



RASV

ANNUAL REPORT 2011
The Royal Agricultural
Society of Victoria Limited



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Governor of Victoria

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JA (Joy) Potter

PJB (Jason) Ronald OAM

PF (Peter) Sheldrake

Chief Executive Officer

M (Mark) O'Sullivan

Company Secretary

J (Jon) Perry

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Victoria Australia

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Melbourne 3000
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Solicitors

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Melbourne 3000
Victoria Australia

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ER Lithgow

CR Lyons

MT Marriott

GJ Phillips

BWA Redpath

PJB Ronald OAM

IMcC Rough

AF Rowden

A Shears-Carter OAM

SR Shelmerdine AM

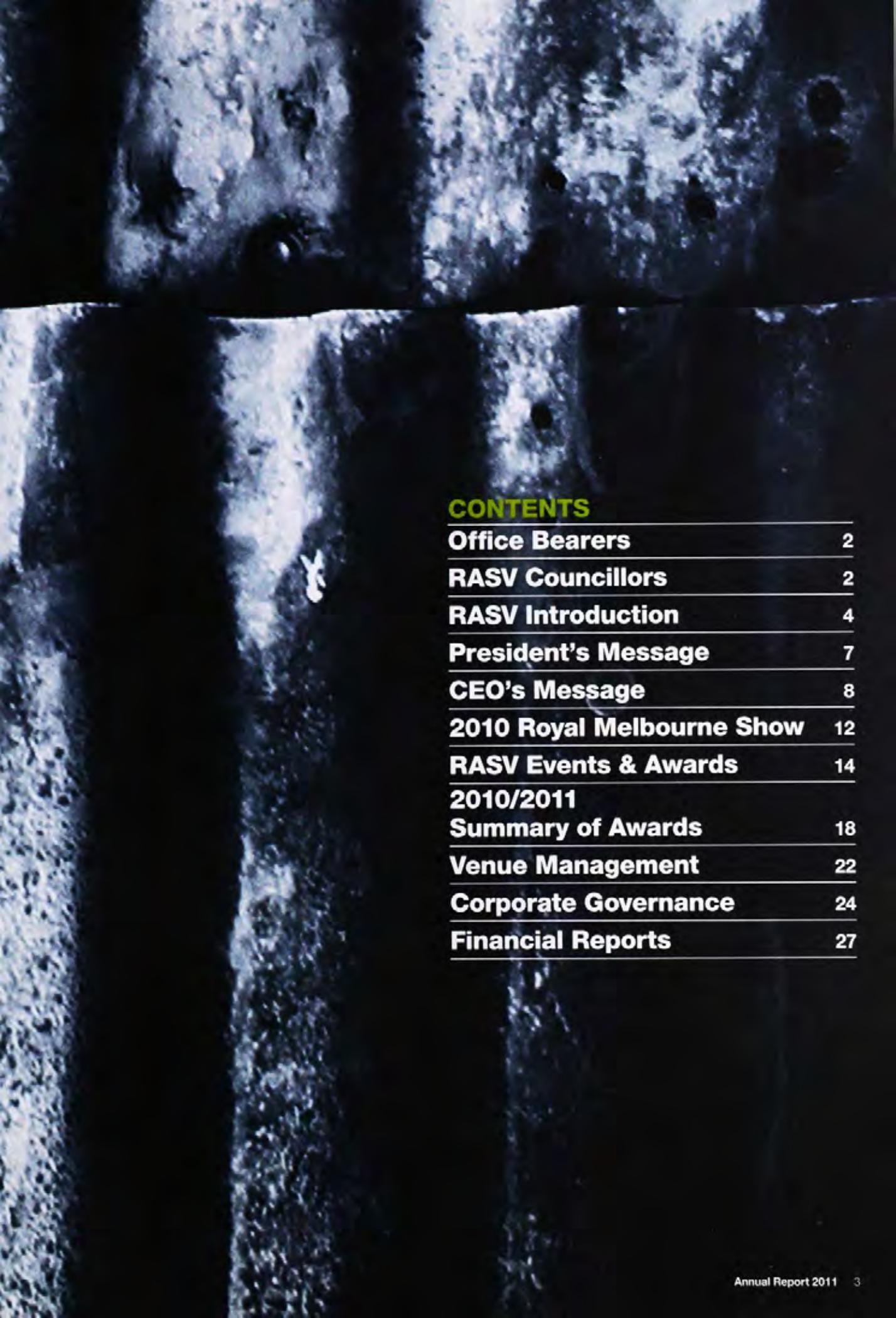
SC Spargo

GB Starritt

Hon P Walsh MP

JC Watson AM

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The Royal Agricultural Society of Victoria (RASV) is a member-based, not-for-profit organisation dedicated to the promotion and advancement of Victorian agriculture.

The RASV facilitates and orchestrates prestigious events, competitions and awards that recognise excellence, promote benchmarking standards and advance industry development.

The RASV makes possible events including the Australian International Beer Awards, the Royal Melbourne Wine Show, the Royal Melbourne Fine Food Awards, the Prime Lamb Carcase Awards and the Royal Melbourne Horse Show in addition to Victoria's largest community event, the Royal Melbourne Show. These events connect communities to encourage knowledge exchange and celebrate Victoria's 'best of the best'.

The RASV also manages Melbourne's largest and most versatile indoor/outdoor exhibition and event venue, Melbourne Showgrounds, which offers an unrivalled 19 hectares of space and a variety of purpose-built facilities enabling 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.





Board of Directors

Back row, left to right:
Alan Hawkes, Scott
Chapman, Peter Sheldrake,
Mark O'Sullivan (CEO), Geoff
Phillips, Jason Ronald OAM
and John Fox AM.

Front row, left to right:
Deborah Pollett Hodgson,
Stephen Spargo (Chairman),
Ian Bucknall and Joy Potter.





The RASV has been an important promoter of Victorian agriculture for more than 160 years and has a proud history and trusted reputation and it remains a priority of the RASV to celebrate agricultural excellence through maintaining investment in prominent competitions and events.

It is pleasing to report that the financial results of The Royal Agricultural Society of Victoria (RASV) for the 12 months ending on 31 March 2011 (pre joint venture interest) represented the best financial result since the redevelopment of Melbourne Showgrounds in 2006.

The redevelopment of the Melbourne Showgrounds has provided the base for the continuing success of the Royal Melbourne Show and the RASV's venue business at the Melbourne Showgrounds.

We have seen interest in the Royal Melbourne Show continue to grow, with the 2010 event experiencing the largest single day attendance for ten years and strongest overall attendance since 2006.

The venue operations at the Melbourne Showgrounds are now of increasing importance to the financial success of the RASV's activities. It has largely been the improvement in venue operations which has enabled the organisation to generate surplus revenue for continuing investment in the Showgrounds facilities.

Indeed, currently, surplus revenue from our venue operations represents the prime source for facilities investment at the Melbourne Showgrounds.

Further investment will be needed to ensure there is a secure future for the Royal Melbourne Show and other RASV events.

In this respect, a significant challenge for the RASV will be its capacity to invest in vital infrastructure at the Showgrounds site to ensure the venue is of appropriate quality for patrons, our agricultural exhibitors and external event operators and compares favourably with other well appointed venues across Melbourne.

The RASV has been an important promoter of Victorian agriculture for more than 160 years and has a proud history and trusted reputation and it remains a priority of the RASV to celebrate agricultural excellence through maintaining investment in prominent competitions and events.

Through the Royal Melbourne Show and other long running events and competitions in the beer, wine and fine foods sectors, the RASV will continue to emphasise the importance of agriculture, providing country to the city experiences and educational activities for consumers and so raise the awareness of the quality of Victorian produce and the vital link agriculture plays in everyday life.

In the years ahead a key challenge will be to ensure we continue to promote events and activities at the Melbourne Showgrounds and elsewhere which reflect industry trends and concentrate on the quality and excellence of Victorian agricultural pursuits.

Of course, in addition to a passionate management team, the RASV depends for its success on the goodwill of so many individuals, groups and organisations who generously provide their time, expertise and efforts on a voluntary basis to further the Society's best interests.

On behalf of the Board, I would like to extend my sincere thanks to our management team and all of our volunteers whose hard work has made it possible for the RASV to fulfill its objectives and achieve the financial outcomes reflected in the Society's most recent accounts.



Stephen Spargo
President



The 2010/2011 financial year has been one of great success for the Royal Agricultural Society of Victoria (RASV), connecting communities to inspire excellence through facilitating and orchestrating high quality events and competitions.

From the Royal Melbourne Show to the Australian International Beer Awards, Royal Melbourne Horse Show to the Rural Ambassador Awards, Royal Melbourne Wine Show and Fine Food Awards, the RASV brings out the best in Victoria by making possible innovative, captivating and distinctive events.

The RASV's annual showcase event, the Royal Melbourne Show was once again embraced by the Victorian community, attracting a crowd of approximately 500,000 people during the eleven day event and witnessing the biggest single day in the last decade with 75,000 patrons through the gates on Sunday, 26 September.

Experiencing the largest crowds since 2006 when the Melbourne Showgrounds unveiled the redevelopment, the increase can be attributed to more favourable weather and the RASV's move to change the Show dates to fall entirely within the Victorian school holidays, making the event more accessible for families.

Whilst remaining true to tradition, the RASV makes significant contributions to remain relevant in delivering Victoria's largest annual community event by introducing several new and improved features each year.

In 2010 these initiatives and improvements included the return of horticulture to the Royal Melbourne Show with the new Flowers, Gardening and Pets Pavilion and the Discovery Garden. The enhanced Animal Nursery which doubled in size from the previous year was also well received by Show patrons.

Committed to offering premier facilities for our exhibitors, the RASV invested significant capital in infrastructure, developing three new barn style structures over the Horse Precinct, housing both stables and lockers, providing additional cover, lighting, power and closed storage for all horse exhibitors during the Royal Melbourne Show.

Victorians embraced the increased value of Show tickets and packages with pre-event ticket sales increasing by 25 per cent and sales of 'Ticket to Ride' packages increasing by 75 per cent in 2010. Showgoers also turned out in droves to experience free and fun entertainment including the exhilarating program on the Coca-Cola Arena.

The Show's digital presence continued to expand, achieving a Facebook fan page base of more than 25,000 people by the completion of the event, proving an important medium for the RASV to communicate directly with Show fans.

In 2010, the new and improved Royal Melbourne Dairy Show was held prior to the public opening of the Royal Melbourne Show for the first time. Developed to provide a spring time focus for the dairy industry, the event had strong community support attracting 275 entries, the biggest showing of dairy cattle in a decade.

The 2011 Royal Melbourne Horse Show also experienced strong entry numbers, with an increase of 20 per cent from the previous year. In a new initiative that was well supported by exhibitors, Saddle Horse Championships were included in the competition schedule, offering the top 10 place getters one qualification towards the 2011 Royal Melbourne Show. Increased entry numbers in Pony Club classes were also very encouraging for the Royal Melbourne Horse Show and the industry as a whole.

Melbourne Showgrounds experienced great success in 2010/2011 continuing its well established calendar of events as well as developing new partnerships. Highlights of the calendar included the filming of Top Gear Live, hosting the Australian Baseball League (ABL) and becoming the home ground for the Melbourne Aces as well as the bi-annual Equitana event. Highly popular festivals such as Stereosonic and Soundwave experienced impressive growth and confirms Melbourne Showgrounds as an ideal venue for such events.

The RASV was pleased to project manage and host the successful MLA Southern Meat Profit Day on Friday 30 April 2010. Meat Profit Days provide attendees with the chance to discover the latest industry research, products and trends as well as offering a unique networking opportunity. Held at Melbourne Showgrounds, the event combined a conference, trade show, expo and field day all in one and was well supported by industry leaders and producers. The RASV greatly appreciates the support and continuing relationship with MLA.

Committed to Victorian rural communities, the RASV facilitates and inspires innovation and promotes quality and excellence through a variety of agribusiness events and awards which are integral to the RASV's ongoing promotion and encouragement of industry standards.



Showcasing its continued support for the Australian food and beverage industry, the RASV introduced an industry advisory panel for the Royal Melbourne Fine Food Awards which saw the competition focus on five key categories including Dairy and Non-Bovine, Chocolate, Preserves, Extra Virgin Olive Oil and Delicatessen.

The Australian International Beer Awards increased its international appeal with 11 of the 15 Champion Trophies awarded to international breweries and remained on-trend with the introduction of a Gluten Free Beer category. Similarly, the Royal Melbourne Wine Show positioned itself at the forefront of the industry with the RASV conducting a review of its goals to ensure it continues to meet the demands of the wine industry.

In financial terms, the 2010/2011 year generated a positive result attributed to the success of the Royal Melbourne Show's event management and growth of the Melbourne Showgrounds venue business. The RASV will continue to focus on further improvements to infrastructure and the services provided by the business next year and beyond.

Total revenue generated by all activities was the highest in the history of the RASV. An operational surplus of \$2.3m was a healthy and pleasing result. However, in accordance with Accounting Standards, we are required to report the RASV's interest in the Unincorporated Joint Venture, which results in a book loss of \$1.9m. It is important to note this does not have an immediate impact on RASV's 50% interest in the Joint Venture with the State Government.

In 2010, the RASV welcomed a new Chairman and President in Stephen Spargo. I would like to thank Stephen for his commitment to the role and excellent guidance of the Society in his first year.

In addition, I would like to recognise the ongoing commitment of our Board Directors, senior management, councillors, members, operational and event committees and all staff; we are truly appreciative of their hard work and passionate support.

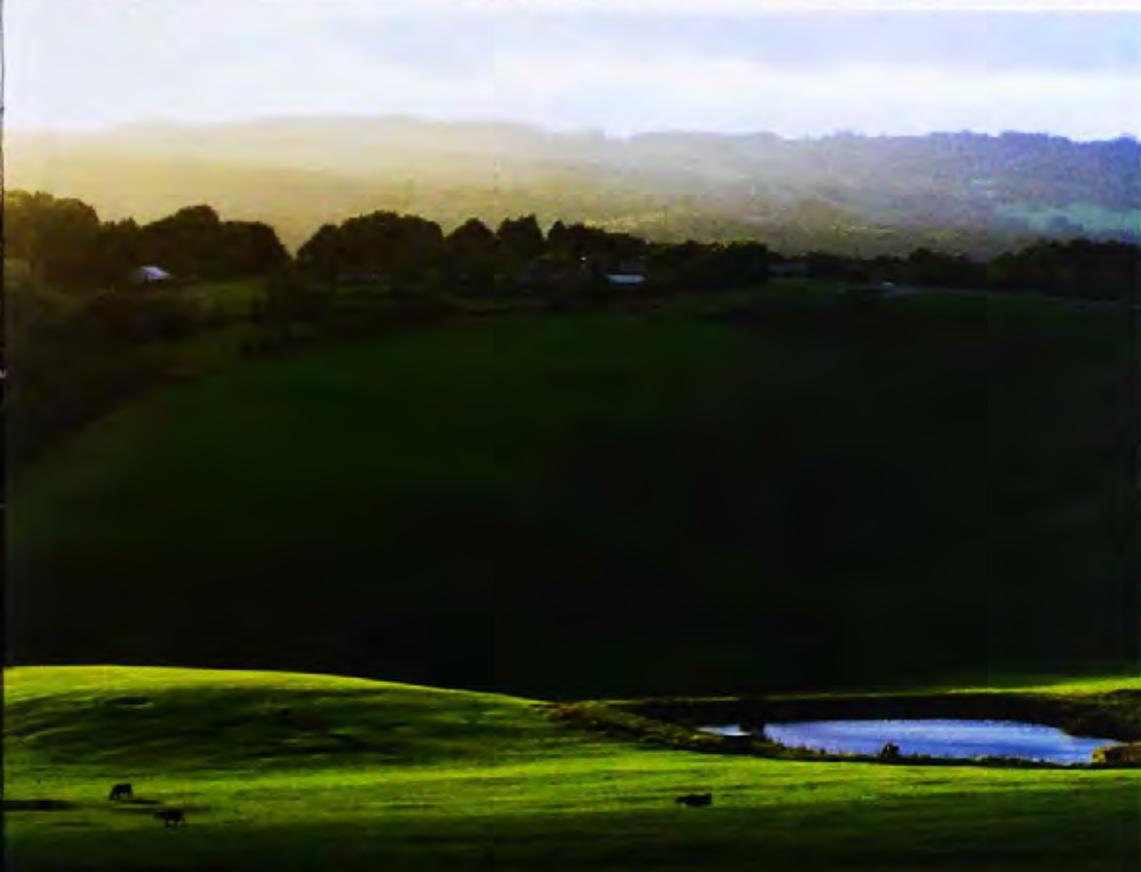
Finally, I would like to pass on our sincere thanks to loyal volunteers, sponsors and the media, who continue to play an integral role in the growth and development of the RASV and its related events and activities.

Mark O'Sullivan
Chief Executive Officer



The Royal Agricultural
Society of Victoria





**BRINGING
OUT THE BEST
IN VICTORIA.**



2010 ROYAL MELBOURNE SHOW



Royal Melbourne Show

Holding the Royal Melbourne Show from Saturday September 18 through to Tuesday 28 proved a positive change with Sunday 26 September the biggest single day in the last ten years with 75,000 patrons through the gates. Scheduling the event entirely during the Victorian school holidays, improved weather and a large program of new, exciting entertainment and attractions were the key catalysts for attracting the largest crowds since 2006 when the Melbourne Showgrounds was re-opened after the redevelopment.

The Royal Melbourne Show is the premier event for prestigious blue-ribbon competitions that celebrate the best in Victoria. The 76th Garryowen Equestrienne Turnout featured 47 riders and was taken out by Sarah Love from Corowa. Across all of the competitions from the Borthwick Trophy to the Rural Ambassador Awards State and National Finals to the Australian Livestock Property Agents Young Auctioneers Competition, the competition was fierce.

The event was truly international hosting the World Simmental Congress in the Weekly Times Livestock Pavilion. Involving delegates from over 30 countries, with more than 177 of the beef breed displayed and in competition at the Show, the Congress was the largest showing of Simmentals in Australia.

Horticulture returned to the Show in 2010 with the introduction of the Flowers, Gardening and Pets Pavilion. More than 12,000 fresh flowers were purchased throughout the duration of the event in the 'Growers Avenue and Fresh Flower Market'. The new 'Discovery Garden' was constructed using 1,500 plants. Budding future gardeners were engaged with the kids' stage program, *dirtgirlworld*, whilst at the same time taking some important learnings home about sustainability and gardening.

The range of free, interactive and educational experiences were expanded with 18,000 people hand milking cows in the Milking Barn, six tonnes of potatoes dug up in the Spudhunters display, 1,000 children taking part in the Kids Bush Band as part of the Singing Shearer stage show and more than 8,000 plants potted in the Little Green Thumbs activity.

The paddock to plate experience was reinforced in the Grand Pavilion, with the Great Tasting Experience Stage hosting celebrity chefs, Adrian Richardson from La Luna, Shane Delia from Maha, Gabriel Martin from Metropolis Eating House, Janelle Bloom from Ready Steady Cook and Peter Kritikides and Courtney Roulston from Masterchef Australia. The Great Tasting Experience Mini Masterclasses in the Grand Pavilion were also a hit with thousands of patrons taking part in beer, wine, food and coffee tastings.

The 2010 Royal Melbourne Show celebrated Kids Day on the final day of the Show offering children the opportunity to take home one of 10,000 free limited edition Royal Melbourne Show showbags if they came dressed as their favourite costume character or farm animal.

The great value Ticket to Ride entry pass proved a success again in 2010 with sales up by 70% on the previous year, and pre event sales for the exclusive RACV member early bird offer increased by more than 30%.

As Victoria's largest and most iconic annual community event, the Royal Melbourne Show provides employment for more than 6,000 people of which 1,500 are volunteers. More than 480,000 hours are spent in making the Show a successful event.

Year on year, the RASV aims to be more sustainable and this year six tonnes of co-mingled waste was recycled, 35 tonnes of wood from the Woodchop Pavilion turned into woodchip, 41 tonnes of cardboard recycled and animal bedding including more than 3,000 bales of straw and 1000m3 of sawdust was turned into garden mulch and distributed.

With strong crowds, plenty of blue ribbon competitions, free fun interactive activities, animals and agriculture, food and wine and thrilling entertainment there's nothing like the Royal Melbourne Show!

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

Coca-Cola	Mars Petcare
NAB	Woolworths
RACV	Herald and Weekly Times
City of Melbourne	National Foods
Rural Finance	Nestle Peters
Isuzu UTE	Seven
Kubota Tractor Australia	Stock & Land
Grinders Coffee	

The 155th Royal Melbourne Show was very successful with up to 500,000 people attending over the 11 days, an eleven per cent increase on the previous year.



RASV EVENTS & AWARDS



The 2011 Australian International Beer Awards (AIBA)

Conducted annually by the Royal Agricultural Society of Victoria (RASV) in partnership with the University of Ballarat, the 2010 Australian International Beer Awards (AIBA) drew entries from 34 countries including Belgium, Germany, Mexico, and for the first time, Fiji, Belarus and Spain.

The pre-eminent showcase of beer and brewing excellence in the Asia Pacific Region, the 18th annual Awards saw an expert panel of 30 judges preside over 1,170 of the world's beers.

Of the 15 Champion Trophies presented, 11 were awarded to international breweries. Five were awarded to the US, two to Norway and New Zealand; and one each to Denmark and Germany.

The major prize, the prestigious Champion Exhibitor Trophy, was awarded to Norwegian boutique brewery, Nøgne Ø - Det Kompromissløse Bryggeri of Grimstad at the gala presentation dinner at Melbourne's Crown Palladium.

Australian breweries took out four awards at the event with defending Champion Exhibitor, Feral Brewing, awarded the Champion Ale. The Premier's Trophy for the Best Victorian Beer was awarded to 2 Brothers Brewery of Moorabbin.

Assessing the brews for appearance, aroma and flavour, the judging panel included international brewing experts Professor Paul Hughes of Heriot-Watt University (UK), with Jaime Jurado (US) and Brian Watson (NZ), who joined a team of domestic beer judges.

The RASV greatly appreciates and values the support and contribution of event partners the University of Ballarat and the following sponsors:

Cleanevent
Labelmakers
Hop Products
Chrislan Ceramics
Cryermalt
Weyermann

City of Ballarat
Regional Development Victoria
(Department of Innovation, Industry,
& Regional Development)
Integrated Brewing Solutions/HGM
TAC

The 2010 Royal Melbourne Fine Food Awards

A review of the Fine Food Awards was implemented in 2010 to assess the current competition model, and make future enhancements including the development of new categories that will showcase Victoria's horticultural, agricultural and commercial food strengths.

The development of new and existing categories led to five categories including: Dairy and Non-Bovine; Chocolate; Extra Virgin Olive Oil; Preserves; and Delicatessen.

There were 813 entries received for the 2010 Awards, an increase of 37 per cent over 2009. Strong entry numbers were seen in the Delicatessen classes with the inclusion of olives, salami and ham.

The judging panel, consisting of Australian fine food personalities and industry experts, awarded 31 distinguished Champion Trophies at a presentation luncheon on Tuesday, 21 September during the Royal Melbourne Show.

Victorian producers led the trophy tally, taking out 16 awards while New South Wales and Tasmanian producers were awarded five trophies each. Two trophies went to Western Australian exhibitors and one each to producers from South Australia and Queensland.

The prestigious Premier's Trophy - which requires the product to be 100 per cent grown and produced in Victoria - was won by Dooley's Ice Cream of Apollo Bay, for their Chestnut Ice Cream.

In addition, product packaging was recognised in 2010, with a new Champion Packaging award introduced for each of the five categories.

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



The 2010 Royal Melbourne Wine Show

The 2010 Royal Melbourne Wine Show received more than 3,200 entries from 501 wineries nationally, with exhibitors from almost every major wine producing region and strong growth experienced in both red and white wine classes.

Changes to the Jimmy Watson Memorial Trophy, Australia's most prestigious wine award, allowing one and two year old red wines to be entered resulted in another fierce contest. The trophy was awarded to Harvey River Bridge Estate for their 2009 Joseph River Estate Cabernet Sauvignon.

The Premier's Gold Trophy for the best Victorian red wine was awarded to Foxeys Hangout for its 2009 Foxeys Hangout Shiraz.

Penfolds Wines Pty Ltd was awarded the Francois De Castella Trophy for the best young white wine for its 2009 Penfolds Reserve Bin A Chardonnay.

The Douglas Seabrook Single Vineyard Trophy was won by the 2008 Paringa Single Vineyard Pinot Noir by Paringa Estate Australia Pty Ltd.

The 27 strong judging panel consisted of international judge Tim Atkin, Master of Wine from the United Kingdom who was joined by a team of Australian industry experts. Under the direction of Chairman of Judges, Steve Webber, the judges awarded 16 trophies, which were presented at a special Awards Presentation Dinner on 21 October 2010 at MAIA-Atlantic Central Pier in Melbourne.

Noting the excellent standard of wine entered in the Show in 2010, the judges were again pleased with the number of entries from small and boutique wineries who were able to compete with larger companies.

The Wine Show Exhibitors Tasting attracted 200 winemakers back to the Melbourne Showgrounds on Friday, 22 October to taste and sample from over 3000 wines.

Following the Exhibitor Tasting, Wine Show exhibitors, key media and the wine industry were invited to attend a new partnership event with Wine Communicators of Australia to a luncheon at the Flemington Racecourse to acknowledge and celebrate the 2010 Wine Show Trophy winners.

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

Cracka Wines	Dan Murphy's
Gin Palace	Grays Online
Kubota Tractor Australia	Rural Finance
The Seabrook Family	The Wine Society
Sanpellegrino	Plumm Glassware

RASV EVENTS & AWARDS



The 2010 Rural Ambassador Award

The Rural Ambassador Awards highlight and reward the talent, creativity and ingenuity of young rural Victorians aged between 20 and 30 years who are making a significant contribution to their local communities.

Presented by the Royal Agricultural Society of Victoria in conjunction with Victorian Agricultural Shows Limited, entries are received from across 12 regions in Victoria, with winners at the local level progressing to the regional final.

Regional final winners then take part in the State final held at the Royal Melbourne Show each year, with the Victorian winner taking part in the National finals.

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

Benjamin Holmes from Nhill Agricultural and Pastoral Society was awarded the 2010 Rural Ambassador Award at a Presentation Dinner held during the Royal Melbourne Show.

Ben received \$8,000 to further his career, which he plans to use for a New Zealand tour relating to the sheep industry. Runner-up, Maida Anderson, from the Bunyip Agricultural and Pastoral Society received \$2,000.

The 2009 National Rural Ambassador Award was also hosted at Melbourne Showgrounds during the 2010 Royal Melbourne Show, with Carla Tierney of Queensland taking out the top award.

The RASV and VAS Ltd would like to thank and acknowledge the support of the Event Partners Rotary International (A Joint Project of the Victorian Rotary Districts) and the following sponsors:

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



The 2011 Royal Melbourne Horse Show

The 2011 Royal Melbourne Horse Show, held over four days from Thursday, 20 January to Sunday, 23 January at Werribee Park National Equestrian Centre, experienced a remarkable 20 per cent increase in entries.

Rideability classes experienced significant growth in entries which increased by 75 per cent from 2010. Other strong sections included Australian Stock Horses with a 63 per cent increase and Buckskins where entries increased by 40 per cent.

In keeping with its vision to facilitate and orchestrate Australia's best events, the RASV introduced the Saddle Horse Championships and Australian National Saddlehorse Association (ANSA) section to the 2011 program, which proved successful and popular with exhibitors.

Saddle classes provided important opportunities to exhibitors as they counted towards qualifications for the 2011 Royal Melbourne Show.

International judges, Kris McCall of Scotland and Claude Avent of New Zealand, joined Australian officials to preside over more than 37 breeds from across the country competing for the coveted awards on offer.

The Best of Show Champion, judged on Saturday, 23 January was a culmination of all Supreme Champion Led exhibits.

Riding Pony mare, Kolbeach Finest, exhibited by Mr Andrew Hunt of Kangarilla, South Australia, was the eventual winner. Kolbeach Finest was sashed the Supreme Led Riding Pony earlier in Show to be eligible to contest for the major title.



The 2009 RASV Prime Lamb Carcase Awards

The 2009 RASV Prime Lamb Carcase Awards attracted 30 entries and processed over 10,000 lambs, with the top three consignments awarded prize money totalling \$7,000 at a presentation on Friday, 30 April 2010 at the Southern Meat Profit Day, held at Melbourne Showgrounds.

The RASV introduced the Prime Lamb Carcase Awards in 2002 to recognise excellence in prime lamb production within the commercial sector. The Awards fit with the RASV's vision of promoting Victorian agribusiness through relevant programs.

Judging was conducted using the VIAScan evaluation system to assess the dimensions, subcutaneous fat distribution and depth of entries.

Don and Rosemary Muir from Hexham, Victoria, were awarded first prize at the 2009 RASV Prime Lamb Carcase Awards for their Texel cross stock, achieving a total premium of \$4.09 per carcase.

Second and third places, won by Victoria's Basil Jorgensen of Antwerp and DJ and VB Ware of Warrong respectively, meant that Texel sired product filled the top three placings.

Through a partnership between the RASV and Castricum Brothers of Dandenong, more than 100,000 lambs have been consigned for evaluation and inclusion in the Awards program. The RASV acknowledges Castricum Brothers for their commitment across the eight years the competition was held.



The 2010 Royal Melbourne Dairy Show

The new and improved 2010 Royal Melbourne Dairy Show was held over two days from Wednesday, 15 September to Thursday, 16 September at the Melbourne Showgrounds.

For the first time, the Royal Melbourne Dairy Show was held prior to the Royal Melbourne Show, offering a more focused competition and a showcase of the finest cattle in the country.

International judge, Mr Norm McNaughton of Canada, joined industry experts to preside over more than 275 entries, the largest number of dairy cattle exhibits in a decade.

The two day event included the Kubota Dairy Youth Classic, dairy cattle breed and interbreed classes and the well-attended Genetics Australia All Breeds Evening Celebration.

Hosted by event partner Genetics Australia, the All Breeds Evening Celebration was well received amongst the dairy industry, providing an opportunity to network and share knowledge.

The Evening Celebration included the Genetics Australia Share Dairy Farmer Awards presentation with Lucas and Kylie Licciardello announced winners for their dairy farm operation in Kardella, shared with Michael Malone. Second and third place went to Peter and Rachel Romans from Kergunyah and Jared and Courtney Ireland from Lockington respectively.

In addition, the Australian Elite Genetic Merit Sale was held at the event, conducted by high profile Dairy Livestock Services auctioneer Brian Leslie, with the highest price going to B & M Smith of Scotts Creek for the five-month-old-heifer, Ebony Park Orana Toni.

The Show culminated with the announcement of the 2010 Royal Melbourne Champion Dairy Cow going to BlueChip Drake Whynot, a four-year-old Holstein from breeders Dean and Dianna Malcolm of BlueChip Genetics, Zeerust.

2010 / 2011 SUMMARY OF AWARDS



Royal Melbourne Show

SECTION	AWARD	EXHIBIT	EXHIBITOR	TOWN & STATE
Art, Craft & Cookery	The Florence Monod Memorial Award	Felting	Jane Robson	Whittlesea, VIC
Beef Carcase	Grand Champion Carcase	Charolais x Red Angus/ Charolais	Yanco Agricultural High School	Yanco, NSW
	Borthwick Trophy	Simmental	Grant High School	Mt Gambier, SA
			VPC Cattle Services Pty Ltd Northern Melbourne Institute of TAFE	Echunga, SA Epping, VIC
Beef Cattle	Supreme Beef Exhibit	Airlie Epicentre (Charolais)	Airlie Charolais	Glenquarry, NSW
Royal Melbourne Championship Dog Show	Best In Show	Gr Ch Priceway Billy Flynn (Welsh Corgi (Pembroke))	M Price	Summerhill, TAS
Horses in Action	Garryowen Equestrienne Turnout	Tulloch Ard	Sara Love	Corowa, NSW
Garryowen Hall of Fame	Garryowen Hall of Fame Horse	Picasso	Vicki Lawrie	Ungarra, SA
	Garryowen Hall of Fame Rider	-	Helen Heagney	Diggers Rest, VIC
	Garryowen Hall of Fame Exceptional Service	-	Tom & Eileen Coffey	Mulgrave, VIC
Woodchop	Golden Axe Grand Aggregate Trophy	-	Brayden Meyer	Broadford, VIC
Poultry	Supreme Champion in Show	Australian Pit Game – Black Cockerel	Alan Lawrence	Berrigan, NSW
Alpaca	Supreme Champion Suri	Surilana Mendoza	I & A Preuss	Strathbogie, VIC
	Supreme Chamion Huacaya	Ambersun Fortune Seeker	C Williams & A Clarke	Mt Compass, SA
Boer Goat	Supreme Champion Boer Goat	Ghin Ghin 7061	Chris Lawrence & Judith D'Aloisio	Yea, VIC
Dairy Goat	Senior Champion Doe All Dairy Breeds	Melyndy Wattles (TW) (Saanen)	M E Keen	Creswick, VIC
Fleece	Champion Skirted Fleece	Fine Merino Ram's Wool	Sally Davies	Lake Bolac, VIC
Sheep	Interbreed Championship Ram	Suffolk	D A & L Deppeler	Derrinallum, VIC
	Interbreed Championship Ewe	Suffolk	D A & L Deppeler	Derrinallum, VIC

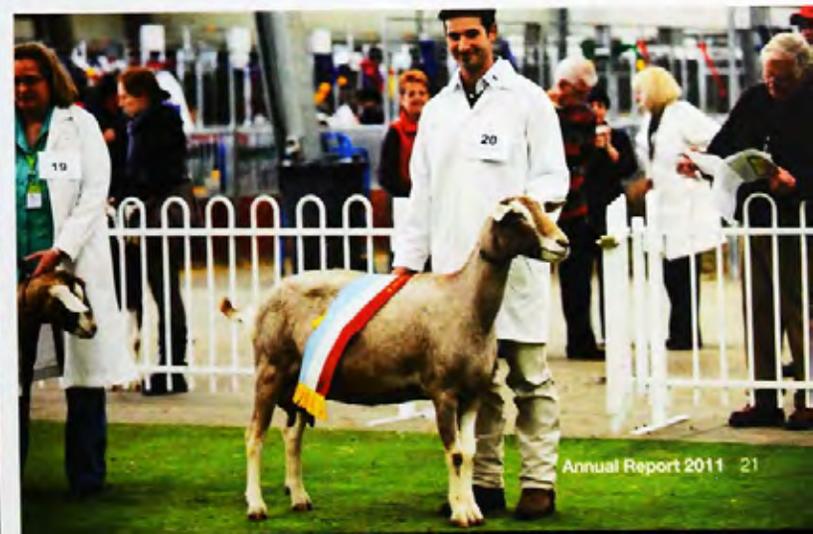


2010 / 2011 SUMMARY OF AWARDS



RASV Events and Awards

SECTION	AWARD	EXHIBIT	EXHIBITOR	TOWN & STATE
Royal Melbourne Wine Show	Jimmy Watson Memorial Trophy	Joseph River Estate Cabernet Sauvignon 2009	Harvey River Bridge Estate	Harvey/Geographe, WA
	The Premiers Gold Trophy for the Best Victorian Red Wine in Show	Foxeys Hangout Shiraz 2009	Foxeys Hangout	Mornington Peninsula, VIC
	The Douglas Seabrook Single Vineyard Trophy	Paringa Single Vineyard Pinot Noir 2008	Paringa Estate Aust Pty Ltd	Mornington Peninsula, VIC
	The Francois De Castella Trophy for the Best Young White Wine	Penfolds Reserve Bin A Chardonnay 2009	Penfolds Wine Pty Ltd	Adelaide Hills, SA
Australian International Beer Awards	Champion Exhibitor	-	Nøgne Ø - Det Kompromissløse Bryggeri	Grimstad, Norway
Royal Melbourne Fine Food Awards	Premiers Trophy for the Highest Scoring Victorian Exhibit	Chestnut Ice Cream	Dooley's Ice Cream	Apollo Bay, VIC
Royal Melbourne Horse Show	Best in Show	Kolbeach Finest	Argyl Stud	Kangarilla, SA
Royal Melbourne Dairy Show	Supreme Champion Dairy Exhibit	BlueChip Drake Whynot VG86 (Holstein)	BlueChip Genetics	Zeerust, VIC
Rural Ambassador Awards	Rural Ambassador Award	-	Benjamin Holmes	Nhill, VIC
Share Dairy Farmer of the Year Awards	The Jack Green Memorial Award	-	Lucas & Kylie Licciardello	Kardella, VIC
Prime Lamb Carcase Awards	Prime Lamb Carcase Award	-	Don & Rosemary Muir	Hexam, VIC



VENUE MANAGEMENT



The truly diverse venue offering a unique event space, hosted a wide range of new events in the 2010/2011 year. One of the more high profile events held at the venue was the international television automobile sensation Top Gear, with its Top Gear Live prototype show that included a live action version of its famous television program that entertained an enthusiastic crowd of forty five thousand over three days.

In addition, the RASV partnered with the Australian Baseball League (ABL) to make the Melbourne Showgrounds the home ground of the Melbourne Aces, hosting several baseball games throughout the season.

Further illustrating the versatility of the venue, Melbourne Showgrounds hosted the bi-annual Equitana Asia Pacific equine event, tertiary examinations for students from Victoria University and filming of the third series of the ABC's *The Librarians* and Foxtel's *Project Runway*.

The Melbourne Showgrounds planning scheme allows for six music festivals annually, and the past year included the popular Supafest, No Sleep Til, Stereosonic, Soundwave and Creamfields, each drawing crowds in their thousands to the Melbourne Showgrounds.

The RASV also continued to work with the Victorian Farmers' Markets Association, securing the Melbourne Showgrounds Farmers' Market as an established offering of fresh and seasonal produce which allows Melbourne residents the opportunity to purchase direct from producers every Sunday morning.

Melbourne Showgrounds also hosted the Home and Giving Fair, National 4x4 Outdoors Show, Fishing and Boating Expo, Timber and Working with Wood Show, Golf Show, and Ausbike Expo alongside the Victorian Roller Derby League's 2010 Grand Final and subsequent rounds of the League's new season thereafter.

With the Melbourne Showgrounds set on a picturesque 19 hectares, there is an abundance of outdoor showcase space to complement the stylish and purpose-built exhibition and event areas and restored heritage buildings, making Melbourne Showgrounds a versatile and popular choice for events.





The venue business, under the management of the Royal Agricultural Society of Victoria continued to grow in 2010/2011 with more than 130 events held at Melbourne Showgrounds. This growth represented by a diverse range of events held at the venue, continues to enhance Melbourne Showgrounds positioning as Melbourne's largest and most versatile venue for trade shows, exhibitions and events.

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 and ensure that the Redevelopment Project Objectives are achieved.

Board Composition

The Board comprises of a maximum of ten 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.

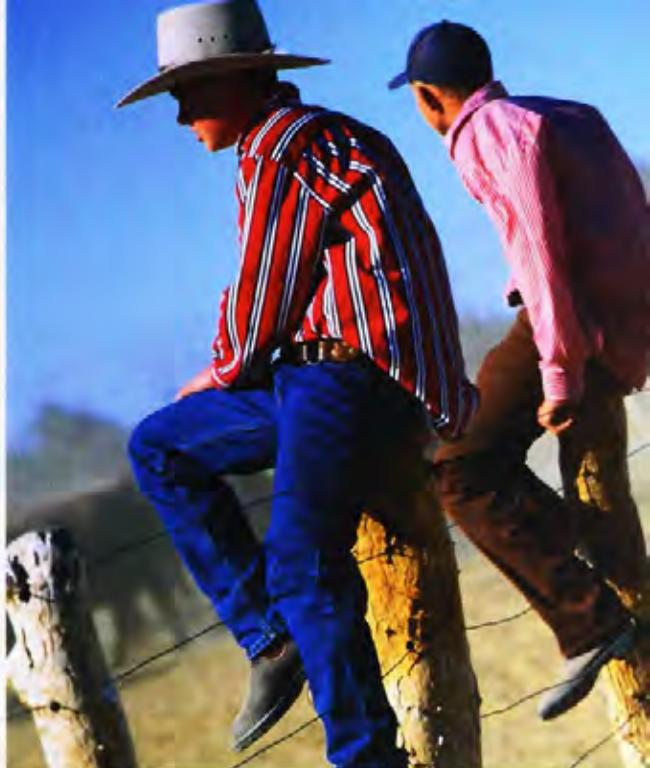
The Committee provides an efficient and effective mechanism for developing, assessing and recommending where necessary to the Board strategies and initiatives in relation to membership growth, member value and benefits, member utilisation, member satisfaction and member service and experiences.

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.
- Overseeing 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.



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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 2011 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 and is Chairman of the Nominations Committee.
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 and 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 Management Committee and the Membership Committee.
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. He is Chairman of the Board Audit and Risk Management Committee and a member of the Nominations Committee. He joined the Board in April 2008.
Deborah Pollett Hodgson	Deborah has extensive experience in finance, commercial management, strategic planning and project management and has worked in several industries including construction, energy, facilities management and the public sector. Deborah was appointed to the Board in August 2010.
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 and 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 Bro'ga 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 and is a member of the Nominations Committee. Peter resigned as a Director in June 2011.

Company Secretary

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 2011 have comprised organising and staging the Royal Melbourne Show and other agriculture, food, wine and related competitions, and also the venue management of the Melbourne Showgrounds. There were no significant changes in the nature of these activities during the year.

Objectives and Strategies

The objectives of the Company are to promote the development of all phases of the agricultural, pastoral, horticultural, viticultural, stock raising, manufacturing and industrial resources of Victoria.

The Company's strategy for achieving these objectives is to hold, promote, assist or subsidise exhibitions, displays or Shows of any nature or kind at any time or place. This includes conducting Victoria's largest community event, the Royal Melbourne Show, and 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. In addition, the Company is also responsible for management of the Melbourne Showgrounds event and exhibition venue.

The objectives of the Company are able to be measured by event attendances and the number of exhibitors and entrants to competitions.

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 \$2,355,255 (2010: profit of \$1,206,035). After inclusion of the joint venture interest, the net loss of the Company for the year after tax was \$1,977,699 (2010: loss \$1,841,738). During the year:

- Rental and associated income from the Venue operation was \$6,806,275, an increase of \$1,643,018 on the previous financial year. During the year a profit share payment to the Joint Venture of \$475,424 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 \$600,000.
- Assets to the value of \$715,669 were transferred from the Joint Venture to the Company at no cost upon completion of the construction of the new Horse Pavilion. This has resulted in income of \$357,835 net of 50% joint venture interest recorded in the consolidated financial statements during the financial year.
- The Company made a contribution of \$104,250 to the Joint Venture Asset Replenishment Fund. This contribution was based on 60% of the Company's cash surplus before the incorporation of the Joint Venture results. After taking into account the 50% joint venture interest an expense of \$52,125 has been recorded in the consolidated financial statements.
- After submissions to the Australian Taxation Office, the Company received exemption from GST under Section 38-250(2)(v)(ii) of the GST Act for certain classes of admissions and entries relating to the Royal Show.
- The Company paid fees to the Joint Venture and the Concessionaire as part of its contractual obligations. These fees will be ongoing until the completion of the 25 year term of the Concessionaire.
- 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. At the date of this report negotiations for the renewal of this contract for a further five years until 31 March 2017 are in progress but have yet to be completed.

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	7	7	-	-
DS Chapman	3	7	3	4
CJ Fox	6	7	-	-
AJ Hawkes	7	7	4	4
D Pollett Hodgson	5	5	1	1
GJ Phillips	5	7	-	-
JA Potter	7	7	-	-
PJB Ronald	7	7	-	-
PF Sheldrake	4	7	-	-
SC Spargo	7	7	4	4

Mr PF Sheldrake was granted leave of absence for the August and November 2010 Board meetings.

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

The Company will continue to pursue its objectives by growing the venue management business and building on the success of the Royal Melbourne Show. Further information on likely developments in the operations of the Company and expected results of those operations have not been included in this report because the Directors believe it would result in unreasonable prejudice to the Company.

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 Australia 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. No indemnities have been given during or since the end of the financial year to the auditor of the entity.

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 2011. 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.

Members' Liability

The Royal Agricultural Society of Victoria Limited is a company limited by guarantee. In the event of the Company being wound up the liability of its members is limited by the Constitution to an amount not exceeding \$20 while that member is a member, or within one year after that member ceases to be a member.

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 Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 8 and forms part of the Directors' Report for the year ended 31 March 2011.

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 28th day of June 2011
Melbourne, Victoria

AUDITOR'S INDEPENDENCE DECLARATION

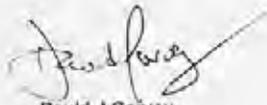
PKF

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 2011, 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

28 June 2011
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 on the part 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 2011

	Note	2011 \$	2010 \$
Continuing Operations			
Revenue			
Rendering of Services	2	20,786,899	17,693,396
Other Income	2	2,533,269	1,140,437
		23,320,168	18,833,833
Expenses			
Salaries and Wages		5,706,998	5,281,612
Advertising, Promotion & Marketing		947,852	932,162
Depreciation		472,298	381,788
Event Expenses		5,387,674	4,352,410
Finance Costs		7,980	5,527
Maintenance, Hire & Event Set Up		3,510,836	2,581,459
Professional Fees		1,285,406	1,042,866
Utilities & Rates		560,425	475,277
Venue Access, Service Fees & Profit Share		1,413,715	1,221,065
Contribution to Asset Replenishment Fund		52,125	-
Other Expenses		1,619,604	1,353,632
		20,964,913	17,627,798
Total comprehensive income before income tax and Joint Venture loss		2,355,255	1, 206,035
Joint Venture Revenue	2	3,134,026	4,432,332
Joint Venture Expenses			
Interest Expense – Finance Lease		4,999,757	5,067,548
Concessionaire Fees		1,008,311	930,454
Depreciation		1,313,974	1,313,974
Project Expenses		144,938	168,129
		7,466,980	7,480,105
Joint Venture loss before income tax		(4,332,954)	(3,047,773)
Loss before income tax		(1,977,699)	(1,841,738)
Income tax expense	1B(b)	-	-
Net loss after income tax attributable to members		(1,977,699)	(1,841,738)
Other Comprehensive Income	5	-	-
Total Comprehensive Income for the Year		(1,977,699)	(1,841,738)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash and Cash Equivalents	6	3,280,006	3,527,392
Trade and Other Receivables	7	5,728,455	6,865,386
Inventories	8	-	1,639
Prepayments		356,176	421,540
Total Current Assets		9,364,637	10,815,957
Non-Current Assets			
Property, Plant and Equipment	9	76,056,719	75,785,683
Receivables	10	36,156,399	37,437,539
Total Non-Current Assets		112,213,118	113,223,222
Total Assets		121,577,755	124,039,179
Current Liabilities			
Trade and Other Payables	11	4,294,772	4,045,155
Provisions	12	407,498	335,440
Interest Bearing Liabilities	13	807,477	731,923
Total Current Liabilities		5,509,747	5,112,518
Non-Current Liabilities			
Income in Advance	10	2,600,968	2,655,968
Interest Bearing Liabilities	14	49,076,223	49,884,236
Provisions	15	25,176	43,117
Total Non-Current Liabilities		51,702,367	52,583,321
Total Liabilities		57,212,114	57,695,839
Net Assets		64,365,641	66,343,340
Equity			
Contributed Equity	16	-	-
Retained Earnings		64,365,641	66,343,340
Total Equity		64,365,641	66,343,340

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 2011

	Retained Earnings \$	Total \$
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
Changes in Equity		
Loss for the Period	(1,977,699)	(1,977,699)
As at 31 March 2011	64,365,641	64,365,641

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 2011

	Note	2011 \$	2010 \$
Cash Flows from Operating Activities			
Receipts from customers		22,915,921	18,941,494
Receipts from joint venture		6,934,377	6,703,532
Payments to suppliers and employees		(22,812,330)	(19,278,684)
Interest received		180,598	130,980
Interest and other costs of finance paid		(4,999,757)	(5,067,548)
Net Cash flows provided by Operating Activities	(iii)	2,218,809	1,429,774
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(1,729,623)	(810,512)
Proceeds from sale/transfer of property, plant and equipment		-	1,036
Net Cash flows used in Investing Activities		(1,729,623)	(809,476)
Cash Flows from Financing Activities			
Repayment of interest bearing liabilities		(731,921)	(655,703)
Receipts/(Payment) of trophy funds		(4,651)	(4,520)
Net Cash flows used in Financing Activities		(736,572)	(660,223)
Net Decrease in Cash held		(247,386)	(39,925)
Cash and Cash Equivalents at Beginning of Financial Year		3,527,392	3,567,317
Cash and Cash Equivalents at End of Financial Year	(i)	3,280,006	3,527,392

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 2011

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	2011 \$	2010 \$
Cash	6	3,280,006	3,527,392

(ii) Financing Facilities

A commercial bill facility of \$1 million (2010: \$1 million) exists with National Australia Bank Limited. The facility is available for one year. At 31 March 2011, \$nil (2010: \$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

	2011 \$	2010 \$
Net loss after tax	(1,977,699)	(1,841,738)
Add/(less) non-cash items:		
Depreciation	1,786,272	1,695,762
Interest accrued on Trophy Funds	4,114	3,332
Loss/(Gain) on sale of Fixed Assets	-	(1,036)
Bad Debts Expense	30,035	120,012
Write-off of Assets	30,150	18,273
Assets transferred from joint venture	(357,835)	-
Joint Venture Interest Income	(3,029,635)	(3,197,432)
Joint Venture Lease Income	(55,000)	(39,032)
Changes in Assets and Liabilities:		
Decrease in Receivables	5,472,671	4,227,264
Decrease/(Increase) in Prepayments	65,364	(31,314)
Decrease in Inventories	1,639	752
Increase in Payables	194,616	490,145
Increase/(Decrease) in Provisions	54,117	(15,214)
Net Cash Provided by Operating Activities	2,218,809	1,429,774

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 A) Corporate Information

The financial report of the Company for the year ended 31 March 2011 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* and Australian Accounting Standards (including Australian Accounting Interpretations).

(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 expected to be paid based on current wage and salary rates and include related on-costs.

Long Service Leave

The provision for employee benefits related 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 related to long service leave, 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	2011 \$	2010 \$
Rendering of Services		
Admissions Revenue	6,861,787	5,518,074
Members Subscriptions	259,584	236,615
Rental Income	7,499,827	7,094,769
Catering Income	2,746,162	1,799,019
Sponsorship	1,247,982	1,399,702
Competition Income	1,328,431	1,043,650
Secretarial and Management Fees	87,426	81,128
Parking Revenue	755,700	520,439
	20,786,899	17,693,396
Other Income		
Assets transferred to Company from Joint Venture	357,835	-
Interest	170,539	122,712
Gain on disposal of property, plant & equipment	-	1,036
Government Grant	48,000	25,000
Other Revenue	1,956,895	991,689
	2,533,269	1,140,437
Joint Venture Income		
Joint Venture Interest Income	3,039,694	3,205,701
Joint Venture Other Income	94,332	1,226,631
	3,134,026	4,432,332
Total Revenue	26,454,194	23,266,165

3. Items included in result

Joint Venture Depreciation Expense	1,313,974	1,313,974
Depreciation Expense	472,298	381,788
Bad and Doubtful Debts	30,035	120,012
Lease Rental Expense – Operating Leases	116,168	154,811
Employee Benefits Expense	282,640	275,299
Superannuation Contribution Expense	297,280	303,655
Salaries – Permanent Employees	3,226,501	3,197,964

4. RASV net result before consolidation with Joint Venture

	2011 \$	2010 \$
Continuing Operations		
Revenue		
Rendering of Services	20,786,899	17,693,396
Other Income	2,891,104	1,140,437
	23,678,003	18,833,833
Expenses		
Salaries and Wages	(5,706,998)	(5,281,612)
Advertising, Promotion & Marketing	(947,852)	(932,162)
Depreciation	(472,298)	(381,788)
Event Expenses	(5,387,674)	(4,365,123)
Finance Costs	(7,980)	(5,527)
Maintenance, Hire & Event Set Up	(3,394,628)	(2,468,637)
Professional Fees	(1,285,406)	(1,042,866)
Venue Access, Service Fees & Profit Share	(2,827,432)	(2,448,418)
Contribution to Asset Replenishment Fund	(104,250)	-
Other Expenses	(2,180,029)	(1,828,909)
Net result before income tax	1,363,456	78,791

The RASV net result before consolidation is not comparable to the result in the Statement of Comprehensive Income on page 32. 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

	2011 \$	2010 \$
Cash on Hand	2,700	3,100
Cash at Bank and on Deposit	3,277,306	3,524,292
	3,280,006	3,527,392

Average interest rates at 31 March 2011 on cash accounts were 4.43% (2010: 3.77%).

7. Trade and other Receivables	2011 \$	2010 \$
Trade Receivables	1,375,338	979,828
Allowance for Doubtful Debts	(30,000)	-
	1,345,338	979,828
Sundry Receivables	4,383,117	5,885,558
	5,728,455	6,865,386

(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 2011 debts that were past due but not doubtful amounted to \$419,590 (2010: \$552,948). No net receivables are considered impaired at 31 March 2011 or 31 March 2010 and all are deemed to be recoverable.

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

	As at March 2011		As at March 2010	
	Debtor	Allowance	Debtor	Allowance
Current	955,749	-	426,880	-
31 – 60 days	339,836	-	164,286	-
61 – 90 days	5,075	-	334,087	-
91 days and over	74,678	(30,000)	54,575	-
Closing Balance	1,375,338	(30,000)	979,828	-

8. Inventories (Current)	2011 \$	2010 \$
Finished Goods	-	1,639

9. Property, Plant and Equipment

	2011 \$	2010 \$
Land - at cost	25,500,000	25,500,000
Buildings & Structures		
- at cost	54,213,365	52,757,612
- accumulated depreciation	(6,136,855)	(4,772,493)
	48,076,510	47,985,119
Motor Vehicles		
- at cost	54,430	54,430
- accumulated depreciation/amortisation	(19,773)	(9,974)
	34,657	44,456
Plant and Equipment		
- at cost	4,279,457	3,744,386
- accumulated depreciation	(1,833,905)	(1,488,278)
	2,445,552	2,256,108
Total land, buildings and structures, motor vehicles, plant and equipment	76,056,719	75,785,683
- Net book value		

Reconciliation of Movements in 2011

Asset Class	Opening Balance \$	Additions \$	Depreciation/ Amortisation \$	Disposals \$	Closing Balance \$
Land	25,500,000	-	-	-	25,500,000
Buildings & Structures	47,985,119	1,495,230	(1,378,119)	(25,720)	48,076,510
Motor Vehicles	44,456	-	(9,799)	-	34,657
Plant and Equipment	2,256,108	592,227	(398,353)	(4,430)	2,445,552
	75,785,683	2,087,457	(1,786,271)	(30,150)	76,056,719

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

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 2011. Interim information has been extracted for the purpose of preparation of the Company's financial statements as at 31 March 2011, which is subject to audit by the Company's auditor.

During the year ended 31 March 2011, assets to the value of \$357,835 were transferred to the Company at no cost upon completion of the new Horse Pavilion. This has resulted in income recorded in the financial statements during the financial year and represents 50% of the total funds transferred.

The Company's interest in the assets and liabilities of the jointly controlled operation at 31 March 2011 are as follows:

Name of Entity	Principal Activity	Interest	
		2011 %	2010 %
Unincorporated Joint Venture	To carry out the redevelopment of the Melbourne Showgrounds	50	50
Current Assets		2011 \$	2010 \$
Cash		233,216	315,904
Trade and Other Receivables		4,726,842	6,184,134
Total Current Assets		4,960,058	6,500,038
Non-Current Assets			
Land		25,500,000	25,500,000
Buildings & Structures – net book value		46,513,933	47,827,904
Trade and Other Receivables		36,156,399	37,437,539
Total Non Current Assets		108,170,332	110,765,443
Total Assets		113,130,390	117,265,481
Current Liabilities			
Creditors & Accruals		1,589,223	1,604,669
Income in Advance		55,000	55,000
Interest Bearing Liability		798,293	723,494
Total Current Liabilities		2,442,516	2,383,163

	2011 \$	2010 \$
Non Current Liabilities		
Rental Income Received in Advance	2,600,968	2,655,968
Interest Bearing Liability	48,940,250	49,738,543
Total Non Current Liabilities	51,541,218	52,394,511
Total Liabilities	53,983,734	54,777,674
Net Assets	59,146,656	62,487,807

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.

11. Trade and other Payables	2011 \$	2010 \$
Creditors and Accruals	4,020,916	3,735,669
Income in Advance	273,856	309,486
	4,294,772	4,045,155

12. Provisions (Current)	2011 \$	2010 \$
Employee Benefits	407,498	335,440

13. Interest Bearing Liabilities (Current)	2011 \$	2010 \$
Finance Lease – Showgrounds Redevelopment	798,293	723,494
Finance Lease – Motor Vehicles	9,184	8,429
	807,477	731,923

14. Interest Bearing Liabilities (Non-Current)	2011 \$	2010 \$
Finance Lease – Showgrounds Redevelopment	48,940,250	49,738,542
Finance Lease – Motor Vehicles	27,372	36,556
Trophy Funds	108,601	109,138
	49,076,223	49,884,236

15. Provisions (Non-Current)	2011 \$	2010 \$
Employee Benefits	25,176	43,117

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	2011 \$	2010 \$
Future Operating Lease Rentals not provided for in the Financial Statements.		
Payable:		
Not longer than one year	70,361	110,122
Longer than one year but not longer than two years	38,180	70,361
Longer than two years but not longer than five years	11,957	50,137
	120,498	230,620

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	807,477	731,923
Longer than one year but not longer than five years	4,141,048	3,768,816
Longer than five years	44,831,921	46,015,162
Minimum Lease Payments	49,780,446	50,515,901
Future Finance Charges	(5,347)	(8,880)
Recognised as a Liability	49,775,099	50,507,021

Representing lease Liabilities

Current (note 13)	807,477	731,923
Non-Current (note 14)	48,967,622	49,775,098
	49,775,099	50,507,021

Finance leases to the value of \$49,738,543 relate to the Showgrounds buildings with a lease term of 25 years. These comprise \$798,293 of current and \$48,940,250 of non-current commitments. The buildings will revert to the joint venture on the conclusion of the lease arrangement. The remaining \$36,556 relate to motor vehicles with a lease term of four years.

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 \$104,250 (2010: \$0).

18. Employee Benefits	2011 \$	2010 \$
Aggregate employee benefits, including on-costs:		
- Accrued salaries and wages	43,470	-
- Provisions (Current)	407,498	335,440
- Provisions (Non-current)	25,176	43,117
	476,144	378,557

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:

	2011 \$	2010 \$
Financial Assets:		
Cash and cash equivalents	3,280,006	3,527,392
Receivables	41,884,854	44,302,925
Total Financial Assets	45,164,860	47,830,317
Financial Liabilities:		
Trade and other payables	4,294,772	4,045,155
Interest Bearing Liabilities	49,883,700	50,616,159
Total Financial Liabilities	54,178,472	54,661,314
Net Exposure	(9,013,612)	(6,830,997)

(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 2011, 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	
	2011 \$	2010 \$	2011 \$	2010 \$
+1% (100 basis points)	32,800	35,274	32,800	35,274
-1% (100 basis points)	(32,800)	(35,274)	(32,800)	(35,274)

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
2011	\$	\$	\$	\$
Trade and other payables	3,973,001	321,771	-	4,294,772
Interest Bearing Liabilities	-	807,477	49,076,223	49,883,700
Total financial liabilities	3,973,001	1,129,248	49,076,223	54,178,472
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

(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

	2011 \$	2010 \$
Total of all remuneration received and receivable in connection with:		
(a) Audit of the Annual Financial Report	27,000	27,000
(b) Other Services:		
Royal Melbourne Show Assurance Procedures	2,500	2,550
Other Audit Services – Joint Venture	18,000	18,000
Taxation/Compliance & Other Services	-	850
	47,500	48,400

22. Directors Remuneration

	2011 \$	2010 \$
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 \$87,426 (2010: \$81,128). At the end of the financial year the outstanding balance for these services included in Trade Debtors is \$17,514 (2010: \$14,719).
- ii. The names of all Directors who have held office during the year are:
 - Ian Ivor Bucknall
 - Douglas Scott Chapman
 - Charles John Fox AM
 - Alan John Hawkes
 - Deborah Hodgson
 - Geoffrey James Phillips
 - Joy Anita Potter
 - Peter Jason Bruce Ronald OAM
 - 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 \$10,923 (2010: \$10,684).
- 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 2011.

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:

	2011 \$	2010 \$
Short-term employee benefits	1,053,905	986,471
Other long-term benefits	153,801	127,241
Termination benefits	-	298,850
	1,207,706	1,412,562

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 2011 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



A J Hawkes
Director

Dated this 28th day of June 2011
Melbourne



Chartered Accountants
& Business Advisers

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

Report on the Financial Report

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 2011, 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 2011 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

28 June 2011
Melbourne

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David J Garvey
Partner

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CONSUMER

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

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Paper is an Australian Government
certified Greenhouse Friendly™ Product.