function and event deposits and sponsorship monies for future years received in the current financial year.

Sale of Non-current Assets

The net gain or loss on non-current asset sales is 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.

Finance Income and Finance Costs

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of investments, changes in the fair value of financial assets at fair value through profit or loss and gains on hedging instruments that are recognised in the income statement. Interest income is recognised as it accrues in the income statement, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Club's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on financial instruments, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in the income statement.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

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 is recorded as a receivable.

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

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 Employee Benefits **Defined Contribution Superannuation Fund**

A defined contribution superannuation fund is a post-employment benefit plan under which the Club pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Long-term Service Benefits

The Club's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Following the determination that a high quality corporate bond rate exists within the Australian market, the discount rate used is the corporate bond yield at the reporting date that has maturity dates approximating the terms of the Club's obligations. The calculation is performed using the projected unit credit method.

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, and 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.

1.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

1.6 Income Tax

The Group is exempt from Income Tax.

1.7 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.

1.8 Leased Assets

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Club's balance sheet. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

1.9 Intangible Assets

The Group's gaming machine entitlements are recorded at their fair value. This class of noncurrent 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 any excess is recognised as an expense.

NOTES TO THE FINANCIAL STATEMENTS

1.10 Financial instruments Non-derivative financial assets

The Club initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Club becomes a party to the contractual provisions of the instrument.

The Club derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Club has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Club has the following non-derivative financial assets: financial assets at fair value through profit or loss and loans and receivables.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Club manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Club's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in the income statement.

Financial assets designated at fair value through profit or loss comprises equity securities where fair value is determined by reference to their quoted closing bid price at reporting date.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and, trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Club in the management of its short-term commitments.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Club becomes a party to the contractual provisions of the instrument.

The Club derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Club classifies non-derivative financial liabilities into the 'other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Club's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1.11 Impairment Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Club on terms that the Club would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the

disappearance of an active market for a security.

Financial assets measured at amortised cost The Club considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Club uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease. the decrease in impairment loss is reversed through the income statement.

Non-financial assets

The carrying amounts of the Club's nonfinancial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of property, plant and equipment is the greater of its fair value and value in use. In the case of non-current asset of a not-for-profit entity, "value in use" means "depreciated replacement cost" of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Depreciation replacement cost is defined as the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. The current replacement cost of an asset is its, cost measured by reference to the lowest cost at which the gross future economic benefits of that asset could currently be obtained in the normal course of business.

1.12 Provisions

A provision is recognised if, as a result of a past event, the Club has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle

the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

1.13 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about estimates and judgements that have the most significant effect on the amounts recognised in the financial statements, are described in Note 4 - Investments and Note 6 – Intangible Assets.

2. CASH AND CASH EQUIVALENTS

Cash And Cash Equivalents	2015 \$000	2014 \$000
Cash at Bank	3,820	1,638
Interest Bearing Deposits	4,000	14,000
TOTAL	7,820	15,638

At reporting date a secured overdraft facility with ANZ of \$1M (2014: CBA \$1M) remained unused and is subject to annual review.

3. TRADE AND OTHER RECEIVABLES

Trade And Other Receivables	2015 \$000	2014 \$000
CURRENT		
Trade Receivables	618	1,710
Provision for Doubtful Debts	(4)	(4)
TOTAL	614	1,706

Impairment losses to the value of \$nil were written off against the doubtful debts expense during the year (2014:\$2K).

4. INVESTMENTS

Investments	2015 \$000	2014 \$000
CURRENT	2000	\$000
Financial assets held for trading - fair value	2,966	4,320
Fixed interest securities - fair value		1,000
	2,966	5,320
NON-CURRENT		
Fixed interest securities - fair value	6,370	4,640
Financial assets designated at fair value	32,484	26,102
	38,854	30,742
TOTAL INVESTMENTS	41,820	36,062

4. INVESTMENTS

Reconciliations of the carrying amounts of each class of Investments		
FINANCIAL ASSETS HELD FOR TRADING		
Carrying Amount at the beginning of year		
Additions		
Disposals		
Fair Value Revaluations		
CARRYING AMOUNT AT THE END OF THE YEAR		
FIXED INTEREST SECURITIES (CURRENT)		
Carrying Amount at the beginning of year		
Disposals		
CARRYING AMOUNT AT THE END OF THE YEAR		
FIXED INTEREST SECURITIES (NON-CURRENT)		
Carrying Amount at the beginning of year		
Additions		
Disposals		
Fair Value Revaluations		
CARRYING AMOUNT AT THE END OF THE YEAR		
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE		
Carrying Amount at the beginning of year		
Additions		
Disposals		
Fair Value Revaluations		
CARRYING AMOUNT AT THE END OF THE YEAR		
TOTAL INVESTMENTS		

2015 \$000	2014 \$000
4,320	3,881
832	1,079
(2,294)	(644)
108	4
2,966	4,320
1,000	5,430
(1,000)	(4,430)
	1,000
4,640	3,709
3,239	1,171
(1,681)	(407)
172	167
6,370	4,640
26,102	19,007
10,974	8,993
(7,069)	(5,261)
2,477	3,363
32,484	26,102
41,820	36,062

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENTS

Investments represent funds managed by Investment Managers	Fair Value Hierarchy Level 1 \$000	Fair Value Hierarchy Level 2 \$000	Holding at 31 July 2015 \$000	Weighted Average Return 31 Jul 2015	Holding at 31 July 2014 \$000	Weighted Average Return 31 Jul 2014
Morgans	7,903	-	7,903	-3.09%	11,147	12.05%
Perpetual	5,312	14,336	19,648	11.19%	14,730	13.24%
Blackrock	-	14,268	14,268	9.56%	10,185	15.29%
TOTAL INVESTMENTS	13,215	28,604	41,819	7.69%	36,062	13.44%

FAIR VALUE HIERARCHY

The fair value of Level 1 investments are measured at their quoted market price at reporting date. Level 2 investments represent unlisted fixed interest securities for which fair values are based on fund managers' estimates of net assets of the securities at a point in time. Internal controls over the valuation process by investment managers have been audited by the auditors of the investment managers in accordance with Guidance Statement GS007 Audit Implications of the Use of Service Organisations for Investment Management Services.

5. PROPERTY PLANT & EQUIPMENT

Hopetry Lance quipmentHotetStoodFREEHOLD LAND AT COST357357Morphettville357357Cheltenham321321678678678BUILDINGS & IMPROVEMENTS AT COST1000Morphettville59,26458,821LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,66829,03530,668PLANT & EQUIPMENT AT COST13,95513,549Morphettville13,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)CAPITAL WORKS IN PROGRESS880786TOTAL PROPERTY PLANT & EQUIPMENT35,78237,785Included in the above total of Property, Plant & Equipment518955,782			
FREEHOLD LAND AT COST357357Morphettville357357Cheltenham321321678678678BUILDINGS & IMPROVEMENTS AT COST678678Morphettville59,26458,821LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,66829,03530,668PLANT & EQUIPMENT AT COST77Morphettville13,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)5,1895,6535,1895,653CAPITAL WORKS IN PROGRESS880786TOTAL PROPERTY PLANT & EQUIPMENT35,78237,785Included in the above total of Property, Plant & Equipment1010	Property Plant & Equipment Note		2014
Cheltenham321321Cheltenham321321678678BUILDINGS & IMPROVEMENTS AT COSTMorphettville59,26458,82159,264LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,66829,035PLANT & EQUIPMENT AT COSTMorphettville13,95513,54913,555LESS: ACCUMULATED DEPRECIATION(8,766)(7,7896)5,1895,51895,653CAPITAL WORKS IN PROGRESS880TOTAL PROPERTY PLANT & EQUIPMENT35,782Included in the above total of Property, Plant & Equipment14	FREEHOLD LAND AT COST	\$000	\$000
Anticide678678678678678BUILDINGS & IMPROVEMENTS AT COSTMorphettville59,26458,82159,264LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,668PLANT & EQUIPMENT AT COSTMorphettville13,95513,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)5,1895,51895,653CAPITAL WORKS IN PROGRESS880TOTAL PROPERTY PLANT & EQUIPMENT35,782Included in the above total of Property, Plant & Equipment	Morphettville	357	357
BUILDINGS & IMPROVEMENTS AT COSTMorphettville59,26458,821LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,668PLANT & EQUIPMENT AT COST13,95513,549Morphettville13,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)S: ACCUMULATED DEPRECIATION(8,766)(7,896)CAPITAL WORKS IN PROGRESS880786TOTAL PROPERTY PLANT & EQUIPMENT35,78237,785Included in the above total of Property, Plant & Equipment14,10014,100	Cheltenham	321	321
Morphettville59,26458,821LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,668PLANT & EQUIPMENT AT COST13,95513,549Morphettville13,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)5,1895,6535,1895,653CAPITAL WORKS IN PROGRESS880786TOTAL PROPERTY PLANT & EQUIPMENT35,78237,785Included in the above total of Property, Plant & Equipment11		678	678
LESS: ACCUMULATED DEPRECIATION(30,229)(28,153)29,03530,668PLANT & EQUIPMENT AT COST29,03530,668Morphettville13,95513,549LESS: ACCUMULATED DEPRECIATION(8,766)(7,896)5,1895,6535,1895,653CAPITAL WORKS IN PROGRESS880786TOTAL PROPERTY PLANT & EQUIPMENT35,78237,785Included in the above total of Property, Plant & Equipment44	BUILDINGS & IMPROVEMENTS AT COST		
ControlControlControl29,03530,668PLANT & EQUIPMENT AT COSTImage: Control of the second se	Morphettville	59,264	58,821
PLANT & EQUIPMENT AT COST Morphettville 13,955 13,549 LESS: ACCUMULATED DEPRECIATION (8,766) (7,896) S,189 5,653 CAPITAL WORKS IN PROGRESS 880 786 TOTAL PROPERTY PLANT & EQUIPMENT 35,782 37,785 Included in the above total of Property, Plant & Equipment 6	LESS: ACCUMULATED DEPRECIATION	(30,229)	(28,153)
Morphettville 13,955 13,549 LESS: ACCUMULATED DEPRECIATION (8,766) (7,896) S,189 5,653 5,189 CAPITAL WORKS IN PROGRESS 880 786 TOTAL PROPERTY PLANT & EQUIPMENT 35,782 37,785 Included in the above total of Property, Plant & Equipment 4		29,035	30,668
LESS: ACCUMULATED DEPRECIATION (8,766) (7,896) 5,189 5,653 CAPITAL WORKS IN PROGRESS 880 786 TOTAL PROPERTY PLANT & EQUIPMENT 35,782 37,785 Included in the above total of Property, Plant & Equipment 9	PLANT & EQUIPMENT AT COST		
5,189 5,653 CAPITAL WORKS IN PROGRESS 880 TOTAL PROPERTY PLANT & EQUIPMENT 35,782 Included in the above total of Property, Plant & Equipment 35,782	Morphettville	13,955	13,549
CAPITAL WORKS IN PROGRESS 880 786 TOTAL PROPERTY PLANT & EQUIPMENT 35,782 37,785 Included in the above total of Property, Plant & Equipment 9 9	LESS: ACCUMULATED DEPRECIATION	(8,766)	(7,896)
TOTAL PROPERTY PLANT & EQUIPMENT 35,782 37,785 Included in the above total of Property, Plant & Equipment 35,782 37,785		5,189	5,653
Included in the above total of Property, Plant & Equipment	CAPITAL WORKS IN PROGRESS	880	786
Included in the above total of Property, Plant & Equipment			
	TOTAL PROPERTY PLANT & EQUIPMENT	35,782	37,785
	are the written down values of assets funded by industry grants to the extent of: 10	4,809	4,916

5. PROPERTY, PLANT & EQUIPMENT

Reconciliations of the carrying amounts of each class of Property, Plant & Equipment
FREEHOLD LAND AT COST
Carrying Amount at the beginning of year
Additions
CARRYING AMOUNT AT THE END OF YEAR
BUILDINGS & IMPROVEMENTS
Carrying Amount at the beginning of year
Transfers from Capital Works in Progress
Depreciation
CARRYING AMOUNT AT THE END OF YEAR
PLANT & EQUIPMENT
Carrying Amount at the beginning of year
Transfers from Capital Works in Progress
Disposals
Depreciation
CARRYING AMOUNT AT THE END OF YEAR
CAPITAL WORKS IN PROGRESS
Carrying Amount at the beginning of year
Additions
Transfer to Buildings & Improvements
Transfer to Property, Plant & Equipment
CARRYING AMOUNT AT THE END OF YEAR
TOTAL PROPERTY PLANT & EQUIPMENT

2015	2014
2015 \$000	2014 \$000
678	678
076	078
	-
678	678
30,668	32,066
441	770
(2,074)	(2,168)
29,035	30,668
5,653	6,122
542	386
(57)	-
(949)	(855)
5,189	5,653
786	444
1,076	1,498
(441)	(770)
(542)	(386)
879	786
35,782	37,785

CHELTENHAM DISPOSAL

The agreement reached with AVJ-UP is a Land Facilitation Agreement ('LFA') and not a Land Sale Contract. The SAJC will continue to hold title to the land during the term of the development, and will ultimately be the vendor, as title holder, under contracts negotiated by the developers for the sale of subdivided Allotments within the development. Under completion of conditions precedent in the LFA, the SAJC has previously transferred the ultimate risks and rewards associated with the land to AVJ-UP, and has no continuing involvement or control of the land.

6. INTANGIBLE ASSETS

Intangible Assets	2015 \$000	2014 \$000
GAMING MACHINE ENTITLEMENTS		
Morphettville	1,200	1,200
Cheltenham	1,200	1,200
Norwood Community Club	390	390
TOTAL LICENCES & ENTITLEMENTS	2,790	2,790

On 14 July 2011, the South Australian Government introduced a trading system for gaming entitlements. The most recent trading round was held on 30 July 2015, and resulted in a sell price of \$29,125. The Group values its entitlements at \$30,000 each. Given the low volume of entitlements traded, the Club has maintained its valuation at \$30,000 per entitlement.

7. TRADE AND OTHER PAYABLES

Trade and Other Payables	2015 \$000	2014 \$000
Trade and Other Payables	1,818	2,478
TRSA Prizemoney Payable	-	2,062
TOTAL	1,818	4,540

8. EMPLOYEE BENEFITS

Employee Benefits	2015 \$000	2014 \$000
CURRENT		
Employee Provisions	1,111	1,050
NON-CURRENT		
Employee Provisions	57	57

NOTES TO THE FINANCIAL STATEMENTS

9. OTHER LIABILITIES

Other Liabilities		
Deferred Income		

10. RESERVES & RETAINED EARNINGS

Reserves & Retained Earnings
RETAINED EARNINGS
Balance Brought Forward
Add: Operating (Deficit)
Adjustments
Less: Transfers from Reserves
TOTAL RETAINED EARNINGS
RESERVES
INDUSTRY CAPITAL GRANTS RESERVE
Balance Brought Forward
Less: Depreciation of Industry Funded Assets
BALANCE AT YEAR END
ASSET REVALUATION RESERVE
Balance Brought Forward
Transfers to Retained Earnings
Less: Revaluation Decrements
BALANCE AT YEAR END
TOTAL RESERVES

2015	2014
\$000	\$000
1,247	1,089

2015 \$000	2014 \$000
80,033	81,615
(2,638)	(2,307)
	-
111	725
77,506	80,033
4,916	5,251
(107)	(335)
4,809	4,916
2,790	3,975
	(390)
	(795)
2,790	2,790
7,599	7,706

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 1.9.

NOTES TO THE FINANCIAL STATEMENTS

11. SUPERANNUATION FUND

All employees may nominate their preferred fund for employer contributions. The Club and Group contributed \$685K of employer contributions in the year ended 31 July 2015 (2014: \$674K). As at year end, the number of full-time equivalent employees working for the Club was 70. (2014: 74).

12. RELATED PARTY TRANSACTIONS

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, with trading from this date consolidated into the results of the SAJC. Effective 28 February 2006, the Norwood Community Club ceased operations and while Gaming Machine Entitlements are not in use, these remain the property of the Group. On 31 July 2014, 13 of the 26 NCC gaming entitlements were disposed for \$30,000 each. There were no other transactions with the Norwood Community Club Inc. during 2014/15.

Thoroughbred Racing SA

The SAJC is one of two members of Thoroughbred Racing SA (TRSA) and controls 50% of the voting power in general meeting, however has minimal influence over TRSA which acts as the industry body. The following transactions occurred between the SAJC and TRSA during the year:

• The Club incurred a liability of \$nil (2014: \$2.75M) to TRSA as a contribution to prizemoney, pursuant to an undertaking by the Club to contribute a portion of the income derived by the Club from proceeds of the Cheltenham racecourse Land Facilitation Agreement. The amount has been included as a Prizemoney Contribution to TRSA in the income statements. The Prizemoney

Contribution outstanding as at 31 July 2015 was \$nil (2014: \$2.062M) and is included in Trade and Other Payables in the Balance Sheet. The amount is non-interest bearing. • The Club received the following contributions

from TRSA during the year:

2015 \$000	2014 \$000
427	360
358	303
22	27
500	500
97	120
15	7
200	350
196	198
1,815	1,865
115	112
1,930	1,977
	\$000 427 358 22 500 97 15 200 196 1,815 115

Transactions with Key Management Personnel

up to \$18,000 to assist with costs incurred

in representing the Club during the year.

The remaining Board Members are entitled

to a reimbursement of their expenses not

Reimbursement is only provided where the

Board members have incurred expenses that

are directly related to furthering the Group.

• Some members of the Board, either directly

or through corporates in which they have a

substantial financial interest, may provide

exceeding \$2,500 per annum for costs

incurred in representing the Club.

for their services.

Other transactions of the Board:

The Board Members receive no remuneration Other Transactions with Key Management Personnel

- There were no other transactions with • The Chairman is entitled to an allowance of Key Management Personnel.
 - Key Management Personnel, or their relatives, may from time to time receive prizemoney from TRSA following the success of horses owned or trained by them. This prizemoney is paid by TRSA on the same terms and conditions as apply to any other owner or trainer.

certain goods or services in the normal

transactions with Members of the Board

were no more favourable than those

available to other entities on an arm's

· There was no amounts receivable from or payable to members of the Board at reporting

date arising from any such transactions. • Members of the Board, or their relatives,

may from time to time receive prizemoney

from TRSA following the success of horses

owned or trained by them. This prizemoney

is paid by TRSA on the same terms and

conditions as apply to any other owner

Key Management Personnel Compensation

2015

\$000

988

2014

\$000

1,016

course of the Club's activities.

length basis.

or trainer.

Short-term employee benefits

• The terms and conditions of those

• There was no other amounts receivable from or payable to Key Management Personnel at reporting date arising from the above transactions.

13. CASH FLOW INFORMATION

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:-

Cash Flow Information
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES
(Deficit) from ordinary activities
Investment Income
Less Capital Grants
Depreciation
Depreciation of Funded Assets
Profit on sale of property, plant and equipment
CHANGE IN ASSETS AND LIABILITIES
Decrease/(Increase) in receivables
(Increase) in inventory
Decrease/(Increase) in prepayments
(Decrease)/Increase in payables
Increase/(Decrease) in employee benefits
Increase in other liabilities

NET CASH USED IN OPERATIONING ACTIVITIES

14. COMMITMENTS AND CONTINGENCIES

Contingent Revenue

Under the terms of the LFA, (refer note 5) the SAJC can earn additional revenue pending the success of the development, whereby, if total allotment sales exceed an agreed threshold, the SAJC will earn 21.5% of the excess of the defined sales price over that threshold, up to a maximum of \$10M. Any additional revenue is to be recognised only when it is probable that the revenue will be earned under the contact. As at reporting date, management has not recognised any of the additional revenue on the basis that it is unlikely based on current sales data whether any such revenue will be earned.

15. OPERATING LEASES

photocopiers and a forklift, with lease terms of between 3 to 4 years. On conclusion of the term, there are no options to purchase.

C	OPERATING LEASES
N	Non-cancellable
c	perating lease
c	commitments
L	ess than one year.
B	Between one and
f	ive years

16. AUDITOR'S REMUNERATION

2015 \$000	2014 \$000
(2,638)	(2,307)
(3,256)	(4,885)
(200)	(200)
2,684	2,688
339	335
(61)	(19)
1,087	(503)
(30)	(60)
13	(61)
(2,718)	1,202
61	(83)
158	226
(4,560)	(3,667)

Leasing arrangements relate to the rental of

2015	2014
\$000	\$000
65	11
111	-
176	11
176	11

KPMG earned the following remuneration from the Club during the year:

AUDIT SERVICES	2015 \$000	2014 \$000
Audit or review of financial reports	50	50
Non-audit services	25	2
	75	52

During the year, KPMG provided assistance with an insurance claim, with the full amount of the non-audit services costs recovered from the insurers

REPORT AND STATEMENT BY THE BOARD

For the year ended 31 July 2015

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, and \$2,500 to each other Board member, 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.

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 29th day of October, 2015 Signed in accordance with a resolution of the Board

Anthy Polum

A.P. (Tony) Newman Chairman

Allan C Burchard Chairman of Finance & Investment Committee

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 32-51 for the year ended 31 July 2015, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Group as at 31 July 2015 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 Reduced Disclosure Requirements and the Associations Incorporation Act 1985, as amended.

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 29th day of October, 2015 Signed in accordance with a resolution of the Board

Anthy Prime.

A.P. (Tony) Newman Chairman

Allan C Burchard Chairman of Finance & Investment Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAJC INC.

For the year ended 31 July 2015



SOUTH AUSTRALIAN GROUP AND LISTED RACES 2015/16 SEASON

Date	Course	Prize Money	Race (and Registered Race Name)	Listing	Distance
AUGUST 2015					
Saturday 8	Morphettville	\$120,000	David R Coles Am Spring Stakes (WFA)	Group 3	1200m
Saturday 22	Morphettville Parks	\$100,000	William Hill Penny Edition Stakes (WFA)	Listed	1400m
SEPTEMBER 2015					
Wednesday 2	Balaklava	\$100,000	The Advertiser Newspapers Balaklava Cup (Quality Handicap)	Listed	1600m
Saturday 12	Morphettville	\$100,000	Goldin Farms Morphettville Guineas (3YO – SW)	Listed	1600m
Saturday 19	Morphettville	\$100,000	William Hill W H Wylie Handicap (Quality Handicap)	Listed	1100m
Saturday 19	Morphettville	\$100,000	Penang Trophy (SW + P) (Tokyo City Cup)	Listed	1800m
OCTOBER 2015					
Saturday 10	Morphettville	\$100,000	Hill Smith Stakes (3YO – SW)	Listed	1800m
Wednesday 14	Murray Bridge	\$100,000	Carlton Draught Murray Bridge Gold Cup (Quality Handicap)	Listed	1600m
Saturday 17	Morphettville	\$100,000	Programmed Durbridge Stakes (WFA)	Listed	1200m
DECEMBER 2016					
Saturday 5	Morphettville	\$100,000	Quayclean Stakes (Quality Handicap)	Listed	1200m
Saturday 26	Morphettville Parks	\$100,000	Adelaide Galvanising Christmas Handicap (Quality Handicap)	Listed	1400m
FEBRUARY 2016					
Saturday 13	Morphettville	\$100,000	Holdfast Insurance Birthday Cup (Quality Handicap)	Listed	2000m
MARCH 2016					
Saturday 5	Morphettville	\$120,000	James Boag's Premium Lord Reims Stakes (SW + Penalties)	Group 3	2600m
Saturday 5	Morphettville	\$100,000	Cinderella Stakes (2YO Fillies – Set Weights)	Listed	1050m
Monday 14	Morphettville	\$400,000	Ubet Adelaide Cup	Group 2	3200m
Monday 14	Morphettville	\$100,000	Schweppes C S Hayes Memorial Cup (Quality Handicap)	Listed	1600m
Monday 14	Morphettville	\$100,000	Matrice Stakes (SW + Penalties)	Listed	1200m
Saturday 26	Oakbank	\$100,000	Oakbank Stakes (Quality Handicap) (Hills Railway Stakes)	Listed	1100m
APRIL 2016					
Saturday 9	Morphettville	\$100,000	Farmers Union Iced Coffee Manihi Classic (Quality Handicap)	Listed	1100m
Saturday 9	Morphettville	\$100,000	Mittys Laelia Stakes (3YO Fillies – SW + Penalties)	Listed	1600m
Saturday 16	Morphettville	\$120,000	Campolina Stud Breeders' Stakes (2YO – SW)	Group 3	1200m
Saturday 16	Morphettville	\$100,000	Marsh Port Adelaide Guineas (3YO – Set Weights)	Listed	1800m
Saturday 23	Morphettville	\$120,000	Hughes Chauffeured Limousines R N Irwin Stakes (WFA)	Group 3	1100m

Date	Course	Prize Money	Race (and Registered Race Name)	Listing	Distance
APRIL 2016 (continued)					
Saturday 23	Morphettville	\$120,000	Schweppervescence Stakes (3Yo Fillies – SW + Penalties) (Auraria Stakes)	Group 3	1800m
Saturday 23	Morphettville	\$100,000	Mac Drink Driving? Grow Up Dequetteville Stakes (2YO Fillies – SW)	Listed	1050m
Saturday 30	Morphettville	\$120,000	Chairman's Stakes (3YO-SW)	Group 3	2000m
Saturday 30	Morphettville	\$100,000	Projection Graphics Redelva Stakes (3YO – SW + Penalties)	Listed	1100m
Saturday 30	Morphettville Parks	\$120,000	South Australian Sires Produce Stakes (2YO – SW)	Group 3	1400m
Saturday 30	Morphettville Parks	\$100,000	Holdfast Insurance City Of Adelaide Handicap (Quality Handicap)	Listed	1400m
Saturday 30	Morphettville Parks	\$100,000	H C Nitschke Stakes (3YO - SW + Penalties)	Listed	1400m
MAY 2016					
Saturday 7	Morphettville	\$400,000	Robert Sangster Stakes (Fillies & Mares - WFA)	Group 1	1200m
Saturday 7	Morphettville	\$400,000	Schweppes Oaks (3YO Fillies - SW) (Australasian Oaks)	Group 1	2000m
Saturday 7	Morphettville	\$175,000	Hughes Chauffeured Limousines Queen Of The South Stakes (Fillies & Mares – SW + Penalties)	Group 2	1600m
Saturday 7	Morphettville	\$120,000	D C Mckay Stakes (Quality Handicap)	Group 3	1100m
Saturday 7	Morphettville	\$100,000	Queen Adelaide Stakes (2YO – SW)	Listed	1050m
Saturday 14	Morphettville	\$500,000	South Australian Derby (3YO - SW)	Group 1	2500m
Saturday 14	Morphettville	\$250,000	Euclase Stakes (3YO – SW)	Group 2	1200m
Saturday 14	Morphettville	\$100,000	Adelaide Galvanising Adelaide Guineas (3YO – SW)	Listed	1600m
Saturday 14	Morphettville	\$100,000	Dominant Oaklands Plate (2YO- SW + Penalties)	Listed	1600m
Saturday 21	Morphettville	\$500,000	Darley Goodwood (SW + Penalties)	Group 1	1200m
Saturday 21	Morphettville	\$150,000	Robert & Fay Gerard R A Lee Stakes (SW + Penalties)	Group 3	1600m
Saturday 21	Morphettville	\$120,000	Sa Fillies Classic (3YO Fillies – SW)	Group 3	2500m
Saturday 21	Morphettville	\$120,000	Proud Miss Stakes (Fillies & Mares – Sw + Penalties)	Group 3	1200m
Saturday 21	Morphettville	\$120,000	National Stakes (2YO –SW)	Group 3	1200m
Saturday 21	Morphettville	\$100,000	Mittys Port Adelaide Cup (Quality Handicap)	Listed	2500m
Saturday 21	Morphettville	\$100,000	Centaurea Stakes (Fillies & Mares – SW + Penalties)	Listed	2000m
JULY 2016					
Saturday 23	Morphettville	\$100,000	Lightning Stakes (2 & 3YO - SW)	Listed	1050m

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