



Annual Report 2001/2002



THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED

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## COUNCILLORS June 2002

### Life Councillors

R T Balderstone, CMG, MC  
J Balfour Brown  
A C Bott  
J K Buchanan, AM  
J M Burston  
R M Buller  
Sir Rupert Clarke, Bart, AM, MBE  
W D Crowley QPM  
E Drinkwater  
K A Finnis  
C B Gardiner  
R B Gerrard MBE  
A Gibson  
W McL Greaves  
J G W Head OAM  
G Howell  
C R Kelly  
J W Kelly  
C O Moore  
I K Morton AM  
J W Rae OAM  
J S A Robb  
A J Russell  
G R Starritt AM OBE  
I McK Starritt  
F R I Stephens  
K W Urquhart  
The Hon. Vernon Wilcox CBE QC  
G P H Wilson CMG

### Council Members

J Allen  
D G Beard  
W R R Beggs AM  
R S Bell  
I I Bucknall  
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  
W H Hill  
K Jordan  
N E King  
L R Latta  
B E Laws  
E R Lithgow  
D Lowing  
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



## The RAS

The Royal Agricultural Society of Victoria 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 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 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 Show is the culmination of the year in Victorian agriculture and agribusiness. A total of 128 regional Shows, conducted under the auspices of the Victorian Agricultural Societies Association, lead into the Royal Melbourne Show, together with a range of Field Days and commercial competitions run by the RAS.

The RAS provides substantial economic benefits to Victoria. Two independent studies commissioned by Government in the past two years 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.

With the generous assistance of McKinsey & Co., the RAS has forged an exciting and bold strategic platform to ensure a relevant and sustainable future.

The Vision of the RAS is as follows:  
Thriving agribusiness and rural and regional communities.

The Mission of the RAS is as follows:  
A creative catalyst for superior outcomes for agribusiness and rural and regional communities, through competitions, showcasing, commercial venue management and knowledge exchange: a bridge between urban and rural/regional 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



The Royal Agricultural Society of Victoria is facing a confident future with its Corporate Vision of thriving agribusiness and rural and regional communities.

The announcement in the State Budget of May 2002 that the Victorian Government would invest \$101 million for the redevelopment of the Showgrounds resolved many issues, some of them of serious concern, which had dominated our planning for the future of the RAS and our traditional home at the Melbourne Showgrounds.

This announcement was the culmination of many months of detailed and often extremely complex work by the RAS with the Government - and the Government delivered.

The future of the RAS is now firmly in our hands. We are commencing work with the Government to meet 'the challenge of performance' to redevelop the Showgrounds over the next two to three years into a Rural Development and Education Centre for Victoria, which can be used year-round as a hub of rural information exchange and showcasing.

This will provide major benefits for all Victorians because it is not simply a bricks and mortar solution, nor just about our major product, the Royal Melbourne Show, although it does guarantee the continuance of the Show as the major public-paying event on the annual Victorian calendar.

The redevelopment will enable the RAS to continue to meet its Mission. In addition, we acknowledge that our exhibitors, suppliers and customers have been staunch supporters and are very much part of the team that delivered the redevelopment outcome.

During the past year, we continued to demonstrate the significance of the RAS and the Royal Show to mainstream commercial agriculture, with particular reference to ensuring that the Show's competition formats are consistent with current commercial realities.

An example is the introduction of one of the world's foremost performance recording systems: the Australian-developed Group Breedplan, to beef cattle judging, on a voluntary basis, at the 2001 Royal Show. Five breeds used the figures and the system will be available again in 2002.

Also, in April this year the Society launched a new lamb carcass competition focused on commercial lamb production. Exhibitors enter a consignment of at least 200 lambs, which are judged electronically via the new 'Viascan' technology which measures the characteristics of individual lamb carcasses. These large samples reflect the genetics used by exhibitors and enables them to benchmark their performance within the industry and the various market sectors.

We are continuing with our program to promote the broader leadership role of the RAS in the public arena to advance the Society as an organisation that has appropriate and authoritative views on commercial agriculture and agribusiness by leading discussion on significant areas of agriculture and agribusiness.

A major challenge continues to be the improved status of Show Societies throughout Victoria, many of which are under threat because of rising costs and a decline in the number of exhibitors.

We are looking at practical ways with the Victorian Agricultural Societies Association to help turn this around.

There is much to be done. Our future is full of promise and we invite you to share the exciting journey with us.

We were saddened by the passing during the past 12 months of Life Councillors Richard Langdon and John Gardiner, and Government-appointed Trustee, The Honourable Tom Austin.

We thank all of our stakeholders, with particular thanks to the Board, Council, Executive, staff and consultants in a year of challenges and rewards.

A handwritten signature in dark ink, appearing to read 'J.H. Seymour'. The signature is fluid and cursive, written on a light-colored background.

J.H. Seymour  
President

## Report of the Chief Executive Officer

We have completed a very good year in all key activities of the RAS.

The result for the year to 31 March 2002 has seen a surplus of \$3,160,142 (2001: \$130,630), which includes the settlement of the insurance claim for the Art & Craft Building which was destroyed by fire in May 2001.

The Victorian Government's decision to invest \$101 million for the redevelopment of the Showgrounds is a great outcome for the RAS.

The task ahead is to ensure that the project is scaled appropriately so that it delivers an outcome that is socially, economically and environmentally responsible. This is the most significant task we have undertaken in the past 100 years.

The 2001 Royal Melbourne Show confirmed its place as the most popular event held in Victoria each year. The total attendance figure was 555,000 which represents an increase of 5% on the previous year.

Significantly, ticket sales, especially the Super Saver Family Ticket, were extremely positive with a 19% increase over 2001. This vindicated the decision to abolish half price days and evenings. The streamlined pricing structure for the Royal Show is now in line with similar public events in Victoria.

The strong results of the 2001 Royal Show were achieved in the midst of very tough trading conditions. The promotional activities for the Show were also adversely affected by a very demanding media environment, dominated by world events and unsettling domestic news which included the September 11 terrorist attacks in the USA and the aftermath in Australia of the collapse of Ansett Airlines and HIH Insurance.

I am pleased to report in this, my first year as Chief Executive Officer, that we have successfully implemented a new budgeting and planning process within the RAS.

This is an activity-based costing system which gives a clear analysis of all costs related to the running of the Royal Show and our other key events, including the Royal Melbourne Wine Show, the Australian International Beer Awards, the Royal Melbourne Dairy Show, the Victorian Farm Management Competition, and our range of Farm Open Days in cattle and sheep competitions.

Quarterly reviews have been introduced with this process to ensure Committees and Event Managers remain on target with their programs and activities. This process will stand us in very good stead to significantly improve our operations and our financial position as we move ahead with the redevelopment program at the Ascot Vale site.

We are also moving ahead steadily with our program to Position the Society for the Future with a range of activities to ensure that the RAS maintains its leadership position within the agricultural industry.

As part of this program, we have developed a new corporate logo (or trademark) for the RAS, which carries the initials 'RAS' contained in an ellipse shape, in a modern flowing style, while retaining our corporate colors of blue and yellow. The new logo is modern and embodies the elements of the RAS as a contemporary and forward thinking organisation, while acknowledging the proud tradition of the RAS.

Whilst the immediate future of the RAS and the Melbourne Showgrounds is secure we must ensure that we capitalise on this golden opportunity.

I wish to thank the Board, Council and staff for their support. In particular I wish to acknowledge the tireless efforts of our President.



A handwritten signature in black ink, appearing to read 'S. Carter', written over a light blue horizontal line.

Stephen Carter  
Chief Executive Officer

## Highlights of the year

### Show competitions

The 2001 Royal Melbourne Show was a very successful event with total entries of close to 30,000. The number of entries were maintained or increased in a number of the key sections.

Following is a summary of the Show competitions. A total of 1015 beef cattle competed in 2001 with the feature beef breeds being the Limousin and the Belted Galloway.

In the dairy cattle section, a good showing of 198 animals competed.

The Show again had a spectacular horses competition with close to 4200 entries in competitions ranging from dressage and harness to showjumping – plus the greatest of all Australian equestrienne competitions, the Garryowen.

The Show lived up to its reputation as the premier dog exhibition in the southern hemisphere with nearly 5000 entries.

In the sheep section, a total of 727 animals were entered, incorporating the British Downs Breeds as the feature. More than 160 goats were entered in competition classes. For alpacas there was a total of more than 300 animals.

A grand total of 1850 birds were entered in the poultry section.

***For competition results in all sections, please visit the RMS website at [www.royalshow.com.au](http://www.royalshow.com.au)***

### Attractions

The animal attractions of Animal Nursery, Farm Animal Kingdom, Mootown and Fibre Factory again proved to be among the most popular of the Show, with approximately 85% of visitors spending time in these wonderful entertaining and educative showpieces. Aquaculture again attracted much attention with spectacular displays of a variety of fish, tanks of eels, yabbies, abalone, mussels and lobster.

The second annual 'Royal Agricultural Society of Victoria Town & Country Orchid Expo' included a major competition with prize monies of more than \$4000, and demonstrations on growing and maintaining orchids.

### Other highlights of the year

• **The 2002 Royal Melbourne Horse Show** (5-9 January) was staged with great success with more than 3500 horses and ponies competing in 27 competition sections, including Pony Clubs, Shetlands, Arabian and Welsh Mountain ponies, Thoroughbreds, Standard breeds, Stock horses, Miniature horses, Western Breeds, Riding for the Disabled and the VASA saddle horse championships.

• **The 2001 Australian International Beer Awards** (June) – the third largest in the world – are run by the Society in conjunction with the University of Ballarat and attracted a total of 490 entries from 28 countries. Schofferholer Kristallweizen, a wheat beer produced by Binding-Braueri AG, Germany, was named Grand Champion Beer of 2001.



## Highlights of the year cont.

- **The 2001 Royal Melbourne Wine Show**

(July- August) which is the most prestigious wine show in Australia, attracted 3985 entries. The coveted Jimmy Watson Memorial Trophy was awarded to Pepper Tree Wines of Pokolbin NSW, for its Reserve Coonawarra Cabernet Sauvignon 2000. The Premier's Gold Trophy for the Exhibitor of the Best Victorian Wine was awarded to Brown Brothers Millawa Vineyard, for its Banksdale Shiraz 1999.

- **The 2001 Royal Melbourne Dairy Show**

(August-September) conducted with the support of the Australian Dairy Corporation, again attracted strong entries in all classes. This major event judges the finest dairy products including cheese, butter, ice cream, yoghurt, chocolate, cheesecake and dairy desserts.

- **Commercial farming competitions**

run by the RAS in 2001 included The Bank of Melbourne Victorian Farm Management Competition, The Genetics Australia Dairy Herd of the Year, The Genetics Australia Share Dairy Farmer of the Year and The Stock & Land Commercial Flock of the Year. All attracted strong entries and the public Field Days were well attended. The RAS is most appreciative of the support from the Victorian Agricultural Societies Association, and the Victorian Government through the Department of Natural Resources and Environment.



## Activities of the RAS

The Royal Agricultural Society of Victoria is involved in all facets of rural life in the State. Its activities, competitions, events and educational programs touch the lives of people of all ages.

The best known of RAS activities is the Royal Melbourne Show, which is conducted over 11 days in September and is the biggest public-paying event held in Victoria each year, attracting up to 600,000 visitors.

The RAS also conducts and/or hosts a wide and diverse range of programs, which it has done throughout its 154 year history.

In addition to the four major commercial farming competitions and the special Wine, Beer and Dairy events, current programs include the following:

- **Agricultural competitions** which judge the best in their fields – fleece, money, steer carcass, lamb carcass and bacon pig carcass – with awards presented at the Royal Melbourne Show.
- **Young Cattle Handlers** - the RAS conducts special competitions for Young Handlers in both beef and dairy cattle during the Show. There is also an annual Cattle Handlers Camp held by the RAS in conjunction with Stud Beef

Victoria outside of the Show, which attracts handlers aged between 8 and 60+ years.

- **Dog competitions** - the Melbourne Showgrounds hosts major dog shows throughout the year. At the Royal Melbourne Show, the RAS stages the biggest dog show in the Southern Hemisphere.
- **The Agricultural Societies of Victoria Young Citizen Award** is the search for young people living in rural and regional areas who are making a contribution to their community. Farm as well as town-based young people are involved and 11 regional winners are taken to the Royal Melbourne Show each year, where the winner is chosen. The Societies greatly appreciate the support provided by the Ministry of Agriculture of \$10,000 per year for the Young Citizen Award.

The RAS provides administrative support to 21 rural and agribusiness organisations on an on-going basis.

The RAS is home also to the **Victorian Agricultural Societies Association** which is the representative and administrative body of 128 country Shows.

The Showgrounds have a rich heritage which includes the use by the **Country Women's Association** for the past 76 years with its renowned lunchroom which was modernised thanks to a \$250,000 grant from the Helen Macpherson Smith Trust. It includes also being home to the **RAAF and WRAAF** during World War II and these organisations come back annually to commemorate those years with a special service on the grounds.







## Affiliations

The Royal Agricultural Society of Victoria is affiliated with the following organisations:

- The Royal Agricultural Society of the Commonwealth
- The Australian Council of Agricultural Societies
- The Victorian Agricultural Societies Association

The RAS supports The Agricultural Societies of Victoria 'Young Citizen Award' which rewards young people living in rural and regional areas who are making a contribution to their community.

The RAS also supports the Churchill Foundation, which makes valuable contributions to the young people of the wide agricultural and agribusiness communities through the Winston Churchill Memorial Trust Awards. The RAS supports the aims and activities of the Nuffield Foundation and its work through the Australian Nuffield Farming Scholars' Association. Support is also given to the Victorian Young Farmers, the Alfred Hospital Charity Day and 'Cottage by the Sea, Queenscliff'

## Corporate Governance

The Directors are responsible for the Corporate Governance practices of The Society and are elected by Council, who in turn are elected by the Membership. The main Corporate Governance practices that were in operation throughout the financial year are summarised below.

### Board of Directors

The Board carries out its responsibilities according to the following mandate:

- the Board should comprise ten Directors;
- the Board shall not be paid remuneration;
- the Chairman of the Board is also the President of The Society;
- the Directors should possess a broad range of skills, qualifications and experience;
- the Board should meet on a regular basis, with at least 11 meetings each year;
- all available information in connection with items to be discussed at a meeting of the Board shall be provided in writing to each Director prior to that meeting.

The primary responsibilities of the Board include:

- the establishment of policy in relation to the long term goals of The Society;
- approving strategic and business plans to achieve those goals;
- the review and adoption of annual budgets for the financial performance of The Society and monitoring the results on a regular basis;
- the appointment of the Chief Executive and approval of executive remuneration;
- the approval of the annual financial statements; and
- ensuring that regulatory and ethical standards are met, and business risks are effectively monitored and managed.

### Human Resources Committee

The Human Resources Committee is to be chaired by the President, consists of four Non-Executive Directors and the Chief Executive and is assisted by the Company Secretary. The Committee is also supported by an external adviser.

The Human Resources Committee generally oversees The Society's 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.

The Committee is also responsible for the identification of prospective participants on Board Committees for recommendation to the Board.

### Audit Committee

The Audit Committee consists of Non-Executive Directors and 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.

The Chief Executive Officer, the Company Secretary and the Financial Controller are represented on the Committee in an ex-officio capacity and the external auditors are generally invited to attend Committee meetings. The Audit Committee also meets with, and receives regular reports from, the external auditors concerning matters which arise in connection with the performance of their audit role, including the adequacy of key internal controls.

### Nominations Committee

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



## Corporate Governance cont.

The Committee is specifically responsible for:

- the review of Council, Committees and Board structures;
- devising procedures and criteria (including experience, mix of skills, and other qualities and competencies) for Board, Council and Committees membership;
- Assessing the effective balance of the Board as a whole, and its Committees.

### Risk Management

The Board is responsible for The Society's system of internal controls. The Board constantly monitors the operational and financial aspects of The Society's 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 Society.

Where considered necessary, appropriate action is taken to ensure that The Society has an appropriate internal control procedure in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified personnel.

### Code of Conduct

As part of its commitment to a high standard of conduct, The Society adopts a Code of Conduct to guide executive management and employees in carrying out their duties and responsibilities. The Code of Conduct covers such matters as:

- responsibilities to stakeholders;
- relations with key customers and suppliers;
- employment practices;
- responsibility to the community; and
- guiding principles for the way The Society wishes to conduct its business.

### Political Activity

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



## Office Bearers June 2002

### Patron in Chief

His Excellency the Right Reverend Dr Peter Hollingworth AC OBE Governor General of the Commonwealth of Australia

### Patron

Mr John Landy AC MBE  
Governor of Victoria

### President

J H (Jack) Seymour

### Vice Presidents

C J (John) Fox  
C R (Robert) Lyons  
G J (Gary) Sheppard

### Board of Directors

J H (Jack) Seymour – Chairman  
I I (Ian) Bucknall  
J M (Michael) Burston  
R G A (Rupert) Clarke  
C J (John) Fox  
B E (Barrie) Laws  
C R (Robert) Lyons  
G J (Geoff) Phillips  
G J (Gary) Sheppard  
S C (Stephen) Spargo

### Company Secretary

Adnan Mansour

### Executive Staff

#### Chief Executive Officer

Stephen Carter

#### Chief Operating Officer

Adnan Mansour

#### General Manager, Facilities

Michael Martin

#### Manager, Show Operations

Tim Morgan

#### Financial Controller

Sue Riley

#### Manager, Business and Commercial Development

Mary Morton

#### Manager, Communications

Brian Morley

#### Manager, Advertising & Online Communications

Anne-Maree Ballisia

#### Manager, Projects

Shiona Watson

#### Manager, Information Technology

Jill Thomas

### 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



**Financial Report**

For the Year ended 31 March 2002

## 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 2002, 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:

<b>Name</b>	<b>Experience and Special Responsibilities</b>
John Horton Seymour	Mr Jack Seymour 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 Audit Committee.
Charles John Fox	Mr John Fox has experience in mixed farming and in the finance industry. He has been a Councillor since 1989 and a Director since 1993. Currently Vice President and Chairman of the Audit Committee.
Charles Robert Lyons	Mr Robert Lyons is a partner in a wool and tree farming business, utilising high input grazing systems. He has been a Councillor since 1989 and a Director since 1997. Currently Vice President.
Gary James Sheppard	Mr Gary Sheppard 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. Currently Vice President.
Ian Ivor Bucknall	Mr Ian Bucknall 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.
John Michael Burston	Mr Mike Burston has extensive farming experience. He has been a Councillor since 1973 and appointed a Director in 1993.
Rupert Grant Alexander Clarke	Mr Rupert Clarke has experience in corporate pastoral development and management as well as mixed farming. He has been a Councillor since 1998 and appointed a Director in 1999. He is also a member of the Audit Committee.
Barrie Ernest Laws	Mr Barrie Laws 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 is also a member of the Audit Committee.
Geoffrey James Phillips	Mr Geoff Phillips has a background in rural journalism and marketing and his interests are in beef. He became a Councillor in 1999 and was appointed a Director in April 2002.
Stephen Charles Spargo	Mr Stephen Spargo 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.

## Directors Report cont.

### Principal activities

The principal activities of the Company during the course of the year ended 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.

### Review and results of operations

The operating profit of the Company for the year after tax was \$3,160,142 (2001: \$130,630). Major changes were:

- Insurance settlement relating to the Art and Craft Pavilion fire in May 2001.
- An increase in 2002 Royal Melbourne Show attendance of 5% resulting in admission revenue increasing by \$502,775.
- Sponsorship revenue has declined this year, which is reflective of prevailing market conditions following the 2000 Olympic Games and the collapse of major corporations.

### Directors' Meetings

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

	Meetings Attended	Meetings Eligible to Attend
I I Bucknall	13	13
J M Burston	11	13
R G A Clarke	9	13
C J Fox	11	13
B E Laws	11	13
C R Lyons	9	13
J H Seymour	13	13
G J Sheppard	12	13
S C Spargo	13	13

## **Directors Report cont.**

### **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 strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

### **Dividends**

The Company is limited by guarantee and is prohibited by its Memorandum and Articles of Association 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**

In the May 2002 State Budget, \$101 million has been provided for the redevelopment of the Showgrounds over a three year timeframe commencing in October 2003.

### **Likely developments**

At the date of this report, details of the redevelopment of the Showgrounds are under discussion between the Company and the State Government. As such, the effect of the redevelopment on the Company's financial position, if any, cannot be determined.

### **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.



## Directors Report cont.

### Indemnification and insurance of directors and officers

#### Indemnification

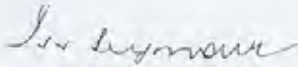
The Company has an agreement indemnifying those persons who are and have been directors and/or officers, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors and/or officers of the Company, except where the liability 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 2002 and since the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ending 31 December 2002. 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 17th day of June 2002  
Melbourne, Victoria

## Statement of Financial Performance for the year ended 31 March 2002

	Note	2002 \$	2001 \$
Revenues from ordinary activities	2	<u>13,788,559</u>	<u>13,813,903</u>
Expenses from ordinary activities:			
Salaries and wages		(4,383,762)	(4,346,225)
Borrowing costs		(187,219)	(255,130)
Advertising		(807,430)	(842,936)
Cleaning		(994,170)	(868,000)
Maintenance		(895,554)	(871,582)
Other Administrative and Operating expenses		<u>(5,357,030)</u>	<u>(5,354,609)</u>
Profit before significant items, depreciation, amortisation and income tax	3(a)	1,163,394	1,275,421
Depreciation and amortisation		<u>(1,054,695)</u>	<u>(1,043,324)</u>
Profit before significant items and income tax		108,699	232,097
Significant Items	3(b)	<u>3,051,443</u>	<u>(101,467)</u>
Profit before income tax		3,160,142	130,630
Income tax expense	1(b)	<u>-</u>	<u>-</u>
Net Profit after income tax		<u>3,160,142</u>	<u>130,630</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>3,160,142</u>	<u>130,630</u>

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

## Statement of Financial Position as at 31 March 2002

	Note	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	427,618	2,330
Receivables	5	703,764	704,545
Inventories	6	33,430	21,720
Other	7	606,741	591,716
<b>TOTAL CURRENT ASSETS</b>		<u>1,771,553</u>	<u>1,320,311</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	38,212,458	37,871,321
<b>TOTAL NON-CURRENT ASSETS</b>		<u>38,212,458</u>	<u>37,871,321</u>
<b>TOTAL ASSETS</b>		<u>39,984,011</u>	<u>39,191,632</u>
<b>CURRENT LIABILITIES</b>			
Payables	9	834,781	1,175,683
Interest Bearing Liabilities	10	500,000	2,589,184
Provisions	11	326,933	256,841
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,661,714</u>	<u>4,021,708</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	12	91,313	88,562
Provisions	13	11,001	21,521
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>102,314</u>	<u>110,083</u>
<b>TOTAL LIABILITIES</b>		<u>1,764,028</u>	<u>4,131,791</u>
<b>NET ASSETS</b>		<u>38,219,983</u>	<u>35,059,841</u>
<b>EQUITY</b>			
Contributed Equity	14	-	-
Reserves	15	27,437,270	27,437,270
Retained Profits	16	10,782,713	7,622,571
<b>TOTAL EQUITY</b>		<u>38,219,983</u>	<u>35,059,841</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 2002

	Note	2002 \$	2001 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		18,913,899	13,137,885
Cash payments in the course of operations		(14,967,249)	(12,559,637)
Interest received		55,516	30,397
Interest and other costs of finance		(99,511)	(173,326)
Net Cash provided by Operating Activities	(iii)	<u>3,902,655</u>	<u>435,319</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,411,140)	(809,780)
Proceeds from sale of property, plant and equipment		20,206	910,000
Net Cash provided by/(used in) Investing Activities		<u>(1,390,934)</u>	<u>100,220</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds for Trophy Funds		2,751	2,767
Repayment of borrowings		(2,000,000)	(500,000)
Lease Payments		(21,672)	(6,260)
Net Cash (used in) Financing Activities		<u>(2,018,921)</u>	<u>(503,493)</u>
Net Increase in Cash held		492,800	32,046
Cash at Beginning of Financial Year		<u>(65,182)</u>	<u>(97,228)</u>
Cash at End of Financial Year	(i)	<u>427,618</u>	<u>(65,182)</u>
<b>NOTES TO THE STATEMENT OF CASH FLOWS</b>			
(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 balance sheet as follows:			
Cash	4	427,618	2,330
Bank Overdraft	10	-	(67,512)
		<u>427,618</u>	<u>(65,182)</u>

## Notes to the Statement of Cash Flows for the year ended 31 March 2002

Note	2002 \$	2001 \$
(ii) Financing Facilities		
The Company has access to a Bill acceptance facility of \$4million (2001: \$4million).		
At 31 March 2002, \$0.5million (2001: -\$2.5million) was in use.		
(iii) Reconciliation of Net Cash provided by Operating Activities to Operating Result		
Operating profit after tax	3,160,142	130,630
Add/(less) non-cash items:		
Depreciation	1,051,021	1,035,977
Amortisation	3,674	7,347
Amounts set aside to provisions	59,572	(45,396)
Add/(less) items classified as investing/financing activities:		
Gain on sale of fixed assets	(4,898)	(390,000)
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables	781	(198,905)
(Increase)/Decrease in Other Current Assets	(15,026)	(56,715)
(Increase)/Decrease in Inventories	(11,710)	9,351
(Decrease)/Increase in Payables	(340,901)	(56,970)
Net Cash Provided by Operating Activities	<u>3,902,655</u>	<u>435,319</u>

## Notes to the Financial Statements for the year ended 31 March 2002

### 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 statements have 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 2002

### 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/amortised over their estimated useful lives using the straight line method. The cost of property, plant and equipment constructed 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 and Amortisation*

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

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

##### *Revaluations*

Buildings are independently valued at least every three years on an existing use basis of valuation and included in the financial statements at the revalued amounts.

Accounting Standard AASB-1041 "Revaluation of Non-Current Assets" applies to the Company for the first time for the year ended 31 March 2002.

In applying this Accounting Standard, the Directors have elected to measure each class of non-current assets as follows:

<i>Class</i>	<i>Measurement Basis</i>
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 is currently measured at the same amount plus any additions during the year. For the current year the fair value is recorded as the Directors' valuation less accumulated depreciation.

## Notes to the Financial Statements for the year ended 31 March 2002

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

#### *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.

#### (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 on the balance sheet at their principal amount subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in other creditors and accruals.



## Notes to the Financial Statements for the year ended 31 March 2002

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

#### (i) 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.

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

#### (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 2002

	2002 S	2001 S
<b>2. REVENUE</b>		
Revenue from operating activities		
Admissions Revenue	4,813,922	4,311,147
Members Subscriptions	241,819	247,847
Rental income	4,096,584	4,045,726
Catering Premiums	1,046,660	1,022,382
Sponsorship	1,013,368	1,324,364
Competition income	835,679	781,431
Secretarial and management fees	638,175	538,930
Parking revenue	417,930	337,792
Total revenue from operating activities	<u>13,104,137</u>	<u>12,609,619</u>
Revenue from non-operating activities		
Interest	55,516	30,397
Proceeds from sale of non-current assets	20,207	910,000
Donations	250,000	
Other revenue	358,699	263,887
Total revenue from non-operating activities	<u>684,422</u>	<u>1,204,284</u>
Total revenue from ordinary activities	<u>13,788,559</u>	<u>13,813,903</u>
<b>3. PROFIT BEFORE INCOME TAX</b>		
(a) Operating profit has been arrived at after charging/(crediting) the following items:		
Lease rental expense - operating leases	105,486	99,032
Bad and doubtful debts	4,383	2,576
Net loss/(gain) on sale of property, plant and equipment	(4,898)	(390,000)
Amounts set aside to provision for employee entitlements	<u>59,572</u>	<u>(45,397)</u>
(b) Significant Items - (Income)/Expense		
Redevelopment & Restructure Studies Grant	(2,000,000)	(487,262)
Redevelopment & Restructure Studies Costs 1	1,305,635	487,262
Insurance settlement	(3,200,000)	
Fire Damage and Associated Costs	842,922	
Redundancy Payments		101,467
	<u>(3,051,443)</u>	<u>101,467</u>

1. The balance of funds received from the Government grant has been used to purchase items of Property, Plant and Equipment disclosed within Note 8.

## Notes to the Financial Statements for the year ended 31 March 2002

	2002 \$	2001 \$
<b>4. CASH ASSETS (CURRENT)</b>		
Cash on hand	800	2,330
Cash at bank	426,818	
	<u>427,618</u>	<u>2,330</u>
Interest rates at 31 March 2002 on cash accounts are 3.95%. (2001: Nil)		
<b>5. RECEIVABLES (CURRENT)</b>		
Trade Debtors	550,964	655,019
Sundry and Other Debtors	182,800	79,526
Provision for Doubtful Debts	(30,000)	(30,000)
	<u>703,764</u>	<u>704,545</u>
The weighted average effective interest rate on term debtors at 31 March 2002 is Nil. (2001: Nil)		
<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>33,430</u>	<u>71,720</u>
<b>7. OTHER ASSETS (CURRENT)</b>		
Prepayments	<u>606,741</u>	<u>591,716</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Crown Grant Land - at directors' valuation		
Freehold Land - at directors' valuation	16,450,000	
Freehold Land - at independent valuation		16,450,000
	<u>16,450,000</u>	<u>16,450,000</u>
Buildings and Building Improvements		
- at directors' valuation	19,533,212	
- at independent valuation		18,847,000
	<u>19,533,212</u>	<u>18,847,000</u>
- Accumulated depreciation	(491,190)	
	<u>19,042,022</u>	<u>18,847,000</u>

## Notes to the Financial Statements for the year ended 31 March 2002

	2002	2001			
	\$	\$			
<b>8. PROPERTY, PLANT AND EQUIPMENT (cont.)</b>					
Plant and Equipment					
- At cost	7,711,312	6,986,385			
- Accumulated depreciation	(4,990,876)	(4,431,046)			
	<u>2,720,436</u>	<u>2,555,339</u>			
Leased Plant and Equipment					
- At capitalised cost	-	36,737			
- Accumulated amortisation	-	(17,755)			
	<u>-</u>	<u>18,982</u>			
Total property, plant and equipment - Net book value	<u>38,212,458</u>	<u>37,871,321</u>			
<i>Reconciliation of Movements</i>					
Asset Class	Opening Balance	Additions	Depreciation/ Amortisation	Disposals	Closing Balance
	\$	\$	\$	\$	\$
Building and Building Improvements	18,847,000	686,212	(491,190)	-	19,042,022
Plant and Equipment	2,555,339	724,928	(559,831)	-	2,720,436
Leased Plant and Equipment	18,982	-	(3,674)	(15,308)	-
	<u>21,421,321</u>	<u>1,411,140</u>	<u>(1,054,695)</u>	<u>(15,308)</u>	<u>21,762,458</u>
<p>An independent valuation of Freehold Land, Buildings and Improvements was carried out at 31 March 2001 and was on the basis of the open market value of the properties concerned in their existing use by F L Julier AVLE (VAL) registered Valuer Victoria, Tasmania and Western Australia, for and on behalf of Edward Rushton Pty Ltd. The revaluation was made in accordance with a policy of regular revaluation. The Crown Grant Land, which includes restrictions on its use to which present usages comply, is valued at nil by the directors.</p>					
<b>9. PAYABLES (CURRENT)</b>					
Creditors and accruals			664,287		675,657
Income in Advance			170,494		500,026
			<u>834,781</u>		<u>1,175,683</u>
<b>10. INTEREST BEARING LIABILITIES (CURRENT)</b>					
Bank Overdraft			-		67,512
Loans - Commercial Bills			500,000		2,500,000
Lease Liabilities			-		21,672
			<u>500,000</u>		<u>2,589,184</u>

## Notes to the Financial Statements for the year ended 31 March 2002

	2002	2001
	\$	\$
<b>10. INTEREST BEARING LIABILITIES (CURRENT) (cont.)</b>		
<p>A commercial bill facility exists with National Australia Bank Limited. The facility is available for 1 year and bears interest at 4.60% at 31 March 2002 (2001: 5.90%).</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>326,933</u>	<u>256,841</u>
<b>12. INTEREST BEARING LIABILITIES (NON-CURRENT)</b>		
Trophy Funds	<u>91,313</u>	<u>88,562</u>
<b>13. PROVISIONS (NON-CURRENT)</b>		
Employee entitlements	<u>11,001</u>	<u>21,521</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 Memorandum and Articles of Association 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>
Movement in Reserves		
Balance at beginning of year	27,437,270	25,924,322
Revaluation of Freehold Land, Buildings & Improvements	-	1,512,948
Balance at end of year	<u>27,437,270</u>	<u>27,437,270</u>
<b>16. RETAINED PROFITS</b>		
Balance at beginning of year	7,622,571	7,491,941
Net profit after tax	<u>3,160,142</u>	<u>130,630</u>
Balance at end of year	<u>10,782,713</u>	<u>7,622,571</u>

## Notes to the Financial Statements for the year ended 31 March 2002

	2002	2001
	\$	\$
<b>17. COMMITMENTS</b>		
(i) Operating Lease		
Future operating lease rentals not provided for in the financial statements.		
Payable:		
Not longer than one year	86,485	71,698
Longer than one year but not longer than two years	67,354	50,517
Longer than two years but not longer than five years	31,188	76,097
	<u>185,027</u>	<u>198,312</u>
(ii) Hire Purchase Lease		
Hire Purchase lease rentals are payable as follows:		
Payable:		
Not longer than one year	-	22,405
Total minimum lease payments	-	22,405
Less future finance charges	-	(733)
	<u>-</u>	<u>21,672</u>
<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	326,933	256,841
- Non-current	11,001	21,521
	<u>337,934</u>	<u>278,362</u>
<b>20. EVENTS SUBSEQUENT TO BALANCE DATE</b>		
In the May 2002 State Budget, \$101 million has been provided for the redevelopment of the Showgrounds over a three year timeframe commencing in October 2003.		

## Notes to the Financial Statements for the year ended 31 March 2002

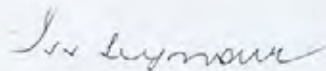
	2002	2001
	\$	\$
<b>21. AUDITORS REMUNERATION</b>		
Total of all remuneration received and receivable in connection with:		
(a) Audit of the Financial Report:		
Auditors of the Company	29,000	28,000
(b) Other Services:		
Auditors of the Company	13,000	52,194
	42,000	80,194
<b>22. DIRECTORS REMUNERATION</b>		
Amounts received or due and receivable by Directors of the Company	-	-
<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 \$229,124 (2001: \$221,430)		
(ii) The names of all Directors who have held office during the period are:		
Ian Ivor Bucknall		
John Michael Burston		
Rupert Grant Alexander Clarke		
Charles John Fox		
Barrie Ernest Laws		
Charles Robert Lyons		
Gary James Sheppard		
John Horton Seymour		
Stephen Charles Spargo		
(iii) Mr C J Fox is associated with an organization that provides sponsorship monies and/or donated goods and services to the Company. The total value of these transactions were \$25,000 (2001: \$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 \$152,150 (2001: \$56,808)		
(v) 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.		
<b>24. OTHER STATUTORY INFORMATION</b>		
The Company is incorporated and domiciled in Australia.		
The registered office and principal place of business is:		
Royal Showgrounds		
Epsom Road		
ASCOT VALE VIC 3032		
The number of employees was 54 as at 31 March 2002.		

## Directors' Declaration

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 16 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 2002 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.



J H Seymour  
Director



C J Fox  
Director

Dated this 17th day of June 2002  
Melbourne



## Independent Auditors' Report to the Members

### SCOPE

We have audited the financial report of The Royal Agricultural Society of Victoria Limited for the financial year ended 31 March 2002 as set out on pages 16 to 31. The Company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### 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 2002 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) Other mandatory professional reporting requirements.



PKF

Chartered Accountants

17th June 2002

Melbourne

A Victorian Partnership



J Pasias

Partner

## Registered Office

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

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THE ROYAL AGRICULTURAL SOCIETY OF VICTORIA LIMITED