



RASV

ANNUAL REPORT 2012
The Royal Agricultural
Society of Victoria Limited



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Governor of Victoria

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M (Mark) O'Sullivan

Company Secretary

J (Jon) Perry

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Victoria Australia

Bankers

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Melbourne 3000
Victoria Australia

Solicitors

Allens Linklaters
Level 37
101 Collins Street
Melbourne 3000
Victoria Australia

RASV COUNCILLORS

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DG Beard
WRR Beggs AM
AC Bott
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CONTENTS

Office Bearers	2
RASV Councillors	2
RASV Introduction	4
President's Message	7
CEO's Message	8
2011 Royal Melbourne Show	12
RASV Events & Awards	14
2011/2012	
Summary of Awards	18
Venue Management	22
Corporate Governance	24
Financial Reports	27

RASV INTRODUCTION

The Royal Agricultural Society of Victoria (RASV) is a member based organisation that promotes and celebrates agriculture through events which link industry with consumers and ultimately aims to improve the quality and increase demand for Victorian agricultural produce.

Our focus is on delivering value to industry, those with a direct involvement in primary and secondary production, particularly in Victoria and our role is to link consumers to industry product and produce.

The RASV supports industry by conducting successful events such as the Royal Melbourne Show, Victoria's largest annual community event which provides industry with unique opportunities to enhance consumer awareness and understanding. The Royal Melbourne Show also provides industry, particularly beef, dairy, sheep, and fleece with an important platform to benchmark and celebrate quality.

Other events the RASV conducts to support industry include:

- Royal Melbourne Wine Show, the celebration of excellence in Australian winemaking and one of the nation's most respected wine shows
- Royal Melbourne Fine Food Awards, fast becoming Australia's most celebrated fine food event
- Australian International Beer Awards, Australia's largest beer show and the pre-eminent showcase of premium beer and brewing excellence in the Asia Pacific region

Each of these events celebrate product quality, encourage benchmarking, and act as a unique platform for industry promotion and education.

In addition, the RASV conducts non core agricultural events such as the Royal Melbourne Horse Show, Australia's biggest horse breed show.

Furthermore, the RASV manages the Melbourne Showgrounds, Victoria's largest and most versatile venue for trade shows, exhibitions and events. Feature events held at Melbourne Showgrounds include Equitana, Gift Fair, International Truck, Trailer & Equipment Show, Stereosonic, Soundwave, and the National 4X4, Fishing Camping & Outdoors Expo.

We are committed to:

- Being valued by industry for our ability to link industry to consumers
- Providing industry with opportunities to connect with consumers, primarily through events
- Growing membership and delivering great value to our members
- Generating operating surpluses to enable future investment in our events, member benefits and Melbourne Showgrounds facilities
- Improving the organisation by supporting and developing our employees and by implementing the appropriate systems, processes and infrastructure to enable the development and delivery of quality events and superior service.



Board of Directors

Back row, left to right:
Alan Hawkes, Scott Chapman, Noelene King OAM, Mark O'Sullivan (CEO), Geoff Phillips, Jason Ronald OAM and Matthew Coleman.

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

Executive Team

Left to right:
Jon Perry (General Manager, Corporate Services), Mark O'Sullivan (CEO), Linda O'Halloran (Manager, Human Resources) and Brad Jenkins (General Manager, Marketing & Business Development).
Absent: Michael Martin (General Manager, Site Operations & Logistics).





PRESIDENT'S MESSAGE

The RASV has promoted Victorian agriculture for more than 160 years and it remains a priority for the RASV to maintain its agricultural competitions and events.

A key objective of The Royal Agricultural Society of Victoria (RASV) is to ensure the importance to Victorians of agriculture and food products is well understood.

While the success and continued growth of Victoria's largest annual community event, the Royal Melbourne Show, plays a vital role in reminding all Victorians, especially those based in Melbourne, that agriculture and food are at the core of everyday life, the RASV wants to do more to emphasise their importance.

A central theme of the RASV's strategy in coming years will be to ensure that all of the RASV's food and agriculture related events and activities are as relevant and contemporary as possible. To assist the RASV to achieve that objective, the co-operation and support of advisory groups in relevant industry sectors will be important.

Further, enlisting the help of the next generation of agricultural leaders will be necessary to assist the RASV promote the importance of Victoria's food and agriculture sector. The RASV will also be doing all it can to encourage more younger people with a keen interest in these areas to become involved in thought leadership and knowledge exchange events which are organised, promoted or sponsored by the RASV.

In this context, the RASV has contributed recently to several educational initiatives, industry networking, and award programmes with a particular focus on youth including support for the Business/Higher Education Round Table (BHERT) scoping study of skills shortages in agriculture entitled, Rebuilding the Agricultural Workforce Report. In addition, the RASV provided a submission to the Parliament of Victoria Rural and Regional Committee for their Inquiry into the capacity of the farming sector to attract and retain young farmers and respond to an ageing workforce.

Of course, the continued growth of the venue operations at the Melbourne Showgrounds will be of paramount importance not only for underpinning the RASV's overall financial position but also to enable the RASV to fund many of its planned initiatives.

At the RASV we are very fortunate to have the dedicated support of many remarkable people who make our vision possible and provide their time on a voluntary basis to help the Society.

It is appropriate to note that during the year some of our long standing Committee Chairs retired and I refer particularly to outgoing Committee Chairs Geoff Beard of the Horse Committee, Stephen Shelmerdine AM of the Royal Melbourne Wine Show Committee and Robyn Johnson of the Art, Craft and Cookery Committee. They should feel extremely proud of all they have contributed to the RASV over many years and I thank them most sincerely for their hard work in furthering the Society's interests. Their dedication to the RASV's cause has been outstanding.

On a sad note, I record the passing of an RASV stalwart and much admired and respected former President, RT (Bob) Balderstone CMG MC. Bob was a Councillor for 41 years during which time he served on a number of RASV committees including the Beef Cattle Committee, the Farm Management Committee and the Finance Committee. He served as President of the RASV for six years from 1976 until 1982 and was also the inaugural Chairman of the Young Farmers Finance Council and a Trustee of Marcus Oldham College.

Bob gave of his time most generously to the development and promotion of agriculture, particularly through the Royal Melbourne Show and beyond over so many years. Bob personified the very best of rural life and his great humility will be enduring for all those who knew him.

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 fulfil its objectives and achieve the financial outcomes reflected in the RASV's accounts as set out in this year's annual report.



Stephen Spargo
President



Over the past 12 months, the Royal Agricultural Society of Victoria (RASV) has celebrated success and excellence through its major events and initiatives and has laid the foundations for future prosperity.

Building on 150 years of excellence, the RASV is embarking on a journey guided by a new 2012-14 Strategic Plan which is committed to promoting and celebrating agriculture through events that link industry to consumers.

The ultimate aim is to improve the quality and increase demand for Victorian agricultural produce and over the next three years, we will:

1. Be valued by industry
2. Improve our events to better connect industry to consumers
3. Enhance member value
4. Ensure sustainability
5. Continue to invest in our people

We are confident that we can achieve this ambitious strategy with our talented team, committed membership base and passionate business partners who have helped us to achieve great success in the last financial year.

For the Royal Melbourne Show, the strength of our increased value proposition, ticket packaging and key initiatives saw an increase in pre-event sales of 25 per cent, an outstanding result.

In its second year, the change of sequence of the event to fall into the school holidays has been an effective strategy with the second Sunday in particular emerging as the new 'Show Day', attracting more than 73,000 people last year.

We linked the Royal Melbourne Fine Food Awards and Royal Melbourne Wine Show with the Royal Melbourne Show, offering producers a unique opportunity to showcase their products to consumers in the all new Royal Melbourne Fine Food Deli, with gourmet showbags proving very popular.

With a growing presence in the Epicure space, the new Royal Melbourne Fine Food Deli and Tastes of Victoria Precinct signifies an important change in emphasis and the evolution of food and beverage programs to further connect industry with consumers.

From food to wine, the RASV's Royal Melbourne Wine Show celebrated the 50th anniversary of the coveted Jimmy Watson Memorial trophy in 2011.

With an ongoing investment in youth in agriculture, the RASV continually increases opportunities for the next generation to be involved with the organisation and the Royal Melbourne Show.

The youth focused program at the 2011 Royal Melbourne Show was expanded to include the new Emerging Leaders in Agriculture Forum, gathering some of the best young Victorians in agriculture to discuss thought leadership and develop concepts for attracting young people in agriculture, such as 2011's ALPA Young Auctioneers Competition, the Young Farmer's Challenge and the Steers and Careers competition.

Continuing to support the beef industry, the RASV sponsored the 2012 Stock & Land Beef Week and presented the inaugural RASV Heifer Challenge co-developed with the Beef Week Committee.

In the equine arena, the Royal Melbourne Show collaborated with Equestrian Victoria to include a new Exhibition Eventing category, which was a great success in its first year.

The Showjumping program had an Olympic flavour, with the country's best riders competing for qualifying points into this year's London Olympics, while Australia's most prestigious horse showing event for female riders, the Garryowen Equestrienne Turnout, celebrated 20-year-old Stephanie Barrington and her horse L.A. who took out the top prize. Stephanie was named Best First Year Competitor in 2009 and was also named Champion Lady Rider at the 2011 Show.

Melbourne Showgrounds continues to be vital to the long term sustainability of the RASV by generating revenue to improve the standards of future events and facilities. The business has a high retention rate of clients, with events including the National 4x4 & Outdoors Show and Fishing and Boating Expo, the International Truck, Trailer and Equipment Show and a suite of other important events developing to ensure an ongoing partnership with the Melbourne Showgrounds.



As a not for profit organisation, the RASV relies heavily on the support of sponsors and partners who can be credited for the professional way in which events and initiatives are run.

We welcomed the Commonwealth Bank as a new principal partner in 2011 and acknowledge ongoing partnerships with Coca Cola, RACV, Mars Petcare, Woolworths, Herald Sun and The Weekly Times.

A new Entry and Travel Saver package for the 2011 Royal Melbourne Show was made possible with our transport partners including Department of Transport, Metro, Metlink and Yarra Trams. This proved a positive move to reduce traffic congestion around Melbourne Showgrounds and to ensure patrons are attending the Show by public transport, the most efficient method of travel to and from the Show.

The ongoing support of the City of Melbourne, City of Moonee Valley, Vic Roads, Consumer Affairs Victoria, Victoria Police and the State Government, ensures that the Royal Melbourne Show continues to be Victoria's largest annual community event in the big events capital of Australia.

In financial terms, the 2011 / 2012 year generated a positive result even though the Royal Melbourne Show was severely impacted by extreme weather conditions. The final operating result underlines the importance of our focus on maximising controllable revenues including pre event sales coupled with the diversification of revenue available through the Melbourne Showgrounds Venue business throughout the year.

Total revenue generated was \$22.7M returning a surplus of \$1.9M prior to accounting for RASV's interest in the Joint Venture with the State.

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 almost \$2.6M. It is important to note that this does not have an immediate impact on RASV's 50% interest in the Joint Venture with the State Government.

On behalf of the RASV, I acknowledge the ongoing support of the State Government, The Minister for Agriculture, The Hon. Peter Walsh and the Department of Primary Industries.

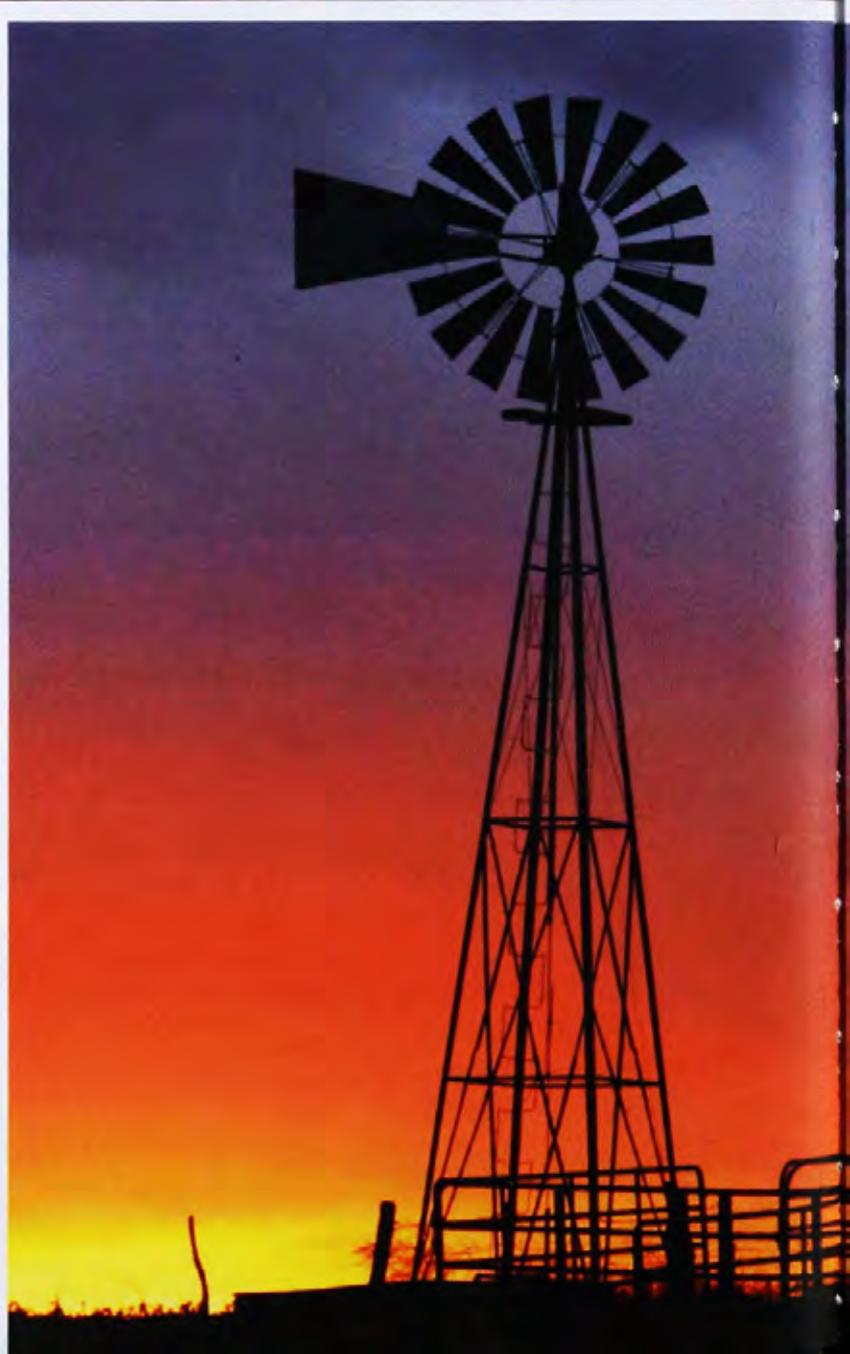
I would like to recognise the ongoing commitment of our Board of Directors, particularly our Chairman, Stephen Spargo, senior management, councillors, members, operational and event committees and all staff; we are truly grateful for their dedication and commitment to the success of the RASV.

In closing, I would like to pass on our sincerest 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 relevant events and activities.

Mark O'Sullivan
Chief Executive Officer



The Royal Agricultural
Society of Victoria





**BRINGING
OUT THE BEST
IN VICTORIA.**



2011 ROYAL MELBOURNE SHOW



2011 Royal Melbourne Show

The 2011 Royal Melbourne Show held from Saturday, 24 September to Tuesday, 4 October 2011 at Melbourne Showgrounds reinforced its position as Victoria's largest annual community event.

More than 460,000 visitors attended over the 11 action-packed days including 73,000 on Sunday 2 October, making it the second largest single day crowd since Melbourne Showgrounds was redeveloped in 2006.

Through the dedicated efforts and support of more than 7,000 people including 1,500 volunteers, the RASV was able to deliver a very successful 156th Royal Melbourne Show.

There was a significant 25% growth in pre-event ticket sales this year, with an encouraging response to the great value ticket packages in the market place including the very popular Ticket to Ride, the exclusive RACV member offer and the all new Entry and Travel Saver.

The Royal Melbourne Show is Victoria's leading event for agricultural benchmarking across beef, sheep, goats, alpaca, poultry and fleece. Entries in all agricultural and rural competitions were strong in particular beef cattle which attracted the highest number of entries in the last 5 years.

Show visitors enjoy being entertained by entrants competing in other prestigious blue-ribbon competitions such as horses, dogs, and woodchop. All eyes were on the Coca-Cola Arena for the 77th Garryowen Equestrienne Turnout, won by 2009 Best First Year competitor, Stephanie Barrington of Moorooduc.

The Grand Pavilion brought the RASV's commitment of connecting industry to consumers to life with the all-new Tastes of Victoria precinct, which showcased some of the best Victorian produce on offer, including cheese, smallgoods, preserves and wine.

More than 100 recipes were cooked by 35 chefs on the Tastes of Victoria stage, including MasterChef contestant Danni Venn, Executive Chef from The European, Ian Curley and Junior MasterChef contestants.

A key feature of the Pavilion was the new Royal Melbourne Fine Food Deli, offering patrons the opportunity to sample award-winning product from the 2010-11 Royal Melbourne Fine Food Awards. The Royal Melbourne Fine Food Deli's two gourmet showbags, featuring a range of produce from Australia's best producers, were a great success with more than 3,400 sold.

The Royal Melbourne Show hosted a stellar entertainment line-up in 2011, which included performances from the world's greatest escape artist and the world champion speed tree climber, both a first for Melbourne.

The variety of free interactive educational activities were enhanced again in 2011 including the very popular Animal Nursery which saw the birth of 33 lambs, and more than 11,000 children tried their hand at milking a cow in the Pura New Milking Barn. These activities are designed to increase visitors, awareness, knowledge and understanding of Victorian agriculture.

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

Coca-Cola
Commonwealth Bank
Mars Petcare
Woolworths
RACV
Herald & Weekly Times
Lion
Isuzu Utes
Quit Victoria
Grinders Coffee
Carlton & United Brewers
The Knox School
Nestle Peters
Stock & Land

There was a significant 25% growth in pre-event ticket sales this year, with an encouraging response to the great value ticket packages in the market place including the very popular Ticket to Ride, the exclusive RACV member offer and the all new Entry and Travel Saver.





The 2011 Australian International Beer Awards (AIBA)

The 2011 Australian International Beer Awards (AIBA) attracted an extraordinary number of quality beers from both local and international breweries, with 1,195 entries received from 34 countries including Canada, France, South Africa and for the first time, Kazakhstan.

Conducted annually by the Royal Agricultural Society of Victoria in conjunction with the University of Ballarat, the AIBA is the pre-eminent showcase for premium beer and brewing excellence in the Asia Pacific region.

Of the 15 Champion trophies awarded, seven were taken out by international breweries. Five were presented to the US and one each to Belgium and New Zealand.

The prestigious Champion Exhibitor trophy was awarded to Moylan's Brewing Co. of the United States at the gala presentation dinner at the Melbourne Convention & Exhibition Centre.

Australian breweries were awarded eight trophies, with four presented to Western Australia, two each to Victoria and New South Wales. The prestigious Premier's Trophy for the Best Victorian Beer was taken out by 2 Brothers Brewery of Moorabbin for the second consecutive year, while Western Australia's Feral Brewing achieved the Champion Ale Trophy for the second year running.

The 2011 AIBA judging panel comprised 44 brewing experts, 13 of whom were international, the largest contingent of internationals in the history of the event. The international judges included Isara Khaola-iead (Thailand), Dr Fritz Briem (Germany), Paul Gatza (Canada), Jaime Jurado (US), Dr Bill Simpson (UK) and Simon Jackson and Ryouji Oda (Japan), as well as numerous representatives from New Zealand.

The RASV greatly appreciates the valuable support and contribution of event partner the University of Ballarat and the following sponsors:

Regional Development Victoria
(Department of Innovation,
Industry & Regional Development)
Cleanevent
Transport Accident Commission
Cryer Malt
City Of Ballarat
National Liquor News
Beer & Brewer Magazine
Labelmarkers Group Pty Ltd
Weyermann
Spiegelau
Hop Products Australia

Rosalind & Damien
Vodusek of Rich
Glen Olives



The 2011 Royal Melbourne Fine Food Awards

The Royal Melbourne Fine Food Awards continued to evolve in 2011 by expanding into new categories to broaden appeal and create new marketing as well as taste and trial opportunities for producers.

By aligning the Awards with the Royal Melbourne Show via the Fine Food Deli and gourmet showbag offering, the RASV brought the Awards to a wider audience and became a firmly established element of the Show.

New categories and specialist areas included branded beef and coffee, and separate categories were established for dairy, sheep, buffalo and goat exhibits.

The 2011 Royal Melbourne Fine Food Awards celebrated premium fine food in nine categories, including branded beef; chocolate; coffee; dairy, sheep, goat and buffalo; ice-cream, gelatos and sorbet; delicatessen; extra virgin olive oil, flavoured oil and table olives; preserves and honey; and packaging.

Record entries were received in 2011, up 25 per cent on 2010 figures, with the smallgoods category recording a fivefold growth in entries. There was also a 15 per cent increase in exhibitors.

The judging panel of more than 70 industry experts awarded 25 Champion trophies at a presentation luncheon on Tuesday, 27 September during the Royal Melbourne Show.

Of the 26 trophies presented for excellence in fine food production, 15 were awarded to Victorian producers, four trophies to New South Wales and Tasmania, two trophies to South Australia and Queensland and one to Western Australia.

The prestigious Victorian Government Trophy for best Victorian product was awarded to Rich Glen Olives of Yarrawonga for its Rich Glen Lemon and Lime Agrumato.

A testament to the quality of produce entered in the 2011 Royal Melbourne Fine Food Awards, more than 50 per cent of entries received medals, with 96 gold, 231 silver and 192 bronze medals awarded.

As part of the RASV's strategy to further connect industry with consumers, award-winning product from the 2010-11 Royal Melbourne Fine Food Awards was showcased at the new Royal Melbourne Fine Food Deli at the 2011 Royal Melbourne Show, featuring two gourmet showbags, with close to 3,000 sold.

Conducted annually by the Royal Agricultural Society of Victoria, the Royal Melbourne Fine Food Awards presents a valuable opportunity for all manufacturers, large and small, to benchmark their products and establish their credentials in the Australian food industry.

The RASV greatly appreciates the valuable support and contribution provided by all sponsors of the Royal Melbourne Fine Food Awards including:

Department of Business & Innovation
Spotless
Dairy Australia
Plasdene GlassPak



Sally and Colin Glaetzer of Winemakers of Tasmania



Rose Harris of Donald P&A Society and Kerri Ross of Ballarat A&P Society

The 2011 Royal Melbourne Wine Show

The Royal Melbourne Wine Show experienced a significant increase in exhibitors in 2011, attracting 3,278 exhibitors from 538 exhibitors nationally.

The Royal Melbourne Wine Show introduced a diverse judging panel in 2011, as well as Preshow and Exhibitor Tasting Masterclasses, a range of new classes and a trophy, the Bill Chambers Trophy for the Best Fortified in Show.

The prestigious Jimmy Watson Memorial Trophy celebrated its 50th anniversary and was awarded to the Glaetzer-Dixon Family Winemakers of Tasmania for their 2010 MON P&RE Shiraz at an Awards dinner on Thursday, 27 October 2011 at the RACV Club.

The Victorian Government Trophy for the Best Victorian Table Wine was presented to Yabby Lake International for its 2010 Yabby Lake Single Vineyard Chardonnay, who was also awarded the Douglas Seabrook Single Vineyard Trophy.

Western Australia's Vasse Felix was awarded the François De Castella Trophy for the Best Young White Wine for its 2010 Vasse Felix Heytesbury Chardonnay.

The panel of judges were drawn from across the Australian wine industry and supplemented by experienced international experts, who judged the wines in classes defined by variety and vintage.

The Royal Melbourne Wine Show hosted behind-the-scenes consumer tours in 2011, which offered wine lovers the exclusive opportunity to view the wine competition process, as well as the chance to taste the winners at the Exhibitor Tasting.

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

- | | |
|---------------------|-------------------------------|
| Portavin | Sanpellegrino |
| Dan Murphy's | Grays Online |
| Australia Post | Rural Finance |
| Acqua Panna | Longfellows Insurance Brokers |
| Amcor | Spotless |
| Wine-ark | Stelvin |
| The Watson Family | Riedel |
| Kubota | Wine Victoria |
| The Seabrook Family | |

The 2011 Rural Ambassador Awards

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

Conducted annually by the Royal Agricultural Society of Victoria in conjunction with Victorian Agricultural Shows Ltd, the Rural Ambassador Awards provide industrious young people with a forum to express their views through education and experience.

The Awards develop the communication and leadership skills of young Victorians and endeavours to strengthen their reputations and statures in their chosen fields.

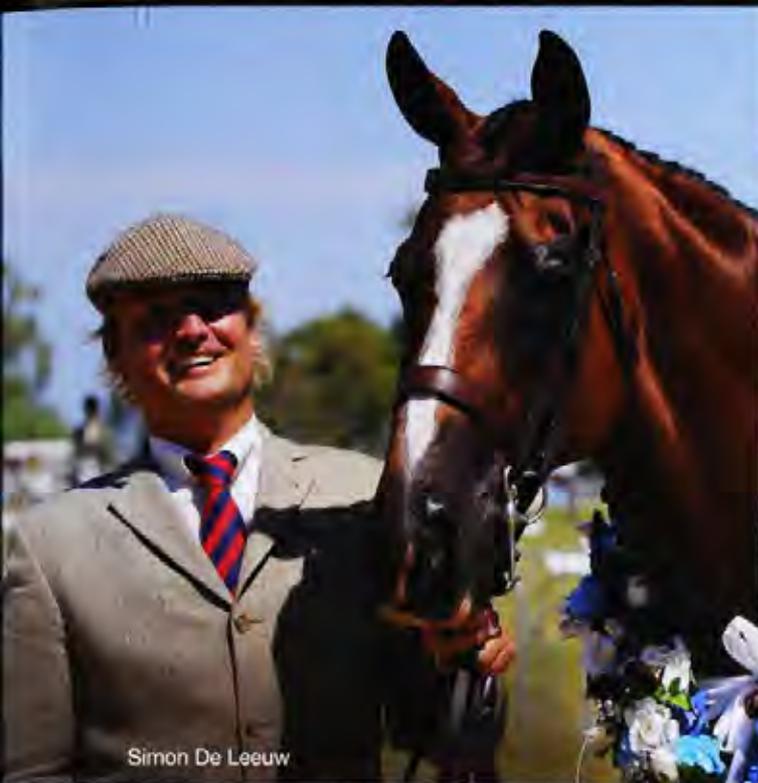
Entries are received across 12 regions in Victoria, with winners at local level progressing to a regional final and then onto the state final held at the Royal Melbourne Show each year. The Victorian winner then participates in the national finals.

Rose Harris of the Donald P&A Society in the Wimmera region was named the 2011 Rural Ambassador Victorian Finals Award at a presentation dinner held at Melbourne Showgrounds on Saturday, 24 September 2011.

Rose received \$8,000 to further her career and explore agriculture throughout Victoria and Australia. Runner-up, Kerri Ross of Ballarat A&P Society in the Midlands region, received \$2,000.

The RASV and VAS greatly appreciate the valuable support and contribution of Rural Finance as the major sponsor of the 2011 Rural Ambassador Awards along with the following sponsors and supporters:

- Department of Primary Industries
- Joint project of the Victorian Rotary Districts'
- ACE Radio
- The Weekly Times



Simon De Leeuw



The 2012 Royal Melbourne Horse Show

The Royal Melbourne Horse Show is the largest horse breed show in the Southern Hemisphere, showcasing more than 40 breeds of horses and ponies. The 2012 Royal Melbourne Horse Show was held on Thursday, 26 January to Sunday, 29 January at Werribee Park National Equestrian Centre.

Following exhibitor feedback, the RASV expanded the 2012 program, with new classes for Riding Pony Stud Book Society Over-height Show Hunters and Show Hacks, Open Breed Show Hunters for under-14 hands, Fell Ponies, Champion Gypsy Cob Derivative and Saddle Horse Championships Champion Shetland.

The Royal Melbourne Horse Show recorded significant increases in various sections, including a 30 per cent increase in entries received for both Riding Ponies and Saddle Horse Championships, which serves as a qualifier for the 2012 Royal Melbourne Show and 2013 Show Horse Council Grand National Championships.

Presented annually by the Royal Agricultural Society of Victoria the Royal Melbourne Horse Show provides a valuable qualification towards the Royal Melbourne Show's 'Horses in Action' competitions each year.

International judges Anne Hjorth of New Zealand, Jayne Purcell White of UK and Enid Lord of the UK joined Australian officials to preside over four days of prestigious equine competitions.

The coveted Best In Show Championship was awarded to DP Destiny, exhibited by the McMaster Family of Locksley and led to victory by Simon De Leeuw. DP Destiny was also crowned the Saddle Horse Championships Champion Ridden Show Hunter Hack over 15 hands.

The 2011 Royal Melbourne Dairy Show

The 2011 Royal Melbourne Dairy Show showcased the finest dairy cattle in Australia during four days of dairy competitions and industry events from Sunday, 18 September to Wednesday, 21 September at Melbourne Showgrounds.

Since moving to a stand-alone event in 2010 in response to industry feedback, the Royal Melbourne Dairy Show has reinforced its position as one of the premier Spring events of the livestock competition calendar.

Presented annually by the Royal Agricultural Society of Victoria (RASV), the Royal Melbourne Dairy Show attracts the best dairy cattle and provides breeders with a valuable springtime focus.

A panel of esteemed judges assessed more than 300 dairy cows during the 2011 Royal Melbourne Dairy Show, an increase of over 30 per cent on last year and the highest number of entries in a decade.

The four day program included the All Breeds Heifer Show, All Breeds Evening Celebration featuring the new Master Fitter Challenge and the Interbreed Championships.

The event culminated with the announcement of the prestigious Royal Melbourne Champion Dairy Cow Award, presented to Glenorleigh Dundee Piper, owned by Bill and Jo Thompson of South Australia.

The Royal Melbourne Dairy Show partnered with popular industry blog, Crazy Cow, to reach a wider audience and keep the dairy community updated on the happenings of the event.

The Royal Agricultural Society of Victoria greatly appreciates the valuable support and contribution of the Commonwealth Bank as the major sponsor of the 2011 Royal Melbourne Dairy Show.

2011/ 2012 SUMMARY OF AWARDS



Royal Melbourne Show

SECTION	AWARD	EXHIBIT	EXHIBITOR	TOWN & STATE
Art, Craft & Cookery	The Florence Monod Memorial Award	Large Folk Art Plate with Gold Fish Class 95 Exhibit 694	Judith Cairnduff	Croydon, VIC
Beef Carcase	Grand Champion Carcase	Exhibit 69, Angus, 91.817 points	Gundagai High School	Gundagai, VIC
	Borthwick Trophy	Limousin Exhibit 28, Exhibit 68, Exhibit 89	Finley High School B & S Griffiths Longerenong College	Finley, NSW Kyneton, VIC Longerenong, VIC
Beef Cattle	Supreme Beef Exhibit	Exhibit 140, Raff Empire E269	Raff Beef Cattle	Drillham, QLD
Royal Melbourne Championship Dog Show	Best In Show	Whippet - Gr Ch Arjai Almost Criminal	Ms J Kramer	Roleystone, WA
	Best Puppy In Show	Samoyed - Samooka Lil Miss Madam Ov Idol (A.I)	Mrs K O'Riley	Yarra Glen, VIC
	Best Baby Puppy In Show	Akita - Daykene Famous Footsteps	Miss T Buckley	Evatt, ACT
	Obedience	Poodle (Standard) - Dual (O) Ch Giday Violet Crumble ADX, JDX, ET.	Ms L Johnson	Cranbourne North, VIC
	Agility	Associate - Zulu Zip ADM, JDM, GD, ADO, SPD.	Miss Kate Dall	Portarlington, VIC
	Jumping	Associate - Scouts Honour	Mr P Ward & Miss P Attard	Blackburn South, VIC
Horses in Action	The Garryowen Equestrienne Turnout	L.A	Stephanie Barrington	Moorooduc, VIC
Garryowen Hall of Fame	Garryowen Hall of Fame Horse	Jones	Miss Kitty Sutherland	Cavendish, VIC
	Garryowen Hall of Fame Rider	-	Caroline Wagner	Somerville, VIC



Garryowen Hall of Fame	Garryowen Hall of Fame Exceptional Service	-	William Aaron Jones	Williamstown VIC
Woodchop	Golden Axe - Grand Aggregate Trophy	-	Laurence M O'Toole	Doncaster VIC
	The Two Garrys' - Handicap Aggregate Trophy	-	Jesse Whitehead	Waiuku South Auckland, NZ
Poultry	Supreme Champion in Show - in Memory of Mr G Sheppard	Bantam Softfeather Heavy - Wyandotte - White Cock	Angus MacDonald	Seaford, VIC
Alpaca	Supreme Champion Suri	Kirrawa Man About Town (E.T)	R, A & N Clark & R & D Condon	Bellbrae, VIC
	Supreme Champion Huacaya	Shanbrooke Invincible's Silken Lace (E.T)	R & D Condon	Yea, VIC
	Supreme Champion Suri - Fleece	Kurrawa Aiming High (E.T)	R, A & N Clark	Bellbrae, VIC
	Supreme Champion Huacaya - Fleece	Ambersun Fortune Seeker	C Williams & A Clarke	Mt Compass, SA
Sheep	The "Dalmore Trophy" - Best Ram of All Sheep Breeds	Exhibit 167, Poll Dorset	Leenala	Naracoorte, SA
	Best Ewe of All Sheep Breeds	Exhibit 99, Suffolk	P & K Brown	Marong, VIC
Goats	Supreme Champion Doe	Exhibit 9, Kaleena Park Treasure (TW)	Kaleena Park	Fulham, VIC
	Supreme Champion Boer, Goat	Exhibit 103, Cadenza F D51	C Axton	Stratford, VIC
Fleece	Champion Lambs' Wool	Exhibit 89	Mr Doug Hopkins	Buangor, VIC
	Champion Skirted Fleece	Exhibit 48	Mr Robert Fraser	Glengower, VIC

2011/ 2012 SUMMARY OF AWARDS



RASV Events and Awards

SECTION	AWARD	EXHIBIT	EXHIBITOR	TOWN & STATE
Royal Melbourne Fine Food Awards	Victorian Government Award for Best Victorian Product	Rich Glen Lemon and Lime Agrumato	Rich Glen Olives	Yarrowonga, VIC
Royal Melbourne Dairy Show	Champion Dairy Interbreed Female	Glenorleigh Dundee Piper	W F & J G Thompson	Mt Gambier, SA
Rural Ambassador Awards	Rural Ambassador Award	-	Rose Harris	Donald, VIC
Royal Melbourne Wine Show	Jimmy Watson Memorial Trophy	Glaetzer-Dixon Family Winemakers	Mon Pere Shiraz 2010	Cambridge, TAS
	The Victorian Government Trophy	Yabby Lake Single Vineyard Chardonnay 2010	Yabby Lake International	Tuerong, VIC
	The Francois De Castella Trophy	Vasse Felix Heytesbury Chardonnay 2010	Vasse Felix	Cowaramup, WA
	The Douglas Seabrook Single Vineyard Trophy	Yabby Lake Single Vineyard Chardonnay 2010	Yabby Lake International	Tuerong, VIC
	The Bill Chambers Trophy for Best Fortified in Show	Morris Cellar Reserve Liqueur Muscat NV	Morris Wines	Rutherglen, VIC
Australian International Beer Awards	Champion Exhibitor	-	Moylan's Brewing Co.	California, USA
Stock & Land Beef Week	RASV Heifer Challenge	Eloora Shorthorn	Ray & Jill Brook	Cavendish, VIC
Royal Melbourne Horse Show	Best In Show	DP Destiny	Samantha McMaster	Locksley, VIC



VENUE MANAGEMENT



Melbourne Showgrounds, Victoria's largest and most versatile indoor and outdoor exhibition, tradeshow and event venue, hosted more than 100 events during the year.

The opportunity for event organisers to grow their events at Melbourne Showgrounds is contributing to sustained growth in our venue business.

Large events including the bi-annual International Truck Trailer and Equipment Show, The National 4X4 Outdoors, Fishing & Boating Expo and the Home & Giving Fair were all held during the year at Melbourne Showgrounds and all have grown significantly since first being held at the venue.

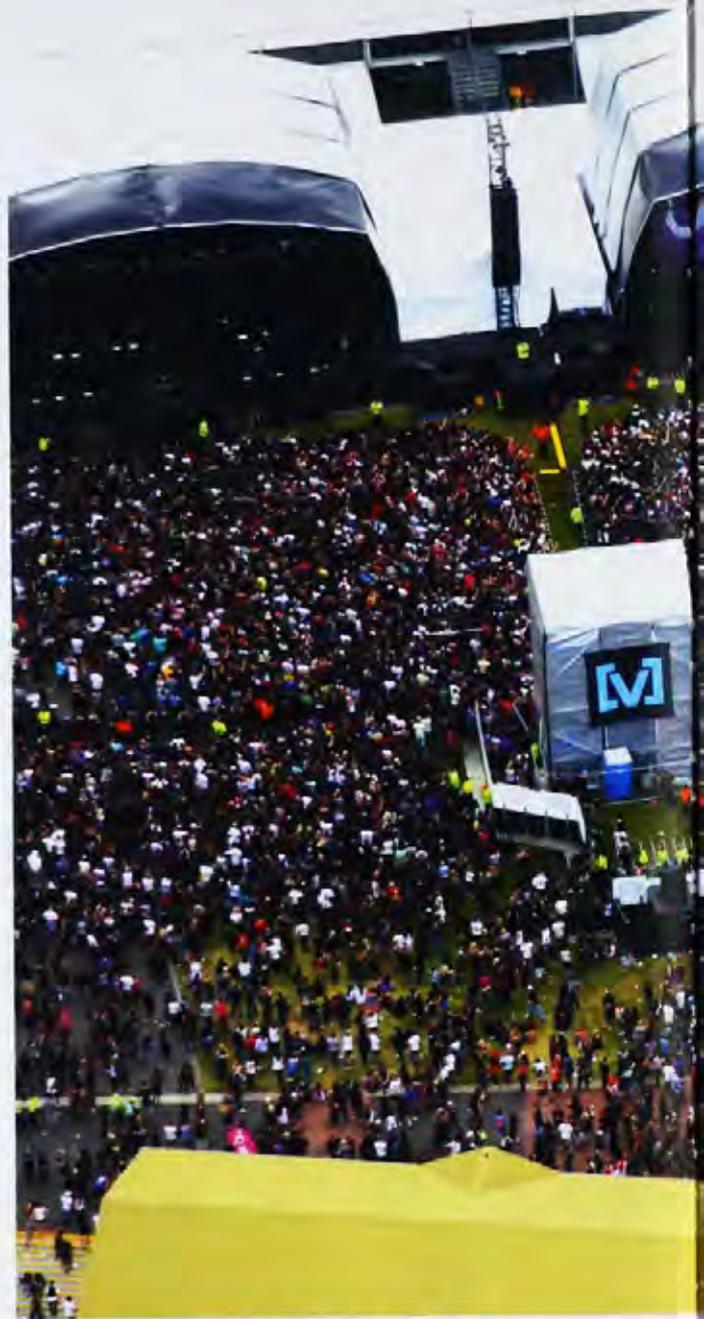
Bunnings Group again held their Bunnings Spring Launch in the Exhibition Pavilion and a number of new tradeshows were held at Melbourne Showgrounds including Mack Truck launching their newest models, Dyson International, Dulux Australia, Schneider Electric and SkillEx.

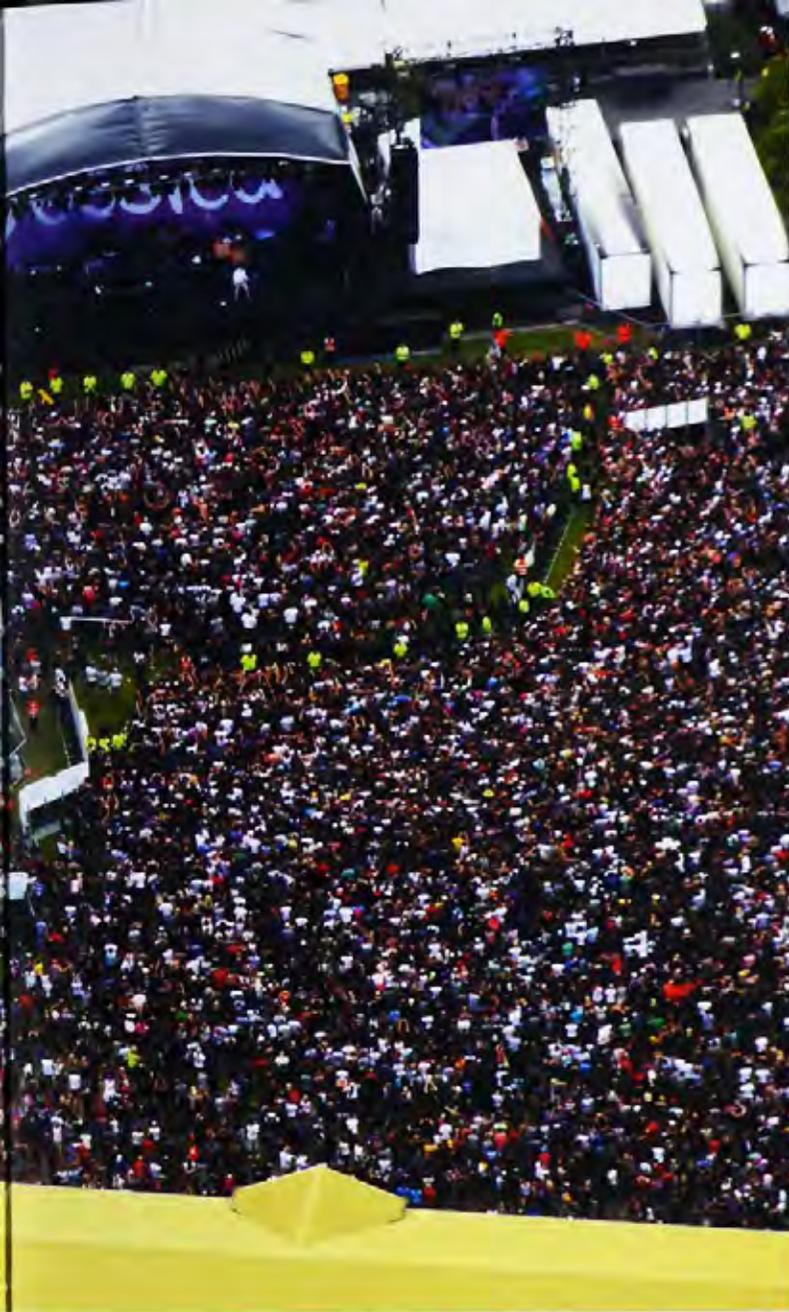
Melbourne Showgrounds attracted large attendances for the five music festivals and concerts that were held at the venue during the year including Stereosonic, Soundwave, Supafest, Creamfields and a new event Dayglow.

Attendances for pop culture events such as Supanova and Manifest continued to grow this year and other popular exhibitions such as Paperific, Shot Expo and Ausbike attracted crowds in the thousands to Melbourne Showgrounds.

Melbourne Showgrounds continues to host Victoria University mid and end of year exams as well as Deakin University CPA exams and the Australian Centre for Educational Research (ACER).

Further highlighting the versatility of the venue, Melbourne Showgrounds held filming for Network Ten's RUSH, rehearsals for the ABC's Spicks & Speck-tacular, several advertising shoots, training for the Metropolitan Fire Brigade and Victoria Police, several conferences both large and small, Rhymes Children's Music Festival, rounds of the Victorian Roller Derby League and The Philippine Fiesta.





Further highlighting the versatility of the venue, Melbourne Showgrounds held filming for Network Ten's RUSH, rehearsals for the ABC's Spicks & Speck-tacular, several advertising shoots, training for the Metropolitan Fire Brigade and Victoria Police, several conferences both large and small, Rhymes Children's Music Festival and rounds of the Victorian Roller Derby League.



Community support was provided to the Smith Family by providing an entire pavilion for The Smith Family hamper packing. A service which helped deliver more than 20,000 toy and book gift packs and 10,000 food hampers to needy children and families across Australia.

The RASV continued its partnership with the Australian Baseball League (ABL) for the second consecutive year, hosting several baseball games throughout the season as the home ground of the Melbourne Aces.

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.

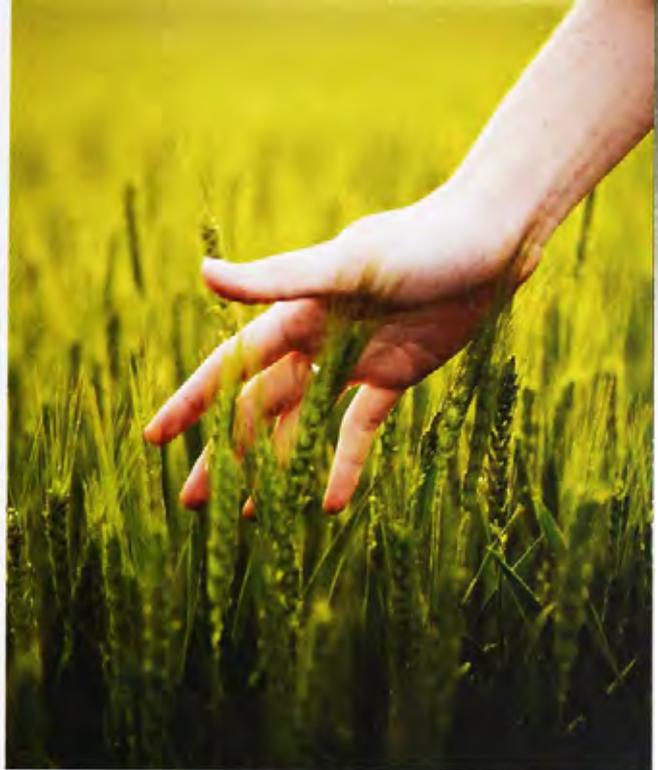
The Committee provides an efficient and effective mechanism for developing, assessing and recommending where necessary to the Board strategies and initiatives in relation to membership growth, member value and benefits, member utilisation, member satisfaction and member service and experiences.

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

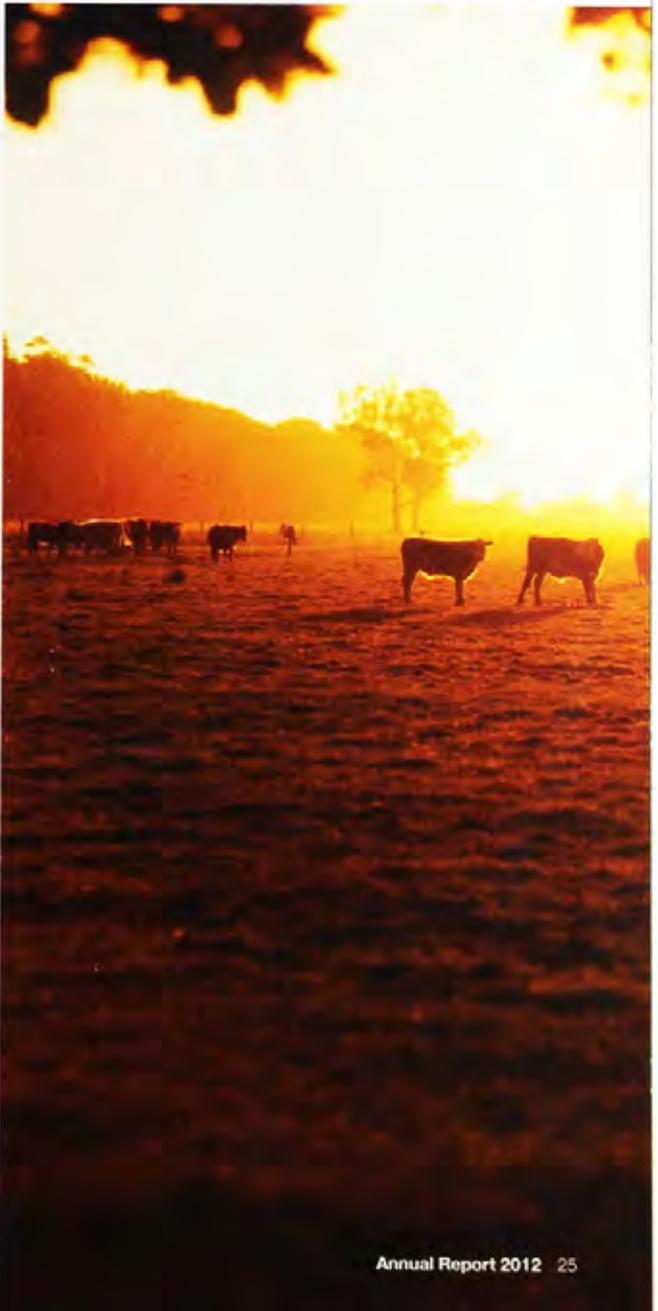
The Nominations Committee is appointed by the Board of Directors and is primarily responsible for making recommendations to the Board regarding the selection and nomination of chairpersons and members of:

- 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.





The Royal Agricultural
Society of Victoria

FINANCIAL REPORTS

Directors' Report	28
Auditor's Independence Declaration	31
Statement of Comprehensive Income	33
Statement of Financial Position	34
Statement of Changes in Equity	35
Statement of Cash Flows	35
Notes to the Statement of Cash Flows	36
Notes to the Financial Statements	37
Directors' Declaration	51
Independent Audit Report	52

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 2012 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.
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 of the Royal Flying Doctor Service and was appointed a Director of the Company in June 2009. He is a member of the Audit and Risk Management Committee.
Matthew John Coleman	Matthew owns a 350 cow dairy farm at Yannathan in West Gippsland. He has experience in agricultural policy and program design and administration (both State and Federal), indigenous economic development, community banking and rural representation. Matthew was appointed to the Board in September 2011.
Charles John Fox AM	John has experience in mixed farming and in the finance industry. He was appointed to the Council in 1989 and the Board in 1993. He stepped down as President of the Company and Chairman of the Board in December 2009. John resigned as a Director in August 2011.
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 Anne 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 and is a member of the Audit and Risk Management Committee.
Noelene Elizabeth King OAM	Noelene runs a beef property and a dairy heifer replacement enterprise in Gippsland. She is involved in local Agricultural Societies, the Stud Beef Victoria Handlers Camp and actively promotes youth in agriculture. Noelene has stewarded in the Melbourne Show horse section since 1983 and exhibited beef cattle at the Melbourne Show from 1989. She was elected as a Councillor in 1999, represented the Society on the Young Farmer Finance Council from 1999 to 2011 and has chaired the Beef Cattle & Carcase Committee since 2002. Noelene was appointed to the Board in September 2011.
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.
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.
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 Brojga 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 recently retired as 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 served as a member of the Nominations Committee prior to resigning 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 2012 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 short term objectives of the Company are to promote and celebrate agriculture through events that link industry to consumers and aim to improve quality and increase demand for Victorian agricultural produce.

The long term objectives are to ensure financial sustainability of the Company whilst allowing for the enhancement of existing events, the development of new initiatives and further investing in the Melbourne Showgrounds site.

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 and the Royal Melbourne Fine Food 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 \$1,946,726 (2011: profit of \$2,355,255). After inclusion of the joint venture interest, the net loss of the Company for the year after tax was \$2,599,160 (2011: loss \$1,977,699). During the year:

- The net result from the 2011 Royal Melbourne Show was a surplus of \$602,509. The 2011 Show experienced inclement weather conditions over a number of days, including the wettest September day in more than 50 years. This restricted the overall attendance numbers and impacted on revenue from admissions, catering and parking.
- Rental and associated income from the Venue operation was \$6,198,034, a decrease of \$608,241 on the previous financial year. During the year a profit share payment to the Joint Venture of \$456,536 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 \$900,000.
- Assets to the value of \$415,434 were transferred from the Joint Venture to the Company at no cost during construction of the Main Arena Commentary Box. This has resulted in income of \$207,717 net of 50% joint venture interest recorded in the consolidated financial statements during the financial year.
- After submissions to the Australian Taxation Office, the Company received exemption from GST under Section 38-250(2)(v)(iii) of the GST Act for certain classes of admissions and entries relating to the Royal Show.
- The Company 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 in 2031.
- 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 the Company has been granted a one year extension until 31st March 2013. Further negotiations for the renewal of this contract will commence in September 2012.
- The Company holds a 50% share of ownership of the Melbourne Showgrounds site in Ascot Vale via a Joint Venture with the State of Victoria. The land assets are carried at fair value in the financial statements. Under State policy all land holdings held by it are revalued on a five year basis, and in accordance with this policy, the Showgrounds site was revalued in June 2011 to \$100 Million (from \$51 Million). An unrealised gain of \$24.5 Million has been recognized in the Land Revaluation Reserve, being 50% of the revaluation increment recognized by the Joint Venture in June 2011.

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	6	6	-	-
DS Chapman	6	6	3	4
MJ Coleman	3	4	-	-
CJ Fox	0	2	-	-
AJ Hawkes	6	6	3	4
D Pullett Hodgson	6	6	3	4
N King	3	4	-	-
GJ Phillips	6	6	-	-
JA Potter	6	6	-	-
PJB Ronald	5	6	-	-
PF Sheldrake	-	-	-	-
SC Spargo	6	6	4	4

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 or Auditors

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 2012. 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

Auditor's Independence Declaration

The Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 32 and forms part of the Directors' Report for the year ended 31 March 2012.

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

Dated this 12th day of June 2012
Melbourne, Victoria



A J Hawkes
Director

AUDITOR'S INDEPENDENCE DECLARATION



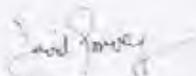
Chartered Accountants
& Business Advisers

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: **The Directors**
The Royal Agricultural Society of Victoria Limited

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 March 2012 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 Garvey
Partner
PKF

12 June 2012
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 2012

	Note	2012 \$	2011 \$
Continuing Operations			
Revenue			
Rendering of Services	2	20,300,233	20,786,899
Other Income	2	2,412,626	2,533,269
		22,712,859	23,320,168
Expenses			
Salaries and Wages		5,961,613	5,706,998
Advertising, Promotion & Marketing		940,035	947,852
Depreciation		582,658	472,298
Event Expenses		4,957,020	5,387,674
Finance Costs		7,525	7,980
Maintenance, Hire & Event Set Up		3,792,031	3,510,836
Professional Fees		1,466,358	1,285,406
Utilities & Rates		621,410	560,425
Venue Access, Service Fees & Profit Share		1,029,191	1,413,715
Contribution to Asset Replenishment Fund		58,085	52,125
Other Expenses		1,350,207	1,619,604
		20,766,133	20,964,913
Total comprehensive income before income tax and Joint Venture loss		1,946,726	2,355,255
Joint Venture Revenue	2	2,884,884	3,134,026
Joint Venture Expenses			
Interest Expense – Finance Lease		4,924,957	4,999,757
Concessionaire Fees		1,006,168	1,008,311
Depreciation		1,313,974	1,313,974
Project Expenses		185,671	144,938
		7,430,770	7,466,980
Joint Venture loss before income tax		(4,545,886)	(4,332,954)
Loss before income tax		(2,599,160)	(1,977,699)
Income tax expense	1B(b)	-	-
Net loss after income tax attributable to members		(2,599,160)	(1,977,699)
Other Comprehensive Income			
Gain on Revaluation of Land		24,500,000	-
Other Comprehensive Income for the Year	5	24,500,000	-
Total Comprehensive Income for the Year		21,900,840	(1,977,699)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Note	2012 \$	2011 \$
Current Assets			
Cash and Cash Equivalents	6	3,281,455	3,280,006
Trade and Other Receivables	7	6,850,697	5,728,455
Prepayments		670,390	356,176
Total Current Assets		10,802,542	9,364,637
Non-Current Assets			
Property, Plant and Equipment	8	99,942,490	76,056,719
Receivables	9	31,875,728	36,156,399
Total Non-Current Assets		131,818,218	112,213,118
Total Assets		142,620,760	121,577,755
Current Liabilities			
Trade and Other Payables	10	4,264,437	4,294,772
Provisions	11	363,418	407,498
Interest Bearing Liabilities	12	890,832	807,477
Total Current Liabilities		5,518,687	5,509,747
Non-Current Liabilities			
Income in Advance	9	2,545,968	2,600,968
Interest Bearing Liabilities	13	48,186,675	49,076,223
Provisions	14	102,949	25,176
Total Non-Current Liabilities		50,835,592	51,702,367
Total Liabilities		56,354,279	57,212,114
Net Assets		86,266,481	64,365,641
Equity			
Contributed Equity	15	-	-
Land Revaluation Reserve	16	24,500,000	-
Asset Replenishment Reserve	16	136,667	-
Retained Earnings		61,629,814	64,365,641
Total Equity		86,266,481	64,365,641

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 2012

	Land Revaluation Reserve \$	Asset Replenishment Reserve \$	Retained Earnings \$	Total \$
As at 31 March 2010	-	-	66,343,340	66,343,340
Changes in Equity				
Other Comprehensive Income for the Year	-	-	-	-
Loss for the Period	-	-	(1,977,699)	(1,977,699)
As at 31 March 2011	-	-	64,365,641	64,365,641
Loss for the Period	-	-	(2,599,160)	(2,599,160)
Other Comprehensive Income:				
Revaluation Surplus	24,500,000	-	-	24,500,000
Other Movements:				
Transfer to Asset Replenishment Reserve	-	136,667	(136,667)	-
As at 31 March 2012	24,500,000	136,667	61,629,814	86,266,481

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 2012

	Note	2012 \$	2011 \$
Cash Flows from Operating Activities			
Receipts from customers		24,206,700	23,865,254
Receipts from joint venture			
Government funding		5,649,779	5,950,542
Other revenue		14,322	34,502
Payments to suppliers and employees		(23,247,083)	(22,812,330)
Interest received		188,374	180,598
Interest and other costs of finance paid by the joint venture		(4,924,957)	(4,999,757)
Net Cash flows provided by Operating Activities	(iii)	1,887,135	2,218,809
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(1,074,686)	(1,729,623)
Net Cash flows used in Investing Activities		(1,074,686)	(1,729,623)
Cash Flows from Financing Activities			
Repayment of interest bearing liabilities		(807,477)	(731,921)
Receipts/(Payment) of trophy funds		(3,523)	(4,651)
Net Cash flows used in Financing Activities		(811,000)	(736,572)
Net Increase in Cash held		1,449	(247,386)
Cash and Cash Equivalents at Beginning of Financial Year		3,280,006	3,527,392
Cash and Cash Equivalents at End of Financial Year	(i)	3,281,455	3,280,006

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 2012

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	2012 \$	2011 \$
Cash	6	3,281,455	3,280,006

(ii) Financing Facilities

A commercial bill facility of \$1 million (2011: \$1 million) exists with National Australia Bank Limited. The facility is available for one year. At 31 March 2012, \$nil (2011: \$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

	2012 \$	2011 \$
Net loss after tax	(2,599,160)	(1,977,699)
Add/(less) non-cash items:		
Depreciation	1,896,632	1,786,272
Interest accrued on Trophy Funds	4,806	4,114
Bad Debts Expense	29,984	30,035
Write-off of Assets	-	30,150
Assets transferred from joint venture	(207,717)	(357,835)
Joint Venture Interest Income	(2,815,562)	(3,029,635)
Joint Venture Lease Income	(55,000)	(55,000)
Changes in Assets and Liabilities:		
Decrease in Receivables	5,999,005	5,417,671
Decrease/(Increase) in Prepayments	(314,214)	65,364
Decrease in Inventories	-	1,639
Increase/(Decrease) in Payables	(85,332)	249,616
Increase/(Decrease) in Provisions	33,693	54,117
Net Cash Provided by Operating Activities	1,887,135	2,218,809

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1 A) Corporate Information

The financial report of the Company for the year ended 31 March 2012 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.

Joint Venture Land

Since inception of the Joint Venture in 2006 land is shown at fair value. Land is capitalised in the joint venture accounts and the joint venture is 50% owned by RASV and the State Government of Victoria. The initial valuation was based on 2004 valuation provided by the Department of Sustainability and Environment (Valuer-General Victoria). Based on Government Standards, a valuation of the property is to be conducted every five years by the Joint Venture and movement in value is taken up in the current year. The Company reviews the fair

value of the land on an annual basis. Increases in the carrying amounts arising on revaluation of land are recognised in other comprehensive income and credited to revaluation surplus reserve in equity. Any revaluation decrements are initially taken to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Land is not depreciated. Land is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

(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 liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of Services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered. Show admission revenue is recognised on the period when the Royal Show is 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) 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.

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

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Company's assessment of the impact of new, revised or amending Accounting Standards is set out below.

AASB 11 Joint Arrangements

AASB 11 replaces the AASB 131 Interests in Joint Ventures. The previous standard had three types of Joint ventures whereas AASB 11 only has two. These are:

- Joint Operations; and
- Joint Ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

Under AASB 11, joint ventures must be accounted for using the equity method of accounting. The option to proportionately consolidate a joint venture entity has been removed under AASB 11. This will have significant implications for entities that currently use proportionate consolidation. Some entities only have interests in joint ventures and only use proportionate consolidation. Adopting AASB 11 will cause them to use equity accounting and will result in a different presentation in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows. The Company will adopt AASB 11 from 1 January 2013. It is currently evaluating the impact of the new standard. However, once implemented, the Company will no longer proportionately consolidate the joint venture and will instead equity account for the investment.

No other standards are expected to have a significant impact in the Company.

(q) Significant Judgements and Key Assumptions

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

Provision for impairment of receivables

The provision for impairment of receivables requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill

Management assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Long service leave provision

As discussed in note 1 B(h), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(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.

(s) Change in Accounting Estimate – Revision to Access Fee Charges

During the year the Joint Venture reviewed the calculations for Access Fees that it charges to the Company under various Agreements for the use of Showground facilities. Under the Agreements, the Access Fees are charged each year and are indexed on an annual basis using the Consumer Price Index and the Security Labour Index. During the year, following consultations with the Joint Venture partners the Joint Venture revised the initial baseline date under these Agreements which is used for the annual indexing of fees. The impact on the Company's financial report in the current year was a decrease in the Access Fee expense in the Company of \$ 150,011.

2. Revenue	2012 \$	2011 \$
Rendering of Services		
Admissions Revenue	6,110,820	6,861,787
Members Subscriptions	223,061	259,584
Rental Income	7,624,185	7,499,827
Catering Income	2,581,391	2,746,162
Sponsorship	1,580,893	1,247,982
Competition Income	1,413,891	1,328,431
Secretarial and Management Fees	112,648	87,426
Parking Revenue	653,344	755,700
	20,300,233	20,786,899
Other Income		
Assets transferred to Company from Joint Venture	207,717	357,835
Interest	177,232	170,539
Government Grant	75,000	48,000
Other Revenue	1,952,677	1,956,895
	2,412,626	2,533,269
Joint Venture Income		
Joint Venture Interest Income	2,884,790	3,039,694
Joint Venture Other Income	94	94,332
	2,884,884	3,134,026
Total Revenue	25,597,743	26,454,194
3. Items included in result		
Joint Venture Depreciation Expense	1,313,974	1,313,974
Depreciation Expense	582,658	472,298
Bad and Doubtful Debts	29,984	30,035
Lease Rental Expense – Operating Leases	68,807	116,168
Employee Costs		
Employee Benefits Expense	337,541	282,640
Superannuation Contribution Expense	334,797	297,280
Salaries – Permanent Employees	3,573,376	3,226,501
	4,245,714	3,806,421

4. RASV net result before consolidation with Joint Venture

	2012 \$	2011 \$
Continuing Operations		
Revenue		
Rendering of Services	20,300,233	20,786,899
Other Income	2,620,345	2,891,104
	22,920,578	23,678,003
Expenses		
Salaries and Wages	5,961,613	5,706,998
Advertising, Promotion & Marketing	940,035	947,852
Depreciation	582,658	472,298
Event Expenses	4,957,020	5,387,674
Finance Costs	7,525	7,980
Maintenance, Hire & Event Set Up	3,672,338	3,394,628
Professional Fees	1,466,358	1,285,406
Utilities & Rates	621,410	560,425
Venue Access, Service Fees & Profit Share	2,058,380	2,827,432
Contribution to Asset Replenishment Fund	116,171	104,250
Other Expenses	1,350,211	1,619,604
	21,733,719	22,314,547
Net result before income tax	1,186,859	1,363,456

The RASV net result before consolidation is not comparable to the result in the Statement of Comprehensive Income on page 10. 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

	2012 \$	2011 \$
Cash on Hand	42,444	2,700
Cash at Bank and on Deposit	3,239,011	3,277,306
	3,281,455	3,280,006

Average interest rates at 31 March 2012 on cash accounts were 4.10% (2011: 4.43%).

7. Trade and other Receivables

		2012 \$	2011 \$
Trade Receivables	(a)	1,177,961	1,375,338
Allowance for Doubtful Debts	(a)	(29,051)	(30,000)
		1,148,910	1,345,338
Sundry Receivables	(b)	5,701,787	4,383,117
		6,850,697	5,728,455

(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 2012 debts that were past due but not doubtful amounted to \$244,720 (2011: \$419,590). No net receivables are considered impaired at 31 March 2012 or 31 March 2011 and all are deemed to be recoverable.

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

	As at March 2012		As at March 2011	
	Debtor	Allowance	Debtor	Allowance
Current	904,190	-	955,749	-
31 - 60 days	145,470	-	339,836	-
61 - 90 days	67,033	-	5,075	-
91 days and over	61,268	(29,051)	74,678	(30,000)
Closing Balance	1,177,961	(29,051)	1,375,338	(30,000)

- (b) Current sundry receivables comprise the company's portion of the \$100.7 million funding commitment to the Joint Venture from the State of Victoria to be received by the Joint Venture over a 12 month period from 30 June 2012.

8. Property, Plant and Equipment

	2012 \$	2011 \$
Land - at fair value	50,000,000	25,500,000
Buildings & Structures		
- at cost	2,580,588	1,654,441
- accumulated depreciation	(212,947)	(91,865)
	2,367,641	1,562,576
Buildings & Structures - Finance Lease		
- at cost	52,558,924	52,558,924
- accumulated depreciation	(7,358,964)	(6,044,990)
	45,199,960	46,513,934
Motor Vehicles		
- at cost	54,430	54,430
- accumulated depreciation/amortisation	(29,390)	(19,773)
	25,040	34,657
Plant and Equipment		
- at cost	4,614,315	4,279,457
- accumulated depreciation	(2,264,466)	(1,833,905)
	2,349,849	2,445,552
Total land, buildings and structures, plant and equipment	99,942,490	76,056,719
- Net book value		

Reconciliation of Movements in 2012

Asset Class	Opening Balance \$	Additions (a) \$	Depreciation/ Amortisation \$	Disposals \$	Closing Balance \$
Land	25,500,000	24,500,000	-	-	50,000,000
Buildings & Structures	1,562,576	926,148	(121,083)	-	2,367,641
Buildings & Structures – Finance Lease	46,513,934	-	(1,313,974)	-	45,199,960
Motor Vehicles	34,657	-	(9,617)	-	25,040
Plant and Equipment	2,445,552	356,255	(451,958)	-	2,349,849
	76,056,719	25,782,403	(1,896,632)	-	99,942,490

Reconciliation of Movements in 2011

Asset Class	Opening Balance \$	Additions \$	Depreciation/ Amortisation \$	Disposals \$	Closing Balance \$
Land	25,500,000	-	-	-	25,500,000
Buildings & Structures	157,211	1,495,230	(64,145)	(25,720)	1,562,576
Buildings & Structures – Finance Lease	47,827,908	-	(1,313,974)	-	46,513,934
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

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 9.

(a) Land additions are due to the revaluation of land and not purchase of land.

9. 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 2012. Interim information has been extracted for the purpose of preparation of the Company's financial statements as at 31 March 2012, which is subject to audit by the Company's auditor.

During the year ended 31 March 2012, assets to the value of \$415,434 were transferred to the Company at no cost upon completion of the Arena Commentary Box. 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 that have been proportionately consolidated of the jointly controlled operation at 31 March 2012 are as follows:

Name of Entity	Principal Activity	Interest	
		2012 %	2011 %
Unincorporated Joint Venture	To carry out the redevelopment of the Melbourne Showgrounds	50	50
Current Assets		2012 \$	2011 \$
Cash		152,242	233,216
Trade and Other Receivables	(a)	6,084,034	4,726,842
Total Current Assets		6,236,276	4,960,058
Non-Current Assets			
Land		50,000,000	25,500,000
Buildings & Structures – net book value		45,199,960	46,513,933
Trade and Other Receivables		31,875,728	36,156,399
Total Non Current Assets		127,075,688	108,170,332
Total Assets		133,311,964	113,130,390
Current Liabilities			
Creditors & Accruals		1,910,111	1,589,223
Income in Advance		55,000	55,000
Interest Bearing Liability	(b)	880,826	798,293
Total Current Liabilities		2,845,937	2,442,516

	2012 \$	2011 \$
Non Current Liabilities		
Rental Income Received in Advance	2,545,968	2,600,968
Interest Bearing Liability (b)	48,059,424	48,940,250
Total Non Current Liabilities	50,605,392	51,541,218
Total Liabilities	53,451,329	53,983,734
Net Assets	79,860,835	59,146,656

(a) Trade and other receivables includes the balance of the \$100.7 million funding commitment from the State of Victoria.

(b) The interest bearing liability represents the finance lease relating to the Showgrounds buildings development with a lease term of 25 years.

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.

10. Trade and other Payables	2012 \$	2011 \$
Creditors and Accruals	3,957,657	4,020,916
Income in Advance	306,780	273,856
	4,264,437	4,294,772

11. Provisions (Current)

Employee Benefits	363,418	407,498
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12. Interest Bearing Liabilities (Current)

Finance Lease – Showgrounds Redevelopment	880,826	798,293
Finance Lease – Motor Vehicles	10,006	9,184
	890,832	807,477

13. Interest Bearing Liabilities (Non-Current)

Finance Lease – Showgrounds Redevelopment	48,059,424	48,940,250
Finance Lease – Motor Vehicles	17,366	27,372
Trophy Funds	109,885	108,601
	48,186,675	49,076,223

14. Provisions (Non-Current)

	2012 \$	2011 \$
Employee Benefits	102,349	25,176

15. 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.

16. Reserves

Land Revaluation Reserve

The reserve is used to recognise increments and decrements in the fair value of land.

Asset Replenishment Reserve

The reserve is used for the enhancement and addition of assets on the core Showgrounds land.

17. Commitments

	2012 \$	2011 \$
Future Operating Lease Rentals not provided for in the Financial Statements.		
Payable:		
Not longer than one year	48,619	70,361
Longer than one year but not longer than two years	46,308	38,180
Longer than two years but not longer than five years	64,311	11,957
	159,238	120,498

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	892,788	807,477
Longer than one year but not longer than five years	4,551,055	4,141,048
Longer than five years	43,526,348	44,831,921
Minimum Lease Payments	48,970,191	49,780,446
Future Finance Charges	(2,569)	(5,347)
Recognised as a Liability	48,967,622	49,775,099
Representing lease Liabilities		
Current (note 12)	890,832	807,477
Non-Current (note 13)	48,076,790	48,967,622
	48,967,622	49,775,099

Finance leases to the value of \$48,940,251 relate to the Showgrounds buildings with a lease term of 25 years. These comprise \$880,826 of current and \$48,059,425 of non-current commitments. The buildings will revert to the joint venture on the conclusion of the lease arrangement. The remaining \$27,372 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 \$116,171 (2011: \$104,250).

18. Employee Benefits

	2012 \$	2011 \$
Aggregate employee benefits, including on-costs:		
- Accrued salaries and wages (Current)	75,340	43,470
- Provisions (Current)	363,418	407,498
- Provisions (Non-current)	102,949	25,176
	541,707	476,144

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. Further detail is noted in Summary of Significant Accounting Policies 1 B) (a).

The entity holds the following financial instruments:

	2012 \$	2011 \$
Financial Assets:		
Cash and cash equivalents	3,281,455	3,280,006
Receivables	38,429,053	41,884,854
Total Financial Assets	41,710,508	45,164,860
Financial Liabilities:		
Trade and other payables	4,264,437	4,294,772
Interest Bearing Liabilities	49,077,507	49,883,700
Total Financial Liabilities	53,341,944	54,178,472
Net Exposure	(11,631,436)	(9,013,612)

As of 31 March 2012 the Company had a net liability in financial instruments of \$11 million. Included in the balance is a liability attributable to the joint venture which is proportionately consolidated by the Company. It represents a long term liability of the joint venture which is to be funded by the State Government of Victoria via various agreements entered into by the Joint Venture. Due to the above, directors of the RASV believes that the Company and Joint Venture will be able to settle the liabilities summarised above.

(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 2012, 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	
	2012 \$	2011 \$	2012 \$	2011 \$
+1% (100 basis points)	32,815	32,800	32,815	32,800
-1% (100 basis points)	(32,815)	(32,800)	(32,815)	(32,800)

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. These include a receivable from the State of Victoria which carries no risk. 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
	\$	\$	\$	\$
2012				
Trade and other payables	3,838,481	425,956	-	4,264,437
Interest Bearing Liabilities	-	890,332	48,186,675	49,077,007
Total financial liabilities	3,838,481	1,316,288	48,186,675	53,341,444
	\$	\$	\$	\$
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

(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	2012 \$	2011 \$
Total of all remuneration received and receivable in connection with:		
(a) Audit of the Annual Financial Report	28,000	27,000
(b) Other Services:		
Royal Melbourne Show Assurance Procedures	2,500	2,500
Other Audit Services – Joint Venture	19,000	18,000
	49,500	47,500

22. Directors Remuneration	2012 \$	2011 \$
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, Stud Beef Victoria Incorporated and Victorian Young Farmers Inc. The fees charged for these services were \$112,648 (2011: \$87,426). At the end of the financial year the outstanding balance for these services included in Trade Debtors is \$18,630 (2011: \$17,514).
- ii. The names of all Directors who have held office during the year are:
 - Ian Ivor Bucknall
 - Douglas Scott Chapman
 - Matthew John Coleman (appointed September 2011)
 - Charles John Fox AM (resigned August 2011)
 - Alan John Hawkes
 - Deborah Anne Pollett Hodgson
 - Noelene Elizabeth King OAM (appointed September 2011)
 - Geoffrey James Phillips
 - Joy Anita Potter
 - Peter Jason Bruce Ronald OAM
 - Peter Francis Sheldrake (resigned June 2011)
 - Stephen Charles Spargo
- iii. Mr S C Spargo is a partner of Allens whose firm provides legal services to the Company. The total amount paid by the Company for the legal services provided by the firm was \$4,078 (2011: \$10,923).
- 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 9 for transactions for the year ended 31 March 2012.

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:

	2012 \$	2011 \$
Short-term employee benefits	1,106,660	1,053,905
Other long-term benefits	140,755	153,801
Termination benefits	156,549	-
	1,403,964	1,207,706

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 2012 and of its performance for the year ended on that date; and
- b) at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



S C Spargo
Director

Dated this 12th day of June 2012
Melbourne, Victoria



A J Hawkes
Director



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 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

PKF

David Garvey
Partner

12 June 2012
Melbourne

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CONSUMER

The Royal Agricultural
Society of Victoria U5955
Greenhouse Friendly™
ENVI Recycled 50/50
Carbon Neutral Paper

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