



➤ **RAS** | **ANNUAL REPORT**  
2003/2004



THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED  
[www.rasv.com.au](http://www.rasv.com.au)

## COUNCILLORS

RAS ANNUAL REPORT 2003/2004

### COUNCILLORS June 2004

#### Life Councillors

R T Balderstone, CMG, MC  
J Balfour Brown  
W R R Beggs AM  
A C Bott  
J K Buchanan, AM  
J M Burston  
R M Butler  
Sir Rupert Clarke, Bart, AM, MBE  
K A Finnin  
C B Gardiner  
R B Gerrard MBE  
A Gibson  
W McL Greaves  
J G W Head OAM  
C R Kelly  
J W Kelly  
C O Moore  
I K Morton AM  
J W Rae OAM  
A J Russell  
G R Starritt AM OBE  
I McK Starritt  
F R I Stephens  
K W Urquhart

#### Council Members

J Allen  
D G Beard  
R S Bell  
I I Bucknall  
M Carroll  
R G A Clarke  
B M Crotty  
Dr R C E Cust  
N A Edwards APM  
Prof. L Falvey  
C J Fox  
R F Haselgrove AM  
W H Hill  
K Jordan  
N E King  
L R Latta  
B E Laws  
E R Lithgow  
C R Lyons  
P McMahan  
M T Marriott  
F J Neeson  
D Nicholas  
G J Phillips  
B W A Redpath  
P J B Ronald  
I McC Rough  
A F Rowden  
J H Seymour  
S R Shelmerdine AM  
G J Sheppard  
S C Spargo  
G B Starritt  
J C Watson AM

## INTRODUCTION

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#### The RAS

The Royal Agricultural Society of Victoria Limited (RAS) had its origins in 1848 when its forerunner, The Port Phillip Farmers Society, was formed from a number of earlier farmers organisations in the Colony of Victoria.

The first Show was staged by our forebears in 1855 on the Sydney Road "Show-yard" opposite Melbourne University. The first Agricultural Show was held in 1871 at Emerald Hill. Twelve years later in 1883, the first Show was held at the present Ascot Vale Showgrounds site.

The Royal Agricultural Society of Victoria Limited makes a unique and dynamic contribution to Victoria.

Each year it connects the country to the city for the Royal Melbourne Show – to showcase the best in agriculture and rural lifestyle through competition, education, sporting activities, food and much more.

The RAS provides substantial economic benefits to Victoria. Two independent studies commissioned by

Government have shown that the activities of the RAS, including the Royal Melbourne Show, make a cumulative contribution of about \$400 million a year in economic benefits to the State.

#### Our Vision is:

*Thriving agribusiness and provincial communities.*

#### Our Mission is:

*A creative catalyst for superior outcomes for agribusiness and provincial communities, through competitions, showcasing, commercial venue management and*

*knowledge exchange; a bridge between urban and provincial communities*

The Values adopted by the RAS to achieve the Vision and Mission are:

- relationship-oriented
- community minded
- representative of our stakeholders
- leaders and innovators
- commercially-focused



## PRESIDENT'S MESSAGE

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This has been an eventful year for The Royal Agricultural Society of Victoria Limited (RAS) with endorsement by Members of a program of major constitutional reform, and the Royal Melbourne Showgrounds redevelopment project moving into the final planning stages.

The RAS Membership at a special meeting in December 2003 endorsed overwhelmingly, the reform program to provide new direction and a renewed impetus for the 21st century.

The new Constitution and allied arrangements make certain that the governance arrangements are more representative of the communities which the RAS seeks to serve.

They also ensure that the RAS is more adaptive to the requirements of stakeholders by reforming the structure of Membership and the RAS Council, opening up Council appointments to a broader range of candidates.

On the Royal Melbourne Showgrounds redevelopment project, two significant steps were completed during the year.

On 1 October 2003, the RAS and the Victorian Government signed the Joint Venture Agreement for the project which cleared the way for seeking Expressions of Interest from the private sector to bid for work on the redevelopment project.

Subsequently on 31 March 2004, the Joint Venture announced the names of

three consortia which were short-listed for the project. They were issued with Requests for Proposals which are due to be returned by mid July 2004.

The three consortia are Westpac/Baulderstone Hornibrook (comprising Bruce Henderson Architects, Westpac Banking Corporation, Baulderstone Hornibrook, APP, Stockland and Gould League); Eco-vida (comprising ABN AMRO, Bovis Lend Lease, Ogden IFC and Hansen Yuncken); and PPP Solutions (comprising Multiplex, Babcock and Brown, and Daryl Jackson Architects).

The successful bidder is expected to be announced around Showtime. Redevelopment works are planned to be completed

before the Royal Melbourne Show in 2006.

One thing is certain – the Royal Melbourne Show will continue throughout the Showgrounds redevelopment, including in 2005. That is guaranteed.

Major events conducted during the year by the RAS enjoyed continued success, in particular the commercially export-based Prime Lamb Carcase competition, the Royal Melbourne Wine Show and the Australian International Beer Awards, the latter two both complemented by significant public tasting and education festivals.

RAS-managed events such as these continue to grow in importance as integral parts of Victorian agribusiness, assisting the Government's program of



## PRESIDENT'S MESSAGE

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developing the value of Victorian exports of agricultural-based products.

During the year, the RAS established an Education Foundation to expand its role within agricultural education in accordance with the continuing RAS program of 'Positioning the Society for the Future'.

The Foundation will foster and promote agribusiness education with a focus on innovation, technology and knowledge sharing. All donations to the Foundation are tax deductible.

Distributions from the Foundation will be utilised to provide scholarships to post graduate students for the purposes of research in areas including education projects, agribusiness related research, and raising

interest among secondary school students in agribusiness careers. The fund is capable of accommodating naming rights for particular activities within the Foundation.

An initial capital investment of \$10,000 has been made by the RAS to establish the Foundation. The Foundation has been established by the RAS in conjunction with Charities Aid Foundation (CAF) Australia, a registered charity that aims to increase the flow of resources to charities and non-profit organisations. Funds will be invested with Macquarie Private Portfolio Management, a wholly owned subsidiary of Macquarie Bank.

Our Thought Leadership program continued in 2003 with our well

considered views on agribusiness and provincial community issues being disseminated through various forums.

The main forums chosen were two Symposiums hosted by the RAS. The first in August was on the topic "Bringing the City and the Country Together" and was conducted at Ballarat University with the support of the University and Business Ballarat. Out of the Symposium, a guiding coalition was formed to investigate further steps for show societies to progress. The second Symposium in December was on the subject "Drought Proofing" and brought together 77 people with a top-level panel of industry experts who led a workshop-style forum with positive results.

We were saddened by the passing during the past 12 months of Life Councillors Bill Crowley, Geoffrey Howell, Vernon Wilcox and George Wilson. All had served the RAS with great distinction over many years.

We thank all of our stakeholders for their support during the year. In particular, thanks to Council for its strong support for the vital constitutional changes which are being implemented, and to staff for their excellent work in the delivery of program reform and work on the redevelopment project.



**J H Seymour**  
President

The Royal Agricultural Society of Victoria Limited (RAS) has completed a very successful year in terms of its major agribusiness programs and key business activities.

Top of the list is the Showgrounds redevelopment project which is in the final planning stages with three short-listed consortia finalising their proposals for submission to the Joint Venture partners (RAS and the Victorian Government).

We look forward to the selection of the winning bid and the commencement of work to transform the Showgrounds into a venue with modern facilities for business development, research, education and entertainment to Victorians all year round.

The successful status of the project is testimony to the many hours of detailed work put in by all parties over the past two years.

Critically, the project will be completed by August 2006, providing the Royal Melbourne Show with appropriate facilities for decades to come.

RAS activities of the past year have provided solid financial results based on the foundations of key restructuring programs implemented for the business. We now have a profitable business which provides a solid basis for moving forward.

#### **2003 Royal Melbourne Show**

The 2003 Royal Melbourne Show was one of the most successful in the past five

years in terms of attendance numbers and more importantly, financial yields.

The layout of the Show was completely redesigned into six precincts – 'Six New Worlds' – which provided a colorful theming and design overlay to bring a totally new and modern Show experience to visitors

This experience will be further developed for the Show in 2004 and we are poised to capitalise on this in 2005 and beyond with the redeveloped venue.

#### **Other events**

The past year recorded added success in the management and running of two of our major non-Show events - the Australian International Beer Awards Festival and 'Taste of the Grape' public tastings, the

## CHIEF EXECUTIVE OFFICER'S REPORT

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latter conducted in conjunction with the prestigious Royal Melbourne Wine Show.

Both events are associated with continuing record entries in their respective fields. The festivals and the Awards themselves continue to grow in stature and public acceptance as integral parts of two very significant events in Victorian agribusiness. We are extremely grateful for the continuing Patronage of the Premier of Victoria and support of the Government in both ventures.

### **Positioning the Society for the Future**

A significant milestone was achieved last year with the overwhelming acceptance of the new Constitution for the RAS.

The Constitution and resulting amendments to our governance will strengthen the RAS' capacity to deliver its charter.

### **Community**

The RAS is a diverse community of stakeholders providing thousands of valuable hours of voluntary effort in support of the Royal Melbourne Show and agribusiness activities. I wish to thank all our volunteers for their exemplary efforts.

In particular I acknowledge the contribution of the Council and Event Committees in the delivery of the activities that are synonymous with the RAS.

I also thank the staff for their continued support throughout the year.

Finally, I recognise the unstinting efforts of our President and Chairman, Jack Seymour, who continues to work tirelessly for the future success of the RAS, particularly through his leadership of the Board and Council and also with Government and key external stakeholders.



**Stephen Carter**  
Chief Executive Officer

The Directors are responsible for the Corporate Governance practices of the RAS and are elected by voting Members. The main Corporate Governance practices that were in operation throughout the financial year are summarised below.

**Board of Directors**

The Board is responsible for the overall performance and governance of the RAS.

The Board:

- oversees the operations of the RAS through the setting of goals and strategy

- ensures the appropriate controls, systems and procedures are in place within the RAS to manage the risks of its businesses and to ensure compliance with regulatory and prudential requirements
- reviews and adopts annual budgets for the financial performance of the RAS, assesses and monitors the results on a regular basis, and approves the annual financial statements
- polices the established 'Code of Conduct' for all employees at the RAS

**Board composition**

The Board comprises 10 Directors and is chaired by the President.

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

**Human Resources Committee**

The Human Resources Committee is chaired by the President and consists of four Non Executive Directors and the Chief

Executive Officer and is assisted by the Company Secretary. The Committee is also supported by an external adviser.

The Human Resources Committee generally oversees the RAS' human resources policies, procedures and current philosophies related to the management of human resources. In particular it reviews the remuneration of the senior executive and makes recommendations to the Board.

**Audit Committee**

The Audit Committee consists of Non Executive Directors and suitably qualified Councillors.



## CORPORATE GOVERNANCE

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It is charged with:

- providing a forum for the effective communication between the Board and the external auditors
- reviewing and recommending the adoption of the annual financial statements by the Board
- reviewing the effectiveness of management information systems and systems of internal control, and
- assessing the efficiency and effectiveness of the external audit function, including reviewing the audit plans and audit fees.

### **Nominations Committee**

Responsible for assisting the Board in identifying and recruiting personnel for Board and Committees with relevant qualifications, skills and experience, who are capable of supporting the aims and objectives of the RAS, and help in advancing its long term viability and agricultural relevance.

### **Risk Management**

The Board is responsible for the RAS' system of internal controls. The Board constantly monitors the operational and financial aspects of the RAS' activities and through the Audit Committee, the Board considers the

recommendations and advice of external auditors and other external advisers on operational and financial risks that face the RAS. Where considered necessary, appropriate action is taken to ensure that the RAS has an appropriate internal control procedure in place to manage the key risks identified.

### **Political Activity**

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

## OFFICE BEARERS

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### OFFICE BEARERS June 2004

#### Patron in Chief

tba

#### Patron

Mr John Landy AC MBE  
Governor of Victoria

#### President

J H (Jack) Seymour

#### Vice President

C J (John) Fox

#### Board of Directors

J H (Jack) Seymour –  
Chairman

I I (Ian) Bucknall

M (Michael) Carroll

R C E (Richard) Cust

C J (John) Fox

B E (Barrie) Laws

C R (Robert) Lyons

G J (Geoff) Phillips

G J (Gary) Sheppard

S C (Stephen) Spargo

#### Chief Executive Officer

S R (Stephen) Carter

#### Company Secretary/ Chief Operating Officer

A (Adnan) Mansour

#### Registered office

The Royal Agricultural  
Society of Victoria Limited  
ACN 006 728 785  
ABN 66 006 728 785

Melbourne Showgrounds  
Epsom Road  
Ascot Vale 3032  
Victoria  
AUSTRALIA

Telephone +61 3 9281 7444

Facsimile +61 3 9376 2973

Email: [rasvadmin@rasv.com.au](mailto:rasvadmin@rasv.com.au)

Website: [www.rasv.com.au](http://www.rasv.com.au)

#### Auditors

P K F

Chartered Accountants

485 La Trobe Street

Melbourne 3000

Victoria

AUSTRALIA

#### Bankers

National Australia Bank Limited

271 Collins Street

Melbourne 3000

Victoria

AUSTRALIA

#### Solicitors

Allens Arthur Robinson

Stock Exchange Centre

530 Collins Street

Melbourne 3000

Victoria

AUSTRALIA



**THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED ACN 006 728 785**

**FOR THE YEAR ENDED 31 MARCH 2004**

**FINANCIAL REPORT**





## DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2004

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 2004 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

John Horton Seymour

#### Experience and Special Responsibilities

Jack has extensive experience in banking, business management and strategy. He has been a Councillor and Director since October 1994, a director of other Companies and is the current President and Chairman, and a member of the Human Resources and Nominations Committees.

Charles John Fox

John has experience in mixed farming and in the finance industry. He has been a Councillor since 1989 and a Director since 1993. He is currently Vice President of the Society, Deputy Chairman of the Board and Chairman of the Audit Committee.

Charles Robert Lyons

Robert is a partner in a wool sheep grazing business. He has been a Councillor since 1989 and a Director since 1997. He is a former Vice President of the Society, having ceased this role due to constitutional changes which limited the number of vice presidents to one.

Gary James Sheppard

Gary has been a Councillor since 1990 and a Director since 1997. He has a long time association with pure breed poultry and was previously a senior state official. He also has extensive marketing experience. He is a former Vice President of the Society, having ceased this role due to constitutional changes which limited the number of vice presidents to one.

Ian Ivor Bucknell

Ian is the principal of a mixed farming business, operating a successful stud sheep enterprise. He has been a Councillor since 1986 and a Director since 1993.



## DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2004

### DIRECTORS (cont.)

Name	Experience and Special Responsibilities
John Michael Burston	Mike has extensive farming experience. He has been a Councillor since 1973 and appointed a Director in 1993. Mike resigned from the Board in October 2003.
Richard Charles Embley Cust	Richard has a background in Veterinary Science. He has interests in horse and commercial beef studs. He became a Councillor in 2000 and was appointed as a Director in February 2003.
Barrie Ernest Laws	Barrie has a background in investment and corporate management. He has rural interests in beef, dairy and fruit industries and became a Councillor and Director in 1998. He also is a member of the Audit Committee.
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.
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.
Michael Carroll	Michael is General Manager of National Australia Bank's Agribusiness division which includes responsibility for leading a team of over 500 people focussed on the agricultural sector. He has extensive experience in Agricultural Finance and working with primary producers, businesses involved in the processing and marketing of agricultural produce, and businesses involved in providing services to agriculture. He was appointed a Director in October 2003.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the year have comprised of promoting the development of all phases of the agricultural, pastoral, horticultural, viticultural, stock raising, manufacturing and industrial resources of Australia, and the management of the Melbourne Showgrounds and the Royal Melbourne Show.

There were no significant changes in the nature of these activities during the year.



## DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2004

### REVIEW AND RESULTS OF OPERATIONS

The operating profit of the Company for the year after tax was \$275,451 (2003: loss \$1,463,260). Major changes were:

- The continuation of the renewal program instituted by the Company in 2002 has delivered a significant improvement in the profit after tax.
- The Company continued its program of business improvement, resulting in cost compression and significantly higher yields from most activities.
- This year, the Company has, through its project "Positioning the Society for the Future", incurred the final phase of staff restructuring cost and implemented a new Constitution.
- Attendance at the 2003 Royal Melbourne Show increased by 4% on the previous year, with a boost in yield via the gate at 15.8%.

### DIVIDENDS

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

### STATE OF AFFAIRS

There were no significant changes in the Company's state of affairs during the year.

### EVENTS SUBSEQUENT TO BALANCE DATE

Other than as reported in note 20 of the financial report there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected the operations of the Company, the result of those operations or the state of affairs of the Company in future years.

## DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2004

### DIRECTORS' MEETINGS

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

	Meetings Attended	Meetings Eligible to Attend
I I Bucknall	9	13
JM Burston	4	7
M Carroll	4	6
RCE Cust	10	13
CJ Fox	11	13
BE Laws	13	13
CR Lyons	11	13
GJ Phillips	12	13
JH Seymour	13	13
GJ Sheppard	13	13
SC Spargo	12	13

### DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Company's activities expose it to changes in interest rates. It is also exposed to credit, liquidity and cash flow risks from its operations. The Board has confirmed policies and procedures in each of these areas to manage these exposures. Management reports to the Board on a monthly basis 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.



## DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2004

### LIKELY DEVELOPMENTS

At the date of this report, discussions in relation to redevelopment of the Showgrounds are well advanced between the Company and the State Government. Based on these discussions, no adjustment to the future value of the assets has been made. See also note 20 of the financial report.

### PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The Company does not have exposure to any significant environmental reporting requirements. The Company is sensitive to environmental issues.

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

#### Indemnification

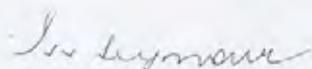
The Company has an agreement indemnifying those persons who are and have been directors and/or officers, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and/or officers of the Company, except where the liability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

#### Insurance premiums

During the year, the Company has paid premiums in respect of directors' and officers' liability and legal expenses, insurance contracts for the year ended 31 March 2004 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the period ending 31 December 2004. Such insurance contracts insure against certain liability (subject to specific exclusions) 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.

Signed in accordance with a resolution of the Board of Directors.



**J H Seymour**  
Director



**C J Fox**  
Director

Dated this 21st day of June 2004  
Melbourne, Victoria

## STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	<u>13,852,233</u>	<u>12,762,331</u>
Expenses from ordinary activities:			
Salaries and wages		(3,750,029)	(3,996,939)
Borrowing costs		(137,752)	(140,376)
Advertising		(744,697)	(908,023)
Cleaning		(798,724)	(948,789)
Maintenance		(590,681)	(970,397)
Administrative and Operating expenses		<u>(6,329,270)</u>	<u>(7,161,148)</u>
Profit/(Loss) before significant items, Depreciation, Amortisation and income tax	3(a)	1,301,080	(1,363,341)
Depreciation and amortisation		<u>(1,025,629)</u>	<u>(1,099,919)</u>
Profit/(Loss) before significant items and income tax		275,451	(2,463,260)
Significant items	3(b)	—	<u>1,000,000</u>
Profit/(Loss) before income tax		275,451	(1,463,260)
Income tax expense	1(b)	—	—
Net Profit/(Loss) after income tax		<u>275,451</u>	<u>(1,463,260)</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>275,451</u>	<u>(1,463,260)</u>

The Statement of Financial Performance is to be read in conjunction with the notes to the financial statements.

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	940,348	789,570
Receivables	5	767,294	696,471
Inventories	6	44,755	51,049
Other	7	538,338	696,855
<b>TOTAL CURRENT ASSETS</b>		<u>2,290,735</u>	<u>2,233,945</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	36,380,342	37,353,133
Other	7	1,000,000	1,000,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>37,380,342</u>	<u>38,353,133</u>
<b>TOTAL ASSETS</b>		<u>39,671,077</u>	<u>40,587,078</u>
<b>CURRENT LIABILITIES</b>			
Payables	9	992,896	966,934
Interest Bearing Liabilities	10	1,300,000	2,500,000
Provisions	11	239,520	258,050
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,532,416</u>	<u>3,724,984</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	12	96,833	93,894
Provisions	13	9,654	11,477
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>106,487</u>	<u>105,371</u>
<b>TOTAL LIABILITIES</b>		<u>2,638,903</u>	<u>3,830,355</u>
<b>NET ASSETS</b>		<u>37,032,174</u>	<u>36,756,723</u>
<b>EQUITY</b>			
Contributed Equity	14	-	-
Reserves	15	27,437,270	27,437,270
Retained Profits	16	9,594,904	9,319,453
<b>TOTAL EQUITY</b>		<u>37,032,174</u>	<u>36,756,723</u>

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

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2004

	Note	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		13,462,488	14,758,542
Cash payments in the course of operations		(12,002,727)	(15,135,418)
Interest received		64,695	39,413
Interest and other costs of finance		(137,752)	(44,844)
Net Cash provided by/(used in) Operating Activities	(iii)	<u>1,386,704</u>	<u>(382,307)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(52,838)	(294,897)
Payments for deposit on capital structure		-	(1,000,000)
Proceeds from sale of property, plant and equipment		13,973	36,575
Net Cash provided by/(used in) Investing Activities		<u>(38,865)</u>	<u>(1,258,322)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds for Trophy Funds		2,939	2,581
Proceeds from Borrowings		-	2,000,000
Repayment of Borrowings		(1,200,000)	-
Net Cash provided by/(used in) by Financing Activities		<u>(1,197,061)</u>	<u>2,002,581</u>
Net Increase in Cash held		150,778	361,952
Cash at Beginning of Financial Year		<u>789,570</u>	<u>427,618</u>
Cash at End of Financial Year	(i)	<u>940,348</u>	<u>789,570</u>

### 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 and 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:

		2004 \$	2003 \$
Cash	4	<u>940,348</u>	<u>789,570</u>

## NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2004

Note	2004 \$	2003 \$
(ii) Financing Facilities		
The Company has access to a Bill acceptance facility of \$4.5million (2003: \$4.5million). At 31 March 2004, \$1.3million (2003: \$2.5million) was in use.		
(iii) Reconciliation of Net Cash provided by Operating Activities to Operating Result		
	2004 \$	2003 \$
Operating profit/(loss) after tax	275,451	(1,463,260)
Add/(less) non-cash items:		
Depreciation	1,025,629	1,099,919
Amounts set aside to provisions	(20,353)	(68,407)
Add/(less) items classified as investing/financing activities:		
(Gain) on sale of fixed assets	(13,973)	17,728
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables	(70,823)	7,293
Decrease/(Increase) in Other Current Assets	158,517	(90,114)
Decrease/(Increase) in Inventories	6,294	(17,619)
(Decrease)/Increase in Payables	25,962	132,153
Net Cash Provided by Operating Activities	<u>1,386,704</u>	<u>(382,307)</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted by The Royal Agricultural Society of Victoria Limited 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 Accounting*

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 1001, Accounting Policies - Disclosure, 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.

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

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001 the recognition and measurement aspects of all applicable Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) that have a material effect.

#### *(b) Income Tax*

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

#### *(c) Cash and Short Term Deposits*

Cash and short term deposits 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) 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### *(e) Property, Plant and Equipment*

##### **Acquisition**

Items of property, plant and equipment are initially recorded at cost and are depreciated over their estimated useful lives using the straight line method. The cost of property, plant and equipment acquired by the Company includes the cost of materials and direct labour. The proportion of other incidental costs directly attributable to its construction are also capitalised to the cost of property, plant and equipment.

##### **Depreciation**

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

Building and Building Improvements	2.5% - 5 %
Plant & Equipment	2% - 33.3%

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.

##### **Revaluations**

Buildings are independently valued at least every three years on an existing use basis.

In applying Accounting Standard AASB 1041 "Revaluation of Non-Current Assets", the Directors have elected to measure each class of non-current assets as follows:

<b>Class</b>	<b>Measurement Basis</b>
Land	Fair Value
Buildings and Building Improvements	Fair Value
Plant and Equipment	Cost

Land, Buildings and Building Improvements which had previously been revalued in 2001 based on a valuation conducted by an independent valuer are currently measured at the same amount plus any subsequent additions at cost. For the current year the Directors consider this measurement basis, less accumulated depreciation, represents fair value.

##### **Subsequent Additional Costs**

Costs incurred on property, 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### *(f) Inventories*

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

#### *(g) Provision for Employee Entitlements*

##### **Wages, Salaries and Annual Leave**

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

##### **Long Service Leave**

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

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

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

##### **Superannuation**

Contributions to employee superannuation funds are charged against income as they are made. The employer contributions are paid to an accumulation scheme managed by BT Funds Management Ltd.

#### *(h) Bank Loans*

Bank Loans are carried at their principal amount subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in other creditors and accruals.

#### *(i) Non-Current Assets*

The carrying amount of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

In assessing recoverable amounts, the relevant cash flows have not been discounted to their present value.

#### *(j) Revenue Recognition*

Revenue for services is recognised when the service has been performed on an accruals basis. Show admission revenue is recognised at the time of the Royal Show being held. Non-cash sponsorship revenue is not recorded in the financial statements of the Company. Rental income is recognised as it accrues over the period that the properties are leased to third parties. Interest revenue is recognised as it accrues. The gross proceeds of asset sales not originally purchased for the intention of resale are included as revenue at the date an unconditional contract of sale is signed.

#### *(k) 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 accounts payable approximate net fair value.

#### *(l) 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.

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 balance sheet.

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.

#### *(m) Borrowing Costs*

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>2. REVENUE</b>		
Revenue from Operating Activities		
Admissions Revenue	5,304,043	4,436,919
Members Subscriptions	261,913	282,912
Rental Income	4,193,397	4,156,431
Catering Premiums	1,011,563	1,023,085
Sponsorship	876,701	894,925
Competition Income	902,441	883,304
Secretarial and Management Fees	217,338	194,646
Parking Revenue	313,813	333,053
Total revenue from operating activities	<u>13,081,209</u>	<u>12,205,275</u>
Revenue from Non-Operating Activities		
Interest	64,695	39,413
Proceeds from sale of non-current assets	13,973	36,575
Other revenue	492,356	481,068
Total revenue from non-operating activities	<u>571,024</u>	<u>557,056</u>
Total revenue from ordinary activities	<u>13,652,233</u>	<u>12,762,331</u>
<b>3. PROFIT/(LOSS) BEFORE INCOME TAX</b>		
(a) Operating result has been arrived at after charging/(crediting) the following items:		
Lease rental expense - operating leases	28,273	19,333
Bad and doubtful debts	4,398	16,661
Net loss/(gain) on sale of property, plant and equipment	(13,973)	17,728
Amounts set aside to provision for employee entitlements	<u>20,353</u>	<u>(68,407)</u>
(b) Significant Items - (Income)/Expense		
Redevelopment & Restructure Income from Government <sup>1</sup>	-	(2,920,716)
Redevelopment & Restructure Costs	<u>-</u>	<u>1,920,716</u>
	<u>-</u>	<u>(1,000,000)</u>

<sup>1</sup> The Company received funds from Government in the 2003 year, of which \$1million has been used as a deposit on a capital structure, as disclosed within notes 7 and 17. The balance of funds has been applied to redevelopment expenditure.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>4. CASH ASSETS (CURRENT)</b>		
Cash on hand	1,974	950
Cash at bank	<u>938,374</u>	<u>788,620</u>
	<u>940,348</u>	<u>789,570</u>
Interest rates at 31 March 2004 on cash accounts are 4.325% (2003: 3.60%).		
<b>5. RECEIVABLES (CURRENT)</b>		
Trade Debtors	429,915	650,521
Sundry Debtors	337,379	90,950
Provision for Doubtful Debts	<u>-</u>	<u>(45,000)</u>
	<u>767,294</u>	<u>696,471</u>
No interest is charged on receivables.		
<b>Credit Risk Exposures</b>		
Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company minimises concentrations of credit risk by undertaking transactions with a large number of customers. The Company is not materially exposed to any individual customer.		
<b>6. INVENTORIES (CURRENT)</b>		
Consumables, at cost	<u>44,755</u>	<u>51,049</u>
<b>7. OTHER ASSETS</b>		
Prepayments (Current)	<u>538,338</u>	<u>696,855</u>
Deposit on capital structure - Epicure Enclosure (Non-current) (Refer note 17)	<u>1,000,000</u>	<u>1,000,000</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Crown Grant Land - at directors' valuation	-	-
Freehold Land - at directors' valuation	<u>16,450,000</u>	<u>16,450,000</u>
	<u>16,450,000</u>	<u>16,450,000</u>
Buildings and Building Improvements		
- at directors' valuation	19,533,212	19,533,212
- Accumulated depreciation	<u>(1,502,162)</u>	<u>(996,676)</u>
	<u>18,031,050</u>	<u>18,536,536</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$			
<b>8. PROPERTY, PLANT AND EQUIPMENT (cont.)</b>					
Plant and Equipment					
- At cost	7,936,660	7,904,391			
- Accumulated depreciation	<u>(6,037,368)</u>	<u>(5,537,794)</u>			
	<u>1,899,292</u>	<u>2,366,597</u>			
Total property, plant and equipment - Net book value	<u>36,380,342</u>	<u>37,353,133</u>			
<i>Reconciliation of Movements in 2004</i>					
Asset Class	Opening Balance \$	Additions \$	Depreciation/ Amortisation \$	Disposals \$	Closing Balance \$
Building and					
Building Improvements	18,536,536	-	(505,486)	-	18,031,050
Plant and Equipment	<u>2,366,597</u>	<u>52,839</u>	<u>(499,574)</u>	<u>(20,570)</u>	<u>1,899,292</u>
	<u>20,903,133</u>	<u>52,839</u>	<u>(1,005,060)</u>	<u>(20,570)</u>	<u>19,930,342</u>
<i>Reconciliation of Movements in 2003</i>					
Asset Class	Opening Balance \$	Additions \$	Depreciation/ Amortisation \$	Disposals \$	Closing Balance \$
Building and					
Building Improvements	19,042,022	-	(505,486)	-	18,536,536
Plant and Equipment	<u>2,720,436</u>	<u>294,897</u>	<u>(594,433)</u>	<u>(54,303)</u>	<u>2,366,597</u>
	<u>21,762,458</u>	<u>294,897</u>	<u>(1,099,919)</u>	<u>(54,303)</u>	<u>20,903,133</u>
<p>An independent valuation of Freehold Land, Buildings and Improvements was due to be carried out as at 31 March 2004. The Directors elected not to obtain a valuation as at 31 March 2004 on the basis that a Joint Venture Agreement which forms part of the Showgrounds Redevelopment Project with the State of Victoria foreshadows the land and buildings will be transferred into the Joint Venture in the near future, at which time a revaluation of the land and buildings will be undertaken.</p> <p>The Crown Grant Land, which includes restrictions on its use to which present usages comply, is valued at nil by the directors</p>					
	2004 \$	2003 \$			
<b>9. PAYABLES (CURRENT)</b>					
Creditors and Accruals	723,665	679,270			
Income in Advance	<u>269,231</u>	<u>287,664</u>			
	<u>992,896</u>	<u>966,934</u>			

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>10. INTEREST BEARING LIABILITIES (CURRENT)</b>		
Loans – Commercial Bills	<u>1,300,000</u>	<u>2,500,000</u>
<p>A commercial bill facility exists with National Australia Bank Limited. The facility is available for 1 year and bears interest at 5.8% at 31 March 2004 (2003: 5.12%).</p> <p>The commercial bill is secured by a mortgage over the freehold land and buildings of The Royal Agricultural Society of Victoria Limited.</p>		
<b>11. PROVISIONS (CURRENT)</b>		
Employee Entitlements	<u>239,520</u>	<u>258,050</u>
<b>12. INTEREST BEARING LIABILITIES (NON-CURRENT)</b>		
Trophy Funds	<u>96,833</u>	<u>93,894</u>
<b>13. PROVISIONS (NON-CURRENT)</b>		
Employee Entitlements	<u>9,654</u>	<u>11,477</u>
<b>14. CONTRIBUTED EQUITY</b>		
<p>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.</p>		
<b>15. RESERVES</b>		
Asset Revaluation Reserve	<u>27,437,270</u>	<u>27,437,270</u>
<b>16. RETAINED PROFITS</b>		
Balance at beginning of year	9,319,453	10,782,713
Net (loss)/profit after tax	<u>275,451</u>	<u>(1,463,260)</u>
Balance at end of year	<u>9,594,904</u>	<u>9,319,453</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>17. COMMITMENTS</b>		
Future operating lease rentals not provided for in the financial statements.		
Payable:		
Not longer than one year	99,191	98,941
Longer than one year but not longer than two years	54,411	71,154
Longer than two years but not longer than five years	<u>44,083</u>	<u>52,527</u>
	<u>197,685</u>	<u>222,622</u>
Capital expenditure contracted for at 31 March, but not provided for in the financial statements		
Payable:		
Longer than one year but not longer than two years	<u>704,000</u>	<u>704,000</u>
A deposit of \$1,000,000 has been paid for this capital structure (refer note 7), with the balance of \$704,000 payable by 1 October 2004. In the event the capital structure does not form part of the Showgrounds Redevelopment Project with the State of Victoria, a put option is present to sell the asset for \$1,354,000. Negotiations are underway to extend the period of the exercise of the put option.		
<b>18. SEGMENT REPORTING</b>		
The Company promotes the development of agricultural, pastoral, horticultural, viticultural, stock raising, manufacturing and industrial resources within the geographical segment of Australia.		
<b>19. EMPLOYEE ENTITLEMENTS</b>		
Aggregate employee entitlements, including on-costs:		
- Current	239,520	258,050
- Non-current	<u>9,654</u>	<u>11,477</u>
	<u>249,174</u>	<u>269,527</u>
<b>20. EVENTS SUBSEQUENT TO BALANCE DATE</b>		
Negotiations with the State Government have advanced to a stage where the Joint Venture could be in operation in the short term, at which stage the land and buildings will be transferred to the Joint Venture in which the Company will have a 50% interest. It is proposed that the Joint Venture will develop the Showgrounds with the assistance of the State Government funding commitment of \$100.7 million. It is anticipated that the carrying value of the Company's assets will be greater than the value of its equity as at 31 March 2004. See also note 8.		

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>21. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS</b>		
<p>For the year ended 31 March 2006, The Royal Agricultural Society of Victoria Limited must comply with the International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.</p> <p>Adoption of Australian equivalents to IFRS may result in changes to accounting policies that have impacts on the reported financial position and performance of an entity.</p> <p>The impact that these new standards will have is currently being evaluated and an explanation of how the transition will be managed, and the nature of the changes in accounting policies will be provided in future periods.</p> <p>It is expected that the IFRS will require some modification in presentational format and disclosures of the financial report, however The Royal Agricultural Society of Victoria Limited is not currently in a position to quantify the full extent of such differences.</p>		
	2004 \$	2003 \$
<b>AUDITORS REMUNERATION</b>		
Total of all remuneration received and receivable in connection with:		
(a) Audit of the Financial Report: Auditors of the Company	26,000	26,000
(b) Other Services: Auditors of the Company	<u>8,500</u> <u>34,500</u>	<u>4,000</u> <u>30,000</u>
<b>22. DIRECTORS REMUNERATION</b>		
Amounts received or due and receivable by Directors of the Company	<u>          -</u>	<u>          -</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>23. RELATED PARTY TRANSACTIONS</b>		
i. The Company performs accounting and secretarial functions for various animal breed societies. The fees charged for these services were \$215,178 (2003: \$180,687)		
ii. The names of all Directors who have held office during the year are: Ian Ivor Bucknall John Michael Burston (resigned October 2003) Michael Carroll (appointed October 2003) Richard Charles Embley Cust (appointed February 2003) Charles John Fox Barrie Ernest Laws Charles Robert Lyons Geoffrey James Phillips John Horton Seymour Gary James Sheppard Stephen Charles Spargo		
iii. Messrs J H Seymour and C J Fox are associated with an organisation that provides sponsorship monies and/or donated goods and services to the Company. The total value of these transactions were \$25,000 (2003: \$25,000)		
iv. Mr S C Spargo is a partner of Allens Arthur Robinson whose firm provides legal services to the Company. The total amount paid by the Company for the legal services provided by the firm was \$78,280 (2003: \$125,226)		
v. Mr M Carroll is associated with the Company's bankers who provide financial services at arms length terms and conditions.		
vi. Mr G J Phillips is a director of a firm that provides consultancy services to Stock & Land Beef Week and the Angus Society of Australia. The Company provides secretarial services to both Stock & Land Beef Week and the Angus Society of Australia at arms length.		
vii. Mr I I Bucknall is a director of Australian Stockscan Services Pty Ltd, a company that provides sheep scanning services to the Company. The total amount paid by the Company was \$3,000 (2003: \$3,000)		
viii. 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 and disclosure is not required.		



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2004

	2004 \$	2003 \$
<b>24. OTHER STATUTORY INFORMATION</b>		
The Company is incorporated and domiciled in Australia.		
The registered office and principal place of business is:		
Melbourne Showgrounds Epsom Road ASCOT VALE VIC 3032		
The number of employees was 42 as at 31 March 2004 (2003: 40).		



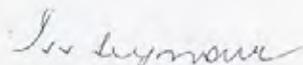
**DIRECTORS' DECLARATION**

FOR THE YEAR ENDED 31 MARCH 2004

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

- a) the accompanying financial statements and notes, set out on pages 8 to 30, 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 2004 and of its performance for the year ended on that date.
- 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.



J H Seymour  
Director



C J Fox  
Director

Dated this 21st day of June 2004  
Melbourne



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE  
ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED**

ACN 006 728 785 - FOR THE YEAR ENDED 31 MARCH 2004

**Scope**

**The Financial Report and Directors' Responsibility**

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for The Royal Agricultural Society of Victoria Limited, for the year ended 31 March 2004.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We have conducted an independent audit in order to express an opinion to the members of The Royal Agricultural Society of Victoria Limited. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE  
ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED**

ACN 006 728 785 - FOR THE YEAR ENDED 31 MARCH 2004

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**Audit Opinion**

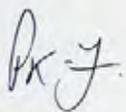
In our opinion, the financial report of The Royal Agricultural Society of Victoria Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 March 2004 and of its performance for the year ended on that date, and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

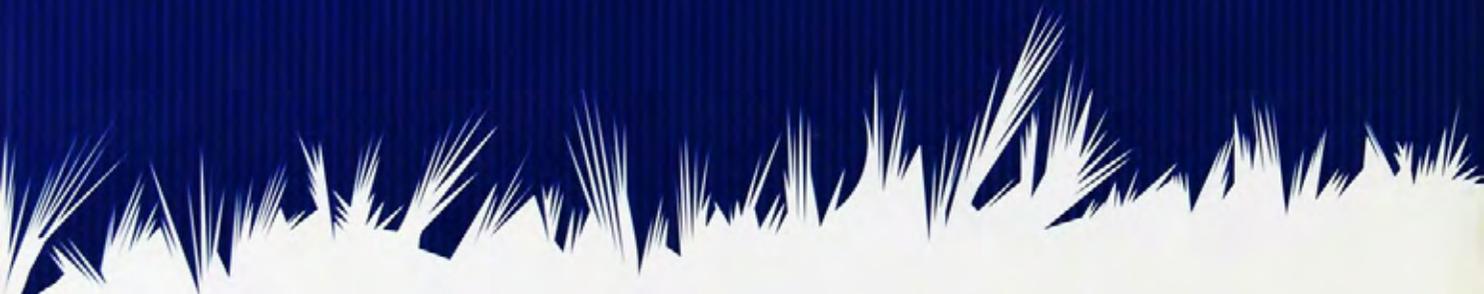
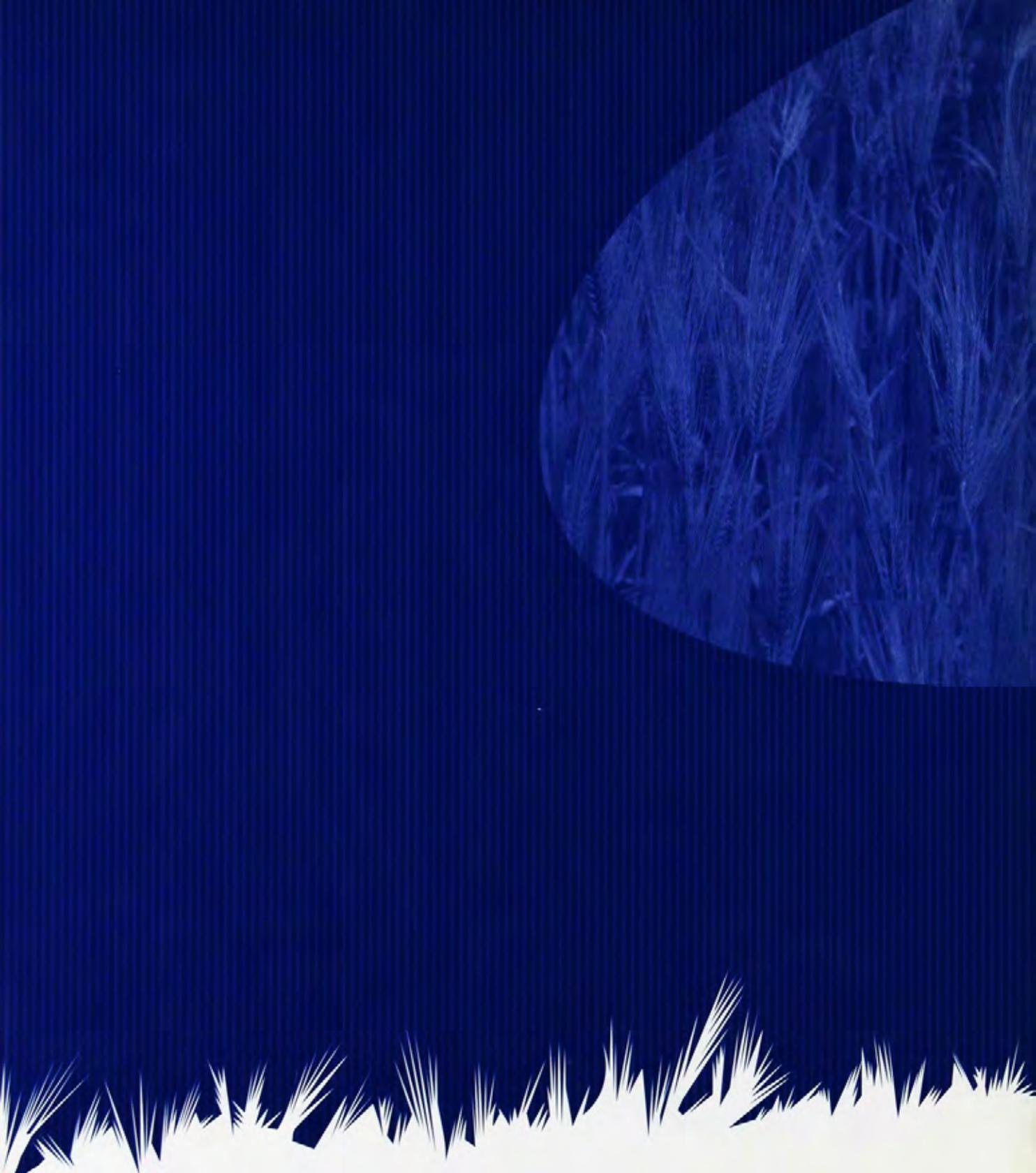
(b) other mandatory financial reporting requirements in Australia.



PKF  
Chartered Accountants  
22 June 2004 Melbourne



J Pasis  
Partner



The Royal Agricultural Society of Victoria Limited

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