



RASV

ANNUAL REPORT 2010
The Royal Agricultural
Society of Victoria Limited



2010 OFFICE BEARERS

Patron

Professor David de Kretser AC
Governor of Victoria

President

SC (Stephen) Spargo

Board of Directors

SC (Stephen) Spargo (Chairman)
II (Ian) Bucknall
DS (Scott) Chapman
CJ (John) Fox AM
AJ (Alan) Hawkes
GJ (Geoff) Phillips
JA (Joy) Potter
PJB (Jason) Ronald OAM
PF (Peter) Sheldrake

Chief Executive Officer

M (Mark) O'Sullivan

Company Secretary

J (Jon) Perry

Registered Office

Melbourne Showgrounds
Epsom Road, Ascot Vale 3032
Victoria Australia
Telephone +61 3 9281 7444
Facsimile + 61 3 9281 7592

Auditors

PKF
Chartered Accountants
Level 14, 140 William Street
Melbourne 3000
Victoria Australia

Bankers

National Australian Bank Limited
Level 1, 330 Collins Street
Melbourne 3000
Victoria Australia

Solicitors

Allens Arthur Robinson
Stock Exchange Centre
530 Collins Street
Melbourne 3000
Victoria Australia

RASV COUNCILLORS

Life Councillors

RT Balderstone CMG MC
J Balfour Brown
WRR Beggs AM
AC Bott
JM Burston
RM Butler
A Gibson
IK Morton AM
JW Rae OAM
AJ Russell
JH Seymour AM
IMcK Starritt
FRI Stephens
KW Urquhart

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DG Beard
RS Bell
II Bucknall
M Carroll
BM Crotty
Dr RCE Cust
NA Edwards APM
L Falvey
CJ Fox AM
RF Haselgrove AM
J Helper MP
WH Hill
K Jordan
N King OAM
LR Latta
BE Laws
ER Lithgow
CR Lyons
MT Marriott
GJ Phillips
BWA Redpath
PJB Ronald OAM
IMcC Rough
AF Rowden
A Shears-Carter OAM
SR Shelmerdine AM
SC Spargo
GB Starritt
JC Watson AM



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The Royal Agricultural Society of Victoria (RASV) is a member-based, not-for-profit organisation dedicated to supporting excellence in Victorian agriculture.

Encouraging industry development and benchmarking standards, the RASV rewards and recognises excellence by showcasing the best Victorian produce through its prestigious events, competitions and associations in agricultural and rural communities.

In addition to Victoria's largest community event, the Royal Melbourne Show, the RASV conducts leading industry events such as the Royal Melbourne Wine Show, Royal Melbourne Horse Show, the Australian International Beer Awards, the Royal Melbourne Fine Food Awards and the Prime Lamb Carcase Awards.

The RASV is also responsible for management of Melbourne's largest and most versatile indoor/outdoor exhibition and event venue, the Melbourne Showgrounds, which offers unrivalled space and flexibility for exhibitions, trade shows, film production, concerts and other events.

Vision

Facilitate and orchestrate Australia's best events including agribusiness events – innovative, captivating and distinctive events that bring out the best in Victoria.

Mission

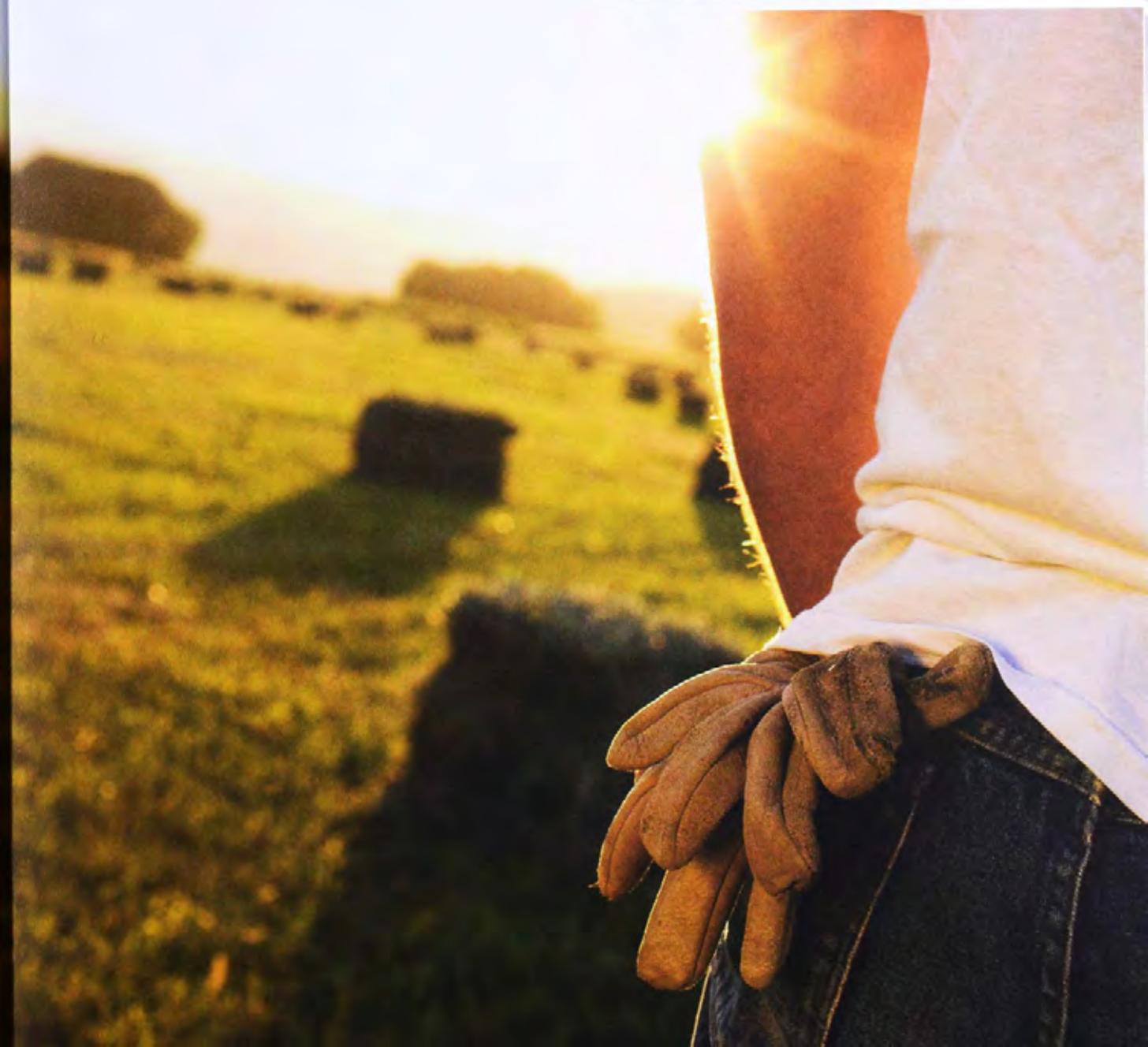
Make possible events, including agribusiness events, which provide opportunities for showcasing entertainment, education, and community participation and connection.

Values

We believe in:

- Maintaining trusted relationships with our members, customers and stakeholders;
- Delivering excellent service and value to all members and customers;
- Being motivated, passionate and committed to working as a team;
- Acting with honesty, integrity and treating everyone with respect;
- Empowering, supporting and developing our employees;
- Encouraging continuous improvement and innovation whilst being respectful to our heritage; and
- Supporting and contributing to the Victorian community, particularly agricultural and rural communities.







PRESIDENT'S MESSAGE

The Royal Agricultural Society of Victoria (RASV) has continued to focus in the past year on opportunities to connect with the rural community and, in the process, add value for our members and our rural constituents more broadly.

Through the conduct of events such as the Royal Melbourne Show, the Australian International Beer Awards, the Royal Melbourne Wine Show, the Royal Melbourne Fine Food Awards and the Royal Melbourne Horse Show, the RASV has maintained its commitment to showcasing the best of rural Victoria for those sectors of our agribusiness industry involved in these events.

Our ongoing support of events such as the Prime Lamb Carcase, Farm Business and Share Dairy Farmer Awards have also assisted in furthering business opportunities for rural producers.

The Royal Melbourne Show

The signature event of the RASV remains the Royal Melbourne Show. The 2009 Show saw more than 450,000 people embrace Victoria's longest running annual community event.

The highly coveted Garryowen Equestrienne Turnout was again in the spotlight, celebrating in 2009 its 75th anniversary. The importance of the event was further promoted in 2009 by the establishment of the Garryowen Hall of Fame, which recognises previous Garryowen winners and individuals who have made an invaluable contribution to the competition.

The RASV was also proud to pay recognition to the brave heroes of the Victorian bushfires with an inspiring honorary parade on the last day of the Royal Melbourne Show, which included Emergency Services personnel and volunteers from the SES, MFB, DSE and CFA. More than 150 bushfire-affected families were also invited to attend to join in paying respect to these local heroes.

The RASV also hosted Marysville Primary School at its annual Royal Melbourne Show showbag launch, helping to bring much needed cheer to local children affected by the bushfires.

Venue Management

It has been rewarding to see in the past year the positive effect which the redeveloped Melbourne Showgrounds is having as a venue for the Royal Melbourne Show and our extensive schedule of events.

In addition to the Royal Melbourne Show, the Melbourne Showgrounds hosts a diverse range of events, from trade shows



and exhibitions to music festivals. It is the Board's objective to ensure the venue business at the Melbourne Showgrounds enjoys further growth in the years ahead.

The RASV is particularly grateful for the investment by the State Government in the redeveloped Showgrounds and the ongoing support which the State Government provides through the Melbourne Showgrounds development joint venture between the RASV and the State.

Changes to the Board

In the past year we have seen a significant change in the RASV's leadership team through the retirement of former President and Chairman of the Board, Mr John Fox AM. While John has relocated to Brisbane, he continues to serve on the RASV Board as other commitments bring him to Victoria on a regular basis.

As the incoming President and Chairman, I am honoured to assume the role John has fulfilled so ably and would like to record my sincere thanks to John for his outstanding contribution to the RASV.

John has been widely recognised for his service to primary industry and to the community during this time, including being awarded an Order of Australia Medal in 2009. His insight, experience and leadership have been greatly valued by the RASV. John's intention to remain with the Society as a member of the Board is welcomed and we look forward to his continuing Board involvement.

We would also like to recognise the invaluable contribution of outgoing member of the RASV Board, Mr Barrie Laws, who has played a pivotal role in the redevelopment of the Melbourne Showgrounds. His financial acumen and business insight have long-served the RASV, particularly through his role as Chairman of the Audit and Risk Committee. We are pleased that Barrie will continue his involvement with this Committee as an independent member.

Support

While driven by a strong team of management and staff, the RASV depends upon a broad range of individuals, groups and organisations who provide their considerable time, energy and skills on a voluntary basis to ensure the Society's ongoing growth and success.

Thanks must go to all of our volunteers whose encouragement and hard work make it possible for the RASV to operate and maintain its rural connection. On behalf of the Board and Management, I commend you for your efforts. I look forward to working with you in the years ahead in the pursuit of a strong and sustainable future for the RASV.

Stephen Spargo
President



The past year has been one of consolidation and business success for the Royal Agricultural Society of Victoria (RASV), marked by significant challenges and opportunities.

Continuing to foster and implement a culture of sustainability, the RASV has remained dedicated to improving not just its everyday practices but also the overall viability of the business.

The past year has been one of consolidation and business success for the Royal Agricultural Society of Victoria (RASV), marked by significant challenges and opportunities.

Continuing to foster and implement a culture of sustainability, the RASV has remained dedicated to improving not just its everyday practices but also the overall viability of the business.

Our pinnacle event, the Royal Melbourne Show again brought significant benefit to the RASV and the Victorian public. The event has continually evolved since its inception in 1884, but more significantly in the years following the redevelopment of the Melbourne Showgrounds. In addition to constant improvements to Show logistics and layout, we have seen the event itself continue to build year on year, leading to the development of an incredibly strong brand proposition.

Although poor weather conditions unavoidably hampered ticket sales, the 2009 Royal Melbourne Show was bolstered by stronger pre-booking and pre-package figures, with the introduction of the new super value Ticket to Ride admission pass and the growth in the Early Bird ticket offer for RACV members contributing to a 100 per cent increase in pre-event ticket sales.

The Royal Melbourne Show continued to improve its digital presence throughout 2009 by moving into online and social networking sites Facebook and Twitter, where we have already recorded an uptake of over 7,200 fans and 1,400 followers respectively. These avenues have proved an effective way to increase promotion of and online conversation about the Show, which is expected to not only grow in future years but also translate into increased attendance figures.

As part of our ongoing efforts to maintain and increase the overall value proposition of the Royal Melbourne Show, the RASV is committed to seeking and promptly responding to feedback and suggestions from Show visitors and exhibitors. In part directed by this feedback, the RASV has made significant investment in the ongoing growth and development of the Show over the past 12 months, with the completion of projects such as the two-year, \$400,000 upgrade to the Royal Melbourne Championship Dog Show. Planning is also underway for further improvements to horse and exhibitor facilities, with results to be seen in 2010.

The Melbourne Showgrounds continued to build its reputation as a world-class venue throughout 2009/10, attracting almost 50 different events including exhibitions, corporate events, trade shows and major music festivals. Demonstrating the versatility of the venue, production filming for television programmes such as "Thank God You're Here" and "The Librarians" was also held on the grounds.

In recognition of the high quality of service provided and the quality of the venue itself, we were pleased to see the return of events year in year out as well as the establishment of many new events.

The RASV's commitment to Victorian rural communities was further highlighted throughout the year by the successful running of our agribusiness awards schedule. Designed to set a benchmark for excellence within the agribusiness industry, these events play an integral role in helping to meet the RASV's ongoing commitment to promote and encourage future growth within Victoria's rural community.

The 2009/10 year saw a strong focus on horses through the annual Royal Melbourne Horse Show, which remains the biggest breed Show in the southern hemisphere; and the 75th anniversary of the Garryowen Equestrienne Turnout during the Royal Melbourne Show. In recognition of this significant milestone, we welcomed the introduction of the Garryowen Hall of Fame and its inaugural inductees, six-time Garryowen winner Vicky Lawrie; three-time winning horse, Dad's Delight; and the man responsible for introducing the Garryowen Equestrienne Turnout in 1934, Mr Harry Morant.

Building on the RASV's reputation for supporting and showcasing Victorian and Australian food and beverages, the Royal Melbourne Wine Show was again a highlight for 2009/10, offering even greater prestige and opportunity through the introduction of the inaugural Douglas Seabrook Trophy for the Best Single Vineyard Wine and first-ever Jimmy Watson Memorial Travel Scholarship. This year awarded to Nick Spencer from Canberra-based winery Eden Road Wines, the scholarship, which includes a \$15,000 travel bursary, was introduced to help foster future excellence within the industry.

Continuing to improve our relationship and strong ties with Slow Food Victoria, the RASV was also pleased to see the successful running of a joint programme of events within the Royal Melbourne Show. This included Galloway Family Cattle Breeders and Slow Food Melbourne and culminated in the highly commended Galloway Beef Dinner; a special function that combined the best of local beef and wine with the slow food philosophy.



The Royal Melbourne Fine Food Awards was also well received, with the programme having further developed and expanded through the introduction of a new category incorporating dips, sauces, pastes and dressings. Throughout 2009/10 and beyond, RASV remains focused on the introduction of new events and the development of existing events such as these, which both highlight and promote the best of Victorian agribusiness.

The RASV again recorded a positive financial result for 2009/10, despite poor weather conditions and an uncertain financial climate creating a challenging lead-in to the Royal Melbourne Show. The application of stringent financial controls helped to significantly reduce or maintain our cost structure over the past few years, with venue management making a significant ongoing contribution to the financial result of the company. Moving forward, our focus remains on further improvements to infrastructure and the services provided by the business.

Finally, I would like to pass on my sincere thanks to former President and Chairman of the RASV Board, Mr John Fox AM, who retired from the position last December. John's wealth of experience and expertise in the agricultural industry are not only highly regarded within the RASV, but Victoria's wider rural community.

While we were disappointed to see John relinquish his role, the RASV will be very well served by incoming Chairman and President, Mr Stephen Spargo. We are very fortunate to have Stephen to guide the Society through what promises to be another dynamic decade of opportunities for the RASV and Australian agriculture.

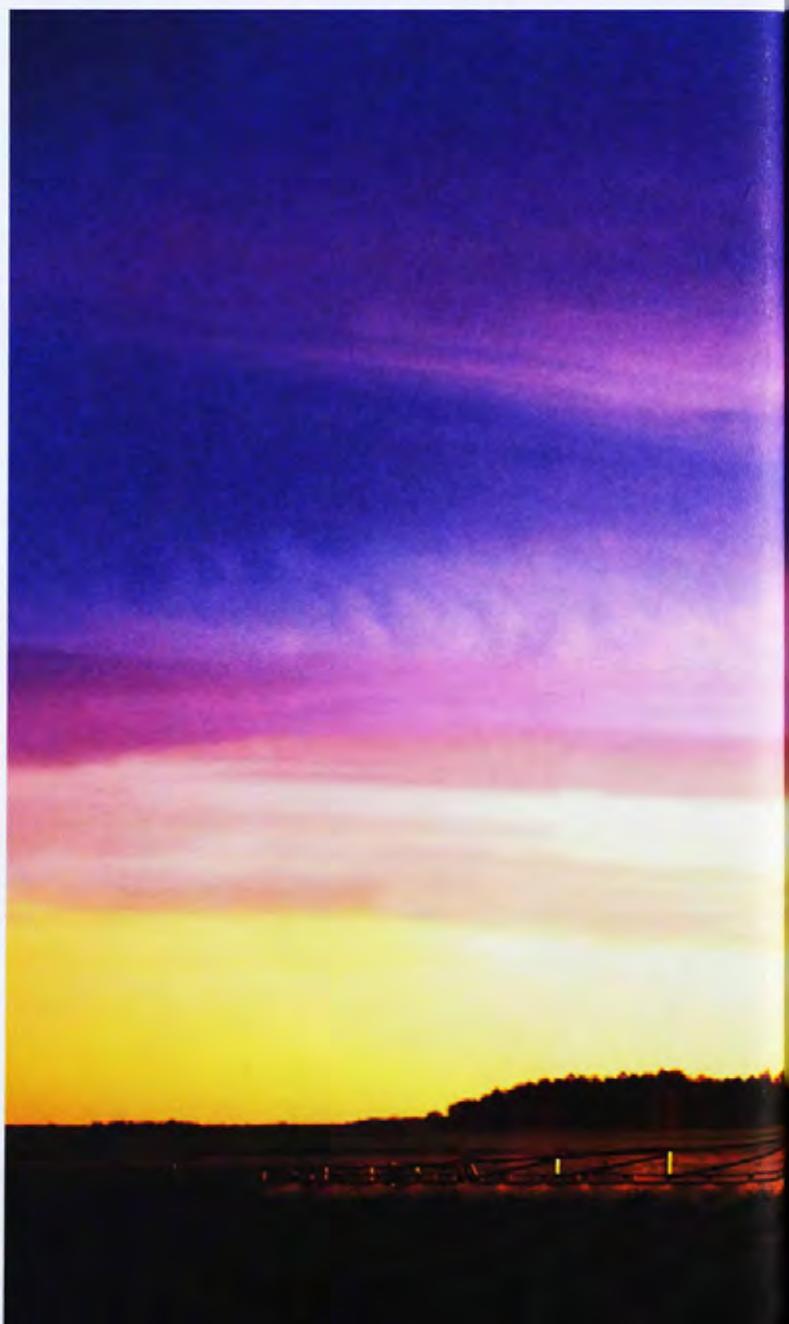
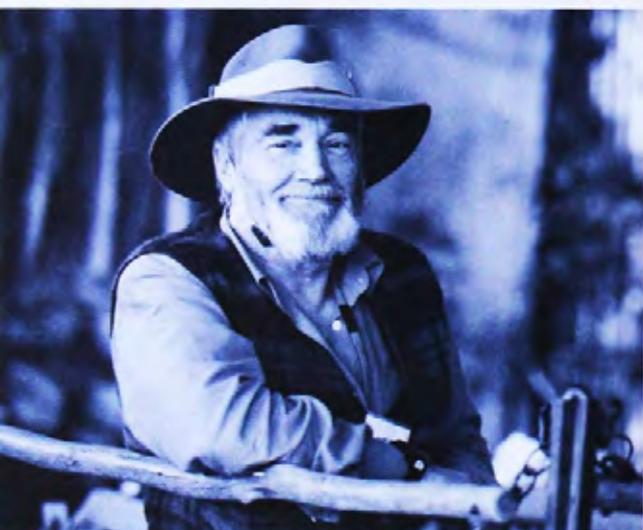
I would also like to recognise the ongoing commitment of our Board of Directors, councillors, members, operational and event committees and staff; we are grateful for their efforts and invaluable support.

Special thanks must also go to our loyal volunteers, sponsors and the media, who have again played a pivotal role in the growth and development of the RASV and its related events and activities. We are confident that with their assistance, the RASV can continue to improve its record of success in the coming years.

Mark O'Sullivan
Chief Executive Officer



The Royal Agricultural
Society of Victoria





**BRINGING
OUT THE BEST
IN VICTORIA.**



2009 ROYAL MELBOURNE SHOW



Royal Melbourne Show

The 2009 Royal Melbourne Show reinforced its reputation as Victoria's most popular major community event with more than 450,000 people enjoying the fun, wonder and discovery of the Show.

The 11-day event featured a range of agricultural, animal and farming experiences to bring the best of the country to the city. More than 10,000 horses, cattle, cats, dogs, alpacas, sheep, pigeons, goats, ferrets and poultry were judged in blue ribbon agricultural and rural competitions and events.

The Garryowen Equestrienne Turnout celebrated its 75th anniversary at the 2009 Royal Melbourne Show. Won by Lynda Hayes riding Request, the event was very popular with both exhibitors and spectators alike. As part of the anniversary celebrations, the Garryowen Hall of Fame was introduced to recognise outstanding achievement by riders, horses and exceptional service by members of the horse community.

The Victorian State Final of the Australian Livestock Property Agents (ALPA) Young Auctioneers Competition was held at the Royal Melbourne Show for the first time in 2009 and was well supported by exhibitors and buyers. The competition was won by Anthony Delaney and gave Show patrons a taste of a live stock auction whilst raising over \$7000 for Ovarian Cancer Research. The feature breed for the Beef Cattle competition, the Galloway Family, saw over 100 head of Galloway, Belted Galloway and Miniature Galloway cattle on display at the Show.

The investment in new infrastructure and an extended judging ring for the dog competition assisted in attracting a record 4500 entries to the Show.

The range of fun interactive educational activities were expanded and enhanced in 2009. These popular activities included the opportunity to milk a cow, pat a variety of farm animals in the NAB Animal Nursery, pot a plant to take home, dig for potatoes and a host of other activities in the Government Pavilion. The Great Tasting Experience in the Grand Pavilion featuring two stages was very popular with free sampling and cooking classes from celebrity chefs including Tobie Puttock, Gabriel Gaté and Masterchef's Chris Badenoch.





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2009 ROYAL MELBOURNE SHOW



In addition to being the venue for the Horses in Action programme, the Coca-Cola Arena attracted large crowds for the entertainment programme which featured the Australia vs. New Zealand Woodchop Test Series, Bush Games, Freestyle MotorX Stunt Riders and a spectacular fireworks display. There was a host of other entertainment on the Herald Sun Town Square stage including service bands, community acts, children's character shows and live music.

A parade on the final day of the Show was held to recognise and honour Emergency Services personnel and volunteers from the SES, MFB, DSE and CFA for their service to the community during the Victorian bushfires.

Showbags were as popular as ever with more than 350 different types on sale and there were more than 50 different carnival rides to suit a range of age groups.

The introduction of an all inclusive entry and rides pass and an exclusive offer for RACV members contributed to a significant increase in pre-event ticket sales.

The Royal Agricultural Society of Victoria greatly appreciates and values the support and contribution of the following sponsors:

Coca-Cola
Woolworths
Mars Petcare
NAB
RACV
Herald and Weekly Times
Seven
Kubota Tractor Australia
Dairy Australia
Grinders Coffee
McDonald's
City of Melbourne
Nestlé Peters
Procal Dairies
Rural Finance
Skin Health
Tupperware

RASV EVENTS & AWARDS



2010 Royal Melbourne Horse Show

More than 1,200 horses and ponies from more than 40 breeds were judged side by side during the four-day Royal Melbourne Horse Show, held at the National Equestrian Centre, Werribee Park from 23 to 26 January.

Shae Hanger and grey gelding War Wind put on a showstopping performance, taking out the prestigious 'Best Of Show' title from an impressive field competing at the Australia Day weekend event. War Wind, a grey Warmblood gelding bred by Blackall Park Stud, also took home trophies for Champion Warmblood Gelding and Supreme Champion Show Hunter at the event adding to a long line of impressive victories for the gelding, including the 2008 Garryowen Equestrienne Turnout title.

In 2010, the RASV introduced new categories to the Show including individual handler classes and awards for 'Best Presented' in each breed, generating a positive response from exhibitors.

The Royal Melbourne Horse Show experienced continued growth in the rare horse breed competitions such as Haflingers, Cleveland Bays, Friesians and Andalusians. Offering one of the few horse competitions for these breeds in Australia, entries increased by over fifty percent in some of these sections.

The extensive programme of events and exemplary judges continues to provide horse breeders with the opportunity to gain recognition from the best in the industry. The RASV is proud to host this prestigious four-day summer horse event and committed to working and evolving with the industry to ensure the high status of the event is maintained.

Concluding on Australia Day, the final day of the RMHS saw the Libby Webb Perpetual Trophy awarded to Tipperary Sprigs Ruby, entered by Daylesford RDA. Presented to the best RDA horse or pony displayed at the event, the Trophy is awarded in honour of long-time RASV steward and RDA supporter, Libby Webb.



Recognised as Australia's most prestigious and progressive wine awards, the 2009 Royal Melbourne Wine Show featured a total of 3,530 individual entries from 566 exhibitors.

2009 Royal Melbourne Wine Show

Recognised as Australia's most prestigious and progressive wine awards, the 2009 Royal Melbourne Wine Show featured a total of 3,530 individual entries from 566 exhibitors. This represented a five percent increase in the number of entries and ten percent more exhibitors than in 2008.

Eden Road Wines reigned supreme over more than 890 entries to be presented with the most eagerly sought after wine award in Australia, the Jimmy Watson Memorial Trophy for the best young red wine. Nick Spencer, winemaker of the trophy winning wine, also received the inaugural Jimmy Watson Memorial Travel Scholarship, a travel bursary valued at \$15,000.

The awards were closely contested between the states, with Western Australia and South Australia winning six trophies each, followed closely by Victoria with five and New South Wales with two. One trophy was a blend of fruit from SA and NSW, a fitting multi-regional blend for the Australian Style Red category.

Joining Eden Road Wines in the spotlight was Penfolds Wines, which won the Francois De Castella Trophy for the Best Young White Wine for its 2008 Reserve Bin A Chardonnay. The De Castella trophy is a new award and is being promoted as the white wine equivalent of the Jimmy Watson Memorial Trophy.

The strong Victorian influence on the winners' table was highlighted by an impressive individual showing from Morris Wines, which took home three awards including the Premier's Gold Trophy for Best Victorian Fortified Wine, for their 1998 Morris Vintage Port.

A new highlight of the Royal Melbourne Wine Show, the Douglas Seabrook Trophy for the Best Single Vineyard Wine, was recognised as a feature award for the first time this year and is named in honour of the iconic Australian wine judge and commentator, the late Douglas Seabrook.

The Douglas Seabrook Trophy for Best Single Vineyard Wine was taken out by the Giant Steps Winery for their 2008 Giant Steps Tarraford Vineyard Chardonnay.

As part of the RASV's commitment to broadening the number of winemakers eligible to enter, the minimum volume entry criteria for many categories were reduced this year to help facilitate entry from boutique wineries, with most classes requiring a minimum holding of 250 dozen, down from 500 dozen previously.

The strongest growth in a class was the 2008 Red Wine class with a thirty five percent increase on entries from the 2008 Royal Melbourne Wine Show. Entries in the 2008 White Wine class also showed a strong increase with twenty eight percent more entries than in the previous year.

Under the guidance of Chairman of Judges, Stephen Webber, judging was conducted by a panel of experts including, Mr Lim Hwee Peng CSW of Singapore and Mr John Belsham of New Zealand.

The Royal Agricultural Society of Victoria greatly appreciates and values the support and contribution of the following sponsors:

Victorian Government, and in particular
Regional Development Victoria
Portavin Intergrated Wine Services
Kubota Tractor Australia
A & G Engineering
Rural Finance
The Wine Society
National Liquor News
Sanpellegrino
Kilchurn Wines
Victorian Wine Industry Association
Grays Online
Longfellows

RASV EVENTS & AWARDS



2010 Australian International Beer Awards

Held annually by the RASV in conjunction with the University of Ballarat, the Australian International Beer Awards (AIBA) is the pre-eminent showcase of beer and brewing excellence in the Asia Pacific Region.

Continuing the success of the 2009 event, the 2010 AIBA was held in May, following a change of date. The event therefore fits into the 2010/2011 financial year and will be reported upon accordingly.

2009 Royal Melbourne Fine Food Awards

The Royal Melbourne Fine Food Awards recognises excellence across various categories, including Dairy Produce, Confectionery, Extra Virgin Olive Oil and a new category in 2009 that included condiments, dips and sauces.

The annual competition, formerly the Royal Melbourne Dairy Produce Awards, provides an opportunity for manufacturers to benchmark their products against both commercial giants and small boutique operators.

Committed to ensuring competitions remain relevant and reflect changing industry and consumer trends, the RASV introduced a new category in 2009 providing a competition for producers of dips, pesto, sauces, chutneys, mustards, relishes, pastes, jellies, dressing, marinades, vinegar and flavoured oils.

The 2009 Royal Melbourne Fine Food Awards recorded a total of 792 entries from 173 exhibitors, a twenty eight percent increase on the inaugural event in 2008, which registered 461 entries from 57 exhibitors.

Of the four categories, the confectionery section recorded the largest growth of entries, up sixty seven percent on the previous year. The new category in 2009 that included condiments, dips and sauces received 126 entries from 34 exhibitors.

The RASV greatly appreciates and values the support and contribution that Dairy Australia provides in relation to the Royal Melbourne Fine Food Awards.



2009 RASV Prime Lamb Carcase Awards

Introduced to identify and reward excellence in prime lamb production within the commercial sector, the 2009 RASV Prime Lamb Carcase Awards has this year been held in conjunction with Meat and Livestock Australia's Meat Profit Day at the Melbourne Showgrounds in May. The event therefore fits into the 2010/2011 financial year and will be reported upon accordingly.

2009 Rural Ambassador Award

Organised by the Royal Agricultural Society of Victoria, in conjunction with Victorian Agricultural Shows Ltd (VAS Ltd), the Rural Ambassador Award aims to highlight and reward the talent, creativity and ingenuity of young rural Victorians who are making a significant contribution to their local communities.

Rural Victorians aged 20 – 30 are eligible to enter the awards and automatically qualify for the Preliminary Finals staged at their local agricultural show.

Throughout the 2008/2009 show season, more than 30 agricultural shows conducted Preliminary Finals, leading into ten Regional Finals conducted by VAS Ltd Groups around Victoria.

A panel of expert judges selected the best entrant from each Regional Final to attend the State Finals held at the 2009 Royal Melbourne Show.

State finalists are required to undertake a written component, 20-minute interview and deliver a three-minute presentation to more than 150 guests at the annual State Final Award Presentation dinner, held during the 2009 Royal Melbourne Show.

Finalists are critiqued on their communication and leadership qualities, and level of involvement, or readiness to become actively involved, in their local agricultural show.

Lauren Mathers from Northern District Agricultural Societies Association of Victoria won the 2009 Victorian Agricultural Shows Rural Ambassador Award sponsored by Kubota. Ms Mathers, a young businesswoman, is a partner in a cafe/local produce store in Koondrook and a member of the Barham and Koondrook Agricultural and Horticultural Show Society.

Ms Mathers will utilise the \$8000 prize money provided by the Department of Primary Industries to take the opportunity to travel to areas of Australia and well established European countries to expand her ideas on how to initiate a local movement of eating locally produced food and ultimately living more sustainably.

Runner up in 2009 was Heidi Knowles from South Western Group, who represented her local show society, Port Fairy Agricultural, Pastoral and Horticulture Society.

The RASV and VAS Ltd would like to thank and acknowledge the support of the following sponsors:

Department of Primary Industries
Kubota Tractor Australia
The Weekly Times
Ace Radio

VENUE MANAGEMENT

The RASV has continued to grow the venue business in the past 12 months by building sound relationships with clients and event organisers and positioning Melbourne Showgrounds in the market place as Melbourne's largest and most versatile indoor/outdoor exhibition, trade show and event venue.

With stylish purpose-built exhibition and event spaces, restored heritage buildings and an abundance of outdoor showcase spaces over 19 hectares, Melbourne Showgrounds offers space and versatility like no other venue.

By leveraging the venue's strengths a number of new tradeshows and exhibitions were held at the venue in 2009/10 including: National 4X4, Off Road, Fishing & Outdoors Expo, Mitre 10 Trade Show, Chocolate Rush, Ausbike Expo and the Anime Festival. There was also high retention of existing tradeshows and exhibitions with International Truck, Trailer & Equipment Show, National Tradesmans Expo, Home & Giving Fair, Reed Gift Fair, Timber & Working with Wood Show, Paperific, Australian Bead & Gem Show, Landscape Expo, and Shot Expo all being held at Melbourne Showgrounds in 2009/10.

Music festivals are also a key market for the venue with the following being held at Melbourne Showgrounds in 2009/10: Soundwave Festival, V Festival and Stereosonic. During the year a favourable VCAT ruling allowing an additional three music events to take place per year, (with a total of six per year) will see an increase in opportunities for the Melbourne Showgrounds to attract major music festivals. Promoters have already taken advantage by adding two additional music festivals this year.

The space, versatility and features of the venue make it appealing for a diverse range of other events and activities including as a venue for Victoria University Exams, filming of "The Librarians" and "Thank God You're Here", and a training facility for the Metropolitan Fire Brigade.

In addition the RASV has assisted the Victorian Farmers Market Association to establish the Melbourne Showgrounds Farmers Market to provide the opportunity for Melbourne residents to purchase fresh products directly from producers on Sunday mornings.





With stylish purpose-built exhibition and event spaces, restored heritage buildings and an abundance of outdoor showcase spaces over 19 hectares, Melbourne Showgrounds offers space and versatility like no other venue.

The Board will continue to foster strong relationships with the RASV's joint venture partner and ensure that the Redevelopment Project Objectives are achieved.

Board of Directors

The Board's overarching objectives are to represent and serve the interests of members, guide and monitor the business and affairs of the RASV, and implement good corporate governance structures consistent with relevant ASX governance principles, specifically to:

- Provide strategic guidance and approve the organisation's strategic/business plans, budgets and performance targets.
- Lay solid foundations for management and oversight.
- Structure the Board to add value.
- Promote ethical and responsible decision making.
- Safeguard integrity in financial reporting.
- Recognise and manage risk.
- Encourage enhanced performance – from economic, social and environmental standpoints.
- Remunerate fairly and responsibly.
- Recognise the legitimate interests of the RASV's stakeholders.

The Board will continue to foster strong relationships with the RASV's joint venture partner, The State of Victoria, and ensure that the Redevelopment Project Objectives are achieved.

Board Composition

The Board comprises nine Directors and is chaired by the person so elected by the Directors.

The Board requires its Directors to have a broad range of expertise and experience, in a field which is complementary to the RASV's activities and strategy, or with appropriate professional qualifications and proven ability to make meaningful contributions to the Board's deliberations.

Membership Committee

The Membership Committee is appointed by the Board of Directors. The Committee consists of a minimum of three members and is chaired by a person nominated by the chairman and assisted by the RASV's General Manager Marketing & Business Development.

The Committee provides an efficient and effective mechanism for developing, assessing and recommending where necessary to the Board strategies and initiatives in relation to membership growth, member value and benefits, member utilisation, member satisfaction and member service and experiences.

Audit and Risk Management Committee

The Audit and Risk Management Committee consists of Non Executive Directors and suitably qualified independent persons.

It is charged with:

- Assisting the Board and RASV senior management in discharging their responsibilities for financial reporting and in maintaining a reliable system of internal controls covering all of the RASV's operations and activities.
- Monitoring the implementation of RASV's relevant strategies, in relation to their risk management components.
- Fostering the organisation's ethical environment.
- Overviewing and appraising the quality of the audits conducted both by the internal and external auditors.
- Fostering and maintaining open lines of communication between the internal and external auditor to ensure information exchange and coordination of activity.
- Monitoring and assessing the adequacy and scope of the RASV's procedural, operating and accounting controls.
- Providing an independent and objective review of operational and financial information provided by management to the Board.



Nominations Committee

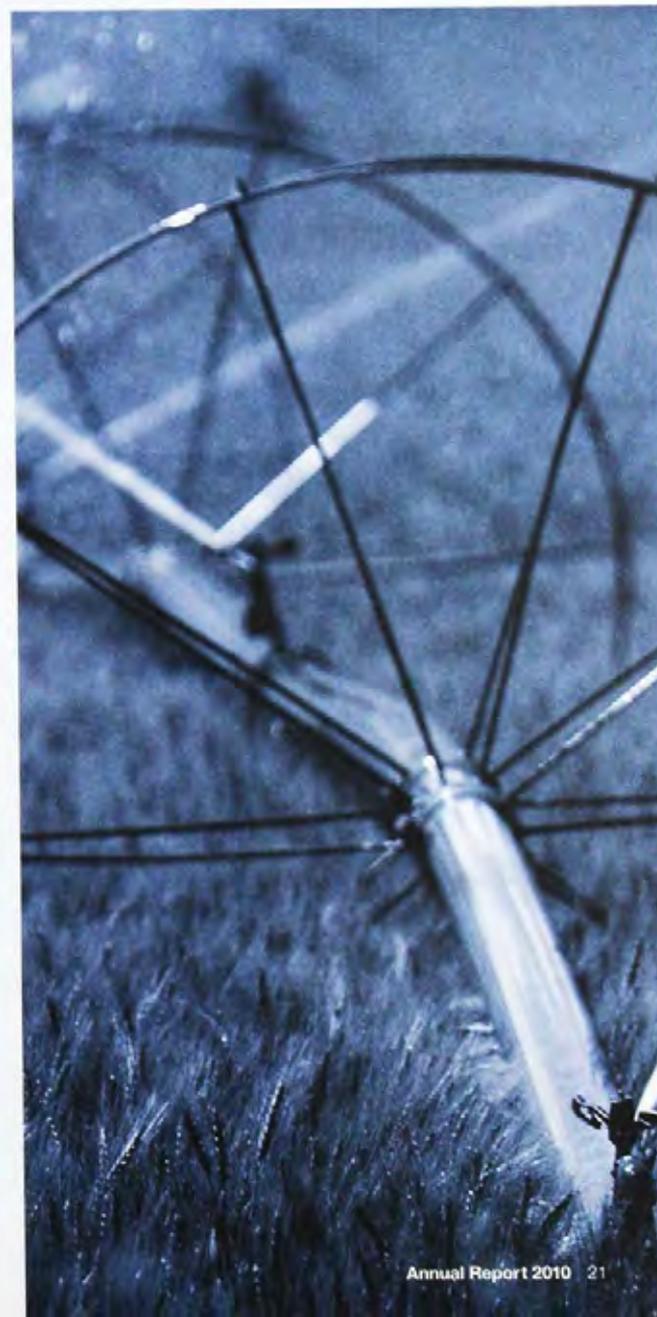
The Nominations Committee is appointed by the Board of Directors and is primarily responsible for making recommendations to the Board regarding the selection and nomination of chairpersons and members of:

- The Board.
- Board Committees.
- Industry Advisory and Show Event Committees.

The Committee is also appointed to oversee the implementation of performance evaluation processes for members of the above groups.

Political Activity

The RASV is politically impartial and it does not provide donations to any political party.





The Royal Agricultural
Society of Victoria

FINANCIAL REPORTS

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DIRECTORS' REPORT

The directors present their report together with the financial report of The Royal Agricultural Society of Victoria Limited ("the Company") for the year ended 31 March 2010 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

| Name | Experience and Special Responsibilities |
|------------------------------|---|
| Stephen Charles Spargo | Stephen has experience in commercial law and corporate finance. He has an interest in a small beef stud, and was appointed a Councillor and Director in July 2000. He was appointed President of the Company and Chairman of the Board in December 2009. |
| Ian Ivor Bucknall | Ian has had pastoral interests and has operated a successful stud sheep enterprise and consulted on animal breeding services. He has been a Councillor since 1986 and a Director since 1993. He is a member of the Membership Committee. |
| Douglas Scott Chapman | Scott has a broad experience in business growth, marketing and major event management and sits on a number of Boards with rural connections. He is currently CEO with the Royal Flying Doctor Service and was appointed a Director in June 2009. He is a member of the Audit and Risk Committee. |
| Richard Charles Embley Cust | Richard has a background in Veterinary Science. He has interests in horse and commercial beef studs. He became a Councillor in 2000, was appointed as a Director in February 2003 and has been a member of the RASV Veterinary Panel since 1972. Richard resigned as Director in August 2009. |
| Charles John Fox AM | John has experience in mixed farming and in the finance industry. He has been a Councillor since 1989 and a Director since 1993. He stepped down as President of the Company and Chairman of the Board in December 2009. |
| Alan John Hawkes | Alan has significant financial, banking and treasury experience and is a Chairman of the Board Audit and Risk Management Committee and member of the Nominations Committee. He joined the Board in April 2008. |
| Barrie Ernest Laws | Barrie has a background in investment and corporate management. He has rural interests in the beef, dairy and fruit industries and became a Councillor and Director in 1998. He was also Chairman of the Audit and Risk Management Committee. Barrie resigned as a Director in December 2009. |
| Geoffrey James Phillips | Geoff has a background in rural journalism and marketing with a particular interest in the beef industry. He became a Councillor in 1999 and was appointed a Director in April 2002. He is Chairman of the Membership Committee. |
| Joy Anita Potter | Joy has extensive experience in sheep, beef cattle farming and cropping and serves on several agricultural committees. She has an interest in the Arts and is a Board member of the Port Fairy Spring Music Festival. Joy was elected as a Director and her term commenced in August 2007. She is a member of the Membership Committee. |
| Peter Jason Bruce Ronald OAM | Jason has worked for the University of Melbourne, Ballarat University, Federal and State Governments and Qantas. He runs a property fattening cattle and conducts the Brolga Pony Stud. He is a member of the Nominations Committee. Jason was elected to Council in 1991 and appointed a Director in September 2009. |
| Peter Francis Sheldrake | Peter is Professor of Business Entrepreneurship at RMIT University and has held a number of positions in the private, public and not-for-profit sectors over the last 32 years. Peter was appointed a Director in August 2007. He is a member of the Nominations Committee. |

Company Secretary

| | |
|----------------|---|
| Adnan Mansour | Adnan was the Chief Operating Officer and was appointed Company Secretary in 1996. Adnan resigned as Company Secretary on 1st June 2009 and retired from The Royal Agricultural Society of Victoria Limited on 1st July 2009. |
| Jonathan Perry | Jonathan is a Certified Practising Accountant with over twenty years' experience in financial management. He was appointed as Company Secretary on 1st June 2009. |

Principal Activities

The principal activities of the Company during the course of the year ended 31 March 2010 have comprised of the promotion and development of all phases of the agricultural, pastoral, horticultural, viticultural, stock raising, manufacturing and industrial resources of Australia, and the venue management of the Melbourne Showgrounds and the Royal Melbourne Show. There were no significant changes in the nature of these activities during the year.

Review and Results of Operations

The operating result of the Company for the year before income tax and joint venture contribution was a profit of \$1,206,035 (2009: profit of \$1,062,289). After inclusion of the joint venture interest, the net loss of the Company for the year after tax was \$1,841,738 (2009: loss \$3,341,114). During the year:

- Rental and associated income from the Venue operation was \$5,163,257, an increase of \$749,760 on the previous financial year. During the year a profit share payment to the Joint Venture of \$350,000 became payable. The profit share, as specified by the Venue Management Agreement, is on the basis of a 50% share of operating profit to a maximum of \$350,000.
- The 2009 Royal Melbourne Show was affected by adverse weather for seven days out of eleven. This adversely impacted on our admission, catering and showbag income for the Show period. The net result for the Show was a loss of \$771,634.
- After submissions to the Australian Taxation Office, the Company received exemption from GST under Section 38-250(2)(v)(iii) of the GST Act for certain classes of admissions and entries relating to the Royal Show.
- The Company was appointed Venue Manager for the Melbourne Showgrounds in December 2007 for the provision of venue management services for a term of five years, effective 1st April 2007.
- The Company paid fees to the Joint Venture and the Concessionaire as part of its contractual obligations. These fees will be ongoing until completion of the 25 year term of the Concessionaire.

Dividends

The Company is limited by guarantee and is prohibited by its Constitution from paying a dividend to its members.

State of Affairs

Other than as described elsewhere in this report there were no significant changes in the Company's state of affairs during the year.

Events Subsequent to Balance Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

Directors' Meetings

The number of directors' meetings and number of directors and Audit and Risk Management Committee meetings attended by each of the directors of the Company during the year are:

| | Directors Meetings Attended | Directors Meetings Eligible to Attend | Audit and Risk Management Meetings Attended | Audit and Risk Management Meetings Eligible to Attend |
|--------------|--------------------------------|---|---|--|
| II Bucknall | 8 | 8 | - | - |
| DS Chapman | 4 | 6 | 2 | 4 |
| RCE Cust | 4 | 4 | - | - |
| CJ Fox | 7 | 8 | 2 | 3 |
| AJ Hawkes | 7 | 8 | 5 | 5 |
| BE Laws | 5 | 6 | 3 | 5 |
| GJ Phillips | 6 | 8 | - | - |
| JA Potter | 8 | 8 | - | - |
| PJB Ronald | 4 | 4 | - | - |
| PF Sheldrake | 6 | 8 | - | - |
| SC Spargo | 6 | 8 | 2 | 2 |

Mr AJ Hawkes was granted leave of absence for the July 2009 Board meeting.

Mr PF Sheldrake was granted leave of absence for the August 2009 Board meeting.

Derivatives and Other Financial Instruments

The Company's activities expose it to changes in interest rates. It is also exposed to credit, liquidity and cash flow risks from its operations. The Board has confirmed policies and procedures in each of these areas to manage these exposures. Management reports to the Board at each Board meeting as to the monitoring of policies in place, and adherence to the policies is strictly observed.

Operating cash flows are managed to ensure that the Company is not exposed to any adverse liquidity risks. Adequate standby facilities are maintained to provide liquidity to meet unexpected and material cash outflows in the ordinary course of business.

Likely Developments

There are no likely developments at the date of this report.

Performance in relation to Environmental Regulation

The Company aims to ensure that the highest standards of environmental care are achieved. The Board maintains the responsibility for ensuring that the Company is aware of and is in compliance with all relevant environmental legislation. The operations of the Company are not subject to any site specific environmental licences or permits which would be considered as particular or significant under laws of the State of Victoria or the Australian Commonwealth Government nor does the Company have any exposure to significant environmental reporting requirements.

Indemnification and Insurance of Directors and Officers

Indemnification

The Company has an agreement indemnifying those persons who are and have been directors and/or officers, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and/or officers of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

During the year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses for the year ended 31 March 2010. The contracts insure against certain liability (subject to specific exclusions) for persons who are or have been directors or executive officers of the Company.

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* is set out on page 27 and forms part of the Directors' Report for the year ended 31 March 2010.

Signed in accordance with a resolution of the Board of Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors



S C Spargo
Director



A J Hawkes
Director

Dated this 18th day of June 2010
Melbourne, Victoria

AUDITOR'S INDEPENDENCE DECLARATION

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the Royal Agricultural Society of Victoria Limited for the year ended 31 March 2010, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



David J Garvey
Partner
PKF

18 June 2010
Melbourne

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The PKF East Coast Practice is a member of the PKF International Limited network of legally independent member firms. The PKF (East Coast) Practice is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF East Coast Practice has offices in NSW, Victoria and Brisbane. PKF East Coast Practice does not accept responsibility or liability for the actions or inactions of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

| | Note | 2010 \$ | 2009 \$ |
|--|-------|--------------------|--------------------|
| Continuing Operations | | | |
| Revenue | | | |
| Rendering of Services | 2 | 17,693,396 | 17,172,564 |
| Other Income | 2 | 1,140,437 | 1,606,609 |
| | | 18,833,833 | 18,779,173 |
| Expenses | | | |
| Salaries and Wages | | (5,281,612) | (4,887,204) |
| Advertising, Promotion & Marketing | | (932,162) | (1,128,590) |
| Depreciation | | (381,788) | (320,823) |
| Event Expenses | | (4,352,410) | (4,357,501) |
| Finance Costs | | (5,527) | (4,154) |
| Maintenance, Hire & Event Set Up | | (2,581,459) | (2,501,786) |
| Professional Fees | | (1,042,866) | (1,551,777) |
| Venue Access, Service Fees & Profit Share | | (1,221,065) | (1,072,084) |
| Other Expenses | | (1,828,909) | (1,892,965) |
| Total comprehensive income before income tax and Joint Venture loss | | 1,206,035 | 1,062,289 |
| Joint Venture Revenue | 2 | 4,432,332 | 3,505,026 |
| Joint Venture Expenses | | | |
| Interest Expense – Finance Lease | | (5,067,548) | (5,128,987) |
| Concessionaire Fees | | (930,454) | (927,309) |
| Depreciation | | (1,313,974) | (1,313,974) |
| Project Expenses | | (168,129) | (538,159) |
| Joint Venture loss before income tax | | (3,047,773) | (4,403,403) |
| Loss before income tax | | (1,841,738) | (3,341,114) |
| Income tax expense | 1B(b) | - | - |
| Net loss after income tax attributable to members | | (1,841,738) | (3,341,114) |
| Other Comprehensive Income | 5 | - | - |
| Total Comprehensive Income for the Year | | (1,841,738) | (3,341,114) |

The Statement of Comprehensive Income is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

| | Note | 2010 \$ | 2009 \$ |
|--------------------------------------|------|--------------------|--------------------|
| Current Assets | | | |
| Cash and Cash Equivalents | 6 | 3,527,392 | 3,567,317 |
| Trade and Other Receivables | 7 | 6,865,386 | 6,804,196 |
| Inventories | 8 | 1,639 | 2,391 |
| Prepayments | | 421,540 | 390,226 |
| Total Current Assets | | 10,815,957 | 10,764,130 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 9 | 75,785,683 | 76,644,221 |
| Receivables | 10 | 37,437,539 | 38,648,573 |
| Total Non-Current Assets | | 113,223,222 | 115,292,794 |
| Total Assets | | 124,039,179 | 126,056,924 |
| Current Liabilities | | | |
| Trade and Other Payables | 11 | 4,045,155 | 3,548,209 |
| Provisions | 12 | 335,440 | 348,056 |
| Interest Bearing Liabilities | 13 | 731,923 | 655,703 |
| Total Current Liabilities | | 5,112,518 | 4,551,968 |
| Non-Current Liabilities | | | |
| Income in Advance | 10 | 2,655,968 | 2,701,801 |
| Interest Bearing Liabilities | 14 | 49,884,236 | 50,572,362 |
| Provisions | 15 | 43,117 | 45,715 |
| Total Non-Current Liabilities | | 52,583,321 | 53,319,878 |
| Total Liabilities | | 57,695,839 | 57,871,846 |
| Net Assets | | 66,343,340 | 68,185,078 |
| Equity | | | |
| Contributed Equity | 16 | - | - |
| Retained Earnings | | 66,343,340 | 68,185,078 |
| Total Equity | | 66,343,340 | 68,185,078 |

The Statement of Financial Position is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2010

| | Retained Earnings \$ | Total \$ |
|--------------------------|-------------------------|-------------|
| As at 31 March 2008 | 71,526,192 | 71,526,192 |
| Changes in Equity | | |
| Loss for the Period | (3,341,114) | (3,341,114) |
| As at 31 March 2009 | 68,185,078 | 68,185,078 |
| Changes in Equity | | |
| Loss for the Period | (1,841,738) | (1,841,738) |
| As at 31 March 2010 | 66,343,340 | 66,343,340 |

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

| | Note | 2010 \$ | 2009 \$ |
|---|-------|--------------|--------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers and State Funding | | 25,645,026 | 24,585,655 |
| Payments to suppliers and employees | | (19,278,684) | (19,401,250) |
| Interest received | | 130,980 | 206,301 |
| Interest and other costs of finance paid | | (5,067,548) | (5,128,987) |
| Net Cash flows provided by Operating Activities | (iii) | 1,429,774 | 261,719 |
| Cash Flows from Investing Activities | | | |
| Payments for property, plant and equipment | | (810,512) | (256,720) |
| Proceeds from sale/transfer of property, plant and equipment | | 1,036 | 4,379 |
| Net Cash flows used in Investing Activities | | (809,476) | (252,341) |
| Cash Flows from Financing Activities | | | |
| Repayment of interest bearing liabilities | | (655,703) | (594,264) |
| Receipts/(Payment) of trophy funds | | (4,520) | 3,070 |
| Net Cash flows used in Financing Activities | | (660,223) | (591,194) |
| Net Decrease in Cash held | | (39,925) | (581,816) |
| Cash and Cash Equivalents at Beginning of Financial Year | | 3,567,317 | 4,149,133 |
| Cash and Cash Equivalents at End of Financial Year | (i) | 3,527,392 | 3,567,317 |

The Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2010

Notes to the Statement of Cash Flows

(i) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand, in banks, and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

| | Note | 2010 \$ | 2009 \$ |
|------|------|-----------|-----------|
| Cash | 6 | 3,527,392 | 3,567,317 |

(ii) Financing Facilities

A commercial bill facility of \$1 million (2009: \$1 million) exists with National Australia Bank Limited. The facility is available for one year. At 31 March 2010, \$nil (2009: \$nil) was in use.

The commercial bill facility is secured by the Company's interest in the Joint Venture as well as by way of a fixed and a floating charge on all assets. Liquidity risk is considered low.

(iii) Reconciliation of Net Cash provided by Operating Activities to Operating Result

| | 2010 \$ | 2009 \$ |
|--|------------------|----------------|
| Net loss after tax | (1,841,738) | (3,341,114) |
| Add/(less) non-cash items: | | |
| Depreciation | 1,695,762 | 1,634,797 |
| Interest accrued on Trophy Funds | 3,332 | 4,154 |
| Loss/(Gain) on sale of Fixed Assets | (1,036) | (4,379) |
| Bad Debts Expense | 120,012 | 11,187 |
| Write-off of Assets | 18,273 | 36,025 |
| Joint Venture Interest Income | (3,197,432) | (3,312,163) |
| Joint Venture Lease Income | (39,032) | - |
| Changes in Assets and Liabilities: | | |
| Decrease in Receivables | 4,227,264 | 4,932,635 |
| Decrease/(Increase) in Prepayments | (31,314) | 147,870 |
| Decrease/(Increase) in Inventories | 752 | (1,706) |
| Increase in Payables | 490,145 | 139,539 |
| Increase/(Decrease) in Provisions | (15,214) | 14,874 |
| Net Cash Provided by Operating Activities | 1,429,774 | 261,719 |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 A) Corporate Information

The financial report of the Company for the year ended 31 March 2010 was authorised for issue in accordance with a resolution of the Directors on the same date as the directors' declaration.

The Company is a company limited by guarantee incorporated and domiciled in Australia.

The nature of operations and principal activities of the Company are described in the Directors' report.

The Company's registered office and principal place of business is at Royal Melbourne Showgrounds, Epsom Road, Ascot Vale, Victoria, 3032.

1 B) Summary of Significant Accounting Policies

The principal accounting policies adopted by the Company are stated in order to assist in the general understanding of this financial report. These policies have been consistently applied except as otherwise indicated.

(a) Basis of Preparation

In the opinion of the Directors, the Company is a reporting entity. The financial report has been drawn up as a general purpose financial report.

The financial report has been prepared on the accrual basis of accounting as defined in AASB 101, Presentation of Financial Statements, using the historical cost convention and a going concern assumption. Except where stated, it does not take into account changing money values or current valuations of non-current assets. All amounts are presented in Australian dollars unless otherwise noted.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial period amounts and other disclosures.

The financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, the recognition and measurement aspects of all applicable Accounting Standards, including Australian equivalents to International Financial Reporting Standards (IFRS), and other mandatory professional reporting requirements that have a material effect.

(b) Income Tax

The Royal Agricultural Society of Victoria Limited has an exemption from income tax under Division 50 of the *Income Tax Assessment Act (1997)*.

(c) Cash and Cash Equivalents

Cash and short term deposits in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. These are carried at face value of the amounts deposited. The carrying amounts of cash and short term deposits approximate net fair value. Interest revenue is accrued at the market or contracted rates and is received on a monthly or quarterly basis.

(d) Trade and Other Receivables

Trade debtors are generally settled within 60 days and are carried at amounts due. The collectability of debts is assessed at period end and specific provision is made for any doubtful accounts. The carrying amount of trade debtors approximates net fair value.

(e) Prepayments

Expenses paid in the current financial year for which the economic benefits have not been completely consumed at balance date, have been deferred and recorded as a prepayment in the Statement of Financial Position. Prepayments are amortised as an expense in the Statement of Comprehensive Income in following years as the economic benefits of the payment are consumed.

(f) Plant and Equipment

Acquisition

Items of plant and equipment are initially recorded at cost and are depreciated over their estimated useful lives using the straight line method.

Depreciation

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

| | |
|-----------------------|-------------|
| Building & Structures | 2.5% - 10% |
| Plant & Equipment | 10% - 33.3% |
| Motor Vehicles | 20% |

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and ready for use.

Subsequent Additional Costs

Costs incurred on plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Company in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives.

(g) Inventories

Inventories are carried at the lower of cost and net realisable value.

(h) Employee Benefits

Wages, Salaries and Annual Leave

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash out flows to be made by the employer resulting from employees' services provided up to the balance date.

Provisions for employee benefits which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the provision for employee benefits, consideration has been given to future increases in wage and salary rates, and the Company's experience with staff departures. Related on-costs have also been included in the liability.

Superannuation

Contributions to employee superannuation funds are charged against income as they are made. Each employee has the ability to choose the fund they wish their contributions to be paid into and also have the ability to choose from a range of investment options within the superannuation fund. The employer contributions where an employee has not elected to choose a superannuation fund are either paid into an accumulation scheme managed by BT Funds Management Ltd for permanent staff or an industry accumulation scheme, HOST PLUS, for casual staff.

(i) Revenue Recognition

Rendering of Services

Revenue for services is recognised when the service has been performed on an accruals basis. Show admission revenue is recognised at the time the Royal Show is being held.

Rental Income

Rental income is recognised as it accrues over the period that the properties are leased to third parties.

Interest Income

Interest revenue is recognised as it accrues.

Sale of Assets

The net profit or loss on asset sales not originally purchased for the intention of resale are included as revenue or expense at the date an unconditional contract of sale is signed.

(j) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days. The carrying value of payables approximate net fair value.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Exemption from GST has been determined under Section 38-250(2)(v)(ii) of the GST Act for certain classes of admissions and entries relating to the Royal Show. The determination of GST-free status for admissions and entry fees is carried out on an annual basis.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Finance Costs

Finance costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and future lease finance charges. Finance costs are expensed as incurred.

(m) Joint Venture

Joint ventures are contractual arrangements between the Company and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Interests in jointly controlled operations and jointly controlled assets are accounted for by recognising in the Company's financial statements its share of the assets, liabilities and any income and expenses of such joint ventures.

(n) Impairment

The carrying values of non-current assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of non-current assets is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognised in the Statement of Comprehensive Income.

(o) Impact of New and Revised Accounting Standards or Interpretations that are not yet effective

There have been a number of amendments made to Accounting Standards issued by the Australian Accounting Standards Board ("AASB") that are not yet effective.

The directors do not believe that the new and revised standards issued by the AASB that are not yet effective will have any material impact on the financial statements.

(p) Significant Judgements and Key Assumptions

There are no significant judgements or key assumptions made by management in the application of accounting policies that are considered to have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year.

(q) Leases

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased asset and operating leases under which the lessor retains substantially all the risks and rewards. Where an asset is acquired by means of a finance lease, the fair value of the leased property or the present value of minimum lease payments, if lower, is established as an asset at the beginning of the lease term. A corresponding liability is also established and each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the user's benefit.

The buildings of the joint venture have been accounted for on a finance lease basis.

(r) Financial Risk Management

Financial Risk Management is the responsibility of the Board, which takes advice from the Audit & Risk Management Committee under an authorised Investment Policy. This policy outlines the key objective of achieving the maximum possible investment return within approved investment criteria and risk parameters.

The following authorised investment instruments have been determined:

- Cash Deposits
- Short Term Money Market Trust Accounts
- Fixed Interest Term Deposits
- Government Securities & Bonds
- Bank Bills

Authorised investment instruments may only be transacted with the following institutions:

- Commonwealth Government
- State Government
- Australian Banks or institutions with a Standard & Poors rating of BBB+ or higher

Several financial instruments are specifically prohibited, these are:

- Foreign Exchange Transactions
- Derivatives
- Australian or Foreign share transactions
- Any transaction undertaken solely for the purpose of speculating

In accordance with Board policy, no more than 30% of available funds or \$2 million (whichever is the lesser) available for investment should be placed into any one investment without prior ratification of the Board. Any recommendation for the utilization of investment instruments or institutions not separately authorised within the Investment Policy must be presented to the Board for approval. A mechanism of reporting all current investment instruments to the Audit & Risk Management Committee is undertaken.

| 2. Revenue | 2010 \$ | 2009 \$ |
|--|-------------------|-------------------|
| Rendering of Services | | |
| Admissions Revenue | 5,518,074 | 6,110,424 |
| Members Subscriptions | 236,615 | 210,205 |
| Rental Income | 7,094,769 | 6,210,804 |
| Catering Premiums | 1,799,019 | 1,612,095 |
| Sponsorship | 1,399,702 | 1,303,649 |
| Competition Income | 1,043,650 | 1,134,425 |
| Secretarial and Management Fees | 81,128 | 71,066 |
| Parking Revenue | 520,439 | 519,896 |
| | 17,693,396 | 17,172,564 |
| Other Income | | |
| GST Reimbursement | - | 418,196 |
| Interest | 122,712 | 192,619 |
| Gain/(loss) on disposal of property, plant & equipment | 1,036 | 4,379 |
| Government Grant | 25,000 | 50,000 |
| Other Revenue | 991,689 | 941,415 |
| | 1,140,437 | 1,606,609 |
| Joint Venture Income | | |
| Joint Venture Interest Income | 3,205,701 | 3,325,846 |
| Joint Venture Other Income | 1,226,631 | 179,180 |
| | 4,432,332 | 3,505,026 |
| Total Revenue | 23,266,165 | 22,284,199 |

3. Items included in result

| | | |
|---|-----------|-----------|
| Joint Venture Depreciation Expense | 1,313,974 | 1,313,974 |
| Depreciation Expense | 381,788 | 320,823 |
| Bad and Doubtful Debts | 120,012 | 11,187 |
| Lease Rental Expense – Operating Leases | 154,811 | 169,668 |
| Employee Benefits Expense | 275,299 | 297,846 |
| Superannuation Contribution Expense | 303,655 | 317,383 |
| Salaries – Permanent Employees | 3,197,964 | 3,074,117 |

4. RASV net result before consolidation with Joint Venture

| | 2010 \$ | 2009 \$ |
|---|-------------------|-------------------|
| Continuing Operations | | |
| Revenue | | |
| Rendering of Services | 17,693,396 | 17,172,564 |
| Other Income | 1,140,437 | 1,707,080 |
| | 18,833,833 | 18,879,644 |
| Expenses | | |
| Salaries and Wages | (5,281,612) | (4,887,204) |
| Advertising, Promotion & Marketing | (932,162) | (1,128,590) |
| Depreciation | (381,788) | (320,823) |
| Event Expenses | (4,365,123) | (4,357,501) |
| Finance Costs | (5,527) | (4,154) |
| Maintenance, Hire & Event Set Up | (2,468,637) | (2,501,786) |
| Professional Fees | (1,042,866) | (1,551,777) |
| Venue Access, Service Fees & Profit Share | (2,448,418) | (2,144,167) |
| Other Expenses | (1,828,909) | (1,892,965) |
| Net result before income tax | 78,791 | 90,677 |

The RASV net result before consolidation is not comparable to the result in the Statement of Comprehensive Income on page 28. The Statement of Comprehensive Income includes consolidation adjustments that eliminate 50% of any transactions between the RASV and the Joint Venture in accordance with Accounting Standards.

5. Comprehensive Income

Comprehensive income is the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in the capacity as owners.

Other comprehensive income comprises items of income and expense that are not recognised in profit or loss as required or permitted by Australian Accounting Standards. Other comprehensive income may include changes in revaluation surplus, actuarial gains and losses on defined benefit plans and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

6. Cash and Cash Equivalents

| | 2010 \$ | 2009 \$ |
|-----------------------------|------------------|------------------|
| Cash on Hand | 3,100 | 3,600 |
| Cash at Bank and on Deposit | 3,524,292 | 3,563,717 |
| | 3,527,392 | 3,567,317 |

Average interest rates at 31 March 2010 on cash accounts were 3.77% (2009: 3.02%).

| 7. Trade and other Receivables | 2010 \$ | 2009 \$ |
|---------------------------------------|------------------|------------------|
| Trade Receivables | 979,828 | 500,608 |
| Allowance for Doubtful Debts | - | - |
| | 979,828 | 500,608 |
| Sundry Receivables | 5,885,558 | 6,303,588 |
| | 6,865,386 | 6,804,196 |

(a) Trade Receivables and Allowance for Bad Debt

Trade Debtors are subject to normal terms of trade which provide for settlement within 14 days. The carrying values of receivables approximate fair values. All credit and recovery risk has been provided for in the Statement of Financial Position.

As at 31 March 2010 debts that were past due but not doubtful amounted to \$552,948 (2009: \$116,112). No net receivables are considered impaired at 31 March 2010 or 31 March 2009 and all are deemed to be recoverable.

At 31 March, the ageing analysis of trade receivables is as follows:

| | As at March 2010 | | As at March 2009 | |
|------------------------|-------------------------|------------------|-------------------------|------------------|
| | Debtor | Allowance | Debtor | Allowance |
| Current | 426,880 | - | 384,496 | - |
| 31 - 60 days | 164,286 | - | 22,681 | - |
| 61 - 90 days | 334,087 | - | 8,868 | - |
| 91 days and over | 54,575 | - | 84,563 | - |
| Closing Balance | 979,828 | - | 500,608 | - |

| 8. Inventories (Current) | 2010 \$ | 2009 \$ |
|---------------------------------|----------------|----------------|
| Finished Goods | 1,639 | 2,391 |

9. Property, Plant and Equipment

| | 2010 \$ | 2009 \$ |
|--|-------------------|-------------------|
| Land - at cost | 25,500,000 | 25,500,000 |
| Buildings & Structures | | |
| - at cost | 52,757,612 | 52,698,495 |
| - accumulated depreciation/amortisation | (4,772,493) | (3,438,119) |
| | 47,985,119 | 49,260,376 |
| Motor Vehicles | | |
| - at cost | 54,430 | 29,535 |
| - accumulated depreciation/amortisation | (9,974) | (20,407) |
| | 44,456 | 9,128 |
| Plant and Equipment | | |
| - at cost | 3,744,386 | 3,009,645 |
| - accumulated depreciation | (1,488,278) | (1,134,928) |
| | 2,256,108 | 1,874,717 |
| Total land, buildings and structures, motor vehicles, plant and equipment | 75,785,683 | 76,644,221 |
| - Net book value | | |

Reconciliation of Movements in 2010

| Asset Class | Opening Balance \$ | Additions \$ | Depreciation/ Amortisation \$ | Disposals \$ | Closing Balance \$ |
|------------------------|--------------------|----------------|----------------------------------|-----------------|-----------------------|
| Land | 25,500,000 | - | - | - | 25,500,000 |
| Buildings & Structures | 49,260,376 | 59,117 | (1,334,374) | - | 47,985,119 |
| Motor Vehicles | 9,128 | 50,081 | (8,037) | (6,716) | 44,456 |
| Plant and Equipment | 1,874,717 | 746,299 | (353,351) | (11,557) | 2,256,108 |
| | 76,644,221 | 855,497 | (1,695,762) | (18,273) | 75,785,683 |

Reconciliation of Movements in 2009

| Asset Class | Opening Balance \$ | Additions \$ | Depreciation/ Amortisation \$ | Disposals \$ | Closing Balance \$ |
|------------------------|--------------------|----------------|----------------------------------|-----------------|-----------------------|
| Land | 25,500,000 | - | - | - | 25,500,000 |
| Buildings & Structures | 50,622,094 | 2,220 | (1,327,913) | (36,025) | 49,260,376 |
| Motor Vehicles | 14,715 | - | (5,587) | - | 9,128 |
| Plant and Equipment | 1,921,515 | 254,500 | (301,298) | - | 1,874,717 |
| | 78,058,324 | 256,720 | (1,634,798) | (36,025) | 76,644,221 |

The Company transferred its land, buildings and improvements during the year ended 31 March 2006 to Showgrounds Nominees Pty Ltd which is a nominee company for a joint venture between the State of Victoria and the Company for the redevelopment of the Showgrounds. The Company retains a 50% interest in the Joint Venture. Refer to note 10.

10. Investment in Joint Venture

The redevelopment of the Showgrounds, which was completed in August 2006, was delivered under the Government's *Partnerships Victoria* methodology.

The State has made a funding commitment of approximately \$100.7 million and RASV has transferred its land with buildings and improvements to the Joint Venture. The State and the Company are each 50% participants in the Joint Venture.

The Joint Venture structure involves an unincorporated Joint Venture which delivered the project and an incorporated entity known as the Project Company – Showground Nominees Pty Ltd – which has the role of holding the project land on a bare trust basis for and on behalf of the Joint Venture participants. Each participant, the State and the Company, owns 50% of the shares in the Project Company.

As Showgrounds Nominees Pty Ltd holds the Showgrounds land on a bare trust basis for the State and the Company as 50% participants in the Joint Venture, the financial statements have been prepared on the basis that the Company has indirectly recognised its 50% interest via its accounting for the Joint Venture.

The reporting date for the Joint Venture is 30 June 2010. Interim information has been extracted for the purpose of preparation of the Company's financial statements as at 31 March 2010, which is subject to audit by the Company's auditor.

The Company's interest in the assets and liabilities of the jointly controlled operation at 31 March 2010 are as follows:

| Name of Entity | Principal Activity | Interest | |
|---|---|--------------------|--------------------|
| | | 2010 % | 2009 % |
| Unincorporated joint Venture | To carry out the redevelopment of the Melbourne Showgrounds | 50 | 50 |
| Current Assets | | 2010 \$ | 2009 \$ |
| Cash | | 315,904 | 273,160 |
| Prepayments | | - | - |
| Trade and Other Receivables | | 6,184,134 | 6,345,501 |
| Total Current Assets | | 6,500,038 | 6,618,661 |
| Non-Current Assets | | | |
| Land | | 25,500,000 | 25,500,000 |
| Buildings & Structures – net book value | | 47,827,904 | 49,141,878 |
| Trade and Other Receivables | | 37,437,539 | 38,648,573 |
| Total Non Current Assets | | 110,765,443 | 113,290,451 |
| Total Assets | | 117,265,481 | 119,909,112 |
| Current Liabilities | | | |
| Creditors & Accruals | | 1,804,669 | 1,601,784 |
| Income in Advance | | 55,000 | 79,449 |
| Interest Bearing Liability | | 723,494 | 655,703 |
| Total Current Liabilities | | 2,383,163 | 2,336,936 |

| | 2010 \$ | 2009 \$ |
|--------------------------------------|-------------------|-------------------|
| Non Current Liabilities | | |
| Rental Income Received in Advance | 2,655,968 | 2,701,801 |
| Interest Bearing Liability | 49,738,543 | 50,462,036 |
| Total Non Current Liabilities | 52,394,511 | 53,163,837 |
| Total Liabilities | 54,777,674 | 55,500,773 |
| Net Assets | 62,487,807 | 64,408,339 |

Showgrounds Nominees Pty Ltd, as nominee for the Joint Venture, has entered into a number of agreements with the developer of the Showgrounds, referred to as the Concessionaire. These agreements included settlement for the construction of the buildings and infrastructure and the ongoing maintenance and life-cycle costs during the duration of the concession deed of 25 years.

These costs will be met from existing assets of the Joint Venture, some of the future revenue streams from the Showground facilities, and where necessary, funding from the State Government, in accordance with agreements entered into between the Joint Venture, the Joint Venture participants and Showgrounds Nominees Pty Ltd.

Under the State Support Deed – Core Land, the State has undertaken to ensure the performance of the payment obligations in favour of the Concessionaire and the performance of the Joint Venture financial obligations in favour of the security trustee.

Under the State Commitment to the RASV, the State has agreed to support certain obligations of the Company which may arise out of the Joint Venture Agreement. In accordance with the terms set out in the State Commitment to the RASV, the State will pay (in the form of a loan), the amount requested by the Company. If any outstanding loan amount remains unpaid at 25th August 2031, which is 25 years after the commencement of the operation term under the Development and Operation Agreement, the Company will be obliged to satisfy and discharge each such outstanding loan amount. This may take the form of a transfer to the State of the whole or part of the Company's participating interest in the Joint Venture.

A fixed and floating charge has been entered into between the Company and the State. The Company has granted the fixed and floating charge to the State as security for the due and punctual performance of the Company's obligations under or in connection with the charge, the Project Objectives Agreement, the Intellectual Property Agreement or the Events Agreement.

During the year, \$2,187,877 of contribution income was received from the State as part of the Joint Ventures' ERC Appropriation and these funds can be used unconditionally by the Joint Venture to meet expenses. As at 31 March 2010, the full amount of the contribution has been expended.

| 11. Trade and other Payables | 2010 \$ | 2009 \$ |
|-------------------------------------|------------------|------------------|
| Creditors and Accruals | 3,735,669 | 3,400,755 |
| Income in Advance | 309,486 | 147,454 |
| | 4,045,155 | 3,548,209 |

| 12. Provisions (Current) | | |
|---------------------------------|---------|---------|
| Employee Benefits | 335,440 | 348,056 |

| 13. Interest Bearing Liabilities (Current) | | |
|---|----------------|----------------|
| Finance Lease – Showgrounds Redevelopment | 723,494 | 655,703 |
| Finance Lease – Motor Vehicles | 8,429 | - |
| | 731,923 | 655,703 |

| 14. Interest Bearing Liabilities (Non-Current) | | |
|---|-------------------|-------------------|
| Finance Lease – Showgrounds Redevelopment | 49,738,542 | 50,462,036 |
| Finance Lease – Motor Vehicles | 36,556 | - |
| Trophy Funds | 109,138 | 110,326 |
| | 49,884,236 | 50,572,362 |

| 15. Provisions (Non-Current) | 2010 \$ | 2009 \$ |
|-------------------------------------|----------------|----------------|
| Employee Benefits | 43,117 | 45,715 |

16. Contributed Equity

The Royal Agricultural Society of Victoria Limited is a company limited by guarantee, thereby the Company has been formed on the principle of having the liability of its members limited by the Constitution to the respective amounts that the members undertake to contribute to the property of the Company in the event of it being wound up.

| 17. Commitments | 2010 \$ | 2009 \$ |
|---|----------------|----------------|
| Future Operating Lease Rentals not provided for in the Financial Statements. | | |
| Payable: | | |
| Not longer than one year | 110,122 | 140,054 |
| Longer than one year but not longer than two years | 70,381 | 62,256 |
| Longer than two years but not longer than five years | 50,137 | 25,870 |
| | 230,620 | 228,180 |

Operating leases have an average lease term of 4 years. Assets that are subject to operating leases include office and IT equipment

Future Finance Leases provided for in the Financial Statements.

| | | |
|---|-------------------|-------------------|
| Payable: | | |
| Not longer than one year | 731,923 | 655,703 |
| Longer than one year but not longer than five years | 3,768,816 | 3,374,503 |
| Longer than five years | 46,015,162 | 47,087,533 |
| Minimum Lease Payments | 50,515,901 | 51,117,739 |
| Future Finance Charges | (8,880) | - |
| Recognised as a Liability | 50,507,021 | 51,117,739 |

Representing lease Liabilities

| | | |
|-----------------------|-------------------|-------------------|
| Current (note 13) | 731,923 | 655,703 |
| Non-Current (note 14) | 49,775,098 | 50,462,036 |
| | 50,507,021 | 51,117,739 |

The finance leases relate to the Showgrounds buildings with a lease term of 25 years and motor vehicles with a lease term of four years. The buildings will revert to the joint venture on the conclusion of the lease arrangement.

As part of the contractual obligations with the State, the Company is obliged to contribute to the Joint Venture a defined percentage of its cash surplus based on a pre-determined formula. Subject to a floor of \$500,000 and a ceiling of \$2.27 million, the Company must contribute a percentage of its cash surplus (before including the 50% share of joint venture results) as follows:

| Years | Percentage |
|--------|------------|
| 1 - 2 | 50% |
| 3 - 5 | 60% |
| 6 - 25 | 75% |

Based on the Company's result, the current year contribution payable to the Asset Replenishment Fund is \$0 (2009: \$0).

18. Employee Benefits

| | 2010 \$ | 2009 \$ |
|--|----------------|----------------|
| Aggregate employee benefits, including on-costs: | | |
| - Accrued salaries and wages | - | 90,444 |
| - Provisions (Current) | 335,440 | 348,056 |
| - Provisions (Non-current) | 43,117 | 45,715 |
| | 378,557 | 484,215 |

19. Financial Instruments

(a) Financial risk management objectives and policies

The company's principal financial instruments comprise receivables, payables, and cash and cash equivalents. These activities expose the company to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk.

Although the company does not have documented policies and procedures, the Board manage the different types of risks to which the company is exposed by considering risk and monitoring levels of exposure to interest rates and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts. The entity holds the following financial instruments:

| | 2010 \$ | 2009 \$ |
|------------------------------------|--------------------|--------------------|
| Financial Assets: | | |
| Cash and cash equivalents | 3,527,392 | 3,567,317 |
| Receivables | 44,302,925 | 45,452,789 |
| Total Financial Assets | 47,830,317 | 49,020,086 |
| Financial Liabilities: | | |
| Trade and other payables | 4,045,155 | 3,548,209 |
| Interest Bearing Liabilities | 50,616,159 | 51,228,065 |
| Total Financial Liabilities | 54,661,314 | 54,776,274 |
| Net Exposure | (6,830,997) | (5,756,188) |

(b) Risk Exposures and Responses

Interest Rate Risk

The entity's exposure to market interest rates relates primarily to short term deposits held.

Management monitors term deposit rates and balances the achievement of high rates against the flexibility offered by at call funds.

Sensitivity analysis

At 31 March 2010, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

| | Net Profit Higher / (Lower) | | Net Assets Higher / (Lower) | |
|------------------------|-----------------------------|----------|-----------------------------|----------|
| | Year Ended 31 March | | As at 31 March | |
| | 2010 \$ | 2009 \$ | 2010 \$ | 2009 \$ |
| +1% (100 basis points) | 35,274 | 35,673 | 35,274 | 35,673 |
| -1% (100 basis points) | (35,274) | (35,673) | (35,274) | (35,673) |

Price Risk

All investment decisions are subject to regular Board review, after scrutiny and recommendations received from the Audit & Risk Management Committee. The Company does not engage in any significant transactions which are highly speculative in nature. The company does not have any material exposure to price risk.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company had no significant concentrations of credit risk with any single counter party or group of counter parties.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturities of sundry creditors & financial liabilities

The table below analyses the company's financial liabilities:

| | Maturing within 0 – 60 days | Maturing 60 days – 1 year | Maturing 1 year + | Total |
|------------------------------------|--------------------------------|------------------------------|----------------------|-------------------|
| 2010 | \$ | \$ | \$ | \$ |
| Trade and other payables | 3,567,884 | 477,271 | – | 4,045,155 |
| Interest Bearing Liabilities | – | 723,494 | 49,892,665 | 50,616,159 |
| Total financial liabilities | 3,567,884 | 1,200,765 | 49,892,665 | 54,661,314 |
| <hr/> | | | | |
| 2009 | | | | |
| Trade and other payables | 3,027,270 | 520,939 | – | 3,548,209 |
| Interest Bearing Liabilities | – | 655,703 | 50,572,362 | 51,228,065 |
| Total financial liabilities | 3,027,270 | 1,176,642 | 50,572,362 | 54,776,274 |

(c) Net Fair Values

The net fair value of assets and other liabilities approximates their carrying value.

20. Events Subsequent to Balance Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company, in future years.

21. Auditors Remuneration

| | 2010 \$ | 2009 \$ |
|---|---------------|---------------|
| Total of all remuneration received and receivable in connection with: | | |
| (a) Audit of the Annual Financial Report | 27,000 | 27,103 |
| (b) Other Services: | | |
| Royal Melbourne Show Assurance Procedures | 2,550 | 2,273 |
| Other Audit Services – Joint Venture | 18,000 | 42,000 |
| Taxation/Compliance & Other Services | 850 | 500 |
| | 48,400 | 71,876 |

22. Directors Remuneration

| | 2010 \$ | 2009 \$ |
|--|---------|---------|
| Directors of the Company do not receive remuneration for services provided | – | – |

23. Related Party Transactions

- i. The Company performed accounting and secretarial functions for Victorian Agricultural Shows Limited and Stud Beef Victoria Incorporated. The fees charged for these services were \$81,128 (2009: \$71,066). At the end of the financial year the outstanding balance for these services included in Trade Debtors is \$14,719.
- ii. The names of all Directors who have held office during the year are:
 - Ian Ivor Bucknall
 - Douglas Scott Chapman
 - Richard Charles Embley Cust
 - Charles John Fox
 - Alan John Hawkes
 - Barrie Ernest Laws
 - Geoffrey James Phillips
 - Joy Anita Potter
 - Peter Jason Bruce Ronald
 - Peter Francis Sheldrake
 - Stephen Charles Spargo
- iii. Mr S C Spargo is a partner of Allens Arthur Robinson whose firm provides legal services to the Company. The total amount paid by the Company for the legal services provided by the firm was \$10,684 (2009: \$56,495).
- iv. Directors and Councillors had related party transactions at arms length with the Company involving the purchase of goods/ services considered to be trivial or domestic in nature.
- v. The Royal Agricultural Society of Victoria Limited has a 50% interest in an unincorporated joint venture. Refer to note 10 for transactions for the year ended 31 March 2010.

24. Key Management Information

Key management personnel comprise directors and other persons having authority and responsibility for planning, directing and controlling the activities of the Company.

The amounts paid or payable to key management are as follows:

| | 2009 \$ | 2008 \$ |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 986,471 | 1,143,766 |
| Other long-term benefits | 127,241 | 129,184 |
| Termination benefits | 298,850 | 68,934 |
| | 1,412,562 | 1,341,884 |

DIRECTORS' DECLARATION

In the opinion of the directors of The Royal Agricultural Society of Victoria Limited:

- a) the accompanying financial statements and notes thereto, are in accordance with the *Corporations Act 2001*, comply with the accounting standards and give a true and fair view of the Company's financial position as at 31 March 2010 and of its performance for the year ended on that date; and
- b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to Section 295(5) of the *Corporations Act 2001*.



S C Spargo
Director

Dated this 18th day of June 2010
Melbourne



A J Hawkes
Director



Chartered Accountants
& Business Advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED

We have audited the accompanying financial report of the Royal Agricultural Society of Victoria Limited, which comprises the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 financial report 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 directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion the financial report of the Royal Agricultural Society of Victoria Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's financial position as at 31 March 2010 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

PKF
East Coast Practice

18 June 2010
Melbourne

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David J Garvey
Partner

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2009 / 2010 Summary of Awards

| COMPETITION SECTION | AWARD | EXHIBIT | EXHIBITOR | TOWN & STATE |
|---------------------------------------|--|---|--------------------------------|---------------------|
| ROYAL MELBOURNE SHOW | | | | |
| Art, Craft & Cookery | The Florence Monod Memorial Award | Picture in any Stitch or Combination of Stitches | Stella Hyde | Flemington, VIC |
| Beef Carcase | Grand Champion Carcase | Shorthorn | Longerenong College | Longerenong, VIC |
| | Borthwick Trophy | Limousin | The University of Adelaide | Roseworthy, SA |
| | | | Mt Compass Area School | Mt Compass, SA |
| | | | Tumut High School | Adelong, NSW |
| Beef Cattle | Supreme Beef Exhibit | Carrington Park Explosive C25 (A.I) (Angus) | Mr & Mrs S Atkinson | Drouin South, VIC |
| Dairy Cattle | Supreme Interbreed Senior Champion Cow | Lightning Ridge Skychief Tabaret (E.T) (Holstein) | S W, V T & D L Patten | Maffra, VIC |
| | Champion Dairy Interbreed Female | Pooley Bridge Bonanza Oak 198 (Holstein) | Leslie Farms | Arcadia, VIC |
| Royal Melbourne Championship Dog Show | Best In Show | Gr, Ch & Can Ch. Grandgables Home Town Hero (Shetland Sheepdog) | Mrs E Lasry | Port Melbourne, VIC |
| | Best Puppy In Show | Jollygaze Harvey Wallbanger" (Dandie Dinmont) | Dr Emma Greenway | Mt Evelyn, VIC |
| Horses in Action | The Garryowen Equestrienne Turnout | "Request" (ridden by L Hayes) | R Keskinan & D & L Hayes | Lower Plenty, VIC |
| Garryowen Hall of Fame | Garryowen Hall of Fame Horse | Dad's Delight | Bev Gardiner | Gisborne VIC |
| | Garryowen Hall of Fame Rider | (no exhibit) | Vicki Lawrie | Ungarra SA |
| | Garryowen Hall of Fame Exceptional Service | (no exhibit) | Harry Morant | Melbourne VIC |
| RASV EVENTS & AWARDS | | | | |
| Rural Ambassador Awards | Rural Ambassador Awards | (no exhibit) | Lauren Mathers | Barham, NSW |
| Share Dairy Farmer of the Year | The Jack Green Memorial Award | (no exhibit) | Phillip and Julianne Bond | Taroon, VIC |
| Royal Melbourne Horse Show | Best in Show | Warwind | Shae Hanger | Moorooduc, VIC |
| Royal Melbourne Wine Show | Jimmy Watson Memorial Trophy | 'Long Road' Shiraz Hilltops 2008 | Eden Road Wines | Dickson, ACT |
| | The Premiers Gold Trophy for the Best Victorian Fortified Wine in Show | Morris Vintage Port 1998 | Morris Wines | Healesville, VIC |
| | The Douglas Seabrook Single Vineyard Trophy | Giant Steps Tarraford Vineyard Chardonnay 2008 | Giant Steps/Innocent Bystander | Rowland Flat, SA |
| | The Francois De Castella Trophy For The Best Young White Wine | Reserve Bin A Chardonnay 2008 | Penfolds Wines Pty Ltd | Nunrootpa, SA |



CONSUMER

The Royal Agricultural
Society of Victoria 125055
Greenhouse Friendly™
ENVI Recycled 50/50
Carbon Neutral Paper

ENVI Recycled 50/50 Carbon Neutral
Paper is an Australian Government
certified Greenhouse Friendly™ Product.