

SOUTH AUSTRALIAN JOCKEY CLUB



# Annual Report 2021/2022



SOUTH AUSTRALIAN  
JOCKEY CLUB





IMAGE: HORSES IN THE PARADE RING

COVER IMAGE: OWNERS WATCHING THEIR HORSES RUN IN THE TAB ADELAIDE CUP 2022

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# Chairman's Report



CHAIRMAN

## Bob Holton

As was the case last year, 2021/22 has presented considerable challenges. The State Government continued to follow SA Health advice by imposing restrictions that impacted our Members and race day operations. Fortunately, a considerable easing of these restrictions, leading to a welcome return to the status quo, occurred in the last few months of the year.

Again, the continued support of our Members, who accepted the necessary restrictions in a cooperative and understanding way, played a major part in our outstanding financial result.

Racing SA and the SAJC, working with industry participants, again kept our industry free of Covid consequences. The support of the State Government in assuring we could continue to race was greatly appreciated. The welfare of our racehorses and the stakeholders who rely on racing for an income was assured. The return of owners into the Mounting Yard on race days was enthusiastically welcomed.

The Adelaide Cup was again a resounding success. The extended 4 day Autumn Carnival produced excellent racing and we thank Channel 7 for showcasing our venue and racing to such a large audience.

In November 2022, the Club will announce the Development Partner for our Master Plan. This follows the October 2022 announcement of Kennett Builders as the builder for our State Of The Art Morphettville Events Centre. Your Board has worked diligently with our CEO Grant Mayer to ensure that all details, including carefully prepared Business Cases, were thoroughly considered before making the vital ground breaking decisions to proceed with these projects. The future proofing of the financial stability and capacity of our Club will be assured.

### GOVERNMENT FUNDING

The \$24M five year stimulus provided racing with more than \$3M this year. This was derived from our 10% share of the funds generated by the Place Of Consumption Tax. Racing SA is continuing to lobby the State Government for a substantial increase to 30% in that share. Any increase in Stake money is totally reliant on success in this area. High level consultation between Racing SA and the Government on other matters crucial to the future of our Industry are also occurring. The \$5M Government grant to support the building of 164 stables at Murray Bridge saw building commence recently.

### FINANCIAL PERFORMANCE

This year the SAJC has built on last year's recording of the first operating profit for 12 years by recording an even more impressive financial result. An operational profit (EBITDA) of \$529K has been achieved. Our management, headed by CEO Grant Mayer, our executive leadership team and our entire work force, dedicated themselves to overcoming the considerable barriers placed before them.

Innovative use of our restricted hospitality space, without compromising quality, was

instrumental to our success. On behalf of all Members, I would like to thank and congratulate everyone for their outstanding commitment to our Club.

The Junction again made a substantial contribution and the management and staff are thanked for their dedication and commitment.

### MORPHETTVILLE

As mentioned earlier, the SAJC Board is committed to a major infrastructure programme. Our management team has worked tirelessly to bring our Master Plan and the construction of our Events Centre to the brink of commencement.

The Stables project has been placed on hold following the receipt of building quotations that made the process unviable. Every effort was made to obtain a suitable price, but to no avail.

Our 40 year old escalators and lifts are being replaced. They will be considerably quieter and far more energy efficient.

Our tired 40 year old Grandstand is about to undergo a major refurbishment. The Members' floor will be upgraded with a new roof

along with ceilings, bathrooms, kitchen areas, air conditioning and lighting components improved.

Reports on the Main Track and the Parks Track are being sought to advise on a major upgrade of the irrigation system and an investigation into the remodelling of the Parks.

Our Racecourse Manager, Ian Ricardo, has moved into the important role of working with Racing SA to oversee the welfare of the State's tracks. Justin Groves has joined the SAJC to take over the Racecourse Manager's role. Justin has built an impressive career with his time as the SCG Grounds Manager being a highlight. Along with his team he has done an outstanding job in maintaining our racing and training surfaces to the highest standard. The presentation of the whole property receives frequent favourable comment which is a deserved compliment to our grounds team.

## CHELTENHAM

After investigating all options, including granting a Ground Lease to a developer at Cheltenham, failure to achieve satisfactory returns led the Board to place the Cheltenham land on the market. A contract for the sale of this site has now been signed with settlement expected prior to the 2022 AGM.

## RACING

SA trained horses have again proudly represented South Australia with strong results locally and in Victoria. Behemoth won the 2021 Memsie Stakes. Dalasan performed admirably at the highest level highlighted by his third in the 2021 Group 1 Epsom. Regalo Di Gaetano, See You In Heaven, Not Usual Glorious, Extremely Lucky and

Seradess head up an impressive list of SA gallopers showcasing the strength of our racing. Lombardo completed an outstanding run of success at Morphetville by winning the 2022 Goodwood.

We congratulate Barend Vorster and Richard and Chantelle Jolly for their well earned Metropolitan Jockey and Trainer premierships and Ben Price who won the Metropolitan Apprentice Jockey premiership for the 2021/22 season.

## LIFE MEMBERS

The Club's Constitution provides for admission to life membership for those members that have rendered valuable service to the Club, achieved 50 years continuous membership or been a member of the Club and been involved in thoroughbred racing for more than 40 years. At the 2021 Annual General Meeting it was the Boards' great pleasure to recommend Len French, John Cooper and Frances Nelson KC as Life Members. This recommendation was unanimously adopted by members present.

## VALE

On a sad note, the Club acknowledges the passing during the year of Life Member, Richard Hugh "Harry" Burnell and of Members, John Allen, Keith Bradshaw, Graham Campaign, Salvatore Costanzo, Peter Katelanis, Blair Keys, Brian Mueller, Dorothy Zlamal, Colin Shaw, Matthew Miles, John Lewis, Ken Smith, Rex Beare and Gary Mickan.

## SUMMARY

We have every reason to feel confident in the future of the SAJC.

The outstanding 2021/22 financial results together with the highly efficient management of all aspects of the SAJC operations is testament to the professionalism and dedication of our team.

At the Special General Meeting on 22 October 2022, the members approved a new and updated Constitution which will come into effect from 1 December 2022. The new Constitution modernises the framework under which we operate, is more aligned to current best-practice sporting club Constitutions and still retains unamended entrenched provisions. By-Laws sit aside the Constitution to provide agility around operational matters. The SAJC Constitution Working Party worked hard over many months to produce the new Constitution and I thank them for their tireless efforts.

At last years' AGM, I was re-elected to your Board. I am honoured and thankful for the trust you have placed in me. I will not let you down. I thank all of my fellow Board members for their commitment and fierce desire to progress our Club. A highlight has again been the strong and productive working relationship between the Board and our CEO and his team. The heavy workload challenge was accepted by all with outstanding results. Together we have progressed vitally important infrastructure decisions, finalised a new Constitution and set out a Strategy plan to continue the development of Morphetville to the highest standard for the benefit of Members, racing and all other stakeholders.

## CHAIRMAN'S REPORT

The relationship between Racing SA and the SAJC is strong, cooperative and robust. I thank Rob Rorrison for his outstanding leadership as the Chair of Racing SA. I also thank the Racing SA Board and Executives headed by CEO Nick Redin. Nick announced his resignation at the end of the racing year. His contribution to the well-being of the Racing industry cannot be underestimated. He faced, and overcame many difficult challenges. We wish him well in his new position with Thomas Farms. The Chairman of Country Racing SA, Jeff Tansell, has been a valuable contributor and partner and I thank him, his Board, and CEO, Chris Biggs. Previous Chair Wayne Henson is also thanked and congratulated for his dedicated contribution over many years.

In March a change of Government saw Peter Malinauskas become our new Premier, Stephen Mullighan become Treasurer with Katrine Hildyard the Racing Minister. We wish the new Government every success and look forward to a fruitful relationship into the future. I also acknowledge and thank outgoing Premier Steven Marshall, Treasurer Rob Lucas and Racing Minister Corey Wingard for their continuing support of racing.

We are fully supportive of Racing SA in their efforts to gain significant continued Government investment in racing. Failure in this area is not an option.

I particularly want to thank our new Governor, Her Excellency, The Honourable Frances Adamson AC and Mr Rod Bunten for their interest and support of the SAJC by continuing the Vice Regal tradition as a Club Patron. I also thank our other Patron Robert Gerard AO and Mrs Fay Gerard.

Along with the Board, I am looking forward to a busy and vitally important year. All of our infrastructure projects will significantly move forward with some physically beginning in the 2022/23 year.

The absence of vital hospitality spaces will present big challenges to our financial performance next year. However, you can rest assured that everyone at the Club will be continuing the huge efforts made this year to produce the absolute best result possible. We are all eagerly anticipating the construction and completion of our exciting Morphettsville Events Centre.

To our Members, you have been fantastic in the way you have cooperated and supported your Club given the ever changing restrictions forced on us all by the essential SA Health restrictions and infrastructure projects such as the essential replacement of the escalators and lifts. Thank you.

Everything we are doing at the Club is centred on providing the best member experiences possible whilst ensuring all stakeholders' needs are met. We will ensure that you are kept up to date with all the exciting projects in play, and look forward to welcoming you to a new era at Morphettsville. Ensuring a strong, financially secure future for your Club is our driving force.

**Bob Holton**  
*Chairman*





IMAGE: GLEN LEE, TAB GENERAL MANAGER COMMERCIAL RACING, PRESENTING THE TAB ADELAIDE CUP TO WINNING JOCKEY JAMIE KAH

# Chief Executive Officer's Report



CHIEF EXECUTIVE OFFICER

## Grant Mayer

*"Henry Ford summed it up best. 'If I had asked people what they wanted,' he said, 'they would have said a faster horse.'"*

- Simon Sinek

Having successfully negotiated our way through a 2020/21 financial year in which COVID-19 and its associated business restrictions and government stimuli were major factors for all events businesses, it was always going to be a challenge to maintain the positive momentum we had generated at Morphettville.

Nevertheless, I am pleased to report another strong year for our Club and one that I believe sets us up for a very exciting future.

With limited event spaces and the absence of the JobKeeper safety net, our focus for 2021/22 was on optimising every element of our major race days and functions while keeping a tight rein on expenses.

After the comparative uncertainty of the prior year, we were able to plan with more clarity and this concentrated, team effort delivered some excellent results.

### FINANCIAL PERFORMANCE

The Club is reporting an operations profit of \$529K for the 2021/22 Financial Year against a budgeted loss of \$738K.

This follows the previous year's effort where the club recorded an operations profit of \$414K.

This year's result represents an improvement of more than \$1.2 million against budget and the second profit in a row, demonstrating the strength of the strategies we have put in place.

Overall revenues, while understandably still short of pre-COVID levels, were up almost \$2 million on the previous year.

Our big race days are continuing to grow in popularity despite our current lack of indoor function areas. The limited number of event spaces we have are being used to their optimum capacity and our entire functions team is working as a well-oiled machine.

The number of non-racing events at Morphettville throughout 2021/22 remained relatively consistent compared with the previous year at

69 (2020/21: 68). While this is also well below pre-COVID levels, it is pleasing that we have continued to extract stronger returns from fewer events.

This is the result of everyone working to a clear strategy of delivering the optimum experience for every attendee.

Wagering income was slightly up on the previous year, due mainly to the tight COVID restrictions at the beginning of the season, while The Junction made another important contribution to our results.

Our vigilance around costs has continued, but this hasn't come at the expense of the patron experience and nor have we spared anything to ensure our tracks are as well prepared as possible to maintain our mantle as South Australia's premier training and racing venue.



IMAGE: TAB ADELAIDE CUP 2022



## ANNUAL MORPHETTVILLE RACING DATA

	2021/22	2020/21	2019/20
<b>SAJC PATRONAGE</b>			
Raceday attendance	69,225	57,419	67,263
Membership	1,887	2,207	1,440
Attendance per race meeting	1,610	1,367**	2,020*
Average Member attendance per race meeting	246	310**	345
Member & guest attendance as % of total attendees	16.7%	22.7%**	17.10%
<b>RACING</b>			
Race meetings	43	47	46
Races run	386	405	392
Total nominations	6,627	6,784	6,479
Total starters	4,498	4,733	3,599
Total prize money	\$23,248,670	\$22,321,950	\$21,154,500
<b>BETTING TURNOVER</b>			
On-course turnover	\$4,837,662	\$4,111,062	\$5,283,505
Off-course turnover	\$35,647,675	\$34,125,827	\$22,260,343
Total turnover	\$40,485,337	\$38,236,889	\$27,543,848
<b>BENCHMARKS – AVERAGES</b>			
Field sizes	9.9	9.7	9.2
Prize money per race	\$60,230	\$55,116	\$53,966
Total turnover generated for each race	\$104,884	\$94,412	\$70,265
On-course tote spend per visit	\$70	\$72	\$84*
On-course turnover as % of all betting turnover	11.95%	10.8%	19.2%

\* FY2019/20 – Data based on only those race meetings that had attendees (31)

\*\* FY2020/21 - Data based on only those race meetings that had attendees (42)

## ANNUAL MORPHETTVILLE NON RACE DAY DATA

	2021/22	2020/21	2019/20
<b>TOTAL NON RACE DAY ATTENDEES</b>	<b>11,088</b>	<b>11,572</b>	<b>38,995</b>
Events	69	68	118
<b>TOTAL REVENUE \$000</b>	<b>699</b>	<b>669</b>	<b>1,698</b>

# CHIEF EXECUTIVE OFFICER'S REPORT

## RACING SA

As the peak body for thoroughbred racing, Racing SA continued to play an important role throughout the year in lobbying the State Government on behalf of the industry.

At the time of writing, the Point of Consumption (POC) tax remains a critical issue, with state governments in other parts of Australia returning far more of the tax for reinvestment in prize money and infrastructure.

If clubs are to prosper and support the growth of the industry, we believe more of the income generated by racing needs to be returned to racing.

Elsewhere, it was very pleasing to partner with Racing SA and TAB to add another major event to our racing calendar with the confirmation of the TAB Finals Day. To be held on Saturday 12 November, TAB Finals Day will celebrate South

Australian Thoroughbred Racing's Hall of Fame inductees across a card made up of series finals with strong prize money on offer.

Included in this will be the newly created Cytrash Series, an open 1100m race named in honour of Gordon Richards' Group 1 winning sprinter.

Total Racing SA contributions were relatively stable for the 2021/22 Financial Year at \$3.1 million (2020/21: \$3.0M).

## ON THE TRACK

Please refer to Terry McAuliffe's Morphettville Season Review later in the Annual Report but wasn't it great to see Jamie Kah return home to win her first Adelaide Cup on Daqiansweet Junior.

The results were excellent, with our hospitality packages proving extremely popular.

The decision to spread the 2022

Autumn Racing Carnival across four separate weekends was an important one for our Club.

Both the Australasian Oaks and Robert Sangster Stakes were given the clear air they deserve and gave us the ability to market each of the Group One race days independently, with the racing of a very high quality.

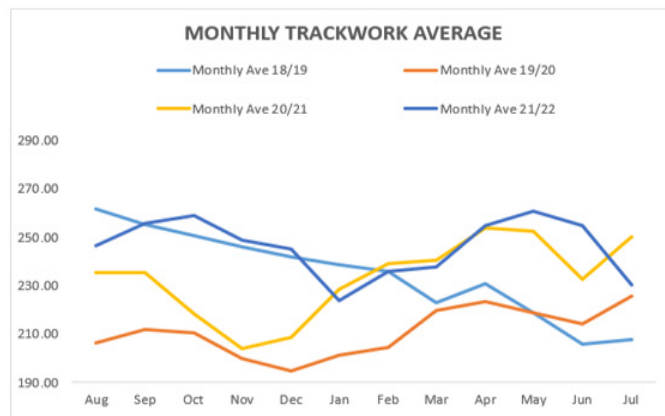
The results were excellent, with our hospitality packages proving extremely popular. While on-course wagering revenues dropped slightly due to the continuing trend toward mobile betting, the racing was of very high quality.

Our monthly trackwork numbers continued to grow with an average of 246 horses being trained per month compared with an average of 233 per month in the preceding year – further underlining Morphettville's status as the State's premier training venue.

## TRAINING ACTIVITY

	2021/22	2020/21	2019/20
Total Number of Horses on Track	77,086	73,005	66,206
Average Per Day	246	233	211
Daily Maximum	324	330	263
Daily Minimum	138	45	82
Highest Month	6,777	6,756	6,089
Annual Grass Gallops/Jump Outs	4,256	4,973	4,308

## TRACKWORK



Field sizes were another positive, growing to an average of 9.9 starters per race. That's a significant improvement from just two years ago when we were averaging 9.2 starters per race.

## MEMBERSHIP

After a year when COVID restrictions significantly impacted the ability for members to attend and enjoy their day at the races, it was great to welcome Members back to Morphettville in force.

While the membership price rose back up to \$150 after being heavily discounted in the previous year when venue access was limited, it was very pleasing that we still ended the year with almost 1900 members, over 400 more than the corresponding period two years ago.

In last year's Annual Report, I wrote that our transformation to a more agile business had only been possible because of the willingness of Members to be part of the solution.

The continued understanding and support of Members for the changes and improvements we have made has been integral in our success.

On behalf of our entire team, we are very grateful for the ongoing support of our Members and for the contribution each makes to our success.

	2021/22	2020/21	2019/20	2018/19
Paid Memberships	1,780	2,100	1,291	1,421
Life Members	45	43	45	47
Other Membership**	62	64	104	94
<b>TOTAL MEMBERS</b>	<b>1,887</b>	<b>2,207</b>	<b>1,440</b>	<b>1,562</b>

\* As at 24 October 2022, members totalling 1,579

\*\* Comprises NCC, corporates and complimentary

## STAFF

Having made some difficult but necessary decisions through the worst of the COVID pandemic, our business continues to run lean from a staffing perspective.

We have many employees who have agreed to be flexible with their hours and their positions in order to remain involved at Morphettville.

Over the past year, we focused on upskilling our staff and supporting them with the best leadership possible. Put simply, our staff have been incredible over the past 12 months.

We know what our customers want and we're delivering to their expectations. We are receiving excellent feedback from attendees, and we're incorporating those learnings into every event.

As we build our exciting new event spaces, we will need to underline our position as an employer of choice to

attract the best talent and build our staffing numbers accordingly.

That is the focus of our People, Culture and Strategy team led by Sheree Lowe and will be fundamental to our future success.

## INFRASTRUCTURE

The 2021/22 financial year was a period of acceleration for our project to Morphettville.

Having removed the final impediment with the State Government's revocation of an Open Space Proclamation, we were able to go to market with a two-stage tender process.

We received a quite staggering number of responses to the initial Expression of Interest process, with more than 40 companies lodging documents. A shortlist was created, and a number of developers were invited to submit a formal proposal.

In November 2022, the Club will

announce the Development Partner for the Master Plan.

I would like to thank the team involved for the enormous amount of work they have done on a project that is so important to our future with the returns generated to be reinvested in the encouragement of thoroughbred racing as well as improving facilities at Morphettville.

We have made strong progress on replacing the Gerard Pavilion, with the Club recently announcing South Australian family-owned Kennett as the builder for the Morphettville Event Centre (MEC).

Careful design has ensured we are maximising the available space to create what will arguably be the largest and most modern conference, function and event facility west of the CBD, with a seated capacity for up to 1,100 guests.

We have been deliberately conservative in our analysis of the

## CHIEF EXECUTIVE OFFICER'S REPORT

25-year business case and have set a modest revenue expectation that this facility will deliver a 12% annual return over a 25 year period.

During the 2021/22 Financial Year, the Club began necessary works on upgrading our escalators and lifts in the Main Grandstand. As well as being the latest technology, it is also more energy efficient than the existing equipment and will therefore deliver benefits in terms of lower operating costs.

The Club has been working on a project to build an additional 70 new stables. This project was supported by a State Government infrastructure commitment of \$500,000, requiring the Club to contribute the balance of the required funds.

However, the rapid rise of construction costs across the sector has now pushed the cost of completing this project well beyond our initial estimates. This is not a challenge being faced by the SAJC alone; there are myriad examples across the industry where projects of this nature have been impacted. Therefore, the Board has decided to put the stables project on hold.

Instead, we are using the opportunity to undertake a master planning

process for our entire racing infrastructure, analysing everything from our embedded training facilities through to our tracks and running rails.

### COMMERCIAL PARTNERS

We took a deliberate approach to further strengthening our commercial partnerships with our suppliers.

This is resulting in a food and beverage offering that has increased both in range and quality, and the difference is being noticed and appreciated by patrons.

We are extremely grateful to our sponsors and commercial partners for their continuing support of Morphettville and look forward to continuing to foster these very important relationships.

### THE WAY FORWARD

This year's result is a credit to all our team members, and I'd like to thank everyone across the club for their hard work and dedication.

Together, we are establishing Morphettville as a must-attend venue for functions, events and major race days, and it's clear that our hard work

is paying off.

While it's a very pleasing result, we can't afford to rest on past achievements.

Discretionary spending over the past couple of years has been staying local because of the COVID-19 situation.

With the reopening of interstate and international travel, that spending will inevitably get spread further while increased cost of living pressures will also change the way people use their money.

This underlines why we need to be strategic in protecting and growing our position as one of Adelaide's premier event destinations.

Building our new event facilities over the next 12 months and beyond will give Morphettville a competitive advantage for the future.

And I believe it's a future about which every Member can be very excited.

**Grant Mayer**  
*Chief Executive Officer*



IMAGE: SAJC BOARD - CEO, GRANT MAYER, CHAIRMAN, BOB HOLTON, DEPUTY VICE CHAIRMAN, JOHN KEEN, JOHN GIRVAN, VICE CHAIRMAN, JUDITH JONES, FIAC CHAIR, STEVE KELTON, RON PRATT & CHRISTINE SIMPSON

# Morphettville Racecourse

A YEAR IN REVIEW | 2021/22

69,224 

RACE DAY ATTENDANCE IN 21/22

5,195,090 

SOCIAL MEDIA IMPRESSIONS IN 21/22

104,984 

LITRES OF BEER SERVED IN 21/22

23,075 

BOTTLES OF WINE SERVED IN 21/22

386 

RACES RUN AT MORPHETTVILLE IN 21/22

4,498 

RACE STARTERS IN 21/22

\$4,837,662 

ON-COURSE BETTING TURNOVER IN 21/22

\$23,248,670 

PRIZE MONEY WON IN 21/22



# Chief Financial Officer's Report

## FINANCIAL PERFORMANCE

Prior to the Net Operations profit achieved by the Club last financial year, there was 12 years of consecutive operational losses.

This only accentuates the Club's satisfaction with producing a consecutive Net Operations profit this year.

The audited financial statements report an EBITDA profit of \$529K (2020/21: \$1,656K or \$414K after adjusting for the JobKeeper Subsidy).

	2021/22 \$000	2020/21 \$000
<b>NET OPERATIONS PROFIT/LOSS (EBITDA)</b>	<b>529</b>	<b>1,656</b>
Investment Return	(1,684)	8,803
<b>CONTRIBUTION FROM RECURRING BUSINESS ACTIVITIES</b>	<b>(1,155)</b>	<b>10,459</b>
Depreciation	(4,593)	(2,859)
Gain on Disposal Non-Current Asset	264	42
<b>PROFIT / (DEFICIT) FOR THE YEAR</b>	<b>(5,484)</b>	<b>7,642</b>

The positive EBITDA result was achieved against a budgeted loss with the Club still impacted through the year by ongoing COVID restrictions and attendee concerns. The latter part of the year saw challenging economic conditions and further venue limitations with the lifts and escalator replacement, all which had a negative influence on operating results.

Revenues were 10.0% higher than the prior year, noting revenues are still significantly lower (24%) than the last non-COVID impacted year of 2018/19 of \$21.7M. As patron and business

confidence with the COVID situation improves and the Event Centre comes online, the Club expects that revenues will once again grow in excess of the \$20M per annum mark.

Expenses were 9.1% higher than the prior year, but also noting that expenses were nearly 30% lower than the 2018/19 year. As expected, service type charges (cleaning and security in particular) and revenue related expenses (labour, gaming tax and COGS) represented the majority of the increase in costs as the Club tried to return to normal service.

Two operational profit years in a row should be well applauded by members.

The 2022/23 year represents another economic challenge with inflationary pressures driving up interest rates reducing the available discretionary spend of consumers. The Club will need to work twice as hard to retain and if possible, grow its proportion of this spend. In addition, the venue impacts from ongoing and planned construction across the site will also have flow on effects to the operating results as areas and rooms become unavailable for periods of the year.

	2021/22 \$000	2020/21 \$000	CHANGE
<b>REVENUE</b>	<b>16,459</b>	<b>16,253</b>	
Adj for JobKeeper Subsidy	-	(1,242)	
<b>ADJUSTED REVENUE</b>	<b>16,459</b>	<b>15,011</b>	<b>+10.0%</b>
<b>EXPENSES</b>	<b>15,930</b>	<b>14,597</b>	<b>+9.1%</b>
<b>COMPARABLE EBITDA</b>	<b>529</b>	<b>414</b>	

As a result of a significant turnaround in the fortunes of the investment markets and considering depreciation and asset disposals, the Club reports a Net Loss of \$5,484K for the 2021/22 financial year (2020/21: Net Profit \$7,642K).

## INVESTMENT RETURNS

After a strong first half of the year, investment markets were negatively impacted by inflationary pressures, central bank tightening (i.e. rising interest rates), product shortages and slow economic growth, along with world events such as the Russian / Ukraine conflict. This translated into a negative return on

investment funds of \$1,684K (-3.2%) after a very strong return in 2020/21 of \$8,803K (20.9%).

Whilst returns from the Club's investment managers, FMD and Bentleys Wealth Partners, were negative for the year, they were both in line with the relevant market benchmarks. During the year, the Club also invested in a

hotel investment fund (GM Hotels). This timely investment returned an annualised 34% for the year on the back of the Fund's strong pub returns and a sale of one of their pub assets.

As detailed below, the Investment Fund assets finished the year at \$63.1M (2020/21: \$65.3M).

	2021/22 \$000	2020/21 \$000
FMD	20,472	24,106
BWP	23,236	26,796
GM Hotels	2,000	-
Investment Cash Account	1,736	1,077
<b>TOTAL INVESTMENT FUNDS</b>	<b>47,444</b>	<b>51,979</b>
Other Investment Assets	15,659	13,292
<b>TOTAL INVESTMENT ASSETS</b>	<b>63,103</b>	<b>65,271</b>
<b>WEIGHTED AVERAGE RETURNS</b>	<b>-3.17%</b>	<b>20.87%</b>

## DEPRECIATION

The total depreciation expense for the year was \$4,593K, higher than the 2020/21 expense of \$2,859K. This increase in depreciation has resulted from:

- Write-off of low dollar value assets and assets no longer in use
- Accelerated depreciation related to the Junction building
- With upcoming major construction expected, assessments were made to the ongoing carrying value of all assets, with resultant write-down due to impairment of the Betting Canopy, TAFE buildings and Ground staff sheds

## ASSET VALUATION

In accordance with its accounting policies, the Board approved the revaluation of Club Buildings for accounting purposes as conducted by external independent valuer Wayne Smith B.AppSc (PRM) AAPI Certified Practising Valuer of Wayne Smith Property Valuers Pty Ltd. The recent significant commercial and private property value increases along with major shortages of materials and labour have conspired with a reset on the useful lives of existing buildings to substantially increase the carrying value of building assets. This resulted in a revaluation gain of \$21,001K following the devaluation last year of \$1,535K

The Club's Gaming Entitlements are also revalued annually. The most recent Gaming Trading Round was conducted on 20 May 2022 realising a vendor price of \$21,250 per entitlement. This has been applied to the carrying value of Cheltenham (40) entitlements resulting in a \$250K valuation increment. At the May Trading Round, the Club took the opportunity to sell the remaining 9 entitlements owned by the Norwood Community Club (NCC). The sale of these final NCC entitlements resulted in a net profit of \$56K, but also triggers the process to deregister NCC.

# CHIEF FINANCIAL OFFICER'S REPORT

## SAJC CAPITAL PROJECTS

During 2021/22 the Club spent \$4,302K on capital projects (2020/21: \$2,430K). The major spends are listed in the table below.

PROJECT	\$000	COMMENTS
Master Plan	734	There was major progression on feasibility works (total spend-to-date \$1,954K)
Lift & Escalator Upgrade	576	Upgrade facility lifts and escalators
Office Relocations	556	Establishment of 3 office spaces due to Event Centre construction
Building Fire Safety	480	Major works to improve water flow for fire purposes (total spend-to-date \$1,450K)
Pro-ride Removal	423	Removal of Pro-ride re Fibre Sand Track install
<b>PROJECTS &lt; \$100K</b>		
Building Related Improvements	706	Numerous facility improvements, including Terrace Bar, Leilani Bathrooms, Event Centre works
Hospitality/Kitchen Assets	309	Upgrade for WHS, furniture, equipment replacement
Racing Assets	141	Upgrade track equipment, mounting yard fence
IT, Website, Wi-fi, AV assets	209	IT & AV upgrades, payroll / rostering, website and POS equipment
Training facility assets	139	On course stables feasibility, CCTV
Other assets	29	Miscellaneous
<b>Capital Expenditure Total</b>	<b>4,302</b>	

There are some significant projects to be undertaken in the near future, with a significant spend profile. The SAJC Board has approved the 2022/23 capital budget in principle, with the following years representing indicative spends. All capital projects are approved in accordance with Club policies prior to project commencement.

MAJOR UPCOMING PROJECTS	2022/23 \$000	2023/24 \$000	2024/25 \$000
Events Centre	12,000	7,000	-
Master Plan	500	350	500
Building Fire Safety	500	2,000	1,000
Escalator & Lift Upgrade	500	-	-
Grandstand Improvements	1,280	3,350	5,370
Ground Staff Relocation	75	2,425	-
Link Stand Demolition	-	500	-



## FINANCIAL STATEMENT ANALYSIS

To assist Members to understand and analyse the financial information, please find detailed below the major variances in both Balance Sheet and Profit & Loss Statement as compared to 2020/21.

	2021/22 \$000	2020/21 \$000	DIFFERENCE \$000	COMMENTS
Hospitality Revenue	7,688	6,399	1,289	Revenue increase in all categories, with an overall 20% increase on the prior year (PY). Still impacted by COVID restrictions and venue limitations, noting Hospitality Revenues were \$11,281K in 18/19
Venue Gaming Revenue	2,897	2,791	106	Still lower than 18/19 revenues of \$3,102K, but an increment on PY by 3.8%. Upgrade of gaming machines planned in 22/23
Tote Revenue	464	428	36	This represents commissions from oncourse TAB turnover. Increase reflects 21% attendance level increase on PY. Revenue earned is a far cry from 2011 revenues of \$2.1M. Impacted by growing consumer use of online / phone betting
Sponsorship	1,077	850	227	Increased focus with positive results. PY impacted by activity through COVID restrictions
Industry Contributions	3,071	3,004	67	Full breakdown is found on page 48
Sundry Revenue	1,318	2,781	(1,463)	Includes product rebates, rent, track fees, membership income. PY included JobKeeper subsidy \$1,646K
Hospitality Expenditure	3,172	2,705	467	Represents costs to earn revenue. Includes cost of goods, equipment hires, share of utility and facility costs
Venue Gaming Expenditure	1,559	1,522	37	Increase reflecting tax on increased Venue Gaming Revenue
Race Day & Facility Expenditure	2,671	2,452	219	Increase in service costs such as cleaning and security, offset by continued business efficiencies, and close attention to non-essential costs
Salaries & Wages	6,417	6,019	398	Labor is the Club's most significant expense. The increase on prior year reflects activity and specific staffing requirements Focus continues on staffing efficiencies and closer management attention
Totalisator Operations	268	229	39	Increase due to number of attended meetings this year compared to PY
Sundry Expenses	1,843	1,670	173	Includes membership costs, insurance, sponsorship expenses, advertising and marketing costs, IT and telecoms, legal fees, consultancies
Cash & Cash Equivalents	367	171	196	Cash has increased \$1.1M. The increase reflects the Net Operations profit, offset by the significant capital expenditure for the year. Cash is managed very tightly, with the Club operating in an overdraft situation. Any drawdowns from Investment Funds must be Board approved and ensure that it meets the Constitutional requirements
Inventories	222	223	(1)	Represent stocks of food and beverages on hand. Balance on hand reflects current business activity requirements

# CHIEF FINANCIAL OFFICER'S REPORT

## FINANCIAL STATEMENT ANALYSIS

	2021/22 \$000	2020/21 \$000	DIFFERENCE \$000	COMMENTS
Trade & Other Receivables	266	343	(77)	Amounts due to the Club at balance date reflecting strong collection practices in place
Investments	45,706	50,902	(5,196)	Represents funds under management with FMD, Bentley Wealth Partners and GM Hotels. Decrease reflects investment loss and fund withdrawals during the year to fund capital expenditures
Prepayments	302	404	(102)	Payments made in advance (i.e. insurance & annual costs related to a future year) where expense is deferred to appropriate period. Decrease reflects lower insurance charges
Property, Plant & Equipment	48,450	27,680	20,770	Physical assets of the Club, including Land. Buildings are subject to annual revaluation by a Valuation professional. Assets are depreciated in accordance with Accounting Standards. Additions based on capital spend and disposals also impact this balance, noting significant revaluation increment this year
Right of Use of Assets	93	153	(60)	Accounting standard classification of Operating Leases reflected on Balance Sheet
Intangible Assets	2,050	1,935	115	Represents the Club's Gaming entitlements. 40 Junction entitlements are valued in use at \$30,000 each, 40 Cheltenham entitlements are valued based on the last market rate of \$21,250 each. The 9 Norwood Community Club entitlements were sold during the year
Trade & Other Payables	1,677	1,327	350	Amounts payable by the Club at balance date, reflects both activity level and timing of capital projects
Employee Benefits	648	692	(44)	Legislative provisions for employee annual and long service leave, decrease with some long term employees leaving during the year
Other Liabilities	650	880	(230)	Funds received in advance for sponsorship, membership and future events. Lower than previous year due to decrease in TAB sponsorship
Lease Liabilities	96	156	(60)	Accounting standard classification of Operating Leases reflected on Balance Sheet



IMAGE: PATRONS AT THE BARRIER WATCHING THE RACES ON ADELAIDE CUP DAY 2022

# Development Manager's Report

The Club has continued the process to identify a suitably qualified Development Partner to deliver the proposed 10-hectare Morphetville Master Plan Development as approved by the SA Government in September 2020.

Over the past year we have put together an extensive Expression

of Interest (EOI) and Request for Proposal (RFP) campaign for Major Developers to partner with The Club in delivery of the \$350m Morphetville Master Plan Development. We were very excited with the quality and scale of the respondents to the EOI, where proponents described their background, experience, and

approach to the opportunity for residential, commercial and retail development at Morphetville. The Evaluation Panel then selected the top five respondents from the EOI to participate in the RFP phase, where financial offers and commercial terms were required as well as a vision for the delivery of the project.



IMAGE: ARTISTS IMPRESSION OF MORPHETTVILLE'S MASTERPLAN REDEVELOPMENT

In November 2022, the Club will announce the Development Partner for our Master Plan.

The Morphetville Master Plan Development will deliver a vibrant and active commercial precinct on Anzac Highway with a new Junction Tavern, Supermarket, and retail specialty shops. In addition, there will be circa 400 apartments and another 200 town houses adjacent the racecourse which will create an active community on our doorstep.

The economic benefits go well beyond the development term of up to 10 years (depending on sales) with the Club considering ownership of the Junction Tavern and Retail Shops as a long-term landlord with strong annual cash flow returns. This would assist the Club to further the redevelopment of the Club's infrastructure including the Main Grandstand, Tracks and Maintenance Facilities.

Another key project for 2022 was the finalisation of the design for

the Morphetville Event Centre and appointment of Kennett Builders to construct the new Event Centre which we hope will be completed in November 2023

The Morphetville Event Centre replaces the former Gerard Pavillion which was demolished in 2020 due to issues with flammable EPS cladding and the temporary nature of that building.



IMAGE: ARTISTS IMPRESSION OF MORPHETVILLE'S EVENTS CENTRE

The new Event Centre provides amazing views of the racecourse and Adelaide Hills for the Level 1 Function Room which has a capacity of 750 seated guests. A large outdoor terrace provides fantastic views of the main straight and winning post for an up-close race day experience. This pillarless room will be the centrepiece for corporate and business functions as well as weddings and banquets for the Southwest of Adelaide and sets a new standard for our hospitality offerings at Morphetville.

The Ground Floor offers a flexible space with capacity for a further 350 seated guests that can be separated into three areas for a variety of uses including Boardroom, Cocktail, Meetings, Celebrations, and Corporate and Business Functions.

It also provides an excellent view of the main straight and winning post for a trackside food and beverage experience.

The Main Grandstand at Morphetville was constructed in 1980. We have been working on the refurbishment plans for the Main Grandstand this year and have completed the Terrace Bar refurbishment with the assistance of Racing SA and TAB. The installation of new Lifts and Escalator replace the original equipment which was past its useful life. The next stage involves installation of fire systems and sprinklers, roof replacement, refurbishment of the bathrooms, replacement of ceilings and a soft refurbishment of the interior and exterior.

Over the next twelve months you will see a lot of change at Morphetville as the new Function Centre, refurbished Grandstand and early works on the Master Plan Development start to take shape. It's an exciting time for staff and members and we look forward to producing continuous improvement in the standard of facilities and experiences here at Morphetville in the future.

**Neil Anderson**  
*Development Manager*

# Our Corporate Partners

## Principal Partner



### TAB BETTING FACILITIES

TAB is a proud partner of Morphettville and with Australia's largest wagering retail footprint, the TAB retail network consists of over 1,400 standalone, Pub, Club and on-course TAB outlets. TAB will continue for the coming years to be the naming rights partner to the TAB Adelaide Cup, with supporting functions and activations held on this day. Morphettville would like to thank TAB for their continued partnership.

## Principal Partner



### LION SOFT DRINK & WATER

Lion is one of Australasia's largest food and beverage companies. With a proud history extending back to 1840, they market premium brands in the dairy, juice, soy, beer, cider, fine wine, spirits, alcoholic ready to-drinks and non-alcohol beverages categories. Lion have activated several different brands such as Furphy, White Claw, James Squire and Iron Jack at Morphettville's Feature Race Days. We look forward to working with Lion on new product activation opportunities.

## Major Partner



### ADELAIDE GALVANISING HOT DIP GALVANISING

Adelaide Galvanising Industries is a wholly South Australian family-owned company and has been operating from their current site since 1996. The 2021 Adelaide Galvanising Boxing Day Race meet was a continued success, along with the naming rights to the Christmas Handicap and the Adelaide Guineas on South Australian Derby Day. Morphettville would like to thank Adelaide Galvanising for their continued sponsorship and support to the Club since 2010.

## Major Partner



### THOMAS FARMS PREMIUM QUALITY PRODUCE

Established in 2008, Thomas Farms is committed to delivering premium, retail – ready goods directly to consumers. They offer sustainable, ethical and focussed on meeting consumer preferences. Morphettville is delighted to partner with Thomas Farms as preferred supplier of quality protein. Thomas Farms is naming rights partner to South Australian Derby Day and hold major brand presence at Morphettville with on course signage.

## Major Partner



### TERRY HOWE PRINTING PRINTING & SIGNAGE

Terry Howe Printing is Morphettville's preferred signage and printing supplier. They are more than just a printing and signage service and also provides quality graphic design and pre-press trade services. The team is fully qualified with over 50 years combined industry experience and use of the latest software and equipment. Terry Howe Printing has been a sponsor of the Club since 2018 and provides the team at Morphettville with all our signage requirements.

## Major Partner



### GRAND SYNDICATES LEADER IN AFFORDABLE RACEHORSE SYNDICATION

Grand Syndicates is a horse racing syndication business catering specifically for people who want to own a share in a racehorse at an affordable price. As a major partner, Morphettville will work with Grand Syndicates to highlight their business to potential new owners. Grand Syndicates work with a trusted group of trainers and bloodstock agents to get the very best for their clients with trainer David Jolly heading up the South Australian component.

## Key Partner



### DOMINANT CLEANING PRODUCTS

Dominant has been running since 1958 as a manufacturer of industrial cleaning and sanitation products and have grown to be recognised as a leader and innovator in its field. Dominant supply Morphettville all their cleaning products.

## Key Partner



### WESLO STAFF SECURITY SERVICES

Weslo staff and security is Adelaide's premier event and venue staffing supplier in South Australia. Their employees staff all the Morphettville Racecourse events.

## Key Partner



### WINNING EDGE PRESENTATIONS MERCHANDISE SUPPLIER

Established in 1984, Winning Edge Presentations has a proud history of servicing the corporate and public sector throughout Australia. Specialising in all forms of giftware and presentation items, they customise, manufacture and wholesale distribute many major brands. Stocking thousands of products and apparel, as well as merchandise, from stress balls to golf balls. Winning Edge can look after us for everything that we need for our clients.

## Key Partner



### COCA COLA AMATIL - CC RTD BEVERAGE SUPPLIER

Under the Coca Cola Amatil company, Canadian Club continues to be the choice of savvy drinkers who are looking for a refreshing alternative to beer, a classic cocktail or simply a great tasting whisky served neat. Canadian Club has had a big brand presence at the track over the last 12 months, the CC branded bar asset continues to be activated across our feature days including Melbourne Cup Day.

## Key Partner



### OPTIONS WINE BEVERAGE SUPPLIER

Options Wine Merchants Pty Ltd is responsible for distributing some of the world's most respected and sought-after wines to the trade. A new agreement in 2020 see's Options providing beverages to 50% of Morphettville's event and conference beverage lists.

## Key Partner



### ACCOLADE WINES BEVERAGE SUPPLIER

Since treading it's first grapes over 165 years ago, Accolade has continued to draw on a proud heritage as a leading global wine company producing some of the world's best known and loved brands. Accolade came on board in 2019 and contribute 50% of our wine list.

## OUR CORPORATE PARTNERS

### Key Partner



#### FLEURIEU MILK DAIRY PRODUCTS

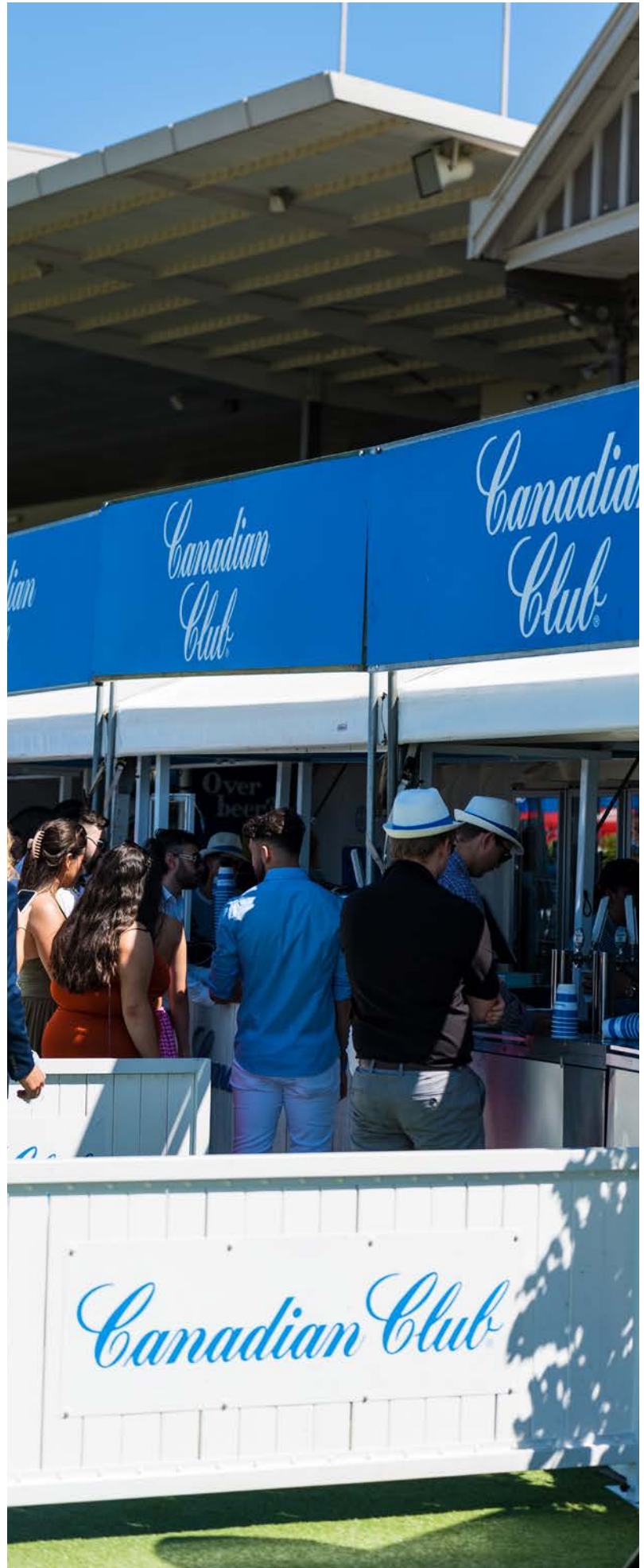
Fleurieu Milk Company produces premium fresh milk to Morphettville, delivering excellent customer service and great tasting products including their range of Farm Fresh, Jersey Premium milk and flavoured milk. Fleurieu Milk continues to be a passionate partner and we look forward to working with them over the coming years.

### Key Partner



#### PFD FOOD SERVICES PRODUCE SUPPLIER

PFD Food Services began in 1943 amid the noise and chaos of the Melbourne Fish Markets. Expanding rapidly to meet the demand of an ever-growing customer base, PFD is now Australia's largest family-operated foodservice network. PFD Food Services provide Morphettville with a range of dry goods, frozen and chilled products.





# Our People

Our people and culture priorities over the past 12 months have continued to focus on building the Club's capability, talent, and culture to enable our strategic and operational goals.

This includes ensuring that we have the right people, with the right skills, at the right time. We've committed to maximising performance through fostering a learning environment and culture and have invested in training and development opportunities across the categories of compliance, core skills development, strategic and leadership capability development across the Club.

We've invested in HR technology - Employment Hero to digitise, integrate and automate key HR and Payroll functions creating significant efficiencies, timely access to important data and improving the experience across the employee lifecycle.

## OUR WORKFORCE

At 31 July 2022, the SAJC employed 45 full-time equivalent staff including 12 part-time staff across Morphettville Racecourse and The Junction. Our casual workforce continues to be fluid with 40 casuals regularly engaged across both venues and up to 100 casuals engaged for major carnivals and events.

We have successfully recruited top talent across a number of critical roles in a volatile market, including Chief Operations Officer, Food & Beverage Operations Manager, Executive Chef, Racecourse Manager and Brand & Marketing Manager. Each of these leadership roles will ensure that the Club delivers high-quality outcomes for our members, customers and industry stakeholders.

We have begun taking steps toward our Diversity, Equity, and Inclusion (DEI) agenda and pleasingly now

have 40% of women in senior leadership and above roles.

Building and developing our casual food and beverage workforce has gained good momentum and continues to be a strong focus for the upcoming year.

We negotiated our new Enterprise Agreement for the Tracks and Grounds team including competitive employment conditions that reflect the importance of these roles. We would like to thank our employee representatives Nathaniel Molony and David Whitelaw for their effective and collaborative work throughout the enterprise bargaining process. Your time and input were highly valued.

## RECOGNISING OUR PEOPLE

The Club would like to acknowledge the entire team for their contributions over the past 12 months. We recognise that it has been a year of change, growth and disruption as we emerge from the impacts and constraints of COVID-19, at the same time progressing significant facilities development and upgrades whilst continuing to adapt and deliver a high-quality venue and experience for all.

We would like to recognise and thank the following loyal and

long-term employees who have reached key anniversary milestones during the past year, with Craig Hall - Tracks Supervisor and Anthony Kerr - Groundsperson both reaching 20 years' service, whilst Mike Cox - Chief Financial Officer reached 10 years.

## CULTURE & ENGAGEMENT

Our values - Collaboration, Adaptability, Respect and Experience underpin our workplace culture. We work hard to ensure these values are lived through our daily work which translates to positive culture, enabling our strategic goals and living up to our customer and member expectations.

We assess our culture and engagement each year via an employee engagement survey which provides detailed insights for the Club. Our overall employee engagement survey result was an impressive 80% against the Australian National average of 73% - reference source and survey benchmarked via Culture Amp. This reflects the quality of the leadership and team of the SAJC and has highlighted our strengths and the opportunities required to further enhance our workplace. We collaborated with our team to co-create initiatives ensuring our actions are both meaningful and impactful.



IMAGE: EXECUTIVE & SENIOR LEADERSHIP TEAM

# Morphettville Season Review

The 2021-22 racing season will be one that the father/daughter training combination of Richard and Chantelle Jolly will always remember. Overall throughout the term they would train 69 winners around South Australia at the impressive strike rate of 20.9%. This would claim the pair the State Training Title and they were 18 clear of their nearest rivals Tony and Calvin McEvoy who would chalk up 51 victories.

The Metropolitan Premiership would also be a runaway success for the Jolly's, posting 48 winners and again their strike rate of 19.6% was outstanding. It was the Leon Macdonald and Andrew Gluyas training partnership who would hold second spot with 32 winners, 16 adrift of the Jolly's tally.

In the jockey ranks Kayla Crowther with a whopping 110.5 winners around the State for the season would take the SA Premiership

However the Metropolitan crown and also the prestigious John Letts Medal as voted by the Steward's Panel throughout the year would fall the way of the affable South African Barend Vorster. Vorster with 96 winners around SA was well short of Crowther's 110.5, but in the Metropolitan Title his total of 51 winners was 14 clear of his nearest opponent.

The apprentice awards were dominated by Ben Price who with 78 winners for the term around the State finished in third spot behind Crowther and Vorster.

Price also found himself in sixth position on the Metropolitan table after greeting the judge first on 33 occasions.

Behemoth for the second successive year was the headline act of our equine stars and in the South

Australian Racehorse of The Year Award category made it back to back gongs.

Biggest highlight for season 2021-22 for the David Jolly prepared gelding was his Group 1 win in the Memsie Stakes at Caulfield, it too a repeat performance of his win 12 months earlier.

Phillip Stokes would also successively defend a feature race victory albeit with two different horses. After winning the 2021 TAB Adelaide Cup with Good Idea, Stokes would win the 2022 edition with Daqiansweet Junior piloted by champion South Australian jockey Jamie Kah.

The TAB Adelaide Cup was one of five winners for Kah on what was truly a memorable day for not just her but all of those present at Morphettville.

Morphettville would also play host to four weeks of Group 1 racing throughout April and May.

In the Grand Syndicates Australasian Oaks, a brilliant rails hugging ride by Daniel Moor enabled Glint Of Hope to prevail for the Trent Busuttin and Natalie Young team.

Next up in the SAROA Robert Sangster Stakes a dashing front running ride aboard Snapdancer from the extreme outside gate saw Ethan Brown land a maiden Group 1 success.

The race was also a great result for the Ciaron Maher and David Eustace team who aside from the winner had the runner up Away Game and fifth placed Bella Nipotina.

The final two Group 1's of the Adelaide carnival would fall the way of the Mick Price and Michael Kent (Jnr) barn. Jungle Magnate with Mark Zahra in the saddle would firstly prevail for the stable in the Thomas Foods South Australian Derby.

It would then be a magical moment the following week for Zac Spain coming home to South Australia to win the Furphy Goodwood with Lombardo for the Price - Kent team.

There was also a tinge of sadness surrounding Furphy Goodwood day for racing in South Australia. Tony and Calvin McEvoy had two runners in the big sprint, fourth placed Frankie Pinot and the 2021 victor Savatoxl who ran eighth. These were the final two runners in South Australia for the McEvoy stable out of the Angaston Kildalton Park base.

With that for now the curtain has been drawn on the famous property established by the late great Colin Hayes. A property from where Colin's sons Peter and David and then finally the McEvoy's would churn out countless winners and house some of the greatest horses to race on Australian turf.

With the 2021-22 season now well in our rear vision mirror we can look through the windscreen to what 2022-23 highlights will be delivered for us to savour and enjoy.

**Terry McAuliffe**  
*Racing.com Correspondent*



IMAGE: PATRONS READY TO WATCH THE RUNNING OF THE TAB ADELAIDE CUP 2022

# Feature Race Day Winners 2021/22

STAKES	RACE NAME	WINNER	TRAINERS	JOCKEY
<b>GROUP 1</b>				
\$502,250	Grand Syndicates Australasian Oaks	Glint of Hope (JPN)	Trent Busuttin & Natalie Young	Daniel Moor
\$502,250	SAROA Robert Sangster Stakes	Snapdancer	Ciaron Maher & David Eustace	Ethan Brown
\$502,250	Thomas Farms South Australian Derby	Jungle Magnate (NZ)	Mick Price & Michael Kent (Jnr)	Mark Zahra
\$502,250	The Furphy Goodwood	Lombardo	Mick Price & Michael Kent (Jnr)	Zac Spain
<b>GROUP 2</b>				
\$302,250	TAB Adelaide Cup	Daqiansweet Junior	Phillip Stokes	Jamie Kah
\$202,250	TAB Tobin Bronze Stakes	Seradess	Mark & Levi Kavanagh	Craig Williams
\$202,250	Queen of the South Stakes	Silent Sovereign	Tony & Calvin McEvoy	Barend Vorster
<b>GROUP 3</b>				
\$127,250	James Squire Spring Stakes	Behemoth	David Jolly	Kayla Crowther
\$127,250	Auraria Stakes	My Whisper	Peter & Paul Snowden	Will Price
\$127,250	R N Irwin Stakes	Bella Vella	Will Clarken	Kayla Crowther
\$127,250	Chairman's Stakes	Jungle Magnate (NZ)	Mick Price & Michael Kent (Jnr)	Damien Oliver
\$127,250	Breeders' Stakes	See You In Heaven	Richard & Chantelle Jolly	Jamie Kah
\$127,250	D C McKay Stakes	Free of Debt	Chris Bieg	Dom Tourneur
\$127,250	TAB SA Sires Produce Stakes	Twin Stars	Tony & Calvin McEvoy	Barend Vorster
\$152,250	R A Lee Stakes	Belle Plaisir	Tony & Calvin McEvoy	Barend Vorster
\$127,250	David Coles AM Stakes	Maximillus	Mick Price & Michael Kent (Jnr)	Mark Zahra
\$152,250	TAB SA Fillies Classic	The Amazonian	Mick Price & Michael Kent (Jnr)	Mark Zahra
\$127,250	TAB Proud Miss Stakes	Seradess	Mark & Levi Kavanagh	Craig Williams
\$122,435	Lord Reims Stakes	Canford	Ryan Balfour	Will Price

STAKES	RACE NAME	WINNER	TRAINERS	JOCKEY
<b>LISTED</b>				
\$107,250	Leon MacDonald Stakes	Second Slip (NZ)	Will Clarken	Todd Pannell
\$107,250	Balaklava Cup	Winning Partner	Tony & Calvin McEvoy	Barend Vorster
\$107,250	W H Wylie Handicap	Free of Debt	Chris Bieg	Gary Lo
\$107,250	Hill Smith Stakes	Cerberus	Anthony & Sam Freedman	Todd Pannell
\$107,250	Carlton Draught Murray Bridge Gold Cup	Regalo Di Gaetano	Richard & Chantelle Jolly	Jake Toeroek
\$107,250	John Letts Cup	Regalo Di Gaetano	Richard & Chantelle Jolly	Jake Toeroek
\$107,250	Roadside Services City of Marion Stakes	Outlaws Revenge	Ryan Balfour	Dom Tourneur
\$107,250	Adelaide Galvanising Christmas Handicap	Outlaws Revenge	Ryan Balfour	Dom Tourneur
\$107,250	Durbridge Stakes	Kemalpasa	Richard & Chantelle Jolly	Paul Gatt
\$102,435	Premier's Plate	Wyclif (GB)	Danny O'Brien	Jake Toeroek
\$107,250	Terry Howe Printing Matrice Stakes	Ironclad (GB)	Will Clarken	Jamie Kah
\$107,250	Morphettville Guineas	Ancient Girl	Clinton McDonald	Jamie Kah
\$107,250	TAB Cinderella Stakes	Bistro	Anthony & Sam Freedman	Jamie Kah
\$107,250	Clare Lindop Stakes	Mac 'N' Cheese	Tony & Calvin McEvoy	Barend Vorster
\$107,250	Furphy Manihi Classic	Lombardo	Mick Price & Michael Kent (Jnr)	Zac Spain
\$107,250	Dequetteville Stakes	See You In Heaven	Richard & Chantelle Jolly	Paul Gatt
\$107,250	Port Adelaide Guineas	Harleymoven	Dan Clarken & Oopy McGillivray	Ryan Hurdle
\$107,250	Oakbank Stakes	All Banter	Richard & Chantelle Jolly	Jake Toeroek
\$107,250	Redelva Stakes	Champagne Dreams	Wayne Francis & Glen Kent	Jake Toeroek
\$107,250	City of Adelaide Handicap	Morvada	Peter Jolly	Jamie Kah
\$107,250	HC Nitschke Stakes	Illation	Mick Price & Michael Kent (Jnr)	Mark Zahra
\$107,250	Without Fear Stakes	Aitch Two Oh	Richard & Chantelle Jolly	Jake Toeroek
\$107,250	Adelaide Galvanising Adelaide Guineas	Illation	Mick Price & Michael Kent (Jnr)	Mark Zahra
\$127,250	Centaurea Stakes	Foxy Frida	Andrew Noblet	Billy Egan
\$107,250	Schweppes Oaklands Plate	He's Heaven	Peter Moody	Jason Benbow
\$107,250	TAB Lightning Stakes	Extremely Lucky	Will Clarken	Todd Pannell
\$107,250	C S Hayes Stakes	Black Sail	Ciaron Maher & Andrew Eustace	Harry Coffey

# SAJC Board Members



**CHAIRMAN**  
**Bob Holton**

*SAJC Board Member since 2015*

**SAJC Committees**

- Infrastructure Committee
- Chairman: Performance & Review Working Party
- Ex-officio on all Board Committees



**VICE-CHAIRMAN**  
**Judith Jones**

*SAJC Board Member since 2020*

**SAJC Committees**

- Chairman: Infrastructure Committee
- Risk & Compliance Committee
- Performance & Review Working Party
- Constitution Working Party



**DEPUTY VICE-CHAIRMAN**  
**John Keen**

*SAJC Board Member since 2019*

**SAJC Committees**

- Chairman: Risk & Compliance Committee
- Chairman: Constitution Working Party



**Steve Kelton**

*SAJC Board Member since 2019*

**SAJC Committees**

- Chairman: Finance, Investment & Audit Committee
- Performance & Review Working Party



**John Girvan**

*SAJC Board Member since 2020*

**SAJC Committees**

- Finance, Investment & Audit Committee
- Membership Working Party



**Christine Simpson**

*SAJC Board Member since 2020*

**SAJC Committees**

- Membership Working Party



**Ron Pratt**

*SAJC Board Member since 2020*

**SAJC Committees**

- Risk & Compliance Committee
- Constitution Working Party

## BOARD MEMBERS ATTENDANCE AT MEETINGS 2021/22

The attendance by individual Board Members at meetings of the Board and its committees in 2021/22 was as follows:

DIRECTOR	BOARD	FINANCE, INVESTMENT & AUDIT COMMITTEE	RISK & COMPLIANCE COMMITTEE	MEMBERSHIP WORKING PARTY
Bob Holton	14 (14)	9 (9)	3 (3)	1 (4)
Steve Kelton	14 (14)	9 (9)	-	-
John Keen	14 (14)	-	3 (3)	-
John Girvan	14 (14)	9 (9)	-	4 (4)
Judith Jones	14 (14)	7 (9)	2 (3)	-
Ron Pratt	13 (14)	-	2 (3)	3 (4)
Christine Simpson	13 (14)	-	-	4 (4)

A Membership Working Party was formed in 2021 and continues to meet quarterly.

A Performance & Review Working Party met on several occasions during the year.

Independent representatives and Members were appointed to the Board Sub-Committees and Working Parties to offer expertise and to complement the skills of Board Members.

Those independent representatives and Members for the 2021/22 year are:

- Shannen Graham – Finance, Investment & Audit Committee (until October 2021)
- Neville Ortmann – Finance, Investment & Audit Committee (until February 2022)
- Wayne Henson - Finance, Investment & Audit Committee (from February 2022)
- Kym Hume – Risk & Compliance Committee
- Allie Umoff – Constitution Review Working Party and Risk & Compliance Committee.

# Financial Report 2021/22

## SAJC AND ITS CONTROLLED ENTITY BALANCE SHEET FOR THE YEAR ENDED 31 JULY 2022

	NOTE	2022 \$000	2021 \$000
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	367	171
Inventories		222	223
Trade and Other Receivables	3	266	343
Investments	4	1,706	2,047
Prepayments		302	404
<b>TOTAL CURRENT ASSETS</b>		<b>2,863</b>	<b>3,188</b>
<b>NON-CURRENT ASSETS</b>			
Investments	4	44,003	48,855
Property, Plant & Equipment	5	48,450	27,680
Right of Use Assets		93	153
Intangible Assets	6	2,050	1,935
<b>TOTAL NON-CURRENT ASSETS</b>		<b>94,596</b>	<b>78,623</b>
<b>TOTAL ASSETS</b>		<b>97,459</b>	<b>81,811</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	7	1,677	1,327
Employee Benefits	8	615	665
Lease Liabilities		60	60
Other Liabilities	9	650	880
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,002</b>	<b>2,932</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Benefits	8	33	27
Lease Liabilities		36	96
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>69</b>	<b>123</b>
<b>TOTAL LIABILITIES</b>		<b>3,071</b>	<b>3,055</b>
<b>NET ASSETS</b>		<b>94,388</b>	<b>78,756</b>
<b>EQUITY</b>			
Reserves	10	25,801	5,670
Retained Earnings	10	68,587	73,086
<b>TOTAL EQUITY</b>		<b>94,388</b>	<b>78,756</b>

The accompanying notes form part of these financial statements.



**SAJC AND ITS CONTROLLED ENTITY STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022**

	NOTE	2022 \$000	2021 \$000
<b>REVENUE FROM OPERATING ACTIVITIES</b>			
Hospitality Revenue		7,688	6,399
Venue Gaming Revenue		2,897	2,791
Tote Revenue		464	428
Sponsorship		1,077	850
Industry Contributions	12	3,071	3,004
Sundry Revenue		1,262	2,781
<b>TOTAL REVENUE</b>		<b>16,459</b>	<b>16,253</b>
<b>EXPENDITURE FROM OPERATING ACTIVITIES</b>			
Hospitality Expenditure		3,172	2,705
Venue Gaming Expenditure		1,559	1,522
Racing & Facility Expenditure		2,671	2,452
Salaries & Wages		6,417	6,019
Tote Operations		268	229
Sundry Expenses		1,843	1,670
<b>TOTAL EXPENDITURE</b>		<b>15,930</b>	<b>14,597</b>
<b>SURPLUS FROM OPERATIONS BEFORE FINANCE INCOME, DEPRECIATION AND CAPITAL DISPOSALS (EBITDA)</b>		<b>529</b>	<b>1,656</b>
<b>Net Finance Income</b>	4	<b>(1,684)</b>	<b>8,803</b>
<b>Surplus/(Deficit) Before Depreciation</b>		<b>(1,155)</b>	<b>10,459</b>
Depreciation - Property, Plant & Equipment	5	(3,249)	(2,588)
Depreciation - Right of Use Assets		(60)	(57)
Accelerated Depreciation of Property, Plant & Equipment	5	(1,284)	(214)
Net Gain on Disposal of Non-Current Assets		264	42
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(5,484)</b>	<b>7,642</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of Gaming Entitlements to Fair Value	6	250	179
Revaluation of Buildings to Fair Value	10	21,001	(1,535)
Gain/(Loss) on Impairment		-	(3,749)
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>21,251</b>	<b>(5,105)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>15,767</b>	<b>2,537</b>

The accompanying notes form part of these financial statements.

# Financial Report 2021/22

## SAJC AND ITS CONTROLLED ENTITY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2022

	RETAINED EARNINGS \$000	RESERVES \$000	TOTAL
<b>BALANCE AT 1 AUGUST 2020</b>	<b>65,193</b>	<b>11,026</b>	<b>76,219</b>
Surplus for the Year	7,642	-	7,642
Plus: Revaluation of Buildings to Fair Value	-	(1,535)	(1,535)
Gain/(Loss) on Impairment	-	(3,749)	(3,749)
Plus: Intangible Revaluation Increments	-	179	179
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>7,642</b>	<b>(5,105)</b>	<b>2,537</b>
Depreciation of Industry Funded Assets	-	(251)	(251)
Transfers to and (from) Reserves	251	-	251
<b>BALANCE AT 31 JULY 2021</b>	<b>73,086</b>	<b>5,670</b>	<b>78,756</b>
<b>BALANCE AT 1 AUGUST 2021</b>	<b>73,086</b>	<b>5,670</b>	<b>78,756</b>
Surplus for the year	(5,484)	-	(5,484)
Revaluation Increments	250	21,001	21,251
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(5,234)</b>	<b>21,001</b>	<b>15,767</b>
Depreciation of industry funded assets	-	(241)	(241)
Transfers to and (from) reserves	735	(629)	106
<b>BALANCE AT 31 JULY 2022</b>	<b>68,587</b>	<b>25,801</b>	<b>94,388</b>

The accompanying notes form part of these financial statements.

**SAJC AND ITS CONTROLLED ENTITY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2022**

	NOTE	2022 \$000	2021 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Operating Activities		17,952	18,535
Payments to Suppliers and Employees		(17,167)	(16,000)
Interest Paid		(29)	(248)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>15</b>	<b>756</b>	<b>2,287</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received on Investments		(201)	-
Proceeds from Sale of Property, Plant & Equipment		264	52
Payments for Property, Plant & Equipment		(4,302)	(2,430)
Proceeds from Disposal of Investments		3,739	1,217
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>		<b>(500)</b>	<b>(1,161)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Reduction in Lease Liabilities		(60)	(55)
<b>NET CASH UTILISED IN FINANCING ACTIVITIES</b>		<b>(60)</b>	<b>(55)</b>
<b>NET INCREASE IN CASH HELD</b>		<b>196</b>	<b>1,071</b>
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>171</b>	<b>(900)</b>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>		<b>367</b>	<b>171</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## FOR THE YEAR ENDED 31 JULY 2022

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 2021 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 27<sup>th</sup> October 2022.

#### 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
- buildings and improvements are measured at fair value
- 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.

The financial report is prepared in Australian Dollars, which is the Group's functional currency.

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 in the Group.

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

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

#### (II) TRANSACTIONS ELIMINATED ON CONSOLIDATION

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

### 1.2 PROPERTY, PLANT & EQUIPMENT

Buildings and improvements are measured at fair value. When a revaluation increases the carrying value of buildings the increase is credited to the revaluation reserve in equity. To the extent the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. When the carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. To the extent the decrease reverses an increase previously recognised in equity, the decrease is first recognised in other comprehensive income, and presented in equity.

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

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 profit or loss.

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 are expensed as incurred.

Capital works in progress is measured on the cost basis, and represents items of property, plant & equipment that the Club holds but are deemed to not yet be at their final stage of completion. Once each item of property, plant & equipment is complete, the asset is transferred to the relevant asset class.

## DEPRECIATION

In arriving at the 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:

	2022	2021
Buildings & Improvements	2.5% - 20%	2.5% - 20%
Plant & Equipment	2.5% - 33%	2.5% - 33%

Assets with a written down value of less than \$1,000 are written off at the end of the financial year. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## 1.3 REVENUE & OTHER INCOME

Revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## INDUSTRY GRANTS

The SAJC received distributions from Racing South Australia ('RSA') to fund operations. These amounts are reported on an accrual basis. Grants received from RSA for capital purposes are treated as operating

income insofar as the fair value of the amount received does not exceed any related amounts already recognised by the Club, in which case the Club will recognise a liability until such time that the Club satisfies its Performance Obligations. The depreciation component of such items is recognised as a deficit

## 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 profit or loss 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 & 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. Interest income is recognised as it accrues in the profit or loss 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 and impairment losses recognised on financial assets.

# Notes to the Financial Statements

## FOR THE YEAR ENDED 31 JULY 2022

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.

### GRANTS

Grant revenue is recognised in profit or loss when the Club satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Club is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

### 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 profit or loss 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 & 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 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 under section 50-45 item 9.1(a) of the Income Tax Assessment Act 1997.

## 1.7 GOODS & 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

### RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Club expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Club has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the Club's incremental borrowing rate. Lease payments comprise of fixed

payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in the rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

## 1.9 INTANGIBLE ASSETS

The Group's gaming machine entitlements are recorded at their fair value. This class of non-current assets, measured at fair value, is assessed annually to ensure the carrying amount does not materially differ from its fair value. Revaluation increments, on a class of assets basis, are recognised in the Asset Revaluation Reserve except that, amounts reversing a decrement previously recognised as an expense are recognised as revenues. These intangible assets have not been internally generated and have indefinite useful lives.

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

## 1.10 FINANCIAL INSTRUMENTS

### 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 financial assets: financial assets at fair value through profit or loss and loans and receivables.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the

# Notes to the Financial Statements

## FOR THE YEAR ENDED 31 JULY 2022

purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### *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 are comprised of 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.

### *Investments and other financial assets*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### **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 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**

#### **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.

#### *Impairment of financial assets*

The Club recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the Club's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has



become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

#### **NON-FINANCIAL ASSETS**

The carrying amounts of the Club's non-financial 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 which is not carried at fair value 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 JUDGMENTS & 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, Note 5 – Property, Plant & Equipment and Note 6 – Intangible Assets.

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2022

## 2. CASH & CASH EQUIVALENTS

	2022 \$000	2021 \$000
Cash and Cash Equivalents on Hand	234	242
Cash at Bank - Investment Account	1,091	1,018
Bank Overdraft	(958)	(1,089)
<b>TOTAL</b>	<b>367</b>	<b>171</b>

The SAJC maintains a secured overdraft facility with ANZ of \$2M which is subject to annual review. At reporting date, \$958K (2021: \$1,089K) of this overdraft had been drawn down.

## 3. TRADE & OTHER RECEIVABLES

	2022 \$000	2021 \$000
<b>CURRENT</b>		
Trade and Other Receivables	269	346
Allowance for Expected Credit Loss	(3)	(3)
<b>TOTAL</b>	<b>266</b>	<b>343</b>

## 4. INVESTMENTS

	2022 \$000	2021 \$000
<b>CURRENT</b>		
Financial Assets at Fair Value Through Profit or Loss	1,706	2,047
<b>TOTAL</b>	<b>1,706</b>	<b>2,047</b>
<b>NON-CURRENT</b>		
Financial Assets at Fair Value Through Profit or Loss	44,003	48,855
<b>TOTAL</b>	<b>44,003</b>	<b>48,855</b>
<b>TOTAL INVESTMENTS</b>	<b>45,709</b>	<b>50,902</b>

#### 4. INVESTMENTS (CONTINUED)

RECONCILIATION OF THE CARRYING AMOUNTS OF EACH CLASS OF INVESTMENTS	2022 \$000	2021 \$000
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CURRENT)</b>		
Carrying Amount at the Beginning of Year	2,047	2,154
Additions	-	-
Disposals	(341)	(107)
<b>CARRYING AMOUNT AT END OF THE YEAR</b>	<b>1,706</b>	<b>2,047</b>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (NON-CURRENT)</b>		
Carrying Amount of the Beginning of Year	48,855	40,911
Additions	5,887	13,332
Disposals	(8,546)	(14,235)
Unrealised Loss/Gain on Fair Value	(2,193)	8,847
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>44,003</b>	<b>48,855</b>
<b>TOTAL INVESTMENTS</b>	<b>45,709</b>	<b>50,902</b>
<b>NET FINANCE INCOME</b>		
Net Interest (Expense)/Income	4	(3)
Finance & Investment Fund Manager Fees Expense	(234)	(245)
Net (Loss)/Gain on Investments	(1,454)	9,051
<b>NET FINANCE INCOME</b>	<b>(1,684)</b>	<b>8,803</b>

INVESTMENTS REPRESENTS FUNDS MANAGED BY INVESTMENT MANAGERS	FAIR VALUE LEVEL 1 \$000	FAIR VALUE LEVEL 2 \$000	HOLDING AT 31 JULY 2022 \$000	WEIGHTED AVERAGE RETURN 31 JULY 2021	HOLDING AT 31 JULY 2021 \$000	WEIGHTED AVERAGE RETURN 31 JULY 2021
FMD	2,764	17,708	20,472	-5.48%	24,106	18.95%
Bentleys Wealth Partners	1,771	21,465	23,236	-4.12%	26,796	22.67%
GM Hotels	2,000	-	2,000	34.05%	-	-
<b>TOTAL</b>	<b>6,535</b>	<b>39,174</b>	<b>45,709</b>	<b>-3.17%</b>	<b>50,092</b>	<b>20.87%</b>

The fair value of Level 1 investments is 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].

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2022

## 5. PROPERTY PLANT & EQUIPMENT

	NOTE	2022 \$00	2021 \$000
<b>FREEHOLD LAND AT COST</b>			
Morphettville		357	357
Cheltenham		321	321
<b>TOTAL</b>		<b>678</b>	<b>678</b>
<b>BUILDINGS &amp; IMPROVEMENTS AT FAIR VALUE</b>			
Morphettville		32,761	13,150
<b>TOTAL</b>		<b>32,761</b>	<b>13,150</b>
<b>PLANT &amp; EQUIPMENT AT COST</b>			
Morphettville		40,811	40,123
Less: Accumulated Depreciation		(30,272)	(28,856)
<b>TOTAL</b>		<b>10,539</b>	<b>11,267</b>
<b>CAPITAL WORKS IN PROGRESS</b>			
		<b>4,472</b>	<b>2,585</b>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>			
		<b>48,450</b>	<b>27,680</b>
Included in the above total of Property, Plant & Equipment are the written down values of assets funded by industry grants to the extent of:	10	2,911	3,152
<b>RECONCILIATION OF THE CARRYING AMOUNTS OF EACH CLASS OF PROPERTY, PLANT &amp; EQUIPMENT</b>			
<b>FREEHOLD LAND AT COST</b>			
Carrying Amount at Beginning of Year		678	678
<b>CARRYING AMOUNT AT END OF YEAR</b>		<b>678</b>	<b>678</b>
<b>BUILDINGS &amp; IMPROVEMENTS</b>			
Carrying Amount at Beginning of Year		13,150	18,929
Transfers from Capital Works in Progress		1,595	851
Depreciation		(2,985)	(1,346)
Revaluation/(Impairment) through Asset Revaluation Reserve		21,001	(5,284)
<b>CARRYING AMOUNT AT END OF YEAR</b>		<b>32,761</b>	<b>13,150</b>

## 5. PROPERTY PLANT & EQUIPMENT (CONTINUED)

	NOTE	2022 \$00	2021 \$000
<b>PLANT &amp; EQUIPMENT</b>			
Carrying Amount at the Beginning of Year		11,267	12,186
Transfer from Capital Works in Progress		820	547
Disposals		-	(10)
Depreciation		(1,548)	(1,456)
<b>CARRYING AMOUNT AT END OF YEAR</b>		<b>10,539</b>	<b>11,267</b>
<b>CAPITAL WORKS IN PROGRESS</b>			
Carrying Amount at the Beginning of Year		2,585	1,553
Additions		4,302	2,430
Transfer to Buildings & Improvements		(1,595)	(851)
Transfer to Property, Plant & Equipment		(820)	(547)
<b>CARRYING AMOUNT AT END OF YEAR</b>		<b>4,472</b>	<b>2,585</b>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENTS</b>		<b>48,450</b>	<b>27,680</b>

Buildings are measured at fair value, based on the ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Buildings are to be independently valued every three years by an external valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

For the year ended 31 July 2022, the SAJC Board undertook a Directors Valuation of Buildings, based on the valuation principles as updated by the external, independent valuer, Wayne Smith B. AppSc (PRM) AAPI Certified Practising Valuer of Wayne Smith Property Valuers Pty Ltd. The Gaming Venue was revalued in accordance with the expected PV of cashflows over the next three (3) years to recognise its current value.

Every year, the Club conducts a review of its assets which may result in changes in the expected usage of certain plant & equipment. This refers to assets which are determined to have reached the end of their useful life or, include assets with limited or no use to the Club, such as aged assets and assets being replaced. These assets are subject to accelerated depreciation, with the effect of this review being an increase of depreciation expense of \$206K in 2022 (\$1,450K in 2021).

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2022

## 6. INTANGIBLE ASSETS

	2022 \$000	2021 \$000
<b>GAMING MACHINE ENTITLEMENTS</b>		
Morphettville	1,200	1,200
Cheltenham	850	600
Norwood Community Club	-	135
<b>TOTAL LICENSES &amp; ENTITLEMENTS</b>	<b>2,050</b>	<b>1,935</b>

On 14 July 2011, the South Australian Government introduced a trading system for gaming entitlements. The most recent trading round was held on 20 May 2022 and resulted in a sell price of \$21,250.37. The Club has sold Norwood Community Club entitlements at \$21,250.37 each. The gain on the sale of these entitlements is included in sundry revenue in the P&L. The Club has valued the Cheltenham entitlements at their Level 2 fair value which represents the latest trading round selling price. The Club has undertaken a net present value calculation to determine the Morphettville Junction entitlements as entitlements in use and maintained their fair value at \$30,000 per entitlement.

## INTANGIBLE ASSET RECONCILIATION

CONSOLIDATED	MORPHETTVILLE \$000	CHELTENHAM \$000	NORWOOD COMMUNITY CLUB \$000	TOTAL \$000
<b>GAMING MACHINE ENTITLEMENTS</b>				
Balance at 1 August 2020	1,200	455	101	1,756
Revaluation	-	145	34	179
<b>BALANCE AT 31 JULY 2021</b>	<b>1,200</b>	<b>600</b>	<b>135</b>	<b>1,935</b>
Balance at 1 August 2021	1,200	600	135	1,935
Revaluation	-	250	-	250
Disposals	-	-	(135)	(135)
<b>BALANCE AT 31 JULY 2022</b>	<b>1,200</b>	<b>850</b>	<b>-</b>	<b>2,050</b>

## 7. TRADE & OTHER PAYABLES

	2022 \$000	2021 \$000
Trade and Other Payables	1,667	1,327

## 8. EMPLOYEE BENEFITS

	2022 \$000	2021 \$000
<b>CURRENT</b>		
Employee Provisions	615	665
<b>NON-CURRENT</b>		
Employee Provisions	33	27

## 9. OTHER LIABILITIES

	2022 \$000	2021 \$000
Deferred Income	650	880

## 10. RESERVES & RETAINED EARNINGS

	2022 \$000	2021 \$000
<b>RETAINED EARNINGS</b>		
Balance Brought Forward	73,086	65,193
Add: Surplus/(Deficit)	(5,484)	7,642
Transfers from Reserves (net)	985	251
<b>TOTAL RETAINED EARNINGS</b>	<b>68,587</b>	<b>73,086</b>
<b>RESERVES</b>		
<i>Industry Capital Grants Reserve</i>		
Balance Brought Forward	3,152	3,403
Less: Depreciation of Industry Funded Assets	(241)	(251)
<b>BALANCE AT YEAR END</b>	<b>2,911</b>	<b>3,152</b>
<i>Asset Revaluation Reserve</i>		
Balance Brought Forward	2,518	7,623
Plus: Buildings Revaluation Decrements	21,001	(5,284)
Add: Intangibles Revaluation Increments	(629)	179
Less: Transfer to Reserves	-	-
<b>BALANCE AT YEAR END</b>	<b>22,890</b>	<b>2,518</b>
<b>TOTAL RESERVES</b>	<b>25,801</b>	<b>5,670</b>

# Notes to the Financial Statements

## FOR THE YEAR ENDED 31 JULY 2022

### 10. RESERVES & RETAINED EARNINGS

The Industry Capital Grants Reserve represents the written down value of Government Funded Capital Assets that the Club has received. These Assets are included in the total Property, Plant & Equipment figure in the Club's Balance Sheet.

The Asset Revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of intangible assets and buildings measured as fair value, in accordance with Notes 1.2, 1.9, 5 and 6.

### 11. SUPERANNUATION

All employees may nominate their preferred fund for employer contributions.

The Club and Group contributed \$540K of employer contributions in the year ended 31 July 2022 (2021: \$480K)

As at year end, the number of full-time equivalent employees working for the Club was 44.61 (2021: 48).

### 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. On 20 May 2022, the remaining Gaming Machine Entitlements (refer note 6) were sold. There were no other transactions with the Norwood Community Club Inc. during 2021/22.

#### RACING SA

The SAJC is one of two members of Racing SA (RSA) and controls 50% of the voting power in general meeting, however, has minimal influence over RSA which acts as the industry body. The Club received the following contributions from RSA during the year:

#### RSA CONTRIBUTIONS

	2022 \$000	2021 \$000
Raceday	1,183	1,180
Training	478	479
Trainers Starter Fees	225	227
Marketing	207	147
<b>TOTAL</b>	<b>2,093</b>	<b>2,033</b>
Nominations, Acceptances & Scratchings	978	971
<b>TOTAL RSA CONTRIBUTIONS</b>	<b>3,071</b>	<b>3,004</b>



### TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

The Board Members receive no remuneration for their services.

Other transactions of the Board:

- The Chairman is entitled to an allowance of 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 exceeding \$2,500 per annum for costs incurred in representing the Club. Reimbursement is only provided where the Board Members have incurred expenses that are directly related to furthering the Club.
- Some Board Members, either directly or through corporates in which they have a substantial financial interest, may provide certain goods or services in the normal course of the Club's activities.
- The terms and conditions of transactions with Members of the Board are no more favourable than those available to other entities on an arm's length basis.
- Members of the Board, or their relatives, may from time to time receive prizemoney from RSA following the success of horses owned or trained by them. This prizemoney is paid by RSA on the same terms and conditions as apply to any other owner or trainer.

### KEY MANAGEMENT PERSONNEL COMPENSATION

	2022 \$000	2021 \$000
Short-term Employee Benefits	1,027	918

### OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

# Notes to the Financial Statements

FOR THE YEAR ENDED 31 JULY 2022

## 13. ADDITIONAL PROFIT OR LOSS STATEMENT INFORMATION

	2022 \$000	2021 \$000
<b>SUNDRY REVENUE</b>		
<i>The total Sundry Revenue amount in the Profit or Loss Statement includes</i>	-	1,604
<b>HOSPITALITY EXPENDITURE</b>		
<i>The total Hospitality Expenditure amount in the Profit or Loss Statement includes:</i>		
Cost of Goods Sold	3,172	2,705

## 14. REVENUE FROM CONTRACTS WITH CUSTOMERS & OTHER REVENUE

	2022 \$000	2021 \$000
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Hospitality Revenue	7,688	6,399
Venue Gaming Revenue	2,897	2,791
Totalisator Revenue	464	428
Sponsorship	1,077	850
Sundry Revenue	1,262	1,177
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>13,388</b>	<b>11,645</b>
<b>OTHER REVENUE</b>		
Industry Contributions	3,071	3,004
Government Grants – JobKeeper Subsidy & COVID Grant	-	1,604
<b>TOTAL OTHER REVENUE</b>	<b>3,071</b>	<b>4,608</b>
<b>TOTAL REVENUE</b>	<b>16,459</b>	<b>16,253</b>

A breakdown of the split between Revenue from Contracts with Customers & Other Revenue is shown to provide more detail into the nature of the individual revenue streams of the Club.

## 15. CASH FLOW INFORMATION

	2022 \$000	2021 \$000
<b>(i) RECONCILIATION OF CASH</b>		
<i>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: -</i>		
Cash and Cash Equivalents	367	171
<b>(ii) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES</b>		
Surplus / (Deficit) from ordinary activities	(5,484)	7,642
Net Investment Income	1,655	(9,053)
Depreciation	4,352	2,608
Depreciation of Funded Assets	241	251
(Profit) on sale of property, plant, and equipment	(264)	(42)
<b>Change in assets and liabilities</b>		
Increase in receivables	77	607
Increase in inventory	1	98
Increase in prepayments	102	(207)
Increase in payables	350	324
(Decrease) in employee benefits	(44)	(157)
Increase in other liabilities	(230)	216
<b>NET CASH PROVIDED (UTILISED) BY OPERATIONS</b>	<b>756</b>	<b>2,287</b>

## 16. OPERATING LEASES

In accordance with Note 1.8, leasing arrangements are only to be recognised as operating leases insofar as they relate to non-recognised 'short term' leases (less than a year) or, 'low value' leases (less than \$10K). As such, the operating lease commitments that have not been recognised in the Balance Sheet for the Club as at 31 July 2022 are: \$0K (as at 31 July 2021: \$0K).

## 17. AUDITOR'S REMUNERATION

The auditors earned the following remuneration from the Club during the year:

	2022 \$000	2021 \$000
<b>AUDIT SERVICES</b>		
Audit or review of financial reports	33	30
Non-Audit Services	-	-
	<b>33</b>	<b>30</b>

# Notes to the Financial Statements

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## FOR THE YEAR ENDED 31 JULY 2022

### 18. SUBSEQUENT EVENTS

On 10 October 2022, the Club signed a Sale and Purchase Contract for the disposal of the land it owned at Cheltenham. This land was sold at a market rate following an Expression of Interest process.

### 19. CAPITAL COMMITMENTS

On 7 October 2022, the Club signed a Contract for the construction of the Morphetville Event Centre with Kennett Builders for \$19.1M.

# Report & Statement by the Board

FOR THE YEAR ENDED 31 JULY 2022

## 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 Chair, 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 27<sup>th</sup> day of October 2022*

*Signed in accordance with a resolution of the Board*



Bob Holton  
Chairman



Steve Kelton  
Board Member

# Report & Statement by the Board

FOR THE YEAR ENDED 31 JULY 2022

## 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 32-52 for the year ended 31 July 2022, are in our opinion properly drawn up:

- a. so as to present fairly the financial position of the Group as at 31 July 2022 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 27<sup>th</sup> day of October 2022*

*Signed in accordance with a resolution of the Board*



Bob Holton  
Chairman



Steve Kelton  
Board Member

# Independent Auditors Report

TO THE MEMBERS OF SAJC INC - FOR THE YEAR ENDED 31 JULY 2022



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Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH AUSTRALIAN JOCKEY CLUB INCORPORATED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of the South Australian Jockey Club Incorporated (the Entity) and its controlled entity (the Group), which comprises the SAJC and controlled entity balance sheet as at 31 July 2022, the SAJC and controlled entity statement of profit or loss and other comprehensive income, the SAJC and controlled entity statement of changes in equity and the SAJC and controlled entity statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the declaration by the board.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 July 2022, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Simplified Disclosures and the *South Australia Associations Incorporations Act 1985*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

# Independent Auditors Report

TO THE MEMBERS OF SAJC INC - FOR THE YEAR ENDED 31 JULY 2022



Responsibilities of management and those charged with governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations Incorporation Act (SA) 1985* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with section 37(3e) of the *South Australia Associations Incorporations Act 1985*, we are required to report whether we have obtained all the information and explanations required from the Group in performing our duties as auditor. We have obtained all the information and explanations required.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 31 October 2022









7:00 PM

Run	Horse	Weight	Barrier	Trainer	Owner	Time
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RACING

Grand SYNDICATES

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SOUTH AUSTRALIAN  
JOCKEY CLUB

**MORPHETTVILLE.COM.AU**

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Morphettville Racecourse  
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Morphettville SA 5043  
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