



# ANNUAL REPORT

2016/2017

Royal Agricultural  
Society of NSW



Royal Agricultural Society of NSW

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### OUR VISION, MISSION AND VALUES

#### VISION

A community that understands and values sustainable Australian agriculture and award-quality produce.

#### MISSION

To forge the future of agriculture by:

- Engaging, educating and entertaining our community on the value of sustainable agriculture and quality produce through events which support agricultural excellence and innovation;
- Improving the quality of agricultural produce and animal breeds through competitions.

#### VALUES

- Our RAS history and achievements; the traditions and heritage of the Sydney Royal Easter Show; and the importance of the Sydney Royal competitions;
- Our commitment to our mission to forge the future of agriculture which is fundamental to everything we do;
- The contribution of our volunteers and staff, aware that our success is based upon strong individual commitment and our ability to work together as a team;
- Our facilities and assets, because we know they are vital to our long-term performance;
- Strong working relationships with people and organisations with mutual interests, that we work hard to develop and maintain.

The Royal Agricultural Society of NSW is a not-for-profit corporation that has been an influential force in the direction and development of Australian agriculture through competitions, education and events since its foundation in 1822.



What a remarkable time it is to be supporting agriculture in Australia, and what tremendous support we have been able to give. Markets across the world are buying up our wool and grains, dairy interest is continually growing, and the superiority of our beef and lamb exports is well regarded. The Royal Agricultural Society of NSW (RAS) plays a vital role, championing the quality and constantly promoting the growers, breeders and producers of exceptional crops and livestock.

We have invested over \$6 million during the 2016/17 financial year into programs, competitions and activities to support sustainable agriculture, and we have undeniably increased the understanding our general community has of agriculture and award quality produce.

The 2017 Sydney Royal Easter Show was our final 14-day Show and was an outstanding success, breaking attendance records that had stood for over a decade. It was two-weeks of spectacle and celebration that we will be hard-pressed to replicate. The financial comfort of the RAS relies heavily on the success of the Show, so this coming year we must prepare ourselves for a drop in revenue and some financial pressure. With the reduction in days, it could be difficult to match the 2017 figures, and the timing outside of school holidays will play a role in potentially reducing visitor numbers. Agricultural Shows across the State have struggled this year, due to increasing costs, a lack of volunteers and declining interest from the young. However, I am confident that we are offering experiences and opportunities that are unrivaled and the dedication of all staff and volunteers remains strong.

## PRESIDENT'S REVIEW

“The 2017 Sydney Royal Easter Show was our final 14-day Show and was an outstanding success, breaking attendance records that had stood for over a decade. It was two-weeks of spectacle and celebration that we will be hard-pressed to replicate. The financial comfort of the RAS relies heavily on the success of the Show...”

Sydney Showground has enjoyed a very successful year, revenue increased by over \$500,000, in spite of the opening of the International Convention Centre at Darling Harbour in December 2016. We not only retained clients but also attracted new business both locally and internationally and we were named Australia's best in Banqueting & Catering at the Meetings & Events Australia (MEA) National Industry Awards.

Our Sydney Royal Competitions continued to climb, with exhibitor numbers at their highest ever in Beer & Cider, Chocolate and Olive Oil. The introduction of a Pork competition was so successful one exhibitor went on to become a President's Medal nominee. The Australia's Best Producers website was launched, replacing the Little Book of Winners. The website allows exhibitors to self-manage their information and is an effective marketing tool for exhibitors whilst also endorsing the value of our competitions.

The RAS Foundation handed Scholarships to sixty-four appreciative recipients, demonstrating our commitment to building strong rural communities through education and community development. Community Grants were awarded to assist re-building showgrounds and community halls amongst other things, helping sustain the sense of community we value and encourage.

The RAS Council and Board generously volunteer their time and expertise all year and I would like to thank them for the support and assistance they provide to the Society. I would also like to thank the entire staff and teams of volunteers who work side-by-side to ensure the success of all the RAS undertakes.

The RAS is a member-based organisation, and so my final thanks for the year go to the Members and key stakeholders. We can only continue to forge the future of agriculture with your support and I thank you for allowing this to carry on.

A handwritten signature in black ink that reads "Robert M. Ryan".

**Robert Ryan OAM**, President  
Royal Agricultural Society of NSW

## ROYAL AGRICULTURAL SOCIETY OF NSW

The core objective of the RAS is to support sustainable agricultural development and rural communities in NSW. In 2016/17, the RAS invested over \$6 million in activities, competitions and programs that supported the core objectives of promoting agricultural excellence and keeping our rural communities strong.

### AGRICULTURAL DEVELOPMENT

The Sydney Royal Easter Show hosted agricultural education activations that engaged over 400,000 patrons – Food Farm, Farmyard Nursery, Cattle Experience, Horse Experience, Milking Barn, Yard Dogs and the Natural Fibre Fashion Parade. In addition, more than 12,000 school students came through the Sydney Royal Easter Show 2 day Program and Teacher Professional Development was delivered to 50 Secondary and 30 Primary school teachers. A Memorandum of Understanding was signed between The Primary Industries Education Foundation Australia (PIEFA), Department of Primary Industries (DPI) and RAS Ag Dev to develop teacher professional development program 'Knowing and Growing'.

Maisie Morrow, Merriwa, won the 2017 The Land Sydney Royal Showgirl Competition and enjoyed an abundance of opportunities to network, learn and develop friendships, along with her fellow finalists. The Rural Women's Network addressed all Showgirl finalists to develop further links to our Alumni. Eight future leaders in agriculture gathered as the RAS Rural Achievers and made the most of this intense program. Emily Clapham from Ilford was nominated as RAS Ambassador to represent NSW at the National Rural Ambassador Awards.

In further recognition of the valued role RAS Agricultural Development holds, 600 students and 80 teachers attended AgVision in July. In total 41 schools were represented during the day at Sydney Showground and AgVision was endorsed by the NSW Education Standards Authority as a Teacher Professional Development Event. The importance of agriculture as a viable career option was reinforced by 50 workshops and 100 presenters.

RAS Agricultural Development presented to the Council of Agricultural Deans in Canberra and shared our resources and programs. The NSW Primary Principals Conference was another opportunity to create awareness around RAS education resources. Joining 80 teachers from the Catholic Education Office, Department of Education and Australian Independent Schools at Teacher Professional Development, resources were developed by our education programs that were requested for distribution by the NSW Education Standards Authority.

### SYDNEY ROYAL

It was an incredible period for Sydney Royal competitions, with record numbers of entries in three competitions and consistently high numbers across all competitions.

The Sydney Royal Cheese & Dairy Produce Show received 811 entries across 106 classes, including 324 entries in the cheese categories. Gelato received 72 medals from the 97 entries presented.

The highest ever quality of oysters were presented to the Aquaculture judging panel at the Sydney Royal Fine Food Show, with 99 medals awarded, including 32 Gold.

The high standard expected was reinforced at the Sydney Royal Coffee Show, with only one Gold medal awarded from 301 entries.

The Sydney Royal Professional Bakery Competition received 348 entries from professional bakers and awarded 182 medals.

The Callebaut Sydney Royal Chocolate Show received its highest number of entries so far, 132 submitted for judging, and four receiving coveted Gold medals.

The KPMG Sydney Royal Wine Show welcomed international guest judge Mark Pygott (Master of Wine) who also acted as a voice for the Sydney Royal Wine Show throughout Asia Pacific. With well over 100 Gold medals awarded, it was an opportunity to showcase Australian wines to an international judge and garnered positive reaction throughout the wine industry.

The Sydney Royal Beer & Cider Show was another competition to receive its highest number of entries, 225 submitted to judging, reflecting ongoing interest and growth. This year a new category was awarded, Champion Experimental Beer, in order to encourage brewers to embrace creativity without the constraints of specific styles.

The Taste of Excellence Awards night was a sell-out event, held in The Stables. Attendees shared in the excitement as 119 Gold, 432 Silver and 412 Bronze medals were awarded for Beef, Lamb, Chocolate, Beer & Cider, Deli Meats, Regional Food, Pasta, Olive Oil and for the very first time, Pork. Although entry numbers were low in the new Pork competition, one entrant was successful enough to be nominated for President's Medal.

The 11th Annual President's Medal function took place at the Sydney Royal Easter Show, following a new timeline that works more cohesively with the timings of results from Sydney Royal Competitions. The Medal was awarded to olive oil producer Cobram Estate, resulting in publicity opportunities, media and industry noise. Olive Oil saw the highest number of entries on record this year, 183, suggesting the success of Cobram Estate re-awakened industry interest and drove progression in the quality being produced.

### OPERATIONS

As part of our focus on talent development, we have invested in 'emerging leaders' from across all business units. This program assists participants in acquiring management capability in a safe and secure environment. The meetings are conducted according to 'Chatham House Rule' and subscribe to 70/20/10 adult learning - 70% learning on the job, 20% learning from others, 10% learning via training.

The RAS Wellness program was launched to facilitate wellbeing through a series of informative fact sheets, support documents, emails & webinars.

Weekly Payroll was consolidated into fortnightly, resulting in 52 less payroll runs per year and a saving on IT storage resources.

The Heritage Department held the 2nd Annual Heritage Collection Workshop at the Sydney Royal Easter Show, inviting representatives from all regional Shows to attend and learn more about looking after their own collections. The Heritage team went out to Hawkesbury Showground and assisted with the cataloguing, preserving and storage of their valuable heritage collection.

The Perpetual Trophy collection was launched on the RAS website making all trophies, their history and their winners publicly available year round.



## SYDNEY ROYAL EASTER SHOW

Welcoming over 922,000 Showgoers, this year we easily eclipsed the attendance at every Show since 2004, a remarkable achievement for all involved. The combination of school holidays, brilliant weather and new attractions obviously played a role, along with the continued interest from 'the city' wanting to experience a day with 'the country'.

### COMPETITIONS

30,682 catalogued entries were received for Sydney Royal Easter Show competitions and a total of 23,000 Trophies, Certificates and Medals were awarded. Nineteen international judges were welcomed to Competitions including International Floral Design Judge, Gregor Lersch; Ho Nai Yue from Singapore judging the Showjumping; Mrs Barbara Müller (Switzerland), Mr Harto Stockmari (Finland), Mr Dan Ericsson (Sweden) and Mr Ricardo Torre-Simoes (Brazil) for the Dog Show.

Feature breeds in 2017 included Limousin cattle, Dorper and White Dorper sheep and Sussex poultry.

Woodchop was once again one of the stars of the Show, with a 15 per cent increase in entries on last year and a 40 per cent increase in competitors and entries over the last ten years. Fifty-four per cent of Show visitors experienced woodchop.

The District Exhibits Perpetual Shield was awarded to South East Queensland for the first time in Show history whilst Western District Court Organiser and long-time member of the Show family Tom Dwyer was named 2017 Show Legend. The Schools District Exhibits Display Competition was won by Hurlstone Agricultural High School for the third year in a row.

### COMMERCIAL

Sponsorship revenue has grown again and came in over budget, a total exceeding \$3,000,000 was provided by Woolworths and Unilever (both in the first year of renewed 3-year terms), Dairy Farmers, Coca-Cola Amatil, Destination NSW, Steggles, Department of Primary Industries, Tyrell's Wines, NRMA Motoring & Services, and other partners.

This year we also welcomed Toyota, NRL State of Origin, nbn™, BaptistCare and Cobs Popcorn to the Show.

### COVERAGE

More than 12,000 news mentions were achieved prior to and during the Show (press, broadcast and online). A number of new selling points were available to the media, including Little Hands on the Land, The Stables, Heritage Pavilion and the novelty Show food (Lasagne on a Stick).

A blogger engagement campaign was launched, targeting single income, no kids (SINKS) and double income, no kids (DINKS) via

The Stables, bars and eateries. This influencer engagement strategy created awareness around gourmet food and wine activations and received outstanding engagement (ranging from 800 – 4,900 likes). The Show recorded a 90.2 per cent increase in social media mentions on last year. Social influencers have become allies to help promote online through blogs, Facebook, Instagram and Twitter. Our website eastershow.com.au had 25 million page views.

### NEW ATTRACTIONS

The RAS has always been very proud of its history and in line with this, for the first time, visitors were able to wander back in time through the Heritage Pavilion where iconic trophies, decades-old sample bags and other Show mementos were on display.

The Stables was established as the on-trend dining venue, hosting upmarket food outlets and two bars in both stool-and-table and lounge settings. The revamp of The Stables was a 12-month project which formed part of the RAS mission to stay contemporary while not compromising on almost 200 years of storytelling and Australian agriculture. So successful was the result, The Stables was recognised as 'Best New Innovation in Food and Beverage' (attendance under 1 million) at the International Association of Amusement Parks and Attractions (IAAPA) Brass Ring Awards held in Florida, beating international finalists including the Pacific National Exhibition in Canada and Walibi Rhône-Alpes in France.

In total 26,620 junior farmers visited the Little Hands on the Land activation. This brand-new activation was designed to educate children on the farming process, display animals in a natural environment and enhance the agricultural experience. The young visitors picked more than 70,000 apples, collected over 26,000 eggs, enjoyed at least 4,500 pony barrel races and plowed approximately 1,700km of fields. Nevertheless, most importantly, these kids and their families understood and valued how their food is grown, processed and then distributed during this 'crop to shop' journey.





## SYDNEY SHOWGROUND

Sydney Showground is the venue and event management business of the Royal Agricultural Society of NSW (RAS). The world-class site experienced an exceptional year, winning prestigious industry awards and hosting an incredible variety of major national and international events.

A total of 197 events were conducted during the 2016/17 financial year, including 37 sporting events, 31 exhibitions, 28 conferences, 22 dinners, lunches and cocktail functions, as well as 14 festivals, concerts and dance parties.

Among the new events held at Sydney Showground over the 2016/17 year were the GABS Beer & Cider Festival and The Man Cave Experience. Return events included Supanova, Travel Expo, Sydney Home Show, Mind Body Spirit Festival and AIMEX. International events of note were the Maruti Suzuki International Dealer Incentive, Sheung Hei International Gala Dinner and the Asian Paints Incentive Dinner. A focus on international incentive business will continue, along with a strong push for Sydney Showground's profile as an international venue.

### AWARD-WINNING VENUE

Sydney Showground was recognised for excellence during the 2016/17 financial year, celebrating with industry awards and recognition. In March, Sydney Showground won the Meetings & Events Australia (MEA) State Banqueting & Catering Award, following that with top honours in May at the Meetings & Events Australia (MEA) National Industry Awards, being named the nation's best. The Sydney Showground team also collected the Corporate Social Responsibility Award at the MEA event. The MEA Industry Awards recognise best business practice and excellence in the Meetings & Events Industry.

### SPORTING SUCCESS

Sydney Showground hosted the Western Sydney Wanderers for the first time in the 2016/17 financial year, adding football to the sporting mix that also includes Australian Rules (Greater Western Sydney Giants) and Cricket (Sydney Thunder). Spotless Stadium has firmed its position as the home of professional sports in Sydney and has been in operation as a sporting venue for twelve months of the year. A total crowd figure of 290,191 fans attended matches at the ground, including a record AFL crowd of 21,924 for the Giants versus Sydney Swans match in July.

### INVESTING IN THE FUTURE

Sydney Showground undertook major projects, at the cost of over \$1.1 million across kitchen facilities, roofing, air-conditioning and lighting. Wi-Fi capability across the Dome and Exhibition Halls was improved, with a \$700,000 investment, firming the position as a venue of choice in the exhibition space. A new multi-pour beer system was introduced, making Sydney Showground the first business in the Southern Hemisphere to utilise this system. The fast pour system has the potential to increase productivity and sales by more than 60 per cent. More multi-pour and fast-pour systems will be rolled out along with new pop-up catering outlets.

## ROYAL AGRICULTURAL SOCIETY OF NSW FOUNDATION

The Royal Agricultural Society of NSW (RAS) Foundation was created in 2007 with a mission to help build strong and sustainable rural and regional communities through education and community development. This year the RAS Foundation is celebrating its 10-year anniversary.

Together with the generous donations from our supporters, the RAS Foundation has invested over \$2.86 million into country NSW through a range of targeted grants and scholarships. This includes support of over 300 rural scholarship students to reach their educational dreams and the awarding of vital community building grants in 37 communities.

### GRANTS AND SCHOLARSHIPS 2016/17

RAS Foundation Rural Scholarships assist students who demonstrate a passion for rural issues and who are committed to playing a part in shaping the future of rural and regional NSW. Providing a financial helping hand to achieve their education goals and aspirations, these scholarships are open to students of any age and embrace a diverse range of tertiary or vocation, education and training studies.

In 2016/17, the RASF distributed 64 individual Rural Scholarships, totaling over \$320,000, to assist an incredible collection of students living in rural areas to achieve their tertiary goals. Scholarship recipients study a broad range of subjects that will make a difference in their communities. We have assisted ten students studying Veterinary Science, one Dental Science student and eight completing Education Studies with ambitions to address the teacher shortage throughout regional NSW. Our Scholarship recipients also include future Physiotherapists, Wool Classers, Mechanical Engineers, Journalists and Animal Geneticists.

The Sydney Royal Wine Scholarship encourages and supports students who demonstrate passion, strong leadership qualities

and who are committed to making a contribution to the Australian wine industry. For the first time ever, a runner-up scholarship was awarded due to the high quality of scholarship applicants. Hannah McKay from the Margaret River region was the winner, with the Clare Valley's Nicholas Conolly named as runner-up. This year also saw the awarding of a new Scholarship, the result of a partnership between the RASF and the Sydney Royal Wine Committee. Funded by proceeds from the Wine Sale, the successful applicant received a fully paid position at the Australian Wine Research Institute's Advanced Wine Assessment Course in Adelaide. The inaugural Scholarship was awarded to Tom Colman from Blackheath in the Blue Mountains. The Sydney Royal Dairy Produce Scholarship was presented to Veterinary Science student Elizabeth Tonge from Casino, to support her passion for the dairy produce industry.

### COMMUNITY PROGRAMS

RAS Foundation Community Futures Grants encourage and champion rural leadership by providing each successful grant applicant up to \$25,000 to fund a community project that addresses a need or issue in their local community. Projects that once complete will result in enhanced social and economic outcomes for the wider community. In 2016/17 Grants were given to five very different groups in Dungog, Kyogle, Burren Junction, Coonabarabran and Walgett.

The RASF Community Kitchen Grant was awarded to Boggabri Showground and Public Reserve Trust, whilst the runner-up, Mendooran Pastoral, Agricultural & Horticultural Association received new appliances donated by Euromaid.

### AG BAG

The RASF raised over \$70,000 through the Ag Bag fundraising initiative at the 2017 Sydney Royal Easter Show. All products inside the bags were made by Australian farmers, in Australia, and the success of the bags has ensured they will be back again at the 2018 Sydney Royal Easter Show.

# RAS BOARD MEMBERS RAS COUNCILLORS

As at 30 September 2017

As at 30 September 2017



Robert M Ryan OAM,  
*President\**



Greg D Andrews\*



James Angus



Glen Best\*



Lachlan B Bowtell



John G Bryson\*



Joseph Byrnes



Christopher P Carter



Robyn Clubb



Geoff R Cochrane



Stephen G Dadd



Brock E Gilmour,  
*Chief Executive*



Geoff W Bell



Scott V Davenport



David M Davidson\*



Stuart J B Davies\*



Ellen M Downes



Sally P Evans\*



John E Fairley



Janie M Forrest



Warwick B Giblin



Alison J Hamilton



Sharon L Hannigan



John C Bennett OAM



Alison M Kirk+\*



Elizabeth A Hastings



Charlie A Hooke



Evan E Hughes



Gary R Johnston



Kerry Little



Adam W Lucas\*



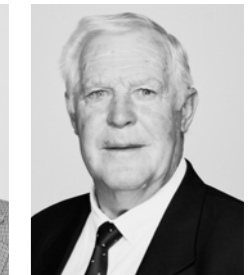
Michael MacCue



Duncan F Macintyre



Geoffrey W Mason



Kevin J Mathie



Michael J Millner



Denise E Ovens\*



Yvette G McKenzie



Lyndey S Milan OAM+\*



Marianne Paynter



Rowena L Petrie



William (Bill) A Picken



Alastair J Rayner



Gary R Reid\*



Kathy Reidy



Alison A Renwick\*



Adrian K Saines



Grahame N Sharpe,  
*Treasurer*



Hunter B White+



Mark A Schembri\*



Sam J Walker\*



Greg R Watson\*



Kate E Wickson\*



Claudia A Wythes



Robert A Zammit

+Vice-President  
\*Committee Chair

## RAS EXECUTIVE MANAGEMENT TEAM

As at 30 September 2017



**BROCK GILMOUR**  
*Chief Executive*

Oversees all activities conducted by the RAS  
Business strategy and development  
Council and corporate affairs  
Government and stakeholder relations  
Legal Services



**MURRAY WILTON**  
*General Manager, Agriculture & Sydney Royal Easter Show*

Overseeing management of the Sydney Royal Easter Show  
Agricultural education and Sydney Royal Competitions  
RAS Heritage  
Marketing, PR, Digital and Commercial  
Sydney Royal Easter Show Operations and Entertainment



**RONALD LEE**  
*General Manager, Finance & Administration*

Financial Management and Reporting  
Information Technology  
Membership  
Australasian Animal Registry  
Overseeing Competitions Administration  
General Administration of the RAS



**PETER THORPE**  
*General Manager, Sydney Showground*

Venue, facilities and asset management  
Event planning  
Security and risk management  
Sydney Showground revenue sales  
Event operations  
Food and beverage

## RAS COUNCIL

As at 30 September 2017

The RAS Council is the governing body of the Royal Agricultural Society of NSW, made up of Office Bearers who are elected at the RAS Annual General Meeting. The RAS Council consists of 54 Councillors who serve the RAS on a voluntary basis. Their areas of expertise cover a broad array of rural, business and professional skills.

The Board is a Committee established by Council. Board Members are elected by the RAS Council. While the RAS Board assumes most of the responsibilities that would apply to any other corporate Board, it is not the peak body of the RAS. The Board is answerable to the Council, and the Council is answerable to RAS Members.

### HONORARY OFFICE BEARERS

#### Patron

His Excellency General The Hon. David Hurley AC DSC (Retd)  
Governor of New South Wales

#### Vice Patron

Mr G B Dudley OAM

### OFFICE HOLDERS

#### President

Mr R M Ryan OAM

#### Treasurer

Mr G N Sharpe

#### Vice Presidents

Ms A M Kirk  
Ms L S Milan OAM  
Mr H B White

### BOARD MEMBERS

Mr R M Ryan OAM  
Mr G W Bell  
Mr J C Bennett OAM

Ms A M Kirk  
Mr M J Millner  
Ms D E Ovens

Mr G N Sharpe  
Mr H B White  
Mr B E Gilmour, Chief Executive

### OFFICE BEARERS

Mr G D Andrews  
Mr J Angus  
Mr G W Bell  
Mr J C Bennett OAM  
Mr G Best  
Mr L B Bowtell  
Mr J G Bryson  
Mr J Byrnes  
Mr C P Carter  
Mrs R Clubb  
Mr G R Cochrane  
Mr S G Dadd  
Mr S V Davenport  
Mr D M Davidson  
Mr S J B Davies  
Dr E Downes  
Ms S P Evans  
Mr J E Fairley

Ms J M Forrest  
Mr W B Giblin  
Mrs A J Hamilton  
Ms S L Hannigan  
Ms E A Hastings  
Mr C A Hooke  
Mr E E Hughes  
Mr G R Johnston  
Ms A M Kirk  
Mrs K Little  
Mr A W Lucas  
Mr M MacCue  
Mr D F Macintyre  
Mr G W Mason  
Mr K J Mathie  
Ms Y G McKenzie  
Ms L S Milan OAM  
Mr M J Millner

Ms D E Ovens  
Mrs M Paynter  
Ms R L Petrie  
Mr W A Picken  
Mr A J Rayner  
Mr R G Reid  
Mrs K Reidy  
Ms A A Renwick  
Mr R M Ryan OAM  
Mr A K Saines  
Dr M A Schembri  
Mr G N Sharpe  
Mr S J Walker  
Mr G R Watson  
Mr H B White  
Mrs K E Wickson  
Ms C A Wythes  
Dr R A Zammit

#### Chief Executive

Mr B E Gilmour

#### General Manager Finance & Administration

Mr R Lee

#### Auditors

Ernst & Young

## CORPORATE GOVERNANCE STATEMENT

The Royal Agricultural Society of NSW (the RAS) is a not-for-profit organisation that began in 1822 as an unincorporated agricultural association. On 13 November 1869 the RAS was incorporated in Australia under 'The Agricultural Society of New South Wales Act' under the New South Wales Parliament. Through Royal Assent in 1891, the prefix 'Royal' was added and became the 'Royal Agricultural Society of NSW'. Its constitution is the Act and the Rules that are from time to time amended by the Council. The key stakeholders are the Members. The governing body is a Council whose members are elected at the annual general meeting of the Members.

The Board is a Committee established by the Council and as such it is not the peak body of the RAS. While it has most of the responsibilities under the Rules of a normal corporate Board it is answerable to the Council and the Council is answerable to the Members. The Board members are elected by the Council.

The Council and Board of the RAS have adopted a formal statement on the corporate governance framework and policies of the RAS. This statement is subject to annual review and includes:

- The roles and responsibilities of the Council, Board and Management.
- The composition and size of the Board. The Council and Board members are listed in the annual report. The only executive member is the Chief Executive.
- A code of conduct for the Council, Board members and Management.
- An Audit Committee of the Board ensures the RAS remains committed to financial integrity in its reporting.
- The Board is responsible for reviewing and publishing the annual report to Members in a timely and informative manner.
- The Board and Management ensure that the Members' rights are protected and that the Members are kept informed.
- The Board oversees the review and establishment of appropriate risk management policies for the RAS activities.
- The performance of the Board is self-assessed annually and the performance of the Management is reviewed annually by the Remuneration Committee of the Board.
- Councillors and Board members serve without remuneration and staff remuneration is reviewed annually by the Remuneration Committee of the Board.
- Board and Council ensure the RAS continues to develop long term plans that will enhance the RAS objectives and take advantage of growth opportunities.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2017

	Note	2017 (\$'000's)	2016 (\$'000's)
<b>Revenue</b>			
Members' Subscriptions		1,435	1,426
Ground Operations, Building & Space Rentals		40,867	38,510
Gate Receipts		19,874	15,721
Sponsorships & Donations		4,356	4,132
Entry Fees & Commissions		3,409	3,200
Interest		327	307
Other Revenue		1,635	1,746
<b>Total Revenue</b>		<b>71,903</b>	<b>65,042</b>
<b>Expenses</b>			
Sydney Royal Easter Show		18,299	18,189
Operations		35,484	33,596
Administration		10,931	10,827
Depreciation and Amortisation	11	1,697	1,852
Interest Expenses		63	96
Donations to the RAS of NSW Rural Fund		260	260
<b>Total Expenses</b>		<b>66,734</b>	<b>64,820</b>
<b>Surplus Before Tax</b>		<b>5,169</b>	<b>222</b>
<b>Income Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Surplus After Tax</b>		<b>5,169</b>	<b>222</b>
<b>Other Comprehensive Income (Net of Tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>5,169</b>	<b>222</b>

The accompanying notes form part of this financial report.



## STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Note	2017 (\$'000's)	2016 (\$'000's)
<b>CURRENT ASSETS</b>			
Cash – Bank and on Hand		6,250	2,322
Cash – Reserves, Trust & Endowment Funds		10,367	10,127
Trade and Other Receivables	5	5,855	3,730
Inventories	6	313	346
Prepayments	7	819	445
<b>TOTAL CURRENT ASSETS</b>		<b>23,604</b>	<b>16,970</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	11	20,365	21,498
<b>TOTAL NON-CURRENT ASSETS</b>		<b>20,365</b>	<b>21,498</b>
<b>TOTAL ASSETS</b>		<b>43,969</b>	<b>38,468</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	3,429	4,340
Provisions	9	1,928	1,836
Deferred Revenue	10	10,107	8,921
<b>TOTAL CURRENT LIABILITIES</b>		<b>15,464</b>	<b>15,097</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	12	-	965
Provisions	13	312	276
Deferred Revenue	14	1,180	292
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,492</b>	<b>1,533</b>
<b>TOTAL LIABILITIES</b>		<b>16,956</b>	<b>16,630</b>
<b>NET ASSETS</b>		<b>27,013</b>	<b>21,838</b>
<b>EQUITY</b>			
Retained Earnings		16,646	11,711
SRES Interruption Reserve		9,250	9,031
Maintenance Reserve		616	601
Trust & Endowment Funds		501	495
<b>TOTAL EQUITY</b>		<b>27,013</b>	<b>21,838</b>

The accompanying notes form part of this financial report.

## STATEMENT OF CASH FLOWS

For the year ended 30 September 2017

	2017 (\$'000's)	2016 (\$'000's)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers & Members	71,544	65,983
Payments to Suppliers & Employees	(66,135)	(63,525)
Repayment for the Major Repair Fund	(1,000)	(1,000)
Interest Received	313	306
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,722</b>	<b>1,764</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant & Equipment	(564)	(970)
Proceeds from Sale of Property Plant & Equipment	4	8
Proceeds from Bequests and Endowments	6	11
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(554)</b>	<b>(951)</b>
<b>NET INCREASE IN CASH ASSETS</b>	4,168	813
Add opening Cash Assets Brought Forward	12,449	11,636
<b>CLOSING CASH ASSETS CARRIED FORWARD</b>	<b>16,617</b>	<b>12,449</b>
<b>RECONCILIATION WITH OPERATING EARNINGS</b>		
Total Comprehensive Income	5,169	222
Depreciation - Plant & Equipment	1,697	1,852
Profit on Disposal of Property, Plant & Equipment	(4)	(12)
<b>CHANGE IN ASSETS AND LIABILITIES</b>		
(Increase)/Decrease in Receivables	(2,125)	550
(Increase)/Decrease in Inventory	33	(68)
Increase in Prepayments	(374)	(49)
Decrease in Payables	(1,876)	(1,639)
Increase in Deferred Revenue	2,074	709
Increase in Provisions	128	199
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>4,722</b>	<b>1,764</b>
<b>CASH ASSETS COMPRISE</b>		
Cash – Bank and on Hand	6,250	2,322
Cash – Reserves, Trust and Endowment Funds	10,367	10,127
	<b>16,617</b>	<b>12,449</b>

The accompanying notes form part of this financial report.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

	Retained Earnings (\$'000's)	SRES Interruption Reserve (\$'000's)	Maintenance Reserve (\$'000's)	Trust & Endowment Funds (\$'000's)	Total Equity (\$'000's)
<b>As at 30 September 2015</b>	<b>11,750</b>	<b>8,786</b>	<b>585</b>	<b>484</b>	<b>21,605</b>
Bequests & Endowments	-	-	-	11	11
SRES Interruption Reserve	(245)	245	-	-	-
Maintenance Reserve	(16)	-	16	-	-
Total Comprehensive Income for the Year	222	-	-	-	222
<b>As at 30 September 2016</b>	<b>11,711</b>	<b>9,031</b>	<b>601</b>	<b>495</b>	<b>21,838</b>
Bequests & Endowments	-	-	-	6	6
SRES Interruption Reserve	(219)	219	-	-	-
Maintenance Reserve	(15)	-	15	-	-
Total Comprehensive Income for the Year	5,169	-	-	-	5,169
<b>As at 30 September 2017</b>	<b>16,646</b>	<b>9,250</b>	<b>616</b>	<b>501</b>	<b>27,013</b>

The accompanying notes form part of this financial report.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2017

## 1. INCORPORATION

The Royal Agricultural Society of NSW ("the RAS" or "the Society") began in 1822 as an unincorporated agricultural association. On 13 November 1869 the RAS was incorporated in Australia under 'The Agricultural Society of New South Wales Act' under the New South Wales Parliament. Through Royal Assent in 1891, the prefix 'Royal' was added and became the 'Royal Agricultural Society of NSW'.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial report is a special purpose financial report that has been prepared for distribution to the Members to fulfil the directors' financial reporting requirements under the Rules of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012*. The accounting policies used in the preparation of this financial report, as described below, are consistent with the previous years, and are, in the opinion of the directors, appropriate to meet the needs of the Members and the *Australian Charities and Not-for-Profits Commission Act 2012*.

Accordingly, the financial report has been prepared in accordance with the measurement requirements of applicable Australian Accounting Standards and other mandatory professional reporting requirements. It contains the disclosures that are mandatory under the Australian Accounting Standards and those considered necessary by the directors to meet the needs of the Members.

The financial report complies with Australian Accounting Standards, which includes Australian equivalents to International Financial Reporting Standards (AIFRS). The Councillors have prepared the financial report with only those disclosures considered necessary to meet the needs of the users. Some AIFRS and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements, including Australian Accounting Standards AASB 102 Inventories, AASB 116 Property, Plant and Equipment, AASB 136 Impairment of Assets and AASB 1004 Contributions.

The financial report is presented in Australian dollars (\$).

### (b) New Accounting Standards and Interpretations

#### (i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year.

#### (ii) Accounting standards and interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Society for the annual reporting period ended 30 September 2017. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the RAS).

### (c) Cash At Bank and On Hand

For the purposes of the Cash Flow Statement, cash includes cash on

hand, in banks, in cash funds and commercial bills readily converted to cash within 3 months or less.

### (d) Investments

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

#### (i) Recognition and de-recognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Society commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

#### (ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Society has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

### (e) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An assessment for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

### (f) Inventories

Inventories represent food and beverage stock and have been valued at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises the cost of the purchase including the costs of bringing the inventories to location.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2017 (continued)

## (g) Property, Plant and Equipment

### Cost

Property, plant and equipment are carried at cost. These assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount assets are written down.

### Depreciation

Depreciation on the administration building is provided on a straight-line basis over a period of 50 years, which commenced on 1 October 1998. Other items of property, plant & equipment are depreciated at rates based on their economic lives, using the straight-line method. Depreciation and amortisation are reviewed annually to determine useful life. The following estimates of useful lives are used in the calculation of depreciation:

	2017	2016
Buildings	50 years	50 years
Site Improvements	13 to 40 years	13 to 40 years
Plant & Equipment	3 to 10 years	3 to 10 years
Computer & Office Equipment	2 to 5 years	2 to 5 years
Motor Vehicles	5 years	5 years
Heritage Assets	Not depreciated	Not depreciated

### Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. For property, plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income.

## (h) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Society.

Other financial liabilities, including loans payable, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

## (i) Revenue Recognition

Sydney Royal Easter Show (the SRES) operation revenue, including ground operations, rentals, entry fees and commissions, is recognised based on contract periods and when amounts fall due under the terms of the contract.

Sydney Showground revenue, including ground operation, rentals and commissions, is recognised at the time the event occurs.

Gate receipts revenue is recognised at the time the event occurs.

Sponsorship and donation revenue is recognised when the right to receive payment is established.

Membership revenue is recognised in the year to which it relates.

Interest revenue is recognised on an accrual basis.

Revenue and expense include 'sponsorship contributions in kind'. All significant sponsorship contributions in kind are recorded as income using the estimated fair value or the cost of the goods or services utilised. The corresponding charge for these amounts is recorded as an expense. Sponsorship contributions in kind relate primarily to advertising, accommodation and equipment hire.

## (j) Employee Entitlements

Provision is made for long service leave and annual leave estimated to be payable to employees on the basis of statutory and contractual requirements. The amounts provided have been apportioned between current and non-current, the current provision being the portion that is expected to be settled wholly within the next twelve months. Entitlements greater than twelve months are discounted based on an appropriate discount rate. Payroll on-costs associated with leave entitlements are recognised as liabilities.

The employer superannuation contributions for salaried staff are paid to ANZ SmartChoice Employer Super or another fund chosen by the employee. Contributions for other staff are paid to a number of Industry Superannuation Funds.

## (k) Leased Assets

Operating lease payments are expensed to the Statement of Comprehensive Income in the periods in which they are incurred. All of the RAS's leases are operating leases.

## (l) Reserves & Cash – Reserve, Trust and Endowment Funds

In June 2004 the Board of the RAS approved the creation of the SRES Interruption Reserve. The reserve is available for use in the case

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2017 (continued)

of serious interruptions to revenue from the Sydney Royal Easter Show and will ensure a continuation of business without a reliance on borrowing or operating funds.

In September 2011 the Board of the RAS approved the creation of the Maintenance Reserve. The reserve is available for use in the maintenance and development of the Showground site outside the Major Repair Fund program.

The balances of the SRES Interruption Reserve and Maintenance Reserve will be reviewed annually. Board approval is required for any decision in relation to the two Reserves.

Cash – Reserve and Endowment Funds asset includes the cash balances of the SRES Interruption Reserve, Maintenance Reserve and Trust and Endowment Funds. The SRES Interruption Reserve and Maintenance Reserve cash balances can only be utilised in the circumstances outlined above and by decision of the Board of the RAS.

## (m) Rounding

The financial statements have been rounded to the nearest thousand dollars.

## (n) Income Tax

The RAS is exempt from income tax under section 50-105 of the Income Tax Act of Australia of 1997.

## 3. MAJOR REPAIR FUND

On 27 September 1996 the RAS entered into a lease over the Showground and Administration Building for a period of 99 years with a further 99 year option. Under this lease and commencing from 1 September 2000, the Sydney Olympic Park Authority ('SOPA') is obliged to make annual payments to a Major Repair Fund (MRF), which is sourced from the payment made by the RAS. The payment is calculated based on a percentage of the SRES revenue and a percentage of the turnover from other activities. Dependent upon certain terms and conditions, this obligation is approximately \$3.0 million per annum.

At the end of the financial year the total amount paid by the RAS to SOPA was \$3,041,041 (2016: \$2,982,000), the majority of this amount was contributed to the Major Repair Fund based on the terms and conditions of the lease agreement. During the year, a fourth repayment of \$1,000,000 was made to the \$5,000,000 interest free advance from 2013 for the construction of an exhibition hall. In addition to the repayment, RAS utilised \$3,045,687 (2016: \$2,698,443) on various approved major repair projects.

The balance of the Major Repair Fund at 30 September 2017 was \$13,695,567 (2016: \$11,926,548). This cash balance is held by SOPA for the purpose of significant repairs and structural alterations in respect of the Sydney Showground.

	2017 (\$'000's)	2016 (\$'000's)
<b>4. DISPOSAL OF ASSETS</b>		
Proceeds from the disposal of assets	4	12
Written down cost of assets	-	-
Profit on disposal of assets	<b>4</b>	<b>12</b>

<b>5. TRADE AND OTHER RECEIVABLES (CURRENT)</b>		
Trade Debtors	5,924	3,751
Less Provision for Doubtful Debts	(69)	(21)
	<b>5,855</b>	<b>3,730</b>
<b>Movement in provision for doubtful debts</b>		
Balance at beginning of year	(21)	(288)
Movement during the year	(48)	267
Balance at the end of the year	<b>(69)</b>	<b>(21)</b>

<b>6. INVENTORIES (CURRENT)</b>		
Stock at cost	<b>313</b>	<b>346</b>

<b>7. PREPAYMENTS (CURRENT)</b>		
Prepaid Insurance	135	148
Prepaid Other	684	297
	<b>819</b>	<b>445</b>

<b>8. TRADE AND OTHER PAYABLES (CURRENT)</b>		
Trade Creditors	576	1,111
GST Payable (Net)	94	132
Accruals	1,625	1,792
Loans Payable	965	932
Other	169	373
	<b>3,429</b>	<b>4,340</b>

<b>9. PROVISIONS (CURRENT)</b>		
Long Service Leave	939	854
Annual Leave	982	975
Public Liability Claims	7	7
	<b>1,928</b>	<b>1,836</b>

<b>10. DEFERRED REVENUE (CURRENT)</b>		
Prepaid Membership Fees	476	486
Prepaid Exhibition Rent, Bonds and Disbursements	9,267	8,022
Other Deferred Revenue / Contribution	364	413
	<b>10,107</b>	<b>8,921</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2017 (continued)

11. PROPERTY, PLANT AND EQUIPMENT	2017 (\$'000's)	2016 (\$'000's)
<b>Capital work in progress</b>	<b>21</b>	<b>40</b>
Administration Building, Sydney Olympic Park	6,440	6,440
Less Accumulated Depreciation	(2,447)	(2,319)
	3,993	4,121
Site Improvements	14,673	14,673
Less Accumulated Depreciation	(2,285)	(1,819)
	12,388	12,854
Plant and Equipment	15,296	14,969
Less Accumulated Depreciation	(11,752)	(10,983)
	3,544	3,986
Computer & Office Equipment	1,556	1,680
Less Accumulated Depreciation	(1,425)	(1,501)
	131	179
Motor Vehicles	815	793
Less Accumulated Depreciation	(609)	(557)
	206	236
Heritage Collection	82	82
Less Accumulated Depreciation	-	-
	82	82
<b>Property Plant and Equipment at net book value</b>	<b>20,344</b>	<b>21,458</b>
<b>Total Property Plant and Equipment</b>	<b>20,365</b>	<b>21,498</b>

## Reconciliation of Carrying Amounts

Property, Plant & Equipment	Admin. Building (\$'000's)	Site Improvements (\$'000's)	Plant & Equipment (\$'000's)	Computer & Office Equipment (\$'000's)	Motor Vehicles (\$'000's)	Heritage Collection (\$'000's)	Total (\$'000's)
At Cost	6,440	14,673	15,296	1,556	815	82	38,862
Less Accumulated Depreciation	(2,447)	(2,285)	(11,752)	(1,425)	(609)	-	(18,518)
	3,993	12,388	3,544	131	206	82	20,344
Reconciliation of Carrying amounts							
Carrying amount at start of year	4,121	12,854	3,986	179	236	82	21,458
Capital Additions	-	-	474	73	36	-	583
Capital Disposals	-	-	-	-	-	-	-
Depreciation expense	(128)	(466)	(916)	(121)	(66)	-	(1,697)
Carrying amount at end of year	3,993	12,388	3,544	131	206	82	20,344

The Administration Building at Sydney Olympic Park was valued in January 2014 by an independent valuer, CB Richard Ellis. The valuation amounted to \$14,800,000 based on a discounted cash flow analysis over a 10 year period of net rental income and re-sale value at the beginning of the 11th year.

# NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

For the year ended 30 September 2017 (continued)

	2017 (\$'000's)	2016 (\$'000's)
<b>12. PAYABLES (NON-CURRENT)</b>		
Loans Payable	-	965
<b>13. PROVISIONS (NON-CURRENT)</b>		
Long Service Leave	312	276
<b>14. DEFERRED REVENUE (NON-CURRENT)</b>		
Prepaid Membership Fees	210	262
Prepaid Exhibition Rent, Bonds and Disbursements	970	-
Deferred Contribution	-	30
	<b>1,180</b>	<b>292</b>

The deferred contribution arises as a result of the interest free advance from the Major Repairs Fund described in Note 3.

15. COMMITMENTS AND CONTINGENCIES		
<b>Operating Lease Commitments</b>		
Non-cancellable operating leases contracted but not capitalised in the financial statements.		
Payable:		
-not later than 1 year	94	7
-later than 1 year but not later than 5 years	307	-
	<b>401</b>	<b>7</b>

## 16. FINANCIAL INSTRUMENTS

### Cash

Cash comprises cash on hand and cash investments comprising term deposits, cash funds, and short term deposits. All cash is invested in accordance with the RAS's investment policy which seeks to minimise capital risk. The weighted average interest rate on term deposits was 2.42% (2016: 2.79%).

### Receivables

The majority of trade receivables as at 30 September 2017 are for future events. These amounts are payable before the event commences. As such the exposure to bad debts for the RAS is not significant.

### Trade Creditors and Accruals

Trade creditors and accruals are recognised once goods and services are received and whether or not invoiced. Amounts owed to suppliers are settled as specified in the RAS's trading terms.

### Loans Payable

Loans payable are recognised initially at fair value, subsequently measured at amortised cost using the effective interest method.

17. AUDITORS REMUNERATION	2017 (\$)	2016 (\$)
Amount received or due and receivable by Ernst & Young:		
Fees for auditing the financial report	90,324	88,488
Other assurance services	54,610	50,751
	<b>144,934</b>	<b>139,239</b>

## 18. RELATED PARTY TRANSACTIONS

The Office Bearers of the RAS as at this date are set out in this report. Apart from the Chief Executive, members of the Council serve without remuneration, but are eligible for reimbursement of travel and accommodation expenses (where applicable) when attending Council Meetings. Certain Councillors have declared an interest in the RAS's dealings with enterprises associated with them. These include Mr G Andrews (Australian Wool & Pastoral), Mr G Cochrane (Illawarra Cattle Society of Australia, Reg Cochrane Pastoral Pty Ltd), Mrs R Clubb (Elders Limited, Australian Wool Exchange Limited), Ms S Evans (Len Evans Tutorial), Mrs A Hamilton (AJM Livestock Solutions), Mr M MacCue (MacCue Trading Pty Ltd), Ms Y McKenzie (Agricultural Societies Council of NSW), Ms L Milan (Steggles, SunRice, Philip's Appliances, Murray Goulburn, Meat Livestock, Australian Pork), Mrs K Reidy (TAFE Western Sydney Institute), and Mr R Ryan (Schute Bell Badgery Lumby).

The RAS deals with other business enterprises associated with Councillors from time to time in the ordinary course of business. All dealings with businesses associated with Councillors are on arms' length commercial terms.

In the 2017 financial year, RAS donated \$260,000 (2016: \$260,000) to the RAS of NSW Rural Fund. Operating through three funds, the trustee is RAS of NSW Foundation Limited which comprises of five directors, four of whom are Councillors of the RAS of NSW and one is an independent director.

## DECLARATION BY THE BOARD

In accordance with a resolution of the Board of the Royal Agricultural Society of NSW, we state that:

- (a) the Society is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Royal Agricultural Society of NSW are in accordance with the Rules of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Society's financial position as at 30 September 2017 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 2(a) to the financial statements and complying with the *Australian Charities and Not-for-Profits Commission Regulation 2013*;
- (c) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

On behalf of the Board



R M Ryan, President  
13 December 2017



G Sharpe, Treasurer  
13 December 2017



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL AGRICULTURAL SOCIETY OF NSW

### OPINION

We have audited the financial report, being a special purpose financial report, of the Royal Agricultural Society of NSW (the "Society"), which comprises the statement of financial position as at 30 September 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration by the board of the Society (the "Board").

In our opinion, the accompanying financial report of the Society is in accordance with the Rules of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the Society's financial position as at 30 September 2017 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 2, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Society in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### EMPHASIS OF MATTER - BASIS OF ACCOUNTING

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Boards financial reporting responsibilities under the Rules of the Society and the *Australian Charities and Not-for-Profits*. Our opinion is not modified in respect of this matter.

### INFORMATION OTHER THAN THE FINANCIAL REPORT AND AUDITOR'S REPORT THEREON

The Board are responsible for the other information. The other information comprises the Corporate Governance Statement accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE BOARD FOR THE FINANCIAL REPORT

The Board of the Society are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the Rule of the Society and the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The Boards' responsibility also includes such internal control as they determine are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

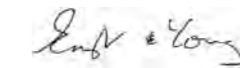
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Boards' use of the going

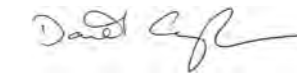
concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Daniel Cunningham  
Partner  
Sydney  
13 December 2017

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Royal Agricultural Society of NSW

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