



SOUTH AUSTRALIAN JOCKEY CLUB

Annual Report 2023 / 2024







CONTENTS OF REPORT

CHAIRMAN'S REPORT	4
CEO'S REPORT	7
2023/24 YEAR IN REVIEW	11
CFO'S REPORT	13
OUR PEOPLE	19
DEVELOPMENT UPDATE	21
OUR PARTNERS	27
SEASON REVIEW	32
OUR BOARD	33
AUDITED FINANCIAL STATEMENTS	36



CHAIRMAN'S REPORT



Judith Jones

CHAIRMAN
SOUTH AUSTRALIAN JOCKEY CLUB

The 2023/2024 year marked another important step forward in realising our bold vision for the SAJC.

PROJECTS

With so many exciting projects happening at once, it may have often felt that we were in a constant state of demolition and construction.

The successful completion of the Wolf Blass Event Centre (WBEC), and its opening with much flair and ceremony, by our Club patron, Her Excellency, the Hon. Frances Adamson AC, the Governor of South Australia, in the presence of our Premier, the Hon. Peter Malinauskas in February was hailed as a huge success, not only for the Club, but as another first-class venue for the State. We are indebted to our Life Member, Wolf Blass AM BVK for his generous \$1.4M contribution to our event centre. Bookings for the venue have been high, with many new clients coming to Morphettville for the first time. We are also incredibly proud that Kennett Builders won the Master Builders Association award for Commercial Refurbishment/Redevelopment over \$5M, highlighting this exceptional venue.

The Club's Master Plan project, a bold vision that began with the hard work of several previous Boards, has now advanced even further. Although progress has been slow, we are working with Villawood Properties to finalise the approvals required and we are still on track for sales of homes to commence later this year with construction commencing in 2025. Interest in the project has been high, not only for the residential sector, but for the commercial sites as well.

In preparation for this, we have constructed a new, and much-needed, Maintenance Facility to house our valuable staff and track assets. This replaces the outdated and inadequate facility at the northern end of our property.

Work has continued on our Fire Safety upgrades to comply with Council's direction. Although significant funds have been expended on the project, it will future proof us for emergencies and assist in insurance premium reductions.

The State Government's Tram Grade Separation Project, which elevates the tram line over Morphett Road, has given us the chance to collaborate with Racing SA to explore increasing the capacity of the Float Car Park and improving the Race Day Stalls area. More to come on this as discussions and plans progress.

The collapse of the ceiling in part of Level 2 (the Members' area) due to water damage provided us with an opportunity to not only address the issue but also enhance the space. Although the cost exceeded our initial estimates due to additional electrical and air conditioning work—necessary for compliance—the end result will be a significantly more comfortable area for our members and guests.

A further \$1.3M, part of a total spend of \$3.1M, with some financial assistance from Racing SA, was invested this year in upgrading our track irrigation systems. This staged program, completed in August 2024, will ensure a more even distribution of water across the tracks, enhancing efficiency and control by our Tracks team. This upgrade is crucial for maintaining a top-class surface for racing. Additionally, we have made improvements to the training stalls and acquired the Water Walker to enhance our horse training facility.

MAJOR RACING CARNIVALS

The 2024 TAB Adelaide Cup held in March was again a success, despite the heat, both with the quality of racing and from a financial aspect. Many interstate horses and riders competed with our own locals, with the Cup being won by Excelleration, ridden by Harry Coffy and trained in Tasmania by Richard Cully.

April saw the successful commencement of Sportsbet as our major wagering Sponsor. The partnership is by far the largest sponsorship received by the Club, and our thanks and appreciation goes to our Chief Executive Officer, Grant Mayer, for his tireless pursuit of this. This sponsorship worth \$25M, over 7 years, will enable additional work to be completed as well as increasing prize money.

The Sportsbet Adelaide Racing Carnival was revamped to be held over 3 days, in lieu of the previous 4. Together with Sportsbet, the Club matched Racing SA's contribution of \$500K to introduce four \$1M Group 1 races, attracting quality horses and riders nationally. The Sportsbet Australasian Oaks was won by Vibrant Sun; The Sportsbet Robert Sangster Stakes was won by Climbing Star; The Thomas Farms South Australian Derby was won by Coco Sun; and The Sportsbet Goodwood was won by Benedetta. The increase in prize money drew crowds well beyond our expectations. Additionally, the Sportsbet "Putt for Dough" competition, offering a \$100K prize for a hole-in-one, attracted many first-time racegoers, with nine participants each walking away with just over \$11K.

About 100 of our members experienced the thrill of trackwork at breakfast prior to the start of the Adelaide Carnival, with

CHAIRMAN'S REPORT (CONT.)

interviews with jockeys, trainers and one of our own staff members Emma Henshall who gave everyone an insight into the day-to-day activities of the horse swimming pool and water walker.

GOVERNOR TRACKWORK VISIT

In May we hosted Her Excellency, the Hon. Frances Adamson AC, Governor of South Australia and Mr Rod Bunten to early trackwork, where they met and conversed with our staff, apprentice jockeys and trainers and concluded with a visit to Richard and Chantelle Jolly's Racing Stables.

FINANCES

These will be dealt with in detail in a further section of the Report. We are extremely pleased however to again post a profit for the year of \$950K, with this being the fourth year in a row that we have been able to achieve this.

VALE

The Club respectfully acknowledges the passing of members Jason Anderson, Val Burman and Pauline Nutt, as well as Life Members, Don Koch, James (Mac) Shannon, and Edward Schoff, during the 2023/24 season.

APPRECIATION

Firstly, to you, our members, who continually support our Club. This support is vital and is appreciated by your Board, particularly when we have had so much disruption during the year.

To Racing SA, with whom we have a strong relationship, we thank them for their ongoing support, particularly through our face-to-face meetings with their Chairman, Rob Rorrison and Chief Executive Officer, Vaughn Lynch.

Our relationship with other Clubs in the State is strong, and I acknowledge our new relationship with the Balaklava Racing Club with reciprocal arrangements for members.

Country Racing SA led by Chairman, Jeff Tansell is also a very important contributor to the success of racing and our relationship with them is acknowledged.

The support during the year of Her Excellency, The Hon. Frances Adamson AC, Governor of South Australia, as Patron of our Club and Mr Bunten, and that of our Racing Minister



SAJC Chairman Judith Jones, Her Excellency, the Hon. Frances Adamson AC, the Governor of South Australia, Premier, the Hon. Peter Malinauskas & CEO Grant Mayer at the Wolf Blass Event Centre opening earlier this year.

The Hon. Katrine Hildyard MP is also acknowledged, and their ongoing support is appreciated. I also extend our sincere thanks to Club Patron Robert Gerard AO and his wife Mrs Fay Gerard AOM for their continued support.

I would like to take this opportunity to thank all of our generous sponsors who have continued to support the Club throughout the entire year.

No Member based Club of the size and complexity of the South Australian Jockey Club can perform successfully without a high functioning administration. Our Club is indeed fortunate to have Chief Executive Officer, Grant Mayer, who is capable, experienced and a strategic thinker – all attributes that are paramount in our business, and we thank him sincerely for his endeavours, hard work and patience over the past year. Our thanks also to the Team supporting Grant in these endeavours.

To Bob Holton, our previous Chairman, our appreciation, and thanks for his guidance over the 3 terms on the Board and as our Chairman for 4 of those years.

Finally, to my fellow Board Directors – Christine Simpson (Vice Chairman), Bob Holton, Peta Southern-Ninnis, Giuseppe Mottillo, Sally Niehuus and Joc O'Connell, my sincere thanks for supporting me over the past year with your continued input and passion. I welcome Joc O'Connell, our inaugural Independent Director, who brings a wealth of finance and Board experience to our table.

This year has seen the commencement of a new era at Morphettville, and I look forward to the next year in continuing to implement our bold vision of excellence and improvement for the betterment of racing in South Australia.

JUDITH JONES
CHAIRMAN



CEO'S REPORT



Grant Mayer

CHIEF EXECUTIVE OFFICER
SOUTH AUSTRALIAN JOCKEY CLUB

“Change is the law of life and those who look only to the past or present are certain to miss the future.” -John F. Kennedy

The 2023/24 reporting year was another positive period for the South Australian Jockey Club, both in terms of our financial results – with our fourth consecutive operating profit – and with the strategic initiatives that are now bearing fruit.

As you will read in this report, it has been a year of significant achievement.

However, in many ways, the official unveiling of our new Wolf Blass Event Centre (WBEC) was the most important.

It not only marked the rebirth of a critical part of our business but, together with a comprehensive re-brand, it also signaled to the entire market that the new Morphettville has truly arrived – and that, while racing will always be our primary objective and our beating heart, we are now much more relevant and influential on multiple fronts than ever before.

FINANCIAL PERFORMANCE

The days of the South Australian Jockey Club being mired in the financial doldrums are gone.

The Club has reported a positive operating result for the fourth consecutive year with a profit of \$950K for the 2023/24 Financial Year against a budgeted loss of \$261K. This follows an operating profit of \$270K in FY 2022/23.

Revenues were up \$4.0M with our new Wolf Blass Event Centre already generating exceptional returns and momentum for the Club. The Junction continued to be an important

financial contributor to the racecourse and our ongoing racing responsibilities, with gaming revenues remaining steady at \$3.1M.

Our new seven-year sponsorship agreement with Sportsbet made its first pro-rata contribution of what will be a significant source of income for the Club. Our full financial result is also inclusive of the Club's \$500K prize money contribution to the four \$1M Group 1 races during the Sportsbet Adelaide Racing Carnival.

The operating profit is exclusive of the Club's investment fund returns, which generated a return of \$979K, offset by bank loan interest of \$621K.

Our commitment to sound financial management and the growth strategies has us on a continued positive trend and we are budgeting for a profit of \$686K for 2024/25.

SPORTSBET PARTNERSHIP

In what was tremendously exciting news for the future of racing in South Australia and after months of negotiations, we were able to announce our seven-year \$25M partnership with Sportsbet in March.

This is not only the biggest Club sponsorship agreement ever signed in racing in this state but also one of the largest in South Australian sport. It includes an annual cash component to the Club as well as investment in signage updates, infrastructure for members and patrons, prize money and event activation.

The benefits began to flow immediately. Sportsbet became the naming rights sponsor of Morphettville's two most

significant racing events – Sportsbet Adelaide Cup Day and the Sportsbet Adelaide Racing Carnival. A new 'Putt for Dough' trackside activation during the Carnival saw patrons try their luck at sinking a monster golf putt for a share of \$100K cash, while the SAJC covered the cost of all adult General Admission tickets for all three of the Sportsbet Adelaide Racing Carnival's million-dollar race days.

As I said at the time of the announcement, this partnership is a watershed moment in the history of the South Australian Jockey Club.

Sportsbet can see what the SAJC is now doing in the marketplace and the huge momentum we are generating, and we are grateful they are now part of our future.

In particular, I would like to thank Barni Evans, Nathan Arundell, Damien Ryan and Ben Holst for their support and we look forward to an extremely rewarding and mutually beneficial relationship.

MORPHETT ROAD TRAM OVERPASS

Although the announcement by State and Commonwealth governments of a \$200M commitment to create a tram overpass over Morphett Road came after the conclusion of the 2023/24 financial year, the scale of the project as well as its short and long-term effects merit its inclusion in this report.

This is a great outcome for our Club. Not only will the project reduce congestion and increase safety but it will also significantly improve access on racedays and for major functions and events at Morphettville.

It will also help support our \$350M racecourse redevelopment, with tram stop 12 (Morphett Road) to be

combined with the raceday tram stop and relocated eastward to create a new permanent station immediately adjacent to the racecourse.

The SAJC has been working collaboratively with the relevant government agencies for more than two years to help achieve this outcome and I'd again like to put on record my thanks to everyone who played their part.

However, while the long term benefits will be enormous, the construction process will have consequences for our short-term operations.

Major construction will start in early 2025 and the Level crossing will be removed by the end of 2025. The Glenelg tram line will be temporarily closed for approximately six months in the second half of 2025, allowing the overpasses to be constructed at the same time within the existing corridor.

We will work closely with the Department for Infrastructure and Transport and project partners to minimise disruption for members and patrons and we are already taking steps to quantify and mitigate any adverse impact on our business.

FUNCTIONS AND EVENTS

It has been a tough few years from a functions and events perspective with the global pandemic and the retirement of our Gerard and Derby pavilions significantly impacting our revenues.

However, in December we ushered in the next phase of our major events strategy with the official opening of our \$22M WBEC with Premier Peter Malinauskas joining 300 guests to celebrate this critical investment by our Club.

This facility is already proving to be a game-changer, not only for our Club but for the major event market in Adelaide. With our ability to provide a first-class function space for up to 1,100 guests in a unique facility with unsurpassed views, we are attracting an all-new audience.

In fact, revenues in the first six months of operation comfortably outstripped forecasts and, more pleasingly, 75% of our forward bookings represent new business to Morphettville.

While that means we are winning events from the likes of Adelaide Oval and the Convention Centre, it's also good news story for South Australia with our state now boasting more options to compete on the national stage.

The public launch of the new event centre coincided with our

re-branding of Morphettville which has been an unqualified success. Input and feedback from members was central in helping guide the development of the new look and feel, and I would like to thank Fuller Brand Communication and our internal marketing team for their work on this project.

INFRASTRUCTURE

There is a saying that "good things fall apart so that better things can fall together".

Things certainly fell apart on Level 2 of our grandstand when a television bulkhead came down in March, dislodging part of the ceiling and narrowly avoiding causing serious injury to delegates at a trade show.

This was obviously an alarming event and it accelerated our plans to invest in our member facilities in this area, making it unavailable to members and patrons throughout the 2024 Sportsbet Adelaide Racing Carnival.

This proved to be a very wise decision as further investigation of the roof cavity revealed just how bad things were. Sub-standard levels of workmanship had been exacerbated by age, water ingress and general neglect, and we had to spend around \$3M in unplanned expenditure to replace the air conditioning, all the electrics and the entire ceiling.

On the bright side, the \$9M we have invested in upgrading the area has now put our member facilities on par with anything seen in the eastern states. We are no longer an organisation that tolerates the 'band aid' approach to maintaining our facilities; everything we are doing now is designed to last generations, not just seasons.

I would like to thank Studio Nine architects and Kennett Builders for their work in delivering an environment of which we can all be proud and can help grow racing.

Elsewhere, we invested \$4.6M in an all-new maintenance facility at the western edge of the racetrack adjacent to the training stables. This has revolutionised our workflow, saving around 30 minutes per worker per day just in travel time because of the relocation of services from the far eastern corner of our precinct. This new building also future proofs us for growth and investment in racing at Morphettville.

Infrastructure projects on our radar include a joint venture with Sportsbet to revamp the Diva Bar and consideration of a larger parade ring and bigger float carpark to cater for increased race field sizes.

RACECOURSE REDEVELOPMENT

Throughout the 2023/24 financial year, our partners in our \$350M Morphettville Racecourse redevelopment - national developer Villawood Properties and Australian superannuation giant Hostplus - continued to make significant progress toward the start of construction.

At the time of writing this report, a formal development application for the first 203 allotments had been lodged and all but finalised.

The first stage of the project involves land along Park Terrace, which is again why the relocation of our maintenance facilities was so important. A sales office has opened in The Junction carpark on Anzac Highway, and sales will soon begin in earnest ahead of building works.

A project of this scale takes an enormous amount of time and planning, but things are starting to get very exciting.

I would again like to thank Villawood CEO Alan Miller, General Manager SA, Stuart Headland, Hostplus CEO David Elia and Sam Mackintosh and Andy Nicol from ISPT who share our vision. The funds generated through the redevelopment, will help us build on a proud legacy to create a modern, sustainable and dynamic Morphettville for current and future members.

ON TRACK

The 2024 Sportsbet Adelaide Racing Carnival was one of our most vibrant autumn carnivals yet.

The timing and length of the Carnival was a major discussion point for the SAJC and Racing SA over the past 12 months and we were pleased to see the three-weekend format over April and May work so well. We had over 7700 racegoers join us at Morphettville over three weekends.

The excitement reflected the countless memorable racing moments - Jamie Kah's Group 1 double, Lachie Neindorf's emotional Sangster win, James McDonald's first race in SA, and more. The consistently high calibre of racing was enabled by the elite surface produced by our dedicated SAJC Track Team, and I echo the glowing feedback they received from local and interstate jockeys.

The success of the Carnival needs to be tempered, however, with recognition that we had perfect weather, were not directly competing with blockbuster AFL fixtures and could leverage the Sportsbet partnership with LIV Golf.

We are unlikely to have those planets align again in 2025, and we will work with Racing SA to refine the format to ensure it maintains its status as South Australia's premier racing fixture.

As with last year, the decline in wagering revenue remains a topic of concern across the industry. However, the investment of Sportsbet is evidence of the intent of the major corporate bookmakers to continue to promote racing as the cornerstone of their offering.

RACING SA

The partnership agreement with Sportsbet was further evidence of the growing strength of our relationship with Racing SA. Whilst the deals were negotiated separately, the final outcome makes racing in SA stronger together.

With CEO Vaughn Lynch, we have an industry partner who understands the dynamic between the governing body and Morphettville as the state's premier racing venue. We are building on a strong and mutually beneficial relationship that can only be good for South Australian racing as a whole.

I would also like to thank Racing SA Chair Rob Rorrison and his Board for their support. I won't pretend that we agree on everything, but the discussions are always healthy and the objective is always unified behind what's best for racing.

Our relationship with Racing SA will be of critical importance as we grapple with a range of issues and opportunities together.

Total Racing SA contributions was better than budget for the 23/24 Financial Year of \$4,750K, with additional capital subsidies relating to the Irrigation Project.

BOARD AND MEMBERSHIP

During the 2023/24 financial year, Bob Holton retired as SAJC Chairman after 4 successive years. As anyone who knows him would agree, Bob's passion for making the SAJC better is infectious, and I would like to personally thank him for his input and support over the years. Bob is a true lover of thoroughbred racing, and every decision he made always had the best interests of our industry at heart.

We welcomed Judith Jones as our new Chair who has brought her own brand of intensity and acumen to the leadership of our Club. Judith is an extremely experienced and accomplished racing administrator, and we are indeed fortunate to have her at the helm of our Club.

I would like to express my gratitude to the Board whose ongoing combined efforts have been pivotal to our success, demonstrating the impact of a shared dedication to our bold vision for Morphettville.

Membership numbers continued to be strong, ending the reporting period at 1,729. The understanding of members has been crucial throughout the year, particularly during the works on Level 2. While change is exciting, there is always a period of adjustment and I would like to thank members for their ongoing support.

STAFF

Last year I wrote that I believed our food offering had never been better at Morphettville and that we were competitive if not superior to the biggest venues in the state.

Now, under the guidance of Steve Clark and his team of exceptionally talented chefs, I don't think there is an argument. Morphettville is the leader in the field.

The feedback we are getting – particularly from guests who might be experiencing Morphettville anew in the Wolf Blass Event Centre – is glowing. The focus that our hospitality team have placed on upskilling our workforce is paying enormous dividends, and we have never been in a stronger or more enviable position.

During the year, we welcomed Brad Trenwith in the newly created role of Head of Property & Infrastructure and Michael Collis as Head of Commercial. Together with Davina Carne in the role of Head of People & Culture and Michael Cox, Chief Financial Officer, they make an exceptionally strong leadership team.

Finding the right talent to support our growth trajectory is an ongoing challenge in what is an extremely competitive employment market. That is why we continue to invest in our capabilities as an employer of choice, positioning Morphettville and the SAJC as an exciting and rewarding place to build a career.

COMMERCIAL PARTNERS

While the Sportsbet partnership stole much of the limelight, the SAJC continued to strengthen its commercial partnerships across the business throughout the year.

The value of our long-term supply partners is not lost on us and, as we continue to attract more events to Morphettville, we have increased opportunities to further grow sponsorship.

We are extremely grateful to everything sponsors and commercial partners do for our Club and we will continue to work hard to ensure we strengthen these mutually beneficial relationships.

THE WAY FORWARD

In my seven years as CEO, I can honestly say I have never been more energised about the future of our Club.

The long-term strategies that the management and Board have committed to are creating transformational opportunities.

The Sportsbet partnership, the commencement of our racecourse redevelopment, the rebirth of our functions and events business, the success of the carnival and our ongoing investment in racing and member infrastructure are all generating tremendous momentum that is being noticed and is being reflected in our financial results.

That's a good thing. Momentum is exciting. It motivates people to think bigger, to reach higher and to achieve more.

However, we are also extremely cognisant of the headwinds facing the racing industry. In particular, the downward trend in wagering revenue is of significant concern and has implications for every jurisdiction.

That is why we continue to diversify our business. We are determined to lead.

Because a more dynamic, agile and responsive SAJC is one that will be fitter for the future – whatever challenges it might hold.



GRANT MAYER
CHIEF EXECUTIVE OFFICER



2023/24 YEAR IN REVIEW

RACING



4,002

Race starters
at Morphettville



400

Races run
at Morphettville



\$29,100,885

Prize money won
at Morphettville



44

Race meetings
held at Morphettville



71,484

Race day
attendance



\$3,739,372

Total on-course
betting turn over

ENGAGEMENT



3,904,753

Social media
impressions



637,016

Website visitation/users



1,729

SAJC Members
in 2023/24



121

Conference & events
held at Morphettville



17,981

Estimated conference
& events attendees



\$2,065,000

Conference & events
revenue (excl Junction)

HOSPITALITY



109,657

Litres of beer sold
at Morphettville



29,924

Bottles of wine sold
at Morphettville



4,110

Number of diners in
Winning Post Restaurant



34,894

Bistro meals
served at The Junction



112

Events held at
The Junction



7,936

Estimated event
attendees at The Junction

THE JUNCTION



CFO'S REPORT



Michael Cox

CHIEF FINANCIAL OFFICER
SOUTH AUSTRALIAN JOCKEY CLUB

FINANCIAL PERFORMANCE

For 2023/24, the Club is pleased to present its fourth consecutive Net Operations profit.

The audited financial statements report an EBITDA profit of \$950K (2022/23: \$270K).

	2023/24 \$000	2022/23 \$000
Revenue	23,240	19,264
Expenses	(22,290)	(18,994)
NET OPERATIONS PROFIT (EBITDA)	950	270
Investment Return	121	2,644
CONTRIBUTION FROM RECURRING BUSINESS ACTIVITIES	1,071	2,914
Depreciation	(6,197)	(5,364)
Gain on Disposal Non-Current Asset	74	4,569
PROFIT / (DEFICIT) FOR THE YEAR	(5,052)	2,119

The Club reports a Net Deficit of \$5,052K for the 2023/24 financial year (2022/23: Net Profit \$2,119K).

Revenue increase of \$4.0M being 20.6% over the PY. The increase includes:

- Additional subsidies for racing capital projects were received from Racing SA + \$1.15M
- Sponsorship growth following announcement of Sportsbet as SAJC's Wagering Partner commenced on 1 April 2024, offset by the loss of the TAB sponsorship + \$2.0M
- Hospitality revenue growth of +\$1.0M largely flowing from the opening of the WBEC
- Raceday Acceptances increasing by +\$275K on back of increase in Racing Carnival prize money (ie: 4 Group 1 races at \$1M each)
- Water Walker revenue of +\$158K over the 10 months from acquisition
- Offset by the major donation of \$1M from Life Member Wolf Blass included in the 22/23 financial year

The WBEC opened for business in early December 2023. Whilst pre-sales for events were lower than budgeted, the hype generated by the opening of this fantastic event centre almost immediately led to strong bookings. In retrospect, the timing of this event centre coming online was very fortuitous given the collapse of the ceiling and subsequent closure of Level 2 of the Grandstand, meaning that without an alternative appropriate location on site, significant business would have been lost to the Club. Revenues of over \$1.66M were earned through the WBEC in the 23/24 financial year over 71 events, offset by direct and allocated costs of \$1.06M, resulting in a strong positive contribution in the first 7-8 months of operation. Future bookings are strong with expectations that this venue will turn over in excess of \$4M through 2024/25.

WOLF BLASS EVENT CENTRE TOTAL INCOME	1,662,314
Direct & Allocated Costs	\$000
Labour	401,879
COGS	392,105
Utilities	45,347
Equipment Hire/AV/Security/Cleaning	224,310
Total Expenditure	1,063,641
Net Contribution	598,672
Events Held	71

Total expenses increased by \$3.3M (17.3%) compared to the previous year. Staffing costs increased by \$1.3M reflecting staffing required to service the hospitality activity and increasing facility maintenance needs; electricity costs soared by over \$400K (71% increase) as the Club came out of an excellent long term electricity contract to a less favourable one; the SAJC made a prize money contribution of \$0.5M to the Adelaide Racing Carnival; and additional costs were incurred commensurate with the increased revenue activity levels. Management will continue to identify opportunities for improvements in cost management.

The 2023/24 year also saw the Club dip into its investment funds to fund its major capital expenditure program. Funds held by Fund Managers at 31 July 2023 of \$41.0M was reduced to \$18.9M at the end of the current financial year, with a further \$10M retained as cash at bank. These cash funds have subsequently been used to both pay down the bank loan as well as fund capital projects such as the Grandstand Level 2 Renovations. The decrease in investment funds has gone towards funding the significant capital expenditure programs of the last 2 years, along with the program for 2024/25. To assist with funding, the Club entered into a \$15M bank loan arrangement with BankSA in November 2023. It is noted that at the end of September 2024, this balance has been reduced to \$6.5M. The Club thanks BankSA for these funds which represents strong faith in the operating performance of the Club.

With investment funds decreasing, the Club made the decision to operate with only the one investment adviser being Bentleys Wealth Partners (BWP). This allowed the funds required during 2023/24 to be deducted from FMD and substantially kept BWP's investment whole during the year. With funds being withdrawn during the year and the portfolios being further de-risked, the investment return for the year of 3.01% was still at the low end of the Club's expectations.

Offsetting the income returns, the Club incurred interest expenses of \$0.6M plus bank and investment fund fees of \$0.3M, for a net investment return of \$121K.

In accordance with its accounting policies, the Board revalued Club Buildings. The Board's revaluation was based on market input provided by external independent valuer Wayne Smith B.AppSc (PRM) AAPI Certified Practicing Valuer of Wayne Smith Property Valuers Pty Ltd. This resulted in a revaluation gain of \$2,579K following the revaluation last year of \$2,965K.

The Club's Gaming Entitlements are also revalued annually. The most recent Gaming Trading Round was conducted on 8 November 2023 realising a vendor price of \$36,250 per entitlement. The Club valued its 40 Junction gaming entitlements resulting in a revaluation gain of \$250K.

CFO'S REPORT

CAPITAL PROJECTS

After a capital spend in 2022/23 of \$19.9M, the Club incurred a further \$24.8M in 2023/24. The major spends are listed in the table below. The spend has been significant with the construction of the WBEC and the Maintenance Facility, representing the major projects.

MAJOR PROJECTS	\$000	COMMENTS
Wolf Blass Event Centre	8,542	Major project, total project spend \$22,053K
Maintenance Facility	4,409	New Maintenance Facility on Morphet Rd
Level 2 Grandstand	2,103	Major renovation to be complete by Adelaide Cup 2025
Track Irrigation	1,256	Major upgrade of over 20-year-old irrigation system (\$3M project)
Electricity Transformer	1,065	Upgrade of electricity requirements
Members Carpark	992	Upgrade of car park
Building Fire Safety	427	Continued building fire safety compliance works
Master Plan	320	Total spend-to-date \$2,923K
Water Walker	250	Acquisition in October 2023
ASSORTED PROJECTS		
Hospitality / kitchen assets	2,084	Upgrades for WHS, furniture, kitchen equipment
Building / Facility assets	1,417	Numerous facility improvement projects including Link Stand, Diva Bar, Grandstand roof, air-conditioning and security
Racing / Training assets	993	Upgrades to track lighting, training facilities, track equipment and parade ring
Other assets	973	Assorted projects including Morphetville re-branding, IT & AV assets and gaming machines
CAPITAL EXPENDITURE TOTAL	24,831	

Capital projects to be undertaken in 2024/25 include the completion of the Grandstand Level 2 Renovations, commencement of an upgrade to the Diva Bar, continued upgrades for building fire safety compliance and ancillary works related to the Villawood development. With funds at a premium, the capital budget has been limited to \$10M.

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 2022/23.

	2023/24 \$000	2022/23 \$000	DIFFERENCE \$000	COMMENTS
Hospitality Revenue	10,326	9,357	969	Revenue increase in all categories, with an overall 10% increase on the prior year (PY) following a 20% increase last year. Still room to improve, noting Hospitality Revenues were \$11,281K in 18/19
Venue Gaming Revenue	3,112	2,883	229	7.9% increase in net gaming revenues
Tote Revenue	373	428	(55)	This represents commissions from oncourse TAB turn over. Decrease by 12.9% on PY. Net tote return after costs of \$69K (PY \$163K)
Sponsorship	3,156	1,138	2,018	Major increment with commencement of Sportsbet partnership, offset by loss of previous TAB sponsorship
Industry Contributions	4,750	3,251	1,499	Full breakdown is found on page 49. Increase relates to capital subsidies
Sundry Revenue	1,523	2,207	(684)	Includes product rebates, rent, track fees, membership income. Prior year includes donation from Wolf Blass
Hospitality Expenditure	4,966	4,081	885	Represents costs to earn revenue. Includes cost of goods, equipment hires, share of utility and facility costs
Venue Gaming Expenditure	1,873	1,580	293	Includes the tax applied to Venue Gaming Revenue, plus venue facility costs (ie: electricity)
Raceday & Facility Expenditure	3,199	2,913	286	Increase in service costs such as cleaning and security, offset by continued business efficiencies, and close attention to non-essential costs
Salaries & Wages	9,364	8,064	1,300	Labour 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	304	265	39	Reflects service costs
Sundry Expenses	2,584	2,091	493	Includes membership costs, insurance, sponsorship expenses, advertising and marketing costs, IT and telecoms, legal fees, consultancies
Cash and Cash Equivalents	12,766	(378)	13,144	Cash is managed very tightly. High cash reflects cash flow requirements for ongoing major capital works. \$8M used to offset Bank Loan in September
Inventories	571	395	176	Represent stocks of food and beverages on hand. Balance on hand reflects current business activity requirements
Trade & Other Receivables	1,491	600	891	Amounts due to the Club at balance date. Increase due to GST receivable (major capital expenditure impact) plus increasing activity levels

	2023/24 \$000	2022/23 \$000	DIFFERENCE \$000	COMMENTS
Investments	18,919	41,003	(22,084)	Represents funds under management with FMD & BWP. Decrease reflects investment fund withdrawals during the year to fund capital expenditures, offset by investment gains
Prepayments	398	361	37	Payments made in advance (i.e. insurance & annual costs related to a future year) where expense is deferred to appropriate period
Property, Plant & Equipment	89,936	65,727	21,209	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 capital spend and valuation adjustment
Right of Use of Assets	19	45	(26)	Accounting standard classification of Operating Leases
Intangible Assets	1,450	1,200	250	Represents the Club's Gaming entitlements. 40 Junction entitlements are valued at \$36,250 each
Trade & Other Payables	4,000	3,903	97	Amounts payable by the Club at balance date, reflects both activity Level and timing of capital projects
Employee Benefits	902	714	188	Legislative provisions for employee annual and long service leave
Bank Loan	14,600	0	14,600	Bank loan to fund WBEC
Other Liabilities	5,779	4,817	962	Funds received in advance for sponsorship, membership and future events. Includes initial Master Plan contribution (\$4M)
Lease Liabilities	19	-	19	Accounting standard classification of Operating Leases reflected on Balance Sheet



MICHAEL COX
CHIEF FINANCIAL OFFICER



OUR PEOPLE

BUILDING A VALUES LED CULTURE

This year, the Club has made significant strides in fostering a values-led culture central to our business and the exceptional customer experiences we deliver. Our commitment to investing in our people, enhancing their wellbeing, and promoting a diverse and inclusive workplace has been a key focus.

As of 31 July 2024, the SAJC employed 54 full-time and 9 part time staff, across Morphettville Racecourse and The Junction. Our casual workforce remains dynamic, with 52 casuals regularly engaged and up to 100 additional casuals brought in for major carnivals and events. Recognising the diverse nature of our workforce, we refreshed our organisational values and emphasised the importance of attracting and retaining the right people.

Our team was instrumental in defining these values and translating them into "I" behaviours that now drive our culture. These behaviours are fundamental to fostering a workplace where diversity and inclusion are paramount, accountabilities are clear, the right behaviours are rewarded, and it is safe to speak up.



Executive Chef Steven Clark preparing service

ENHANCING EMPLOYEE EXPERIENCE AND DEVELOPMENT

We have developed an Employee Lifecycle Framework that captures all key touchpoints in the employee journey, supported by new and existing initiatives designed to enhance the overall experience. Our redefined Performance Development Framework ensures that good work is recognised and individual development is continually supported.

In our commitment to career development, we introduced a junior employment program, additional apprenticeships, and internship opportunities. We also engaged with external schools to showcase careers in hospitality and racing, broadening our outreach and impact.



Groundsman Brad Cranwell, repairing divots after track trials

PROMOTING DIVERSITY, INCLUSION AND SAFETY

Gender equality is a cornerstone of our workplace culture. Currently, women hold 30% of our management roles, and 71% of our Board composition is comprised of women. These figures reflect our commitment to creating an inclusive environment where diverse perspectives are valued and leadership roles are accessible to all.

Our Employee Experience Survey, which included casual employees for the first time, achieved a 77% engagement rate. This underscores our dedication to including every voice in our organisation. Action workshops conducted with staff empowered them to propose ideas and solutions for improvement, helping us address development areas effectively.

Ensuring a safe and injury-free workplace is a top priority. We have reinvigorated our Work Health and Safety (WHS) committee, focusing on proactive initiatives, improved incident and hazard reporting, and increased audits to reduce risks and ensure compliance.

In summary, our People and Culture initiatives have strengthened our values-driven workplace, supporting and empowering our people. We are committed to continuing this journey, fostering a thriving, inclusive, and safe work environment.



Hospitality staff preparing for an event in the Wolf Blass Event Centre



DEVELOPMENT UPDATE

WOLF BLASS EVENT CENTRE

The most significant investment made by the Club for many years was the construction of the WBEC, which was completed in early December 2023. It has considerably enhanced the Club's position as a premier destination for events in South Australia, with an cocktail capacity of 1,100 across the two (2) levels. The WBEC features contemporary interiors with stunning views of the Racecourse and Adelaide Hills. Open year-round, the venue combines South Australian produce and top-tier hospitality, strengthening the Club's community ties and boosting local business engagement. On the ground level, The Lounge offers a prime location beside the racetrack for up to 350 seated guests, with options for smaller gatherings. Level 1 houses the Morphett Room, a pillarless space accommodating 600 seated guests, perfect for galas, conferences, and corporate events.

The importance of this venue to the financial future of the Club should not be underestimated. In the 7 months of operation, over \$1.6M of events were held in the WBEC. It is expected that the revenue contribution in 2024/25 will be over \$4M. Further highlighting the importance of the WBEC was underlined by the loss of Grandstand Level 2 from mid-March this year.

The Club was able to seamlessly transition both raceday and non raceday patrons throughout the venue, but predominantly to the WBEC ensuring continuity of both new and existing customers.

The WBEC was constructed by Kennett Builders and was awarded the Master Builders award for Commercial Refurbishment Redevelopment over \$5M.



MAINTENANCE FACILITY

As part of the Villawood Commercial Development, the SAJC was required to relocate the groundstaff and their equipment to a new location. A built for purpose facility with an eye to the future has been designed and constructed to include ground staff amenities, workshops and garaging for track equipment. With this facility being close to the track cross-over and training facilities, it will reduce the time and costs for ground staff to access the tracks.



TRAM GRADE SEPARATION PROJECT

The State Government has been working with the Club on the planning and design for the proposed Tram Grade Separation Project for the Morphett Road Tram Grade Crossing. This project has the potential to vastly improve traffic flow on Anzac Highway and Morphett Road and provide improved access for tram commuters to the Racecourse and new mixed-use precinct. The Morphett Road section of the Tram Grade Separation Project was announced in July 2024. This portion of the project is planned to commence in January 2025 going through to January 2026 (12 months). The tram will be offline for public use from July 2025.

The project requires access to a substantial staging site for equipment, supplies and project staff. Land on the western side of Morphett Road along with a piece of land to the east of the Junction have been earmarked for lease. The Club is working with the Department of Infrastructure and Transport to manage the impacts of the loss of carparking space to the SAJC as well as any impacts to the safety and well-being of horses.

LEVEL 2 MAIN GRANDSTAND REFURBISHMENT

The SAJC continues to undertake a major refurbishment project to modernise Level 2 of the Grandstand. This project was brought forward following the partial collapse of the Level 2 Grandstand ceiling in March 2024. Level 2 has been completely gutted and will encompass an extension of the restaurant capacity, new ceilings, complete rewiring of services, new floorings, new bars, new joinery and furniture, new air-conditioning systems and upgraded AV systems. Further to this, works on the grandstand roof will improve waterproofing and secure grandstand soffit sheeting.

At this stage it is expected that all works will be completed in time for the Sportsbet Adelaide Cup in 2025.

The works will ensure an improvement in the customer and patron experience in line with that of the new Wolf Blass Event Centre and will be an exciting space for members.



Level 2 Members refurbishment - Members betting and SAJC memorabilia



Level 2 Members refurbishment - Main Foyer



Level 2 Members refurbishment - Cafe Entry

VILLAWOOD COMMERCIAL DEVELOPMENT

In December 2022 the Club signed a Land Facilitation Agreement with Villawood Properties and Hostplus. The Agreement provides the governance for the development of 7.1 hectares of land comprising a residential precinct of 5.25 hectares, and a mixed-use commercial and residential precinct of 1.85 hectares.



Overview of Villawood development area

The residential precinct will be developed in 4 stages and will provide the Club with payments totalling \$20M. The sales launch of the precinct is scheduled for 16 November 2024. Demolition work began in September 2024 followed by civil construction. Villawood is collaborating with a selection of top quality builders to ensure the housing meets consistently high standards of design and finishes.



Villawood's staging plan

The composition of the mixed-use precinct on Anzac Highway is still being developed. It is likely to include a new tavern for the Club to replace The Junction, a supermarket, speciality stores, hotel, office space, car park and apartments. The mixed-use precinct delivers a further \$20M to the Club as the development is delivered.

The economic benefits for the Club go well beyond the development term with the Club looking to retain the Junction Tavern. These returns will be directed to continue to improve the Clubs facilities in order to promote thoroughbred racing.

OTHER RACING ASSET DEVELOPMENTS

In addition to the construction of the Maintenance Facility, the Club also undertook the following racing asset developments:

- The complete upgrade of the irrigation system to both racing tracks was finalised in August 2024
- The Club purchased the Water Walker in October 2024
- The Race Callers box was given a face lift
- The Parade Ring surface was completely overhauled
- A new horse walker was installed in the Morphett Road West stables
- Significant investment in new track equipment (tractors) and track lighting
- Substantial upgrades to the Horse Swimming Pool

FUTURE DEVELOPMENTS

Members and staff are in for an exciting period as the Villawood Redevelopment heralds the emergence of a new community on our doorstep. To ensure the Club remains relevant, the quality of our facilities and experiences at Morphettville require ongoing enhancement. In the coming months and years, the Club will invest in projects such as:

- Refurbishment of the Diva Bar
- Investigation into improvements in racing day stalls and float carparking to expand on capacity for horse tie locations for race day meetings
- Upgrade of the tramway entrance to align with the community space works being undertaken as part of the Tram Grade Separation Project
- Investigation of opportunities to invest in the unused land on the western side of Morphett Road; and
- Investigation into the upgrade of Level 1 Grandstand, Link Stand and Heritage Grandstand.

By design, all project works are inherently based on creating a better future for Greater Adelaide, facilitating unique opportunities to attract people locally, from interstate, and overseas resulting in increased economic growth and prosperity for the State. In turn, these project works have also become vital to ensuring the longevity and relevance of the SAJC, directly aligning with achievement of the vision to be South Australia's premier destination for racing, events and entertainment 365 days a year.

Contributors:

Grant Mayer, Michael Cox, Brad Trenwith

GROUP 1 WINNERS



SPORTSBET AUSTRALASIAN OAKS

Vibrant Sun (Aus)

J: Mark Zahra T: Mick Price & Michael Kent (Jnr)



SPORTSBET ROBERT SANGSTER STAKES

Climbing Star (NZ)

J: Lachlan Neindorf T: Phillip Stokes



THOMAS FARMS SOUTH AUSTRALIAN DERBY

Coco Sun (Aus)

J: Ms Jamie Kah T: Tony & Calvin McEvoy



THE SPORTSBET GOODWOOD

Benedetta (Aus)

J: Ms Jamie Kah T: Jason Warren



OUR PARTNERS

Principal Partners



SPORTSBET AUSTRALIA'S LEADING ONLINE WAGERING BUSINESS

Sportsbet is a leading Australian digital e-commerce business in the online wagering sector bringing excitement to over 2 million Australian customers. April 2024 saw Morphettville sign a 7 year, multi-million-dollar agreement with Sportsbet, now a Principal Partner of Morphettville and naming rights sponsor of Adelaide Cup Day and the Adelaide Racing Carnival. Launching into the 2024 Sportsbet Adelaide Racing Carnival, the first of its kind and scale, the Putt For Dough activation was brought to life. This engaged a new generation of race goers bringing them to Morphettville for the first time. The partnership also introduced \$1M races for each of the 4 Group 1s over the Carnival, in turn attracting the top gun jockeys, trainers and horses to Morphettville. We are delighted to be partnering with Sportsbet and building on this important relationship to Morphettville and the South Australian racing industry.



LION SA BEER & CIDER

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-drink and non-alcohol beverage categories. During the 23/24 financial year we entered a new ten-year agreement with Lion as the brewing partner at Morphettville. This is a significant partnership which includes Lion supporting the Wolf Blass Event Centre's beer systems. Lion have activated several brands such as Guinness, White Claw, and Heineken at Morphettville's feature race days over the past 12 months. They continue to support with on course deals for SAJC members and ad-hoc events as required. We look forward to continuing our relationship with Lion and working on new product activation opportunities.



Major Partners



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. They continue to be our naming rights partner to the Adelaide Galvanising Boxing Day race meet, 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.



THOMAS FARMS PREMIUM QUALITY PRODUCE

Established in 2008, Thomas Farms is dedicated to delivering premium, retail – ready goods directly to consumers. They prioritise sustainability and ethics while focussing on meeting consumer preferences. Morphettville is excited to partner with Thomas Farms as our preferred supplier of quality protein, which is essential for enhancing the dining experiences of our guests. Thomas Farms is a naming rights partner for the South Australian Derby Day and holds significant brand presence at Morphettville with on course signage.



GRAND SYNDICATES LEADER IN AFFORDABLE RACECOURSE 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.



THE FOTOBASE GROUP SIGNAGE & PRINTING

The Fotobase Group were engaged as Morphettville's new signage and printing partner in August 2022. Offering excellent quality in printing, photography, drone footage and medium and large-scale signage development and implementation, they have played a huge role in bringing race day activation spaces to life. The Fotobase Group are naming rights sponsor of the Morphettville Guineas on Adelaide Cup Day and host team functions at Morphettville throughout the year. We look forward to continuing our partnership with them.



SKYCITY A MEMBER OF SKYCITY ENTERTAINMENT GROUP

We welcomed SkyCity as a major partner of Morphettville in January 2023. The SkyCity Entertainment Group is based in Auckland and is one of Australasia's leading gaming and entertainment companies, employing over 3,400 people in New Zealand and Australia. It is publicly listed on both the New Zealand and Australian stock exchanges. Besides SkyCity Adelaide, the SkyCity group owns and operates casinos in Auckland, Queenstown and Hamilton. We have hosted many of SkyCity's international business and gaming customers and we look forward to continuing to do so into the future. SkyCity are the naming rights sponsor of the SkyCity Matrice Stakes on Adelaide Cup Day.

Key Partners



AIG SECURITY SECURITY SERVICES

AIG Security is a security business that differs from the rest. They are focussed on service excellence and high-end results. They take pride in their attention to detail and commitment to innovation and extensive knowledge, which makes AIG unique within the industry. AIG Security were contracted by Morphettville to oversee services across our venues. The partnership includes, on course signage and race names across the year.



C.W. WINES BEVERAGE SUPPLIER

From humble beginnings in 2014 around the dining table at Queen Street, Norwood, C.W. Wines has become a highly successful family owned and operated wine business. Their enviable portfolio of Australian Wine brands spans the Coonawarra, Limestone Coast, McLaren Vale and Barossa Valley. C.W. Wines has become a valued new partner at Morphettville, supplying wines for our conference and events packages and actively enhancing on course experiences on feature event days.



ACCOLADE WINES BEVERAGE SUPPLIER

Since treading their first grapes over 165 years ago, Accolade have 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 have been a supply brand of Morphettville since 2019, contributing to conference and event packages and bar outlets across Morphettville. They have been a supporting partner in naming rights for Fashions on the Field with lead brand Croser.



WINNING EDGE PRESENTATIONS TROPHY, RACING ASSETS AND 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 are the preferred supplier of trophies, presentation items, racing assets such as saddlecloths, strapper jackets, horse presentation rugs and leads. Also supplying Morphettville branded merchandise items for commercial sale.



COCA-COLA EUROPACIFIC PARTNERS (CANADIAN CLUB) RTD BEVERAGE SUPPLIER & NARTD SUPPLIER

Under the Coca Cola (CEP), 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 have 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 Adelaide and Melbourne Cup Days. CEP is also Morphettville's preferred soft drink partner, supplying products including Coke, Fanta, Sprite, Monster and quality juices.



OPTIONS WINES 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. Options Wines have been providing beverages for function packages and bar outlets across Morphettville and The Junction, including event brand participation in event activations over the last year.

Key Partners



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. This would be the final year of our partnership with TAB and the naming rights partner to the 2024 TAB Adelaide Cup, supporting with functions and activations held on the day. Morphettville would like to thank TAB for their partnership of South Australian racing over the years.



PFD FOOD SERVICES (PFD) 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.



SAMUEL SMITH & SONS BEVERAGE PARTNER

Samuel Smith & Son is a respected wine merchant established in 1923, servicing the liquor industry of Australia with a premium portfolio of family owned national and international fine wines and beverages. Samuel Smith & Son have been a supply partner with their brands assisting to build packages for conferences and events, as well as playing a pivotal role in the Restaurant wine offerings.



OATLEY FINE WINES BEVERAGE SUPPLIER

Oatley Fine Wine Merchant is focused on becoming a leading independent premium wine merchant recognised for the quality of the wines offered and for the services provided to customers. They are committed to offering the flexibility of representation that meets specific needs. Oatley Wines have been a supply partner with their brands assisting to build packages for conference and events, as well as naming rights partner to the First-Class Champagne Lounge on Melbourne Cup Day through the luscious Piper Heidsieck brand.



FLEURIEU MILK COMPANY 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.



SOUTHERN CROSS AUSTereo MEDIA PARTNER

Southern Cross Austereo is Australia's pre-eminent and most diverse entertainment company with audio and visual brands and content reaching 95% of Australians. Incorporating Triple M and the Hit Networks in Adelaide, Morphettville is thrilled to partner with both allowing us to increase reach and audiences across Adelaide. Lead brand, Triple M, continues to partner with on-air promotions and on-course recognition through signage and hospitality. Outside Broadcasts are often conducted at feature race day such as Melbourne Cup and Twilight Races, featuring the Rush Hour team.



QUAYCLEAN CLEANING SERVICES

Quayclean are a national cleaning service and waste management partner with proven results. They are committed to providing exceptional services to clients across stadiums, racecourses and major venues. Quayclean are the preferred provider of cleaning services to Morphettville and The Junction. Partnership recognition is supported through race naming rights, hospitality and on-course signage.

Dominant

DOMINANT CHEMICAL & SOAP SUPPLIER

Building partnerships that add value is Dominant's goal. They have client needs and concerns at the forefront and will tailor solutions to suit individual needs. Dominant specialise in products for large scale facilities to cover every outlet, ranging from heavy duty kitchen and plant cleaning through to high-end soap products for venue bathrooms. They believe in acting sustainably for future generations. The Dominant partnership is recognised and supported on course with signage and racing naming rights.



SEASON REVIEW

The 2023-24 racing season was highlighted by the exciting 7 year partnership deal announced with Sportsbet, Racing SA and the South Australian Jockey Club. With this joint agreement the prize money for the 4 Group 1 races run at Morphettville during the Adelaide Autumn Racing Carnival were bolstered to \$1M each.

The increase to the Group 1 prize money came off the back of a 15% increase to prize money across the racing program from July 2023 and two increases announced with the Racing Rewards scheme.

On the track the father and daughter training combination of Richard and Chantelle Jolly would once again train more winners across the State for the season than anyone else finishing with 76 winners alongside of their names.

However the Metropolitan Premiership would see the Will Clarken and Nikki O'Shea team knock the Jolly stable off their perch. In a thrilling battle that would go right down to the last meeting of the season Clarken and O'Shea would notch a maiden premiership success by two with 45 winners at the impressive strike rate of 18.7%.

In the jockey ranks Jake Toeroek would dominate winning both the Statewide and Metropolitan Premierships and with those successes claim a richly deserved John Letts Medal.

Rochelle Milnes would continue her emergence in the Apprentice group and aside from winning the Metropolitan Apprentice Title would finish runner up on the Statewide Premiership just 4 wins shy of Jake Toeroek.

The South Australian Racehorse of The Year would be taken out by the Shane and Cassie Oxlade prepared Queman. Bred by veteran horseman Francis Smith and raced with his family the son of Mint Lane would win four of his seven starts for the season. After winning his first two for the term at Morphettville in October and November he would go on to win a Listed Race at Caulfield followed up by his crowning glory at that same venue the Group 1 Oakleigh Plate in February with Harry Coffey in the saddle.

Just over a fortnight later Coffey would win the TAB Adelaide Cup at Morphettville aboard the Victorian galloper Excelleration edging out local mare The Map with Skelm third.

The Sportsbet Adelaide Racing Carnival would see a return to three Saturdays of Group 1 action with the Australasian Oaks and Robert Sangster Stakes returning together as the opening day fixture.

In the Oaks it would be a dramatic three way photo finish with Vibrant Sun prevailing under the guidance of Mark Zahra for the Mick Price and Michael Kent (Jnr) barn from Private Legacy and Coco Sun.

Like the Oaks the Robert Sangster Stakes would provide a grandstand finale and it would prove to be a maiden Group 1 win for talented young South Australian jockey Lachlan Neindorf. He produced a brilliant ground saving ride on Climbing Star to get home the Phillip Stokes trained mare from Learning To Fly and Benedetta. A highly emotional Neindorf provided one of the standout memories of the season as he returned to scale with tears streaming down his face.

The following two Saturdays at Morphettville would see champion South Australian hoop Jamie Kah take the final two Group 1's of the Carnival.

Firstly she would win the Thomas Farms South Australian Derby on the filly Coco Sun for Tony and Calvin McEvoy in a real local result. The filly would justify the stable's decision to take on the boys with Warmonger and Air Assault filling the minor placings.

In The Sportsbet Goodwood Kah would pilot the Jason Warren prepared mare Benedetta to a narrow victory over Stretan Angel with Climbing Star in third spot.

It was certainly a privilege to be covering the big Group 1 days at Morphettville for Racing.com and to experience up close the feeling of a home town Group 1 success for jockeys Jamie Kah and Lachlan Neindorf, and the Tony and Calvin McEvoy and Phillip Stokes stables.

With a new two year deal struck with Racing SA and Racing.com on August 1 here's hoping for some more great South Australian stories unfolding at Morphettville for me to savour.

TERRY MCAULIFFE
RACING.COM



OUR BOARD

*L-R BACK ROW: Mr John (Joc) O'Connell FCA CTA SAJC Board Member, Mr Bob Holton, SAJC Board Member, Mr Giuseppe Mottillo, SAJC Board Member.
L-R FRONT ROW: Ms Peta Southern-Ninnis, SAJC Board Member, Ms Christine Simpson, SAJC Vice-Chairman, Ms Judith Jones, SAJC Chairman, Ms Sally Niehuus, SAJC Board Member.*

Board member attendance at meetings

The attendance by individual directors at meetings of the Board and its committees in 2023-24 was as follows, noting the total number of meetings is included in the brackets:

DIRECTOR	Board (12)	Finance, Investment & Audit Committee (1)	Performance & Review Committee (3)	Membership Committee (1)	Non-Scheduled Board Meetings (11)
Judith Jones	12	1	3	1	11
Christine Simpson	12	*	2	1	11
Bob Holton	10	1	1	1	11
Peta Southern-Ninnis	12	*	*	1	11
Giuseppe Mottillo	12	*	*	1	11
Sally Niehuus ¹	7 (7)	*	*	*	9
John (Joc) O'Connell ²	1 (1)	*	*	*	*
Ron Pratt ³	2 (4)	*	1	1	*
John Girvan ⁴	3 (4)	1	*	*	*

Figures in brackets denotes the maximum of meetings that could have been attended.

*Indicates that a Board member is not part of a committee for FY23/24.

¹ elected to the Board on 30th November 2023

² elected to the Board as Appointed Director on 15th July 2024

³ retired from the Board on 30th November 2023

⁴ retired from the Board on 30th November 2023

SAJC Board Members

*Denotes change in Chairman



JUDITH JONES CHAIRMAN

SAJC Board Member since 2020

SAJC Committees:

- Finance, Investment & Audit (Chair)
- Performance & Review (Chair)*
- Ex-Officio on all Board Committees*



CHRISTINE SIMPSON VICE-CHAIRMAN

SAJC Board Member since 2020

SAJC Committees:

- Membership (Chair)
- Performance & Review



BOB HOLTON BOARD MEMBER

SAJC Board Member since 2015

SAJC Committees:

- Performance & Review*
- Ex-Officio on all Board Committees* (until Nov 2023)



PETA SOUTHERN-NINNIS BOARD MEMBER

SAJC Board Member since 2022

SAJC Committees:

- Membership



GIUSEPPE MOTTILLO BOARD MEMBER

SAJC Board Member since 2023



SALLY NIEHUUS BOARD MEMBER

SAJC Board Member since 2023



JOHN (JOC) O'CONNELL FCA CTA BOARD MEMBER

SAJC Board Member since 2024



FINANCIAL REPORT

SOUTH AUSTRALIAN JOCKEY Club AND ITS CONTROLLED ENTITY
BALANCE SHEET AS AT 31 JULY 2024

	NOTE	2024 \$000	2023 \$000
CURRENT ASSETS			
Cash and Cash Equivalents	2	12,766	(378)
Inventories		571	395
Trade and Other Receivables	3	1,491	600
Investments	4	658	908
Prepayments		398	361
TOTAL CURRENT ASSETS		15,884	1,886
NON-CURRENT ASSETS			
Investments	4	18,261	40,095
Property, Plant & Equipment	5	86,936	65,727
Right of Use Assets		19	45
Intangible Assets	6	1,450	1,200
TOTAL NON-CURRENT ASSETS		106,666	107,067
TOTAL ASSETS		122,550	108,953
CURRENT LIABILITIES			
Trade and Other Payables	7	4,000	3,903
Employee Benefits	8	852	664
Lease Liabilities		19	-
Bank Loan	10	1,600	-
Other Liabilities	9	5,779	4,817
TOTAL CURRENT LIABILITIES		12,250	9,384
NON-CURRENT LIABILITIES			
Employee Benefits	8	50	50
Bank Loan	10	13,000	-
Lease Liabilities		-	46
TOTAL NON-CURRENT LIABILITIES		13,050	96
TOTAL LIABILITIES		25,300	9,480
NET ASSETS		97,250	99,473
EQUITY			
Reserves		28,579	28,208
Retained Earnings		68,671	71,265
TOTAL EQUITY		97,250	99,473

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN JOCKEY Club AND ITS CONTROLLED ENTITY

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

	NOTE	2024 \$000	2023 \$000
REVENUE FROM OPERATING ACTIVITIES			
Hospitality Revenue		10,326	9,357
Venue Gaming Revenue		3,112	2,883
Tote Revenue		373	428
Sponsorship		3,156	1,138
Industry Contributions	13	4,750	3,251
Sundry Revenue		1,523	2,207
TOTAL REVENUE		23,240	19,264
EXPENDITURE FROM OPERATING ACTIVITIES			
Hospitality Expenditure		4,966	4,081
Venue Gaming Expenditure		1,873	1,580
Racing & Facility Expenditure		3,199	2,913
Salaries & Wages		9,364	8,064
Tote Operations		304	265
Sundry Expenses		2,584	2,091
TOTAL EXPENDITURE		22,290	18,994
SURPLUS FROM OPERATIONS BEFORE FINANCE INCOME, DEPRECIATION AND CAPITAL DISPOSALS (EBITDA)		950	270
Net Finance Income	4	121	2,644
SURPLUS BEFORE DEPRECIATION		1,071	2,914
Depreciation - Property, Plant & Equipment	5	(6,109)	(4,994)
Depreciation – Right of Use Assets		(49)	(49)
Accelerated Depreciation of Property, Plant & Equipment	5	(39)	(321)
Net Gain on Disposal of Non-Current Assets		74	4,569
(DEFICIT)/SURPLUS FOR THE PERIOD		(5,052)	2,119
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of Gaming Entitlements to Fair Value	6	250	-
Revaluation of Buildings to Fair Value	5	2,579	2,965
TOTAL OTHER COMPREHENSIVE INCOME		2,829	2,965
TOTAL COMPREHENSIVE INCOME		(2,223)	5,084

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN JOCKEY Club AND ITS CONTROLLED ENTITY
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2024

	RETAINED EARNINGS \$000	RESERVES \$000	TOTAL \$000
BALANCE AT 1 AUG 2022	68,587	25,801	94,388
Surplus for the year	2,119	-	2,119
Revaluation Increments/(Decrements)	-	2,965	2,965
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,119	2,965	5,084
Depreciation of industry funded assets	-	(453)	(453)
Transfers to and (from) reserves	559	(105)	454
BALANCE AT 31 JUL 2023	71,265	28,208	99,473
BALANCE AT 1 AUG 2023	71,265	28,208	99,473
(Deficit)/Surplus for the year	(5,052)	-	(5,052)
Plus: Buildings Revaluation Increment	-	2,579	2,579
Plus: Intangibles Revaluation Increment	-	250	250
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(5,052)	2,829	(2,223)
Depreciation of industry funded assets	-	(434)	(434)
Transfers to and (from) reserves	2,458	(2,024)	434
BALANCE AT 31 JUL 2024	68,671	28,579	97,250

The accompanying notes form part of these financial statements.

SOUTH AUSTRALIAN JOCKEY Club AND ITS CONTROLLED ENTITY
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2024

	NOTE	2024 \$000	2023 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		25,635	25,023
Payments to suppliers and employees		(24,542)	(18,860)
Interest paid		(621)	(24)
NET CASH FROM / (UTILISED IN) OPERATING ACTIVITIES	16	472	6,139
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Investments		(41)	60
Proceeds from sale of property, plant & equipment		74	4,569
Proceeds from sale of intangible assets		-	1,200
Payments for property, plant & equipment		(24,801)	(19,976)
Proceeds from disposal of Investments		22,866	7,313
NET CASH GENERATED FROM / (UTILISED IN) INVESTING ACTIVITIES		(1,902)	(6,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Proceeds from borrowings	10	14,600	-
Reduction in Lease Liabilities		(26)	(50)
NET CASH GENERATED FROM / (UTILISED IN) FINANCING ACTIVITIES		14,574	(50)
NET INCREASE / (DECREASE) IN CASH HELD		13,144	(745)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		(378)	367
CASH AT THE END OF THE FINANCIAL YEAR	2	12,766	(378)

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION

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 2024 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 30th October 2024.

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 – Simplified Disclosure Requirements (AASB 1060) adopted by the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act 1985, as amended.

Basis of Preparation

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 judgments, 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 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The SAJC has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are

mandatory for the current reporting period. The adoption of these Standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements, except as below.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosures of Accounting Policies and Definition of Accounting Estimates

The amendment took effect from 1 January 2023, requiring entities to disclose only material accounting policy information rather than all significant accounting policies. The amendment also provides guidance on which accounting policy information is expected to be material. The Group adopted the amendment for the first time this financial year, assessing the material accounting policies to the users and removing accounting policies that were standardised information or information that only duplicates or summarises the requirements of the Standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

1.2 PROPERTY, PLANT AND 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.

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

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: -

	2024	2023
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.

1.3 REVENUE AND OTHER INCOME

The Group recognises revenue as follows:

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION

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.

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 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.

1.5 INCOME TAX

The Group is exempt from income tax under section 50-45 item 9.1(a) of the Income Tax Assessment Act 1997.

1.6 LEASED ASSETS

Right-of-use assets

The right-of-use asset is measured at cost. 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. 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.

1.7 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.

1.8 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 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. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected credit allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Loans and receivables are comprised of trade and other receivables.

Investments and other financial assets

Investments and other financial 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

1 MATERIAL ACCOUNTING POLICY INFORMATION

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.

1.9 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.

1.10 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgments and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Information about estimates and judgments 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 2024

2 CASH & CASH EQUIVALENTS

	2024 \$000	2023 \$000
Cash and Cash Equivalents on Hand	12,759	316
Cash at Bank – Investment Account	7	85
Bank Overdraft	-	(779)
	12,766	(378)

On 3 November 2023, the SAJC established banking facilities with BankSA including a cheque/savings account and a bank loan account. The SAJC still maintains a cheque/savings account with ANZ but with no overdraft facility (2022/23: \$2M).

3 TRADE & OTHER RECEIVABLES

	2024 \$000	2023 \$000
Current		
Trade and Other Receivables	1,591	680
Allowance for Expected Credit Loss	(100)	(80)
	1,491	600

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

4 INVESTMENTS

	2024 \$000	2023 \$000
Current		
Financial assets at fair value through profit or loss	658	908
TOTAL	658	908
Non-Current		
Financial assets at fair value through profit or loss	18,261	40,095
TOTAL	18,261	40,095
TOTAL INVESTMENTS	18,919	41,003
Reconciliations of the carrying amounts of each class of Investments		
<i>Financial assets at fair value through profit or loss (current)</i>		
Carrying Amount at the beginning of year	908	1,706
Disposals	(250)	(798)
Carrying Amount at the end of year	658	908
<i>Financial assets at fair value through profit or loss (non-current)</i>		
Carrying Amount at the beginning of year	40,095	44,003
Disposals	(24,551)	(10,610)
Unrealised Gain/(Loss) on Fair Value	774	2,294
Carrying Amount at the end of year	18,261	40,095
TOTAL INVESTMENTS	18,919	41,003
Net Finance Income		
Net Interest (Expense) / Income	82	85
Bank Loan interest expense	(621)	-
Finance & Investment Fund Manager Fees Expense	(319)	(223)
Net Gain/(Loss) on Investments	979	2,782
Net Finance Income	121	2,644

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

4 INVESTMENTS

<i>Investments represent funds managed by Investment Managers</i>	Fair Value Level 1 \$000	Fair Value Level 2 \$000	Holding at 31 July 2024 \$000	Weighted Average Return 31 July 2024 \$000	Holding at 31 July 2023 \$000	Weighted Average Return 31 July 2023 \$000
FMD	8	-	8	3.52%	20,514	5.22%
Bentley Wealth Partners (BWP)	1,762	17,149	18,911	2.26%	20,489	5.58%
GM Hotels	-	-	-	-	-	15.64%
	1,770	17,149	18,919	3.01%	41,003	5.99%

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].

5 PROPERTY PLANT & EQUIPMENT

	NOTE	2024 \$000	2023 \$000
Freehold Land			
Freehold land at cost		357	357
Investment Property Land		2,846	-
		3,203	357
Buildings & Improvements at fair value			
Morphettville		60,890	36,359
		60,890	36,359
Plant & Equipment at cost			
Morphettville		45,245	42,307
Less: Accumulated Depreciation		(34,245)	(32,157)
		11,000	10,150
Capital Works in Progress		11,843	18,861
TOTAL PROPERTY PLANT & EQUIPMENT		86,936	65,727
<i>Reconciliations of the carrying amounts of each class of Property, Plant & Equipment</i>			
Freehold Land			
Carrying Amount at the beginning of year		357	678
Disposals		-	(321)
Transfer from Capital Works in Progress		2,846	-
CARRYING AMOUNT AT THE END OF YEAR		3,203	357

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

5 PROPERTY PLANT & EQUIPMENT (cont.)

	NOTE	2024 \$'000	2023 \$'000
Buildings & Improvements			
Carrying Amount at the beginning of year		36,359	32,761
Transfers from Capital Works in Progress		25,942	4,062
Asset Reclassification		(85)	-
Depreciation		(3,905)	(3,429)
Revaluation		2,579	2,965
CARRYING AMOUNT AT THE END OF YEAR		60,890	36,359
Plant & Equipment			
Carrying Amount at the beginning of year		10,150	10,540
Trophy Assets		32	-
Asset Reclassification		85	-
Transfers from Capital Works in Progress		3,061	1,496
Disposals		(85)	-
Depreciation		(2,243)	(1,886)
CARRYING AMOUNT AT THE END OF YEAR		11,000	10,150
Capital works in progress			
Carrying Amount at the beginning of year		18,861	4,472
Additions		24,831	19,947
Transfer to Freehold Land		(2,846)	-
Transfer to Buildings & Improvements		(25,942)	(4,062)
Transfer to Property, Plant & Equipment		(3,061)	(1,496)
CARRYING AMOUNT AT THE END OF YEAR		11,843	18,861
TOTAL PROPERTY PLANT & EQUIPMENT		86,936	65,272

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 2024, 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 \$39K in 2024 (\$321K in 2023).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

6 INTANGIBLE ASSETS

	2024 \$000	2023 \$000
<i>Gaming Machine Entitlements</i>		
Morphettville	1,450	1,200
TOTAL LICENCES & ENTITLEMENTS	1,450	1,200

On 14 July 2011, the South Australian Government introduced a trading system for gaming entitlements. The most recent trading round was held on 8 November 2023, and resulted in a sell price of \$36,250. The Club has valued the Morphettville entitlements at their Level 2 fair value which represents the latest trading round selling price.

Intangible Asset Reconciliation	Morphettville \$000	Cheltenham \$000	Norwood Community Club \$000	Total \$000
<i>Gaming Machine Entitlements Consolidated</i>				
Balance at 1 August 2022	1,200	850	-	2,050
Revaluation	-	-	-	-
Disposals	-	(850)	-	(850)
BALANCE AT 31 JULY 2023	1,200	-	-	1,200
Balance at 1 August 2023	1,200	-	-	1,200
Revaluation	250	-	-	250
Disposals	-	-	-	-
BALANCE AT 31 JULY 2024	1,450	-	-	1,450

7 TRADE & OTHER PAYABLES

	2024 \$000	2023 \$000
Trade and Other Payables	4,000	3,903

8 EMPLOYEE BENEFITS

	2024 \$000	2023 \$000
Current		
Employee Provisions	852	664
Non-Current		
Employee Provisions	50	50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

9 OTHER LIABILITIES

	2024 \$000	2023 \$000
Deferred Income	5,779	4,817

10 BANK LOAN

	2024 \$000	2023 \$000
Current		
Bank Loan	1,600	-
Non-Current		
Bank Loan	13,000	-

On 3 November 2023, the SAJC Board approved the Club entering into a loan agreement with BankSA to the value of \$15M to assist with the costs of the building of the Wolf Blass Event Centre. The loan is secured by mortgage over SAJC property. During the term of the loan, the Club must ensure that the loan balance be no greater than \$13M by 31 July 2025 and \$11M by 31 July 2026. The Club must also comply with (and report on) bank covenants relating to Interest Cover and Liquidity.

11 RESERVES & RETAINED EARNINGS

	2024 \$000	2023 \$000
Retained Earnings		
Balance Brought Forward	71,265	68,587
Add: Surplus/(Deficit)	(5,052)	2,119
Transfers from Reserves (net)	2,458	559
TOTAL RETAINED EARNINGS	68,671	71,265
Reserves		
Industry Capital Grants Reserve		
Balance Brought Forward	2,458	2,911
Less: Transfers from Reserves	(2,458)	(453)
BALANCE AT YEAR END	-	2,458
Asset Revaluation Reserve		
Balance Brought Forward	25,750	22,890
Plus: Buildings Revaluation Increments	2,579	2,965
Add: Intangibles Revaluation Decrements	250	-
Less: Transfers from Reserves	-	(105)
BALANCE AT YEAR END	28,579	25,750
TOTAL RESERVES	28,579	28,208

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

11 RESERVES & RETAINED EARNINGS (CONT.)

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.

12 SUPERANNUATION FUND

All employees may nominate their preferred fund for employer contributions.

The Club and Group contributed \$907K of employer contributions in the year ended 31 July 2024 (2023: \$732K)

As at year end, the number of full-time equivalent employees working for the Club was 58.4 (2023: 54.4).

13 RELATED PARTY TRANSACTIONS

Norwood Community Club Inc

On 1 December 2004 the Norwood Community Club ("NCC") adopted the constitution of the SAJC, giving the SAJC effective control over NCC, with trading from this date consolidated into the results of the SAJC. Effective 28 February 2006, the Norwood Community Club ceased operations and on 28 March 2024, the Norwood Community Club was deregistered.

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 Contribution	2024 \$000	2023 \$000
Raceday	2,468	1,225
Training	516	519
Trainers Starter Fees	225	225
Marketing	280	270
TOTAL	3,489	2,239
Nominations, Acceptances & Scratchings	1,261	1,012
TOTAL RSA CONTRIBUTIONS	4,750	3,251

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

13 RELATED PARTY TRANSACTIONS (cont.)

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 prize money from RSA following the success of horses owned or trained by them. This prize money is paid by RSA on the same terms and conditions as apply to any other owner or trainer.

Key Management Personnel Compensation

	2024 \$000	2023 \$000
Total Key Management Compensation	1,305	1,268

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 prize money from RSA following the success of horses owned or trained by them. This prize money 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.

14 ADDITIONAL PROFIT OR LOSS STATEMENT INFORMATION

	2024 \$000	2023 \$000
Sundry Revenue		
<i>The total Sundry Revenue amount in the Profit or Loss Statement includes:</i>		
Wolf Blass Event Centre Donation	-	1,000
Hospitality Expenditure		
<i>The total Hospitality Expenditure amount in the Profit or Loss Statement includes:</i>		
Cost of Goods Sold	4,966	4,081

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

15 REVENUE FROM CONTRACTS WITH CUSTOMERS & OTHER REVENUE

	2024 \$000	2023 \$000
<i>Revenue from Contracts with Customers</i>		
Hospitality Revenue	10,326	9,357
Venue Gaming Revenue	3,112	2,883
Totalisator Revenue	373	428
Sponsorship	3,156	1,138
Sundry Revenue	1,523	2,207
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	18,490	16,013
<i>Other Revenue</i>		
Industry Contributions	4,750	3,251
TOTAL OTHER REVENUE	4,750	3,251
TOTAL REVENUE	23,240	19,264

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2024

16 CASH FLOW INFORMATION

	2024 \$000	2023 \$000
(i) RECONCILIATION OF CASH		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows: -		
Cash and Cash Equivalents	12,766	(378)
(ii) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT FROM ORDINARY ACTIVITIES		
Surplus / (Deficit) from ordinary activities	(5,052)	2,119
Net Investment Income	(743)	(2,668)
Depreciation	5,764	4,911
Depreciation of Funded Assets	434	453
(Profit) on sale of property, plant, and equipment	(74)	(4,569)
CHANGE IN ASSETS AND LIABILITIES		
(Increase) / Decrease in receivables	(891)	(334)
(Increase) / Decrease in inventory	(176)	(173)
(Increase) / Decrease in prepayments	(37)	(59)
Increase / (Decrease) in payables	97	2,226
Increase / (Decrease) in employee benefits	188	66
Increase / (Decrease) in other liabilities	962	4,167
NET CASH PROVIDED (UTILISED) BY OPERATIONS	472	6,139

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024

17 OPERATING LEASES

In accordance with Note 1.6, 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 2024 are: \$0K (as at 31 July 2023: \$0K).

18 AUDITOR'S REMUNERATION

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

	2024 \$000	2023 \$000
Audit Services		
Audit or review of financial reports	37	35
Non-audit services	-	-
	37	35

19 CAPITAL COMMITMENTS

	2024 \$000	2023 \$000
Kennett Builders - Grandstand Level 2	5,766	-
Kennett Builders - Wolf Blass Event Centre	-	10,837
	5,766	10,837

REPORT & STATEMENT BY THE Board FOR THE YEAR ENDED 31 JULY 2024

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 30th day of October 2024

Signed in accordance with a resolution of the Board



Judith Jones
Chairman



Christine Simpson
Vice-Chairman

REPORT & STATEMENT BY THE Board FOR THE YEAR ENDED 31 JULY 2024

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 37 to 54 for the year ended 31 July 2024, are in our opinion properly drawn up:

- (a) so as to present fairly the financial position of the Group as at 31 July 2024 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 – Simplified 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 30th day of October 2024

Signed in accordance with a resolution of the Board



Judith Jones
Chairman



Christine Simpson
Vice-Chairman

AUDITOR'S REPORT FOR THE YEAR ENDED 31 JULY 2024



Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
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 (the Entity) and its controlled entity (the Group), which comprises the SAJC and controlled entity balance sheet as at 31 July 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the declaration by those charged with governance.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 31 July 2024, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures and the *South Australian 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 Entity 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.



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 - Simplified Disclosures 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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/ar4.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.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 31 October 2024

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.







79 Morphett Road, Morphetville SA

T 08 8295 0111

E enquiries@morphettville.com.au

W morphettville.com.au

