

Independent Auditor's Report to the Directors of Victoria Racing Club Limited

Report on the Audit of the Community Benefit Statement

Opinion

We have audited the Community Benefit Statement ("the Statement") of Victoria Racing Club Limited (the "Entity"), for the financial year ended 30 June 2017, and Note 1 comprising the basis of preparation. The Statement has been prepared by the directors of Victoria Racing Club Limited in accordance with the requirements of Section 3.6.9 (2) of the Gambling Regulation Act 2003 ("the Act").

In our opinion, the accompanying Statement for the financial year ended 30 June 2017 is presented fairly, in all material respects, in accordance with the requirements of Sections 3.6.9(2)(a) and (b) of the Gambling Regulation Act 2003 and the basis of accounting described in Note 1.

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 Statement* 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* (the Code) that are relevant to our audit of the Statement 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the Statement, which describes the basis of accounting. The Statement has been prepared to assist the Entity to meet the requirements of Section 3.6.9 (2) of the Gambling Regulation Act 2003. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the directors and should not be distributed or used by parties other than the directors. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Statement

Management of the Entity is responsible for the preparation and fair presentation of the Statement and has determined that the basis of preparation described in Note 1 to the Statement is appropriate to meet the requirements of Section 3.6.9 (2) of the Gambling Regulation Act 2003 and is appropriate to meet the needs of the directors. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the Statement that is free from material misstatement, whether due to fraud or error.

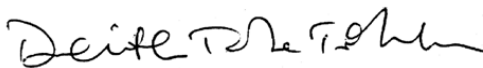
Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the Statement that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



Peter Caldwell
Partner
Chartered Accountants
27 September 2017