

Independent Auditor's Report to the Committee of the Melbourne Racing Club

We have audited the accompanying Community Benefit Statement ("the Statement") of the Melbourne Racing Club ("the Club") in respect of the Sandown Racecourse – Highways Tabaret for the financial year ended 30 June 2009 as set out on pages 1 to 19.

The Responsibility of the Committee for the Community Benefit Statement

The Committee of the Club ("the Committee") is responsible for the preparation of the Statement in accordance with the requirements of Section 3.6.9 of the Gambling Regulation Act 2003 ("the Act") and has determined that the accounting policies used and disclosed in note 1 to the statement are appropriate to meet the needs of the Committee and the financial reporting requirements of the Act. The responsibility of the Committee also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error or making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Statement based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Committee or the financial reporting requirements of the Act. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Statement is free from material misstatement.

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

The financial report has been prepared for distribution to the Committee and the Victorian Commission for Gambling Regulation for the purpose of fulfilling the Committee's reporting requirements under the Act. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Committee and the Victorian Commission for Gambling Regulation, or for any purpose other than that for which it was prepared.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the Community Benefit Statement of the Melbourne Racing Club in respect of the Sandown Racecourse - Highways Tabaret for the financial year ended 30 June 2009 is presented fairly, in all material respects, in accordance with the accounting policies used and disclosed in note 1 to the Statement and the requirements of Section 3.6.9(2)(a) and (b) of the Gambling Regulation Act 2003.


DELOITTE TOUCHE TOHMATSU

David Maddock
Partner
Chartered Accountants
Melbourne, 30 September 2009

MELBOURNE RACING CLUB

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES FOR THE COMMUNITY
BENEFIT STATEMENT**

Employment Expenditure

Employment expenditure is recognised on an accrual basis when it has been incurred.

For the purposes of the community benefit statement, employment expenditure includes all salary related costs, except for payroll tax, fringe benefits tax and employee benefit provisions such as annual leave and long service leave.

Expenditure

Expenditure is recognised on an accrual basis when it has been incurred.

Fixed Assets

Fixed asset costs are stated at cost whereby cost includes expenditure that is directly attributable to the acquisition of the asset (excluding assets used for gaming purposes). In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.